

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 83rd General Assembly
3 Regular Session, 2001

A Bill

HOUSE BILL 1101

4
5 By: Representative Hendren
6
7

For An Act To Be Entitled

9 AN ACT TO CHANGE THE USAGE AND DEFINITION OF AVERAGE
10 DAILY MEMBERSHIP TO AVERAGE DAILY ATTENDANCE IN SCHOOL
11 FUNDING; AND FOR OTHER PURPOSES.
12

Subtitle

13 AN ACT TO CHANGE THE USAGE AND
14 DEFINITION OF AVERAGE DAILY MEMBERSHIP
15 TO AVERAGE DAILY ATTENDANCE IN SCHOOL
16 FUNDING.
17
18
19

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
21

22 SECTION 1. Arkansas Code 6-10-108(d) pertaining to a twelve (12) month
23 school year is amended to read as follows:

24 (d) The State Board of Education is authorized to establish appropriate
25 standards, guidelines, rules, and regulations for the determination of average
26 daily ~~membership~~ attendance of school districts and for the distribution of
27 state equalization aid and other forms of state aid and financial assistance
28 to each local school district that elects to operate the public schools of the
29 district on a twelve-month basis, in order to provide the district with an
30 equitable share of the aid funds designated to equate a twelve-month school
31 operation by the district to the educational opportunities provided by a
32 district offering nine (9) months of public school instruction. Provided,
33 however, the school district shall not receive any more state financial aid
34 for offering twelve (12) months of public school instruction than it would
35 have received for offering nine (9) months of public school instruction.
36

1 SECTION 2. Arkansas Code 6-10-117(d)(1) pertaining to a four-day school
2 week is amended to read as follows:

3 (d)(1) The State Board of Education shall establish appropriate
4 standards, guidelines, rules, and regulations for the determination of average
5 daily ~~membership~~ attendance of school districts and for the distribution of
6 state aid to each local school district that elects to operate any or all of
7 the public schools of its district on a four-day school-week basis, to provide
8 the district with an equitable share of aid funds designated to equate a four-
9 day school-week operation by the district to the educational opportunities
10 provided by a district offering a five-day school week.

11
12 SECTION 3. Arkansas Code 6-18-205(a)(2) pertaining to liability for
13 attendance in another school district is amended to read as follows:

14 (2) Such students shall be counted in the receiving district's average
15 daily ~~membership~~ attendance and not in the average daily ~~membership~~ attendance
16 of the district of residence.

17
18 SECTION 4. Arkansas Code 6-18-206(f) pertaining to the public school
19 choice is amended to read as follows:

20 (f) For purposes of determining a school district's state equalization
21 aid, the nonresident student shall be counted as a part of the average daily
22 ~~membership~~ attendance of the district to which the student has transferred.

23
24 SECTION 5. Arkansas Code 6-18-307(c) pertaining to transfers to an
25 adjoining school district is amended to read as follows:

26 (c) The transfer of any child or children from one district to another
27 as permitted herein shall constitute a transfer of the legal responsibility
28 for the education of the child or children to the receiving district, and the
29 child or children shall be included in the average daily ~~membership~~ attendance
30 of the receiving district for state aid purposes.

31
32 SECTION 6. Arkansas Code 6-18-316(d) pertaining to transfers on
33 petition of the student is amended to read as follows:

34 (d) This legal transfer of a student from one (1) district to another
35 places the responsibility for the education of the student on the receiving
36 district and permits the receiving district to count these children in average

1 daily membership attendance for state aid purposes.

2

3 SECTION 7. Arkansas Code 6-20-216 is amended to read as follows:

4 6-20-216. General school fund - Apportionment generally. ~~[Effective~~
5 ~~July 1, 2000.]~~

6 The county quorum court shall apportion the general school fund of the
7 county based upon the average daily membership attendance of the districts
8 within the county. Each school district within the county shall receive its
9 pro rata share of the general school fund of the county.

10

11 SECTION 8. Arkansas Code 6-20-303 pertaining to definitions in the
12 Equitable School Finance System Act of 1995 is amended to read as follows:

13 6-20-303. Definitions.

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

15 (1) "Additional base funding" means the state funding to local school
16 districts to ensure that a local school district's total state and local
17 revenue per average daily membership attendance is no less than the minimum
18 state and local revenue per average daily membership attendance;

19 (2) "Additional mills for maintenance and operation" means millage
20 levied by the electors of a local school district for maintenance and
21 operation in excess of those allocated to the uniform rate of tax;

22 (3) "Alternative learning environment" means an intervention program,
23 in compliance with §§ 6-18-508 and 6-18-509, that seeks to eliminate
24 traditional barriers to learning for students and includes a component for the
25 education of gifted and talented students;

26 ~~(4) "Average daily membership" means the total number of days attended~~
27 ~~plus the total number of days absent by students in grades kindergarten~~
28 ~~through twelve (K-12) during the first three (3) quarters of each school year,~~
29 ~~divided by the number of school days actually taught in the district during~~
30 ~~that period of time rounded up to the nearest hundredth. In those instances in~~
31 ~~which the average daily membership for less than three (3) quarters is~~
32 ~~specified, the number of days used in the calculation shall be the days in the~~
33 ~~specified period of time. As applied to this subchapter, students who may be~~
34 ~~counted for average daily membership are:~~

35 ~~(A) Students who reside within the boundaries of the school~~
36 ~~district and who are enrolled in a public school operated by the district or a~~

1 ~~private school for special education students, with their attendance resulting~~
2 ~~from a written tuition agreement approved by the Department of Education;~~

3 ~~(B) Legally transferred students living outside the district but~~
4 ~~attending a public school in the district; and~~

5 ~~(C) Students who reside within the boundaries of the school~~
6 ~~district and who are enrolled in the Arkansas National Guard Youth Challenge~~
7 ~~Program, so long as the students are participants in the program;~~

8 (4) "Average daily attendance" means the sum of the days attended by
9 all students in grades kindergarten through twelve (K-12) inclusive, divided
10 by the days of school actually taught during the first three (3) quarters of
11 each school year. As applied to this subchapter, students who may be counted
12 for average daily attendance are:

13 (A) Students who reside within the boundaries of the school
14 district and who are enrolled in a public school operated by the district or a
15 private school for special education students, with their attendance resulting
16 from a written tuition agreement approved by the Department of Education; and

17 (B) Legally transferred students living outside the district but
18 attending school in the district;

19 (5) "Base local revenue per student" means:

20 (A) If Category 1 is fully funded, the local revenue per student
21 in the local school district with the highest amount of local revenue per
22 student; or

23 (B) If Category 1 is not fully funded, the revenue per student to
24 which the state equalizes, which is calculated by taking the sum of:

25 (i) The total available state aid for state equalization
26 funding per student;

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

29 (iii) Seventy-five percent (75%) of the average
30 miscellaneous funds collected in the previous five (5) years or previous year
31 whichever is less;

32 and by dividing the sum by the total state average daily ~~membership~~ attendance
33 for the previous year;

34 (6) "Classroom teacher" means:

35 (A) An individual who is required to hold a teaching license from
36 the Department of Education and who is engaged directly in instruction with

1 students in a classroom setting for more than seventy percent (70%) of the
2 individual's contracted time;

3 (B) A guidance counselor; or

4 (C) A librarian;

5 (7) "Debt service funding supplement" means the state financial aid
6 provided to qualifying local school districts for the purpose of reducing
7 existing debt service burdens and increasing the amount of local revenue
8 available for maintenance and operations expenditures and calculated as
9 follows: For each mill of eligible debt service millage required, the local
10 school shall be provided a dollar amount of no less than fifteen dollars
11 (\$15.00) per average daily ~~membership~~ attendance times the state wealth index;

12 (8) "Debt service millage" means the total number of mills voted by the
13 electors of a school district to be pledged as security for the retirement of
14 bonded indebtedness;

15 (9) "Debt service millage required" means the calculated millage rate
16 equal to the amount of millage pledged to mandatory callable bonds plus the
17 result of the scheduled calendar year bonded debt payment divided by the total
18 assessed value of real, personal, and utility property in the local school
19 district;

20 (10) "Eligible debt service millage required" means, in the computation
21 of the debt service funding supplement, the debt service millage required for
22 bonds issued before May 30 of each year;

23 (11) "Excess debt service millage" means the difference between the
24 debt service millage levied and the debt service millage required. This amount
25 shall be presumed to be available for maintenance and operation but may be
26 used for other school purposes provided that the district is in compliance
27 with the uniform rate of tax;

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

34 (13) "Incentive funding" means the state financial aid provided to
35 local school districts below the ninety-fifth percentile for the purpose of
36 eliminating the incentive a local school district may have to reduce its

1 additional mills available for maintenance and operations and which is
2 calculated by taking one-half (1/2) of the difference between the amount of
3 additional base funding a local school district would have received if it had
4 only levied the uniform rate of tax and the additional base funding the
5 district receives in the current school year. For purposes of the calculation
6 of the amount of additional base funding a district would have received if it
7 had only levied the uniform rate of tax, twenty-five percent (25%) of the
8 miscellaneous funds received by any local school district shall be excluded
9 from the calculation;

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

14 (A) $(350 - \text{Previous year's average daily } \del{membership} \text{ attendance})$
15 divided by 850 times previous year's average daily ~~membership~~ attendance times
16 the base local revenue per student;

17 (B) Local school districts with an average daily ~~membership~~
18 attendance density of less than one and two tenths (1.2) shall receive
19 additional funds equal to fifty percent (50%) of aid received under
20 subdivision (14)(A) of this section;

21 (C) For the purpose of calculating isolated funding, any local
22 school district that has an average daily ~~membership~~ attendance density
23 greater than 5.0 shall be excluded. Provided, however, if a local school
24 district has a local revenue per student less than sixty percent (60%) of the
25 effective average, it shall receive isolated funding; and

26 (D) No school district shall receive less isolated funding in
27 future years than the district received during the 1996-1997 school year
28 because of subdivision (14)(C) of this section;

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

36 (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 § 26-1-101 et seq. and which board conducts the daily
 3 affairs of public schools pursuant to the supervisory authority vested in it
 4 by the General Assembly;

5 (17) "Local school district at the ninety-fifth percentile" means, when
 6 ranking districts in descending order by the total state and local revenue per
 7 average daily ~~membership~~ attendance, a 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 (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 (19) "Minimum state and local revenue per average daily ~~membership~~
 15 attendance" means an amount no less than eighty percent (80%) of the total
 16 state and local revenue per average daily ~~membership~~ attendance of the local
 17 school district at the ninety-fifth percentile;

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

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

26 (22) "State equalization funding per student" means the amount of state
 27 financial aid per average daily ~~membership~~ attendance 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 (23) "State wealth index" means the result of one (1) minus the ratio
 31 of local revenue per student divided by state equalization funding per
 32 student;

33 (24) "Student classroom teacher funding" means the state financial aid
 34 provided to each local school district calculated as an amount equal to the
 35 amount allocated for student classroom teacher funding divided by the total
 36 state average daily ~~membership~~ attendance for the previous year times the

1 receiving school district's average daily ~~membership~~ attendance for the
2 previous year;

3 (25) "Student growth funding" means the amount of state financial aid
4 provided to each local school district from the funds made available for that
5 purpose calculated as the base local revenue per student multiplied by the
6 increase, if any, in the local school district's two-quarter average of the
7 average daily ~~membership~~ attendance of the current year over the local school
8 district's average daily ~~membership~~ attendance for the previous year;

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

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

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

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

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

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

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

36 (29) "Uniform rate of tax" means a uniform rate of ad valorem property

1 tax of twenty-five (25) mills to be levied on the assessed value of all
2 taxable real, personal, and utility property in the state to be used solely
3 for the maintenance and operation of the schools. In calculating the uniform
4 rate of tax imposed by Arkansas Constitution, Article 14, § 3, as amended by
5 Amendments 11, 40, and 74, the following categories of millage may be utilized
6 to meet the minimum base millage requirement:

7 (A) The local school district's maintenance and operation
8 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
12 funding supplements divided by the total assessment; and

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

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

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;

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

23

24 SECTION 9. Arkansas Code 6-20-308(a)(1) pertaining to school funding
25 is amended to read as follows:

26 (a)(1) After determining the amount of state equalization funding,
27 student classroom teacher funding, student unit funding, vocational funding,
28 general facilities funding, and student growth funding available to each local
29 school district, the Department of Education shall provide any additional base
30 funding necessary to ensure that the total state and local revenue per average
31 daily ~~membership~~ attendance of each local school district is no less than the
32 minimum state and local revenue per average daily ~~membership~~ attendance.

33

34 SECTION 10. Arkansas Code 6-20-310(2) and (3) pertaining to required
35 expenditures of a local school district are amended to read as follows:

36 (2) Local school districts shall expend from state and local revenues

1 not less than the following amounts on alternative education programs in
2 accordance with rules and regulations promulgated by the State Board of
3 Education: The previous year's average daily ~~membership~~ attendance
4 participating in alternative education, up to two percent (2%) of the previous
5 year's average daily ~~membership~~ attendance, multiplied by fifteen one-
6 hundredths (0.15) times the base local revenue per student; and

7 (3) Local school districts shall expend from state and local revenues
8 not less than the following amounts on gifted and talented programs, in
9 accordance with rules and regulations promulgated by the board: The previous
10 year's average daily ~~membership~~ attendance participating in gifted and
11 talented programs, up to five percent (5%) of the previous year's average
12 daily ~~membership~~ attendance, multiplied by fifteen one-hundredths (0.15) times
13 the base local revenue per student.

14
15 SECTION 11. Arkansas Code 6-20-325(c)(1) pertaining to funding for
16 natural disaster areas is amended to read as follows:

17 (c)(1) Funding shall be provided for two (2) years, based on the loss
18 in revenues from the loss in average daily ~~membership~~ attendance in the first
19 year subsequent to the natural disaster as compared to the year in which the
20 natural disaster occurred.

21
22 SECTION 12. Arkansas Code 6-20-326(a) pertaining to funding for
23 districts losing revenue is amended to read as follows:

24 (a) The Department of Education shall provide funding to local school
25 districts from available funds to aid local school districts which have
26 suffered a significant loss of revenues. The loss of revenues considered under
27 this section shall have occurred in a one-year period. Funding under this
28 section shall only be for one (1) year and shall be considered nonrestricted
29 revenues included in the calculation of total state and local funding per
30 average daily ~~membership~~ attendance.

31
32 SECTION 13. Arkansas Code 6-20-504(b)(1) pertaining to children living
33 in foster homes is amended to read as follows:

34 (b)(1) In those instances in which a child living in a foster home
35 attends a public school in a school district in which the foster family home
36 or child care facility is located but, during the previous school year,

1 attended another school district in this state which, due to the average daily
2 ~~membership~~ attendance of that child during the previous school year, receives
3 state equalization aid and other state aid and federal funds for or in behalf
4 of the education of the child during the current school year, the school
5 district in which the foster child is a student may make application to the
6 other school district receiving state and federal funds for the education of
7 the child to remit the pro rata part of such state, federal, and local funds
8 available for the education of the child, including special education funds if
9 the foster child is a child with disabilities, to the school district in which
10 the foster child is now a student.

11

12 SECTION 14. Arkansas Code 6-20-601(b) through (e) pertaining to
13 isolation funding is amended to read as follows:

14 (b) An isolated school district shall be eligible to receive isolated
15 funding if:

16 (1) The district's budget is prepared by the local district with
17 Department of Education approval;

18 (2) The district has an average daily ~~membership~~ attendance of
19 less than three hundred fifty (350); and

20 (3) The district meets the minimum standards for accreditation of
21 public schools prescribed by law and regulation.

22 (c) Any school district designated as an isolated school district for
23 the 1996-1997 fiscal year that used geographic barriers as one (1) of the four
24 (4) criteria necessary to receive isolated funding shall be allowed to
25 continue to use geographic barriers as a criterion for future allocations of
26 isolated funding.

27 (d)(1) State financial aid in the form of isolated funding shall be
28 provided to local school districts qualifying under this section and shall be
29 calculated as follows:

30 $(350 - \text{Previous year's ADM average daily attendance}) \div 850$
31 ~~Previous~~ times the previous year's ADM average daily attendance times the base
32 local revenue per student.

33 (2) There shall be two (2) categories of isolated funding:

34 (A) Category I isolated funding shall be provided to all
35 school districts that qualify under this section; and

36 (B) Category II isolated funding shall be further provided

1 to those school districts that qualify under this section and have an ~~ADM~~ ADA
2 density ratio of less than 1.2 students per square mile and shall be
3 calculated at fifty percent (50%) of Category I funding.

4 (3) Those school districts that qualify under this section and
5 whose local revenue per student exceeds the base local revenue per student
6 shall receive isolated funding calculated as follows:

7 $(\text{Category I} + \text{Category II}) = (\text{base local revenue per student} - \text{local revenue}$
8 $\text{per student}) \text{ times previous year's average daily } \del{\text{membership}} \text{ attendance.}$

9 (e) No school district which may qualify under other law to receive
10 additional state aid because its average daily ~~membership~~ attendance is less
11 than three hundred fifty (350) shall be eligible to receive funding under this
12 section except that a district qualifying under other law for such aid and
13 qualifying for funds under this section may elect to receive funds under this
14 section in lieu of aid under the other.

15
16 SECTION 15. Arkansas Code 6-20-1702(5) pertaining to transportation
17 funding is amended to read as follows:

18 (5) "Average daily ~~membership~~ attendance" means the total number of
19 days attended plus the total number of days absent by students in grades
20 kindergarten through twelve (K-12) during the first three (3) quarters of each
21 school year, divided by the number of school days actually taught in the
22 district during that period of time rounded up to the nearest hundredth;

23
24 SECTION 16. Arkansas Code 6-20-1709(a) pertaining to high cost
25 transportation is amended to read as follows:

26 (a) Total transportation aid shall be adjusted by application of the
27 high cost transportation factor as follows:

28 (1) Multiply the high cost transportation factor, to be
29 determined annually by the Department of Education, times the average daily
30 ~~membership~~ attendance of the district; and

31 (2) Subtract the result in subdivision (a)(1) of this section
32 from the sum of adjusted base aid pursuant to § 6-20-1708, handicapped aid,
33 and disaster aid on the transportation worksheet in § 6-20-1716.

34
35 SECTION 17. Arkansas Code 6-20-1712(a)(2) pertaining to annexation and
36 consolidation incentive is amended to read as follows:

1 (2) To calculate this incentive factor, the average daily ~~membership~~
2 attendance of the nontransported students shall be added to the average daily
3 transported before completing the transportation worksheet in § 6-20-1716.

4
5 SECTION 18. Arkansas Code 6-23-501(a)(1) and (2) pertaining to funding
6 for open enrollment charter schools are amended to read as follows:

7 (a)(1) An open-enrollment charter school shall receive funds equal to
8 the minimum state and local revenue per average daily ~~membership~~ attendance as
9 defined in § 6-20-303.

10 (2) Funding for an open-enrollment charter school shall be based
11 upon the current year three-quarter average daily ~~membership~~ attendance of the
12 open-enrollment charter school:

13 (A) The initial funding estimate for each school year shall
14 be based on enrollment as of April 15 preceding the school year in which the
15 students are to attend;

16 (B) In December, funding will be adjusted based on the
17 first quarter attendance report; and

18 (C) A final adjustment will be made after the current year
19 three-quarter average daily ~~membership~~ attendance is established.

20
21 SECTION 19. Arkansas Code 12-29-304(a) pertaining to funding for the
22 Department of Correction School District is amended to read as follows:

23 (a) The cost of implementing and operating the school program in the
24 district authorized by this subchapter shall be borne by the state and shall
25 be paid from funds appropriated by the General Assembly from the general
26 revenues of the state to the Department of Correction and the Department of
27 Education, together with any federal funds that may be available for that
28 purpose and from any funds generated from the operations of the Department of
29 Correction, in the following manner:

30 (1) The cost of facilities, equipment, and current operation in
31 excess of the amount of grants and aids received from the Department of
32 Education shall be borne by the Department of Correction;

33 (2)(A) The Department of Correction School District, as other
34 school districts in the state, shall share in the distribution of grants and
35 aids from the Department of Education.

36 (B) In no case, however, shall the moneys from the Public

1 School Fund to the Department of Correction School District be in excess of
2 the statewide average state equalization funding per student, as defined in §
3 6-20-303, multiplied by the average daily ~~membership~~ attendance of the
4 Department of Correction School District.

5

6 SECTION 20. Arkansas Code 19-7-801(a) pertaining to federal lands is
7 amended to read as follows:

8 (a) Such funds as are received from and after April 15, 1983, by the
9 Treasurer of State from the federal government on account of the sale of
10 minerals, oil, and gas or the lease of minerals, oil, and gas on lands other
11 than military lands belonging to the federal government located in the state
12 shall be deposited in the State Treasury, and the Treasurer of State shall
13 credit the funds as follows:

14 (1) All these funds received during each calendar year shall be
15 first distributed to the respective counties in which the funds were generated
16 until the benefiting counties receive a distribution of these funds equal to
17 the amount of the funds received in the 1981-82 fiscal year, and all moneys in
18 excess of the amount generated in the counties in excess of the amount
19 received in the 1981-82 fiscal year shall be retained by the Treasurer of
20 State for distribution as provided in subdivision (2) of this subsection.
21 Funds received by each benefiting county under this subsection shall be
22 allocated in the same proportion, to be used for the same purposes as funds
23 received by each county under the provisions of subdivision (2) of this
24 subsection.

25 (2) After the requirements of subdivision (a)(1) have been met
26 each year, all additional funds so deposited in the State Treasury shall be
27 credited by the Treasurer of State as follows:

28 (A) Fifty percent (50%) of the funds shall be credited to
29 the General Revenue Fund Account of the State Apportionment Fund, for
30 distribution to the various funds participating in the distribution of general
31 revenues in the respective proportions to each such fund, to be used for the
32 respective purposes as set forth in the Revenue Stabilization Law, § 19-5-101
33 et seq.;

34 (B) Fifty percent (50%) of the funds shall be distributed
35 to the counties having land in the nonmilitary federal installation from which
36 the sale or lease of minerals, oil, or gas has generated the funds, with each

1 county to receive a proportionate part of the funds equal to the ratio of the
2 total number of acres of land in the federal installation in each county as
3 the acreage bears to the total number of acres of the federal installation in
4 all counties having land in the federal installation to be distributed by the
5 State Treasurer as follows:

6 (i) Sixty percent (60%) of the funds to be
7 transferred to the Public School Fund, to be distributed by the Department of
8 Education to the school districts whose boundaries include a portion of the
9 nonmilitary federal installation in the counties. Should there be more than
10 one (1) school district whose boundaries include a portion of the federal
11 installation within a county receiving these funds, then each school district
12 in that county shall receive a proportionate share of the funds allocated by
13 this section to the Public School Fund for the county, to be distributed as
14 follows:

15 (a) Fifty percent (50%) of the funds shall be
16 divided between the school districts based on the ratio of the total number of
17 acres of land in each school district within the boundaries of the federal
18 installation in the county as the acreage bears to the total number of acres
19 in the federal installation in the county; and

20 (b) The other fifty percent (50%) of the funds
21 shall be divided between the school districts based on the most recent average
22 daily ~~membership~~ attendance of each school district as defined in § 6-20-303;

23 (ii) Fifteen percent (15%) of the funds shall be
24 distributed to the County Aid Fund, to be distributed by the Treasurer of
25 State to the county road funds of the counties to which these moneys are
26 allocated;

27 (iii) Twenty-five percent (25%) of the funds shall be
28 distributed to the County Aid Fund, for distribution by the Treasurer of State
29 to the county treasurer of the county to which the funds are to be
30 distributed. Upon receipt of these funds, the county treasurer of the county
31 shall distribute the funds to the county general fund and to the respective
32 cities, towns, school districts, community college districts, and county and
33 municipal libraries in the county in a proportion that each taxing unit shares
34 in the real and personal property taxes collected in the county, with the
35 exception that the school districts in the county and the county road fund
36 which received a distribution as set out in subdivisions (i), (ii), and (iii)

1 of this subsection shall not be entitled to receive an additional share of the
2 funds to be distributed under the provisions of this subdivision.

3

4 SECTION 21. Arkansas Code 19-7-802(a) pertaining to federal military
5 lands is amended to read as follows:

6 (a) Such funds as are received from and after April 15, 1983, by the
7 Treasurer of State from the federal government on account of the sale of
8 minerals, oil, and gas or the lease of minerals, oil, and gas on military
9 lands belonging to the federal government located in this state, referred to
10 in this section as "federal military lands", shall be deposited in the State
11 Treasury, and the Treasurer of State shall credit funds as follows:

12 (1) Fifty percent (50%) of the funds shall be credited to the
13 General Revenue Fund Account of the State Apportionment Fund, for distribution
14 to the various funds participating in the distribution of general revenues in
15 the respective proportions to each such fund, to be used for the respective
16 purposes set forth in the Revenue Stabilization Law, § 19-5-101 et seq.;

17 (2) Fifty percent (50%) of the funds shall be distributed to the
18 counties having land in the military reservation from which the sale or lease
19 of minerals, oil, or gas has generated such funds, with each county to receive
20 a proportionate part equal to the ratio of the total number of acres of
21 federal military lands in each county as the land bears to the total acreage
22 of the federal military lands in all the counties having such lands in them,
23 to be distributed by the Treasurer of State as follows:

24 (A) Sixty percent (60%) of the funds to be transferred to
25 the Public School Fund, to be distributed by the Department of Education to
26 the school districts whose boundaries include a portion of the federal
27 military lands in these counties. Should there be more than one (1) school
28 district whose boundaries include a portion of the federal military lands
29 within a county receiving these funds, then each school district in that
30 county shall receive a proportionate share of the funds allocated by this
31 section to the Public School Fund for the county, to be distributed as
32 follows:

33 (i) Fifty percent (50%) of the funds shall be divided
34 between the school districts based on the ratio of the total number of acres
35 of federal military lands in each school district in the county as the acreage
36 bears to the total number of acres in the federal military lands in the

1 county; and

2 (ii) The other fifty percent (50%) of the funds shall
3 be divided between the school districts based on the most recent average daily
4 ~~membership~~ attendance of each school district as defined in § 6-20-303;

5 (B) Fifteen percent (15%) of the funds to the County Aid
6 Fund, to be distributed by the Treasurer of State to the county road fund of
7 the county to which the moneys are allocated; and

8 (C) Twenty-five percent (25%) of the funds to the County
9 Aid Fund for distribution by the Treasurer of State to the county treasurer of
10 the county to which the funds are to be distributed. Upon receipt of these
11 funds, the county treasurer of the county shall distribute the funds to the
12 county general fund and to the respective cities, towns, school districts,
13 community college districts, and county and municipal libraries in the county
14 in a proportion that each taxing unit shares in the real and personal property
15 taxes as collected in the county, with the exception that the school districts
16 in the county and the county road fund which received a distribution as set
17 out in subdivisions (a)(2)(A) and (B) of this section shall not be entitled to
18 receive an additional share of the funds to be distributed under the
19 provisions of subdivision (a)(2)(C) of this section.

20

21 SECTION 22. Arkansas Code 25-30-102(e) pertaining to the funding of
22 vocational education in public schools is amended to read as follows:

23 (e) The State Board of Education shall be responsible for the
24 administration of all funds appropriated by the General Assembly for public
25 education based on the average daily ~~membership~~ attendance of students
26 enrolled in vocational education programs in the public schools, and these
27 funds shall be administered through the Department of Education.

28

29 SECTION 23. Arkansas Code 26-80-111(b) pertaining to the millage rate
30 for consolidated or annexed school districts is amended to read as follows:

31 (b) If a new school district is created from all or parts of two (2) or
32 more districts or a district is dissolved and all or part of the area of the
33 dissolved district is annexed to or consolidated with an existing district and
34 if the electors have failed to approve a proposed millage rate at an annual
35 school election, then the millage rate for the district shall be the millage
36 rate levied, at the last school election prior to the consolidation,

1 annexation or merger in the district which had the highest average daily
2 ~~membership~~ attendance during the school year preceding the consolidation,
3 annexation, or merger, provided such rate complies with the uniform rate of
4 tax.

5
6 SECTION 24. Arkansas Code 26-80-201(a) pertaining to the calculation of
7 uniform rate of tax is amended to read as follows:

8 (a) Beginning with calendar year 1997, and each year thereafter,
9 compliance with the uniform rate of tax shall be computed using the following
10 method:

11 (1)(A) By March 15 in each calendar year, the county clerk of
12 each county shall transmit to the Department of Education the abstract of
13 assessment for the previous calendar year's assessments for collection in the
14 current year.

15 (B) This abstract shall show, by class of property and
16 value, the total assessment of each school district in the county and the
17 millage rate charged after all adjustments ordered by the county equalization
18 board and the county court have been made;

19 (2) By May 30 of each year, the Department of Education shall
20 certify scheduled bonded debt payments for each school district in the
21 following three (3) categories:

22 (A) The total scheduled bonded debt payment for the
23 succeeding calendar year;

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

26 (C) The total number of mills in categories (A) and (B), as
27 set forth in subdivisions (a)(2)(A) and (a)(2)(B) of this section, dedicated
28 to mandatory callable bonds;

29 (3) By May 30 of each year, the Department of Education shall
30 certify average daily ~~membership~~ attendance for the current school year; and

31
32 SECTION 25. Arkansas Code 26-80-204(3) through (5) pertaining to the
33 definitions used to determine school district taxes is amended to read as
34 follows:

35 (3) "Average daily ~~membership~~ attendance" means the total number of
36 days attended plus the total number of days absent by students in grades

1 kindergarten through twelve (K-12) during the first three (3) quarters of each
2 school year divided by the number of school days actually taught in the
3 district during that period of time rounded up to the nearest hundredth;

4 (4) "Base local revenue per student" means:

5 (A) As applied under Acts 1995, No. 917, as such may be amended
6 from time to time, if Category 1 is fully funded, the local revenue per
7 student in the local school district with the highest amount of local revenue
8 per student.

9 (B) If Category 1 is not fully funded, the term means the revenue
10 per student to which the state equalizes calculated by taking the sum of:

11 (i) The total available state aid for state equalization
12 funding per student;

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

15 (iii) Seventy-five percent (75%) of the average
16 miscellaneous funds collected in the previous five (5) years or the previous
17 year, whichever is less, and by dividing the sum by the total state average
18 daily ~~membership~~ attendance for the previous year;

19 (5) "Debt service funding supplements" means the state financial aid
20 provided to qualifying local school districts for the purpose of reducing
21 existing debt service burdens and increasing the amount of local revenue
22 available for maintenance and operation expenditures and calculated as
23 follows: for each mill of eligible debt service millage required, the local
24 school shall be provided a dollar amount of no less than fifteen dollars
25 (\$15.00) per average daily ~~membership~~ attendance times the state wealth index;

26
27 SECTION 26. Arkansas Code 26-80-204(10) pertaining to definitions used
28 to determine school district taxes is amended to read as follows:

29 (10) "Local revenue per student" means as applied under Acts 1995, No.
30 917 as such may be amended from time to time, 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 the previous year, whichever is less, divided by
35 the average daily ~~membership~~ attendance of such local school district for the
36 previous year;

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SECTION 27. Arkansas Code 26-80-204(15) pertaining to definitions used to determine school district taxes is amended to read as follows:

(15) "State equalization funding per student" means as applied under Acts 1995, No. 917 as such may be amended from time to time, the amount of state financial aid per average daily ~~membership~~ attendance for the previous year provided to each local school district calculated by subtracting the local revenue per student from the base local revenue per student;