

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas *As Engrossed: S3/5/99 S3/8/99 S3/17/99 S3/18/99 H4/2/99*

2 82nd General Assembly

# A Bill

3 Regular Session, 1999

SENATE BILL 755

4

5 By: Senators D. Malone, Mahony, Riggs, Roebuck, Russ, Argue

6 By: Representatives Broadway, *Cook*

7

8

9

## For An Act To Be Entitled

10 "AN ACT TO AMEND VARIOUS SECTIONS OF TITLE 6 AND TITLE  
11 26 OF THE ARKANSAS CODE RELATIVE TO FUNDING OF PUBLIC  
12 EDUCATION AND THE DETERMINATION OF THE UNIFORM RATE OF  
13 TAX; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES."

14

15

## Subtitle

16 "AN ACT TO AMEND VARIOUS SECTIONS OF  
17 TITLE 6 AND TITLE 26 OF THE ARKANSAS  
18 CODE RELATIVE TO FUNDING OF PUBLIC  
19 EDUCATION AND THE DETERMINATION OF THE  
20 UNIFORM RATE OF TAX."

21

22

23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

24

25 SECTION 1. Arkansas Code 6-20-101 is repealed:

26 ~~6-20-101. State Board of Education bonds used as security for deposit of~~  
27 ~~funds.~~

28 ~~Any bonds issued by the State Board of Education under authority of Acts~~  
29 ~~1937, No. 162 [repealed] shall be eligible to be used as security for the~~  
30 ~~deposit of public funds in any bank or trust company in the State of Arkansas~~  
31 ~~and shall be legal investments for banks, insurance companies, guardians,~~  
32 ~~administrators, executors, and public retirement funds.~~

33

34 SECTION 2. Arkansas Code 6-20-201 is repealed:

35 ~~6-20-201. Allocation of funds to districts -- Deduction.~~

36 ~~(a) All funds that would be allocated to school districts based upon the~~

1 ~~enumeration of students shall be allocated to school districts by~~  
2 ~~apportionment based on the average daily attendance or the average number of~~  
3 ~~students belonging to a district, whichever is used in allocating funds for~~  
4 ~~Minimum Foundation Program Aid funds from the Department of Education.~~

5 ~~(b) Expenditures for the county board of education budget may be~~  
6 ~~deducted from funds allocated each district under this section before~~  
7 ~~apportionment is made to each district by the county board of education.~~

8  
9 SECTION 3. Arkansas Code 6-20-203 is amended to read as follows:

10 "6-20-203. Public School Fund -- Creation and management.

11 (a) At the end of each fiscal year, the Treasurer of State shall  
12 transfer, to the credit of the Public School Fund, all unappropriated balances  
13 of the Land Sales Fund that have been or may be made to this state and are not  
14 otherwise appropriated by the terms of the grant, gift, or devise. Such  
15 balances shall be securely invested and preserved as the Public School Fund of  
16 the state and shall be the common property of the state for public school  
17 purposes only. The Public School Fund shall remain inviolate and intact, and  
18 the interest thereon only shall be expended for the maintenance of the schools  
19 of the state.

20 (b) All moneys belonging or owing to the Public School Fund, as  
21 mentioned in subsection (a) of this section or accruing as revenues therefrom,  
22 shall be paid directly into the State Treasury and shall not be paid out  
23 except on warrant of the Auditor of State.

24 ~~(c) The State Board of Education shall have the management and~~  
25 ~~investment of the Public School Fund belonging to the state and shall invest~~  
26 ~~the accumulation thereof in bonds of the United States, those of the State of~~  
27 ~~Arkansas issued since the year 1874, or those of any political subdivision of~~  
28 ~~the state which is authorized by law to borrow money and issue bonds therefor~~  
29 ~~and which has never defaulted in the payment of principal or interest on its~~  
30 ~~bonds.~~

31 ~~(d)~~(c) Under the direction of the State Board of Education, the Auditor  
32 of State shall draw his warrants on the Treasurer of State for the  
33 disbursement of those funds for such purposes.

34 ~~(e) All securities so invested in shall be kept in the State Treasury~~  
35 ~~for safekeeping, subject to the order of the State Board of Education."~~

36

1 SECTION 4. Arkansas Code 6-20-204 is amended to read as follows:

2 "6-20-204. Public School Fund -- Sources and purpose.

3 (a) The annual interest and income derived from the Public School Fund,  
4 the annual revenue of the state that is set apart by law for general purposes,  
5 and all other revenue and funds that may come into the State Treasury for such  
6 purposes shall constitute the Public School Fund of the state.

7 (b) Each year the Public School Fund shall be apportioned ~~to the several~~  
8 ~~counties of the state~~ for the support of public schools as provided by law."

9  
10 SECTION 5. Arkansas Code 6-20-207 is repealed:

11 ~~6-20-207. Public School Fund -- Aid to districts with orphanages.~~

12 ~~(a) The State Board of Education is directed to apportion funds each~~  
13 ~~year out of the Public School Fund to any public school district in the state~~  
14 ~~in which is located an institution which is a home for orphan or homeless~~  
15 ~~children to assist in the education of those children. Only children who are~~  
16 ~~regarded as permanent residents in the institution and whose school residence~~  
17 ~~is not legally in another district may be considered for aid.~~

18 ~~(b) The basis for determining the amount of aid shall be upon data for~~  
19 ~~the preceding fiscal year. For each child in average daily membership in the~~  
20 ~~public school from an orphan home, the State Board of Education shall~~  
21 ~~apportion three hundred dollars (\$300) or such proportion of this amount as~~  
22 ~~funds provided for this purpose by the General Assembly will permit.~~

23 ~~(c) To be eligible for aid under this section, a school district shall~~  
24 ~~submit a certified written application for such aid to the State Board of~~  
25 ~~Education before September 1 of each year. The application shall describe the~~  
26 ~~institution in question and shall include a list of the pupils from that~~  
27 ~~institution for the preceding school year, giving the grade, school, and the~~  
28 ~~number of days belonging to that institution of each child.~~

29  
30 SECTION 6. Arkansas Code 6-20-208 is repealed:

31 ~~6-20-208. Public School Fund -- Correction of apportionment upon change~~  
32 ~~of county lines.~~

33 ~~(a) Any county which shall fail to receive the school funds which should~~  
34 ~~justly be apportioned to it because of a change in county lines and whose~~  
35 ~~school attendance was reckoned with that of the county to which the funds may~~  
36 ~~be apportioned shall be reimbursed for the loss thus incurred on the first~~

1 ~~apportionment of the Public School Fund thereafter.~~

2 ~~(b) Any amount so refunded shall be deducted from the funds apportioned~~  
3 ~~to the counties which were the original recipients of the erroneously~~  
4 ~~apportioned funds.~~

5  
6 SECTION 7. Arkansas Code 6-20-209 is repealed:

7 ~~6-20-209. Public School Fund -- Vouchers drawn at times provided by~~  
8 ~~resolutions.~~

9 ~~The Director of General Education shall draw vouchers against the Public~~  
10 ~~School Fund for the purpose of making the per capita apportionment to school~~  
11 ~~districts, at such times as may be provided in resolutions adopted by the~~  
12 ~~State Board of Education.~~

13  
14 SECTION 8. Arkansas Code 6-20-211 is amended to read as follows:

15 "6-20-211. Public School Fund -- Carryover balances.

16 The State Board of Education shall have the authority to budget  
17 carryover balances in the Public School Fund. ~~However, the State Board of~~  
18 ~~Education shall first budget any carryover balances to fund allocations~~  
19 ~~designated by the Equitable School Finance System Act of 1995, § 6-20-301 et~~  
20 ~~seq., to ensure that the legislative intent of § 6-20-301 et seq. is fulfilled~~  
21 ~~before additional revenues are budgeted from carryover balances.~~

22  
23 SECTION 9. Arkansas Code 6-20-215 is amended to read as follows:

24 "6-20-215. General school fund -- Sources generally.

25 The general school fund of any county shall be composed of all money  
26 received from the Public School Fund of the state, such fines, penalties, and  
27 other money as shall be accrued to ~~such~~ the general school funds in accordance  
28 with the law, and any appropriation from the general revenue of the county for  
29 public school purposes."

30  
31 SECTION 10. Arkansas Code 6-20-303 is amended to read as follows:

32 "6-20-303. Definitions.

33 As used in this subchapter, unless the context otherwise requires:

34 (1) ~~'Alternative education program~~ learning environment' means an  
35 intervention program, in compliance with §§ 6-18-508 and 6-18-509, that seeks  
36 to eliminate traditional barriers to learning for students and includes a

1 component for the education of gifted and talented students;

2 (2) 'Additional base funding' means the state funding to local school  
3 districts to ensure that a local school district's total state and local  
4 revenue per average daily membership is no less than the minimum state and  
5 local revenue per average daily membership;

6 (3) 'Additional mills for maintenance and operation' means millage  
7 levied by the electors of a local school district for maintenance and  
8 operation in excess of those allocated to the uniform rate of tax;

9 (4) 'Average daily membership' means the total number of days attended  
10 plus the total number of days absent by students in grades kindergarten  
11 through twelve (K-12) during the first three (3) quarters of each school year,  
12 divided by the number of school days actually taught in the district during  
13 that period of time rounded up to the nearest hundredth. In those instances  
14 in which the average daily membership for less than three quarters is  
15 specified, the number of days used in the calculation shall be the days in the  
16 specified period of time. As applied to this subchapter, students who may be  
17 counted for average daily membership are;

18 (A) Students who reside within the boundaries of the school  
19 district and are enrolled within a public school operated by the district or a  
20 private school for special education students, with such attendance resulting  
21 from a written tuition agreement approved by the Department of Education;

22 (B) Legally transferred students living outside the district but  
23 attending a public school in the district; and

24 (C) Students who reside within the boundaries of the school  
25 district and are enrolled in the National Guard Youth Challenge Program, so  
26 long as the students are participants in the program.

27 (5) 'Base local revenue per student' means: (A) If Category 1 is fully  
28 funded, the local revenue per student in the local school district with the  
29 highest amount of local revenue per student; or (B) If Category 1 is not fully  
30 funded, the revenue per student to which the state equalizes, calculated by  
31 taking the sum of:

32 (i) The total available state aid for state equalization  
33 funding per student;

34 (ii) Ninety-eight percent (98%) of the uniform rate of tax  
35 times the total state-assessed valuation; and

36 (iii) Seventy-five percent (75%) of the average

1 miscellaneous funds collected in the previous five (5) years or previous year  
2 *whichever is less; and*

3 by dividing the sum by the total state average daily membership for the  
4 previous year;

5 ~~(6) 'Uniform rate of tax' means a uniform rate of ad valorem property~~  
6 ~~tax of twenty-five (25) mills to be levied on the assessed value of all~~  
7 ~~taxable real, personal, and utility property in the state to be used solely~~  
8 ~~for maintenance and operation of the schools. In calculating the uniform rate~~  
9 ~~of tax imposed by Article 14, § 3 of the Arkansas Constitution, as amended by~~  
10 ~~Amendments No. 11, 40, and 74, the following categories of millage may be~~  
11 ~~utilized to meet the minimum base millage requirement:~~

- 12 ~~(A) The local school district's maintenance and operation millage;~~
- 13 ~~(B) The dedicated maintenance and operation millage;~~
- 14 ~~(C) Excess debt service millage; and~~
- 15 ~~(D) The millage derived from the ratio of the debt service funding~~  
16 ~~supplements divided by the total assessment;~~

17 ~~(7)~~(6) 'Classroom teacher' means: (A) An individual required to hold a  
18 teaching license from the Department of Education, and who is engaged directly  
19 in instruction with students in a classroom setting for more than seventy  
20 percent (70%) of the individual's contracted time;

- 21 (B) A guidance counselor; or
- 22 (C) A librarian;

23 ~~(8)~~(7) 'Debt service funding supplement' means the state financial aid  
24 provided to qualifying local school districts for the purpose of reducing  
25 existing debt service burdens and increasing the amount of local revenue  
26 available for maintenance and operations expenditures, and calculated as  
27 follows: For each mill of eligible debt service millage required, the local  
28 school shall be provided a dollar amount of no less than fifteen dollars  
29 (\$15.00) per average daily membership times the state wealth index.

30 ~~(9)~~(8) 'Debt service millage' means the total number of mills voted by  
31 the electors of a school district to be pledged as security for the retirement  
32 of bonded indebtedness;

33 ~~(10)~~(9) 'Debt service millage required' means the calculated millage  
34 rate equal to the amount of millage pledged to mandatory callable bonds plus  
35 the result of the scheduled calendar year bonded debt payment divided by the  
36 total assessed value of real, personal, and utility property in the local

1 school district;

2 ~~(11)~~(10) 'Eligible debt service millage required' means, in the  
3 computation of the debt service funding supplement, the debt service millage  
4 required for bonds issued ~~on or before May 30, 1997, or bonds issued to refund~~  
5 ~~bonds issued on or before May 30, 1997, provided that such millage was~~  
6 ~~approved in a school election held on or before February 22, 1995~~ of each  
7 year;

8 ~~(12)~~(11) 'Excess debt service millage' means the difference between the  
9 debt service millage levied and the debt service millage required. This amount  
10 shall be presumed to be available for maintenance and operation, but may be  
11 used for other school purposes, provided that the district is in compliance  
12 with the uniform rate of tax;

13 ~~(13)~~(12) 'General facility funding' means the state financial aid  
14 provided to each local school district, from funds made available for that  
15 purpose based on a facilities needs assessment justification approved by the  
16 Department of Education, and calculated as follows: Multiply the local school  
17 district's average daily membership for the previous year times the state  
18 wealth index, times a rate established by the State Board of Education;

19 ~~(14)~~ 'Growth facility funding' means the state financial aid provided to  
20 ~~each local school district from funds made available for that purpose, based~~  
21 ~~upon a facilities needs assessment justification approved by the Department of~~  
22 ~~Education, and calculated as follows: Each local school district whose student~~  
23 ~~growth from the previous year to the first quarter of the current year exceeds~~  
24 ~~the state average daily membership growth may receive an amount up to such~~  
25 ~~average daily membership growth in the local school district times the ratio~~  
26 ~~of the total funds available for allocation, divided by the total increase in~~  
27 ~~students in those local school districts eligible for growth facility funding;~~

28 ~~(15)~~(13) 'Incentive funding' means the state financial aid provided to  
29 local school districts below the ninety-fifth percentile for the purpose of  
30 eliminating the incentive a local school district may have to reduce its  
31 additional mills available for maintenance and operations and calculated by  
32 taking one-half (1/2) of the difference between the amount of additional base  
33 funding a local school district would ~~receive~~ have received if it only levied  
34 the uniform rate of tax and the additional base funding the district receives  
35 in the current school year. For purposes of the calculation of the amount of  
36 additional base funding a district would ~~receive~~ have received if it only

1 levied the uniform rate of tax, twenty-five percent (25%) of the miscellaneous  
2 funds received by any local school district shall be excluded from the  
3 calculation;

4 ~~(16) 'Incentive funding II' means the state financial aid provided to~~  
5 ~~local school districts below the ninety-fifth percentile voting additional~~  
6 ~~mills available for maintenance and operations, not previously authorized,~~  
7 ~~after April 10, 1997 for the purpose of encouraging a local school district to~~  
8 ~~levy such mills and calculated by allowing a local school district to retain~~  
9 ~~fifty percent (50%) of the additional base funding it would otherwise lose as~~  
10 ~~a result of voting additional mills available for maintenance and operations;~~

11 ~~(17)~~ (14) 'Isolated funding' means the state financial aid provided to  
12 local school districts with an average daily membership of less than three  
13 hundred fifty (350) from funds made available for that purpose, and calculated  
14 as follows:

15 (A) ~~((350-Previous year's ADM)÷850)~~ times Previous year's ADM  
16 times the base local revenue per student;

17 (B) Local school districts with an ADM density of less than  
18 1.2 shall receive additional funds equal to fifty percent (50%) of aid  
19 received under subdivision ~~(17)~~ (A) of this section;

20 (C) For the purpose of calculating isolated funding, any  
21 ~~local school district that has a local revenue per student greater than one~~  
22 ~~hundred forty percent (140%) of the effective average local revenue per~~  
23 ~~student or that has an ADM density greater than 5.0 shall be excluded;~~  
24 provided, however, that if a local school district has a local revenue per  
25 student less than sixty percent (60%) of the effective average it shall  
26 receive isolated funding;

27 (D) No school district shall receive less isolated funding  
28 in future years than the district received during the 1996-1997 school year  
29 because of subdivision ~~(17)~~ (C) of this section;

30 ~~(18)~~ (15) 'Local revenue per student' means in each year, ninety-eight  
31 percent (98%) of the amount of revenue available, whether or not collected, in  
32 a local school district, solely from the levy of the uniform rate of tax, plus  
33 seventy-five percent (75%) of the average miscellaneous funds collected in the  
34 previous five (5) years or previous year whichever is less divided by the  
35 average daily membership of such local school district for the previous year;

36 ~~(19)~~ (16) 'Local school district' means a geographic area with an elected



1 board of directors which qualifies as a taxing unit for purposes of ad valorem  
2 property taxes under Title 26 and which conducts the daily affairs of public  
3 schools pursuant to the supervisory authority vested in them by the General  
4 Assembly;

5 ~~(20)~~(17) 'Local school district at the ninety-fifth percentile' means  
6 when ranking districts in descending order by the total state and local  
7 revenue per average daily membership, the district which falls at the ninety-  
8 fifth percentile of the total number of pupils in attendance in the schools of  
9 this state, as described by 34 C.F.R. § 222.63 (1994);

10 ~~(21)~~(18) 'Mandatory callable bonds' means a bond issue in which all net  
11 proceeds from debt service millage used to secure the issuance of that bond  
12 must be applied to payment of the issue and cannot be used for any other  
13 purpose;

14 ~~(22)~~(19) 'Minimum state and local revenue per average daily membership'  
15 means an amount no less than eighty percent (80%) of the total state and local  
16 revenue per average daily membership of the local school district at the  
17 ninety-fifth percentile;

18 ~~(23)~~(20) 'Miscellaneous funds' means those funds received by a local  
19 school district from federal forest reserves, federal grazing rights, federal  
20 mineral rights, federal impact aid, federal flood control, wildlife refuge  
21 funds, severance taxes, funds received by the district in lieu of taxes, and  
22 local sales and use taxes dedicated to education pursuant to § 26-74-201 et  
23 seq., § 26-74-301 et seq., § 26-75-301 et seq., and § 14-164-301 et seq.;

24 ~~(24)~~(21) 'Previous year' means the school year immediately preceding the  
25 school year in which funds are allocated;

26 ~~(25)~~(22) 'State equalization funding per student' means the amount of  
27 state financial aid per average daily membership for the previous year  
28 provided to each local school district, calculated by subtracting the local  
29 revenue per student from the base local revenue per student;

30 ~~(26)~~(23) 'State wealth index' means the result of one (1) minus the  
31 ratio of local revenue per student divided by state equalization funding per  
32 student;

33 ~~(27)~~(24) 'Student classroom teacher funding' means the state financial  
34 aid provided to each local school district, calculated as an amount equal to  
35 ~~one hundred twelve percent (112%), times one thousand six hundred and thirty-~~  
36 ~~three dollars (\$1,633) per~~ the amount allocated for student classroom teacher

1 funding divided by the total state average daily membership for the previous  
2 year times the receiving school district's average daily membership for the  
3 previous year;

4 ~~(28)~~(25) 'Student growth funding' means the amount of state financial  
5 aid provided to each local school district ~~not later than December 30 of each~~  
6 ~~year~~ from the funds made available for that purpose, calculated as the base  
7 local revenue per student multiplied by ~~eighty hundredths (0.80) times~~ the  
8 increase, if any, in such local school district's two quarter average of the  
9 ~~average daily membership for the first two quarters~~ of the current year over  
10 the local school district's average daily membership for the previous year;

11 ~~(29)~~(26) 'Student needs funding' means the amount of state financial aid  
12 provided to each local school district from available special education  
13 funding, vocational education funding, at-risk funding, isolated funding, and  
14 transportation aid and any other categories of student needs funding which may  
15 be subsequently identified pursuant to rules and regulations promulgated by  
16 the State Board of Education;

17 ~~(30)~~(27) 'Student unit funding' means the state financial aid provided  
18 to each local school district calculated as follows: By dividing the total  
19 funds available for textbook aid, alternative education, including gifted and  
20 talented education programs, restructuring, and staff development by the total  
21 state average daily membership for the previous year and multiplying by such  
22 local school district's average daily membership for the previous year;

23 ~~(31)~~(28) 'Total state and local revenue per average daily membership'  
24 means in each local school district, the amount calculated by taking the sum  
25 of:

26 (A) The local school district's uniform rate of tax times ninety-  
27 eight percent (98%) of the district's assessed valuation; and

28 (B) The local school district's additional mills for maintenance  
29 and operation times ninety-eight percent (98%) of the district's assessed  
30 valuation; and

31 (C) The local school district's miscellaneous funds; and

32 (D) State equalization funding, student classroom teacher funding,  
33 student unit funding, vocational funding, general facilities funding, and  
34 student growth funding available to such local school district; and  
35 by dividing by the average daily membership of the local school  
36 district.

1           (29) 'Uniform rate of tax' means a uniform rate of ad valorem property  
2 tax of twenty-five (25) mills to be levied on the assessed value of all  
3 taxable real, personal, and utility property in the state to be used solely  
4 for maintenance and operation of the schools. In calculating the uniform rate  
5 of tax imposed by Article 14, § 3 of the Arkansas Constitution, as amended by  
6 Amendments No. 11, 40, and 74, the following categories of millage may be  
7 utilized to meet the minimum base millage requirement:

8                   (A) The local school district's maintenance and operation millage;

9                   (B) The dedicated maintenance and operation millage;

10                  (C) Excess debt service millage; and

11                  (D) The millage derived from the ratio of the debt service funding  
12 supplements divided by the total assessment;

13           ~~(32)~~(30) 'Weighted average millage rate' means a millage rate calculated  
14 by taking the sum of:

15                   (A) The millage levied on real property times the real property  
16 assessment base; plus

17                   (B) The millage levied on personal property times the personal  
18 property assessment base; plus

19                   (C) The millage levied on utility property times the utility  
20 property assessment base; and

21           by dividing by the total assessed value on taxable real, personal,  
22 and utility property.'

23  
24           SECTION 11. Arkansas Code 6-20-307 is amended to read as follows:

25           "6-20-307. Facilities.

26           (a) ~~Beginning with the local 1996-97 school year, general~~ General  
27 facilities funding, growth facilities funding, isolated funding, and student  
28 growth shall be provided to local school districts from available funds in a  
29 line item appropriation within the Public School Fund.

30           (b) ~~(1)(A) Beginning with the local 1996-97 school year, the~~ The state  
31 shall provide from available funds a debt service funding supplement to  
32 qualifying local school districts for the purpose of reducing debt service  
33 burdens voted by the September 1994 school election, or a special school  
34 election ordered by a federal court and held before February 22, 1995, and  
35 issued before May 30, 1997 of each fiscal year, and increasing the amount of  
36 local revenue available for maintenance and operations expenditures.

1 ~~(B) As future money is made available for debt service~~  
2 ~~funding, either through increases in state funding or as existing debt~~  
3 ~~obligations decrease, priority will be given to local school districts which~~  
4 ~~meet need-assessment guidelines of the Department of Education and which did~~  
5 ~~not receive the debt service funding supplement during the 1996-97 school~~  
6 ~~year.~~

7 (2) The legislative intent is to continue providing a debt service  
8 funding supplement to qualifying local school districts through available  
9 funds in a line item appropriation within the Public School Fund."

10  
11 SECTION 12. Arkansas Code 6-20-308 is amended to read as follows:

12 "6-20-308. Department of Education to provide funding - Adjustments for  
13 overpayments.

14 (a) After determining the amount of state equalization funding, student  
15 classroom teaching funding, student unit funding, vocational funding, general  
16 facilities funding, and student growth funding available to each local school  
17 district, the Department of Education shall provide any additional base  
18 funding necessary to ensure that the total state and local revenue per average  
19 daily membership of each local school district is no less than the minimum  
20 state and local revenue per average daily membership. For the purposes of  
21 additional base funding, any questions as to what revenue shall be included  
22 will be determined by reference to 34 C.F.R. § 222.63 (1994).

23 (b) ~~[As enacted by Acts 1997, No. 1158.]~~ A school district shall not  
24 lose any ~~additional~~ state funding as a result of debt-service savings produced  
25 by refunding outstanding bonds provided that:

26 (1) The yearly savings produced by the refunding is deposited into  
27 a Refunding Savings Building Fund and is used by the district for the building  
28 and equipment of school buildings, major adaptations to a facility, purchasing  
29 sites therefor; and

30 (2) Prior to the date the refunding bonds are sold at public sale,  
31 the district submits a certificate to the Director of the Department of  
32 Education, ~~General Education Division,~~ certifying that the yearly debt-service  
33 savings will be used for the purposes described in this subsection.

34 ~~(b) [As enacted by Acts 1997, No. 1307.]~~ (c) If the Department of  
35 Education shall determine that an overpayment has been made to a local school  
36 district in any appropriation authorized by this subchapter, the Department of

1 Education is authorized to withhold the overpayment from state equalization  
2 funding and is authorized to transfer the amount withheld for the overpayment  
3 to the line item appropriation from which the overpayment was initially made.”  
4

5 SECTION 13. Arkansas Code 6-20-309 is amended to read as follows:

6 “6-20-309. Local school districts - Restrictions on use of specific  
7 funding.

8 (a) Local school districts may expend category 1 funds for student  
9 classroom teacher funding, student unit funding, and student needs funding.

10 (b) A local school district may only use general facilities funding for  
11 purchase of school buses, furniture, equipment, computer software, or  
12 renovation or repairs of existing facilities.

13 ~~(c) A local school district may only use growth facilities funding for~~  
14 ~~capital outlay, which means for the acquisition of land or a school site and~~  
15 ~~construction of new school facilities, or the costs associated with major~~  
16 ~~adaptations to a facility due to growth.~~

17 ~~(d)~~ (c) Local school districts may not use student classroom teacher  
18 funding to compensate anyone other than classroom teachers.”  
19

20 SECTION 14. Arkansas Code 6-20-311(c) is repealed:

21 ~~(c) If the enactment of this subchapter creates an unanticipated adverse~~  
22 ~~impact or an unexpected fiscal crisis for any local school district, the local~~  
23 ~~school district may appeal to the State Board of Education and the State Board~~  
24 ~~of Education may award the local school district financial relief from~~  
25 ~~available funds provided for this purpose.~~  
26

27 SECTION 15. Title 6, Chapter 20, Subchapter 3 of the Arkansas Code is  
28 amended to add the following section to be numbered by the Arkansas Code  
29 Revision Commission:

30 “Districts losing revenues.

31 (a) The Department of Education shall provide funding to local school  
32 districts from available funds to aid local school districts which have  
33 suffered a significant loss of revenues. The loss of revenues, considered  
34 under this section shall have occurred in a one (1) year period of time.  
35 Funding under this section shall only be for one (1) year and shall be  
36 considered non-restricted revenues included in the calculation of total state

1 and local funding per average daily membership.

2 (b) Under no circumstances may a school district receive both student  
3 growth funding and loss funding authorized by this section. If a school  
4 district qualifies for both student growth funding and loss funding, then the  
5 school district shall receive the greater of the two (2) amounts.

6 (c) The State Board of Education shall promulgate rules and  
7 regulations for the disbursement of available funds for local school  
8 districts' lost revenues."

9  
10 SECTION 16. Title 6, Chapter 20, Subchapter 3 of the Arkansas Code is  
11 amended to add the following section to be numbered by the Arkansas Code  
12 Revision Commission:

13 "Calculation and disbursement of funds authorized

14 (a) The Department of Education shall calculate the amount of funds  
15 authorized by this subchapter on three occasions during the year. The first  
16 of these shall be done at the beginning of the year. A second calculation  
17 shall occur at some point during the year, making corrections for clerical  
18 errors and student growth. The third of these calculations shall be done at  
19 the end of the year and shall settle all funding amounts due to school  
20 districts under this subchapter.

21 (b) The Department of Education shall, on or before July 1 of every  
22 year, set a schedule of payments of funds authorized under this subchapter to  
23 school districts.

24 (c) If statistical data required in this subchapter are not available  
25 at the time they are required for calculations or if the school program is  
26 disrupted for any cause not controlled by the local board of education, the  
27 State Board of Education shall cause procedures to be developed which will  
28 ensure that the provisions of this subchapter are properly enforced."

29  
30 SECTION 17. Arkansas Code 6-20-319 is amended to read as follows:

31 "6-20-319. Other requirements for state aid.

32 In order for a district to be entitled to state aid under the provisions  
33 of this subchapter, each district shall satisfy the following requirements:

34 (1) Expenditures for any fiscal year shall not exceed the legal  
35 revenues for that year;

36 (2) The district shall maintain such records and make such reports

1 relative to attendance, receipts, and disbursements, and other reports, as  
2 required by the Department of Education for the administration of this  
3 subchapter;

4 (3) The district shall maintain proper financial records in  
5 accordance with the state's school accounting manual and regulations  
6 promulgated by the State Board of Education;

7 (4) ~~(A) [Repealed].~~

8 ~~(B)~~ The district shall file with the State Board of  
9 Education annually a salary schedule for its certified employees which  
10 recognizes a minimum level of training and experience. This schedule shall  
11 reflect the actual pay practices of the district, including all fringe  
12 benefits. Salary increments for experience or education, or both, shall be  
13 identified on the schedule;

14 ~~(C) [Repealed].~~

15 (5) All pupil attendance records shall be kept in their original  
16 form and are made public records. They shall be kept ~~in ink~~, according to law  
17 and regulations, ~~and on forms,~~ paper or electronic, either furnished or  
18 approved by the Department of Education. Original attendance records shall be  
19 kept on file in the office of the superintendent of schools after the school  
20 term is ended, for a period of three (3) years, and these records shall be  
21 available for monitoring purposes during any day of the school term by the  
22 teachers or other persons designated to keep attendance."  
23

24 SECTION 18. Arkansas Code 6-20-322 is repealed:

25 ~~6-20-322. Enforcement mechanisms.~~

26 ~~(a)(1) If the Department of Education determines that a local school~~  
27 ~~district has levied a millage in excess of the incentive millage, the Director~~  
28 ~~of the Department of Education shall withhold from any available funds~~  
29 ~~otherwise distributable to the local school district under this subchapter an~~  
30 ~~amount equal to the revenues in excess of the incentive revenues.~~

31 ~~(2) This subsection shall not apply to the extent the application~~  
32 ~~would violate any federal court order or to the extent the application would~~  
33 ~~harm a district in fiscal distress.~~

34 ~~(b) For purposes of determining whether a local school district has~~  
35 ~~levied a millage in excess of the incentive millage, millage used to service~~  
36 ~~debt shall not be included.~~

1  
2 SECTION 19. Arkansas Code 6-20-323 is amended to read as follows:

3 "~~6-20-323. Targeted categories.~~ Special Needs Students.

4 (a) ~~Beginning with the 1997-98 school year, the~~ The Department of  
5 Education shall provide special assistance for ~~targeted categories~~ students  
6 with special needs to local school districts from available revenues ~~within a~~  
7 from line item appropriations in the Public School Fund.

8 (b) Funding for students with limited English proficiency shall be  
9 based upon actual students who have been identified based on the use of an  
10 English proficiency assessment instrument. These funds shall be distributed  
11 pro rata based upon the number of students identified as limited English  
12 proficient.

13 (c) Funding for special education -- catastrophic occurrences shall be  
14 based upon those individual cases where special education and related services  
15 required by the individualized education program of a particular student with  
16 disabilities are unduly expensive, extraordinary and/or beyond the routine and  
17 normal costs associated with special education and related services provided  
18 by a local school district.

19 (d) (1) Funding for students with low socio-economic status shall be  
20 based on students in kindergarten through grade one (1) living in areas with  
21 high concentrations of low income families or from low income families as  
22 indicated by eligibility for the free or reduced priced lunch program under  
23 the National School Lunch Act or any other act of the United States Congress.  
24 These funds shall be used only for early intervention strategies sanctioned  
25 by the Department of Education in reading and writing literacy or mathematics  
26 for students in pre-kindergarten through grade one (1).

27 (2) Funding for students with low socio-economic status shall only  
28 be funded through June 30, 2005.

29 (e) Funding for students in alternative learning environments shall be  
30 distributed either through grants, competitive or otherwise, or pro rata based  
31 upon the number of full time equivalent students participating in a non-  
32 traditional or flexible instructional program designed to improve student  
33 achievement in the core academic subjects which the students could not achieve  
34 in a regular classroom environment.

35 (b) (f) The State Board of Education shall promulgate rules and  
36 regulations for the disbursement of available funds for special needs students



1 ~~explicated in this section. for special assistance for the following targeted~~  
2 ~~categories:-~~

- 3 ~~(1) Students with limited English proficiency;~~
- 4 ~~(2) Catastrophic loss funding;~~
- 5 ~~(3) Catastrophic special education students; and~~
- 6 ~~(4) At-risk students."~~

7  
8 SECTION 20. Arkansas Code 6-20-324 is amended to read as follows:

9 "6-20-324. Incentive revenues to encourage local millage.

10 ~~(a) The General Assembly has determined that the provision of additional~~  
11 ~~base funding enacted in §§ 6-17-1001, 6-20-301, 6-20-312, 6-20-319, 6-20-322,~~  
12 ~~and 26-80-110 to meet the chancery court test for school finance equity may~~  
13 ~~encourage a local school district to refrain from levying additional mills~~  
14 ~~available for maintenance and operations because of the loss of additional~~  
15 ~~base funding.~~

16 ~~(b) The General Assembly has also determined that the provision of~~  
17 ~~additional base funding may encourage a local school district to reduce~~  
18 ~~additional mills available for maintenance and operations to receive~~  
19 ~~additional base funding or to receive more additional base funding than the~~  
20 ~~district currently receives.~~

21 ~~(c) Therefore, it is the intent of the General Assembly to address these~~  
22 ~~two (2) potential disincentives for raising or maintaining additional mills~~  
23 ~~available for maintenance and operations.~~

24 ~~(d) In order to address these potential disincentives, the General~~  
25 ~~Assembly shall provide two (2) types of incentive funding, incentive funding I~~  
26 ~~and incentive funding II, to local districts from available funds.~~

27 ~~(e) After the calculation and provision of additional base funding, the~~  
28 ~~Department of Education shall provide incentive funding I to local school~~  
29 ~~districts below the district at the ninety-fifth percentile to reward local~~  
30 ~~school districts for levying additional mills available for maintenance and~~  
31 ~~operations and to remove the potential disincentive for a local school~~  
32 ~~district to reduce its additional mills available for maintenance and~~  
33 ~~operations in order to receive additional base funding or to receive an~~  
34 ~~increase in additional base funding.~~

35 ~~(f) After the provision of incentive funding I, the Department of~~  
36 ~~Education shall provide incentive funding II to local school districts to~~

1 ~~encourage districts to levy additional mills available for maintenance and~~  
2 ~~operations without losing a proportionate amount of additional base funding~~  
3 ~~and to remove potential local disincentives created by the provision of~~  
4 ~~additional base funding."~~

5  
6 SECTION 21. Arkansas Code 6-20-601(d)(3) is amended to read as follows:

7 "(d)(3) Those school districts that qualify under this section and whose  
8 local revenue per student exceeds the base local revenue per student shall  
9 receive isolated funding calculated as follows: (Category I + Category II) = ±  
10 (base local revenue per student - local revenue per student) times previous  
11 year's ADM."

12  
13 SECTION 22. Arkansas Code 6-20-1205(c) is amended to read as follows:

14 "(c) In order to maintain the calculated basis for the uniform rate of  
15 tax, as specified in ~~§ 26-80-201 (5)~~ Title 26, Chapter 80 of the Arkansas  
16 Code, a bond approved by the State Board of Education or the Director of the  
17 State Department of Education, ~~General Education Division~~, must be issued by  
18 the following May 30. If the bond is not issued by the following May 30, the  
19 school district must reapply for approval prior to the issuance of the bonds."

20  
21 SECTION 23. Arkansas Code 6-20-1602(b) is amended to read as follows:

22 "(b) For purposes of this subchapter, a 'school district in fiscal  
23 distress' shall mean any school district that has:

- 24 (1) a steadily declining balance;  
25 (2) not complied with the audit requirements in Subchapter 3 of  
26 this Chapter;  
27 (3) failed to comply with a statute that automatically places the  
28 school district in fiscal distress; or  
29 (4) any other fiscal condition deemed to have a detrimental  
30 negative impact on continuation of educational services.

31 All of these determinations for fiscal distress, except for subsection  
32 (b)(3), shall be as defined by the Department of Education through rules and  
33 regulations promulgated by the State Board of Education."

34  
35 SECTION 24. Arkansas Code 26-80-201 is amended to read as follows:

36 "26-80-201. Calculation of the uniform rate of tax.

1           (a) Beginning with Calendar Year 1997, and each year thereafter,  
2 compliance with the uniform rate of tax shall be computed using the following  
3 method:

4                   (1)(A) By March 15 in each calendar year, the county clerk of each  
5 county shall transmit to the State Department of Education the abstract of  
6 assessment for the previous calendar year's assessments for collection in the  
7 current year.

8                   ~~(2)~~ (B) This abstract shall show, by class of property and  
9 value, the total assessment of each school district in the county and the  
10 millage rate charged, after all adjustments ordered by the county equalization  
11 board and the county court have been made.

12                   ~~(3)~~(2) By May 30 of each year, the State Department of Education  
13 shall certify scheduled bonded debt payments for each school district in the  
14 following three (3) categories:

15                           (A) The total scheduled bonded debt payment for the  
16 succeeding calendar year;

17                           (B) The total scheduled bonded debt payment for the  
18 succeeding calendar year on bonds issued prior to May 30 of each year; and

19                           (C) The total number of mills in categories (A) and (B)  
20 dedicated to mandatory callable bonds.

21                   ~~(4)~~ (3) By May 30 of each year, the State Department of Education  
22 shall certify average daily membership for the current school year.

23                   (4) All data collected under this subsection shall be the final  
24 data collected for the year unless there are clerical corrections to the data.

25                   ~~(5)~~(b) The initial compliance shall be calculated by taking the weighted  
26 average millage rate of the school district submitted by the county clerk  
27 minus the debt service millage required plus the millage derived from the  
28 ratio of the debt service funding supplements for the calendar year over the  
29 total assessment shown on the abstract of assessment.

30                           ~~(A)~~(1) If the result is less than the uniform rate of tax, then  
31 the result shall be adjusted up to the uniform rate of tax.

32                           ~~(B)~~(2) If the result is greater than the uniform rate of tax, then  
33 the difference between the result and the uniform rate of tax shall be  
34 considered additional mills for maintenance and operation. Any excess debt  
35 service millage considered additional mills for maintenance and operation may  
36 be used by the district for the purpose of paying the principal and interest

1 on indebtedness of the district and may be pledged for that purpose or any  
2 other school purpose.

3 ~~(6)~~(c) The Director of the State Department of Education, General  
4 Education Division, shall report to the county clerks and the individual  
5 school districts by June 15 of each year the required increase, if any, in  
6 total millage necessary to comply with the uniform rate of tax and shall  
7 designate the millage rates proposed to be used to calculate the uniform rate  
8 of tax. Whenever an increase is required, the notification shall include an  
9 explanation for the increase.

10 ~~(7)~~(d) By November 1 of each year, the county clerk of each county in  
11 which a reappraisal of real, personal, and utility property has been completed  
12 that could initiate a rollback of millage rates, or in which equalization of  
13 the real, personal, and utility millage rates has not taken place, shall  
14 notify the Director of the State Department of Education, General Education  
15 Division, of the possibility of such rollback or additional rollback taking  
16 place. If a county will experience a rollback in millages due to Amendment  
17 No. 59, a new compliance calculation shall be done to reflect the effect of  
18 the rollback. However, if a county is not going to experience a rollback,  
19 then the initial calculation in subsection (b) above shall be the final  
20 calculation.

21 ~~(8)~~(e) Pursuant to the application of Amendment No. 74 to the rollback  
22 provisions of Amendment No. 59, for millage rates levied by the various school  
23 districts within the county, if it is determined that the adjustment or  
24 rollback of millages as provided in Amendment No. 59 will result in a tax rate  
25 available for maintenance and operation of less than the uniform rate of tax,  
26 then the millage shall be rolled back only to the uniform rate of tax plus  
27 debt service millage required and no further."

28  
29 SECTION 25. Arkansas Code 26-80-204 is amended to read as follows:

30 "26-80-204. Definitions.

31 As used in this subchapter and subchapter 1 of this chapter:

32 (1) 'Additional mills for maintenance and operation' means millage  
33 levied by the electors of a local school district for maintenance and  
34 operation in excess of those allocated to the uniform rate of tax.

35 (2) 'Available for maintenance and operation millages' means millage  
36 levied for maintenance and operation, millage levied as dedicated maintenance

1 and operation millage, excess debt service millage, and the millage derived  
2 from the ratio of debt service funding supplements divided by the total  
3 assessment, which may be included in the calculation for the uniform rate of  
4 tax as specified in ~~§ 26-80-201 (5)~~ this subchapter, if needed.

5 (3) 'Average daily membership (ADM)' means the total number of days  
6 attended plus the total number of days absent by students in grades  
7 kindergarten through twelve (K-12) during the first three (3) quarters of each  
8 school year divided by the number of school days actually taught in the  
9 district during that period of time rounded up to the nearest hundredth.

10 (4) 'Base local revenue per student (BLRPS)' means: As applied under Act  
11 917 of 1995, as such may be amended from time to time, if Category 1 is fully  
12 funded, the local revenue per student in the local school district with the  
13 highest amount of local revenue per student. If Category 1 is not fully  
14 funded, the revenue per student to which the state equalizes calculated by  
15 taking the sum of:

16 (A) The total available state aid for state equalization funding  
17 per student;

18 (B) Ninety-eight percent (98%) of the uniform rate of tax times  
19 the total state assessed valuation; and

20 (C) Seventy-five percent (75%:) of the average miscellaneous funds  
21 collected in the previous five (5) years or the previous year, whichever is  
22 less; and by dividing the sum by the total state ADM for the previous year.

23 (5) 'Debt service funding supplements (DSFS)' means the state financial  
24 aid provided to qualifying local school districts for the purpose of reducing  
25 existing debt service burdens and increasing the amount of local revenue  
26 available for maintenance and operation expenditures and calculated as  
27 follows: for each mill of eligible debt service millage required, the local  
28 school shall be provided a dollar amount of no less than fifteen dollars  
29 (\$15.00) per ADM times the state wealth index.

30 (6) 'Debt service millage' means the total number of mills voted by the  
31 electors of a school district to be pledged as security for the retirement of  
32 bonded indebtedness.

33 (7) 'Debt service millage required (DSMR)' means the calculated millage  
34 rate equal to the amount of millage pledged to mandatory callable bonds plus  
35 the result of the scheduled calendar year bonded debt payment divided by the  
36 total assessed value of real, personal, and utility property in the local

1 school district.

2 (8) 'Eligible debt service millage required' means, in the computation  
3 of the debt service funding supplement, the debt service millage required for  
4 bonds issued ~~on or before May 30, 1997, or bonds issued to refund bonds issued~~  
5 ~~on or before May 30, 1997, provided that such millage was approved in a school~~  
6 ~~election held on or before February 22, 1995~~ of each year.

7 (9) 'Excess debt service millage' means the difference between the debt  
8 service millage levied and the debt service millage required. This amount  
9 shall be presumed to be available for maintenance and operation, but may be  
10 used for other school purposes, provided that the district is in compliance  
11 with the uniform rate of tax.

12 (10) 'Local revenue per student (LRPS)' means: As applied under Act 917  
13 of 1995, as such may be amended from time to time, in each year ninety-eight  
14 percent (98%) of the amount of revenue available, whether or not collected, in  
15 a local school district, solely from the levy of the uniform rate of tax plus  
16 seventy-five percent (75%) of the average miscellaneous funds collected in the  
17 previous five (5) years or the previous year, whichever is less, divided by  
18 the ADM of such local school district for the previous year.

19 (11) 'Mandatory callable bonds (MCB)' means a bond issue in which all  
20 net proceeds from debt service millage used to secure the issuance of that  
21 bond must apply to payment of the issue and cannot be used for any other  
22 purpose.

23 (12) 'Miscellaneous funds' means those funds received by a local school  
24 district from federal forest reserves, federal grazing rights, federal mineral  
25 rights, federal impact aid, federal flood control, wildlife refuge funds,  
26 severance taxes, funds received by the district in lieu of taxes, and local  
27 sales and use tax dedicated to education pursuant to § 26-74-201 et seq., §  
28 26-74-301 et seq., and § 14-164-301 et seq.

29 (13) 'Net revenues' means actual revenues from taxes due and owing after  
30 January 1, 1997, rounded to the nearest one hundredth (0.01) minus any  
31 commission fees authorized by law to be collected or withheld for later  
32 distribution by the county offices. No additional fees shall be charged for  
33 transmittal or redistribution of funds by any county or state office in  
34 carrying out the procedures established to comply with the requirements of  
35 Amendment No. 74.

36 (14) 'Previous year' means the school year immediately preceding the

1 school year in which funds are allocated.

2 (15) 'State equalization funding per student (SEFPS)' means: As applied  
3 under Act 917 of 1995, as such may be amended from time to time, the amount of  
4 state financial aid per ADM for the previous year provided to each local  
5 school district calculated by subtracting the local revenue per student from  
6 the base local revenue per student.

7 (16) 'State wealth index' means the result of one (1) minus the ratio of  
8 local revenue per student divided by state equalization funding per student.

9 (17) 'Uniform rate of tax' means a uniform rate of ad valorem property  
10 tax of twenty-five (25) mills to be levied on the assessed value of all  
11 taxable real, personal, and utility property in the state to be used solely  
12 for maintenance and operation of the schools. In calculating the uniform rate  
13 of tax imposed by Article 14, § 3 of the Arkansas Constitution, as amended by  
14 Amendment Nos. 11, 40, and 74, the following categories of millage may be  
15 utilized to meet the minimum base millage requirement:

- 16 (A) The local school district's maintenance and operation millage;
- 17 (B) The dedicated maintenance and operation millage;
- 18 (C) Excess debt service millage;
- 19 (D) The millage derived from the ratio of the debt service funding  
20 supplements divided by the total assessment.

21 ~~(17)~~(18) 'Weighted average millage rate (WAMR)' means a millage rate  
22 calculated by taking the sum of:

- 23 (A) The millage levied on real property times the real property  
24 assessment base; plus
- 25 (B) The millage levied on personal property times the personal  
26 property assessment base; plus
- 27 (C) The millage levied on utility property times the utility  
28 property assessment base; and dividing by the total assessed value on taxable  
29 real, personal, and utility property.'

30

31 SECTION 26. Arkansas Code 26-80-205 is amended to read as follows:

32 "26-80-205. Establishment of compliance.

33 Compliance with the uniform rate of tax shall be established by the  
34 ~~Arkansas~~ Department of Education in coordination with the Assessment

35 ~~Coordination Division of the Arkansas Public Service Commission.~~ Department."

36

1 SECTION 27. Arkansas Code 26-80-206(c) is amended to read as follows:

2 "(c) Any school district, with approval of the electors of that district  
3 at the annual school election, when voting for a new tax for the retirement of  
4 debt, may request a tax levy that includes mills greater than the amount  
5 required to service the debt. Excess debt service millage in the new tax levy  
6 for the retirement of debt may be used in calculations, as specified in ~~§ 26-~~  
7 ~~80-201 (5)~~ under Title 26 Chapter 80 of the Arkansas Code Annotated, of the  
8 uniform rate of tax or available for maintenance and operation. Any excess  
9 debt service millage considered additional mills for maintenance and operation  
10 may be used by the district for the purpose of paying the principal and  
11 interest on bonds of the district and may be pledged for that purpose,  
12 provided that the district is in compliance with the uniform rate of tax."  
13

14 SECTION 28. THIS SECTION IS NOT TO BE INCORPORATED INTO THE ARKANSAS  
15 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.

16 Phase out of new growth facilities.

17 (a) For the 1999-2001 biennium 'growth facility funding' means the  
18 state financial aid provided to each local school district from funds made  
19 available for that purpose, based upon a facilities needs assessment  
20 justification approved by the Department of Education, and calculated as  
21 follows: Each local school district whose student growth from the previous  
22 year to the first quarter of the current year exceeds the state average daily  
23 membership growth may receive an amount up to such average daily membership  
24 growth in the local school district times the ratio of the total funds  
25 available for allocation, divided by the total increase in students in those  
26 local school districts eligible for growth facility funding.

27 (b) The ratio in subsection (a) above shall not exceed one thousand  
28 five hundred dollars (\$1,500) for either year of the biennium. If the state  
29 average daily membership growth rate is less than zero percent (0%), then  
30 growth facilities funding shall be calculated as though the state average  
31 daily membership growth rate was zero percent (0%).

32 (c) Any school district that still has monies from growth facilities  
33 funding as it existed prior to this act or because of this section may  
34 transfer those monies to be used for the purpose that monies from general  
35 facilities funding may be used.

36 (d) It is the intent of this section to completely phase out the



1 funding category known as growth facilities funding at the end of the 1999-  
2 2001 biennium. It is also the intent of this section that the funds available  
3 for growth facilities funding in the 1999-2000 school year shall be equal to  
4 fifty percent (50%) of the funds available for growth facilities funding in  
5 the 1998-1999 school year; and, in the 2000-2001 school year, the funds  
6 available for growth facilities funding shall be equal to twenty-five percent  
7 (25%) of the funds available for growth facilities funding in the 1998-1999  
8 school year.

9  
10 SECTION 29. All provisions of this act of a general and permanent  
11 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas  
12 Code Revision Commission shall incorporate the same in the Code.

13  
14 SECTION 30. If any provision of this act or the application thereof to  
15 any person or circumstance is held invalid, such invalidity shall not affect  
16 other provisions or applications of the act which can be given effect without  
17 the invalid provision or application, and to this end the provisions of this  
18 act are declared to be severable.

19  
20 SECTION 31. All laws and parts of laws in conflict with this act are  
21 hereby repealed.

22  
23 SECTION 33. EMERGENCY CLAUSE. It is hereby found and determined by the  
24 Eighty-second General Assembly that changes to the distribution of public  
25 school funds must take effect at the time that appropriations become effective  
26 and that not to do so would create confusion in the state's public school  
27 districts. Therefore, an emergency is declared to exist and this act being  
28 immediately necessary for the preservation of the public peace, health and  
29 safety shall become effective on July 1, 1999.

30 /s/ D. Malone  
31  
32  
33  
34  
35  
36