

State of Arkansas
89th General Assembly
Regular Session, 2013

A Bill

HOUSE BILL 1353

By: Representative Catlett
By: Senator U. Lindsey

For An Act To Be Entitled

AN ACT TO AMEND THE DEFINITION OF SCHOOL DISTRICT MISCELLANEOUS FUNDS AND THE METHOD OF CALCULATING MISCELLANEOUS FUNDS; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE DEFINITION OF SCHOOL DISTRICT MISCELLANEOUS FUNDS AND THE METHOD OF CALCULATING MISCELLANEOUS FUNDS.

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

SECTION 1. Arkansas Code § 6-20-2303(11), concerning the definition of miscellaneous funds, is amended to read as follows:

(11)~~(A)~~ "Miscellaneous funds" means ~~the average of those funds collected in the five (5) school years immediately preceding the previous school year~~ funds received by a school district:

~~(i)~~(A) ~~Consisting of:~~

~~(a)~~ ~~Funds received by a school district from~~ From federal forest reserves, federal grazing rights, federal mineral rights, federal impact aid, federal flood control, wildlife refuge funds, and severance taxes; and

~~(b)~~(B) ~~Funds received by the school district in~~ In lieu of taxes, and local sales and use taxes dedicated to education under § 26-74-201 et seq., § 26-74-301 et seq., § 26-75-301 et seq., and the Local Government Bond Act of 1985, § 14-164-301 et seq., ~~and~~



~~(ii) Multiplied by the ratio of the uniform rate of tax to the school district's total millage rate in effect as of January 1 of the fiscal year prior to the current funding year.~~

~~(B) If the school district did not receive funds from a source of funds listed in subdivision (11)(A) of this section during the most recent school year used to calculate the five-year average, then previous collections from that source of funds shall not be included in the five-year average.~~

~~(C) For the purpose of calculating the amount of miscellaneous funds of a school district under this subdivision (11), a school year is the period beginning on July 1 of a calendar year and ending on June 30 of the next calendar year.~~

~~(D) For the 2008-2009 school year, miscellaneous funds used to calculate the state foundation funding aid for a school district will be the same as those used to calculate the state foundation funding aid for the school district for the 2007-2008 school year;~~

SECTION 2. Arkansas Code § 6-20-2303(21), concerning the definition of "state foundation funding aid" in the Public School Funding Act of 2003 § 6-20-2301 et seq., is amended to read as follows:

(21) "State foundation funding aid" means the amount of state financial aid provided to each school district ~~and computed as the difference between the foundation funding amount established by the General Assembly and the sum of ninety-eight percent (98%) of the uniform rate of tax multiplied by the property assessment of the school district plus the miscellaneous funds of the school district~~ under § 6-20-2305(a)(1);

SECTION 3. Arkansas Code § 6-20-2305(a)(1)(A), concerning public school funding, is amended to read as follows:

(a)(1)(A) For each school year, each school district shall receive state foundation funding aid computed as ~~the difference between the foundation funding amount pursuant to~~ under subdivision (a)(2) of this section ~~and~~ less the sum of:

(i) ninety-eight ~~Ninety-eight~~ percent (98%) of the uniform rate of tax multiplied by the property assessment of the school district; ~~plus~~ and

(ii) ~~the~~ An amount of miscellaneous funds of the school district calculated under § 6-20-2308.

SECTION 4. Arkansas Code Title 6, Chapter 20, Subchapter 23, is amended to add an additional section to read as follows:

6-20-2308. Calculation of miscellaneous funds.

(a) For the purpose of making an initial calculation of state foundation funding aid, the Department of Education shall calculate the miscellaneous funds of a school district as:

(1) The aggregate amount of miscellaneous funds a school district received in the calendar year immediately preceding the beginning of the current school fiscal year; multiplied by

(2) The ratio of the uniform rate of tax to the school district's total millage rate in effect as of January 1 of the calendar year in which the school district received the miscellaneous funds.

(b)(1) Except as provided under subdivision (b)(2) of this section, for a school district that receives state foundation funding aid and receives an aggregate amount of miscellaneous funds during the calendar year in which the current school fiscal year began that is less than the aggregate amount of miscellaneous funds the school district received in the calendar year immediately preceding the beginning of the current school fiscal year, by the end of the school fiscal year the department shall distribute to the school district an amount equal to the difference between:

(A) The amount of miscellaneous funds calculated for the calendar year in which the current school fiscal year began; and

(B) The amount of miscellaneous funds calculated for the calendar year immediately preceding the beginning of the current school fiscal year.

(2) The sum of the following amounts shall not exceed the foundation funding amount under § 6-20-2305(a)(2):

(A) State foundation funding aid for the current school fiscal year;

(B) The school district's miscellaneous funds calculated for the calendar year in which the school fiscal year began;

(C) Ninety-eight percent (98%) of the uniform rate of tax multiplied by the property assessment of the school district;

(D) A distribution under subdivision (b)(1) of this section; and

(E) A distribution or recoupment under § 6-20-2305(a)(4).

(c)(1) Beginning with the 2014-2015 school fiscal year, the department shall recoup an overpayment of state funding under the authority provided by § 6-20-2306 for a school district that receives:

(A) State foundation funding aid; and

(B) An aggregate amount of miscellaneous funds for the calendar year in which the current school fiscal year began that is greater than the aggregate amount of miscellaneous funds it received in the calendar year immediately preceding the beginning of the current school fiscal year.

(2) The department shall recoup from the school district an amount equal to the difference between:

(A) The amount of miscellaneous funds calculated for the calendar year in which the current school fiscal year began; and

(B) The amount of miscellaneous funds calculated for the calendar year immediately preceding the beginning of the current school fiscal year.

(3) A recoupment from a school district under this subsection shall not exceed the amount of state foundation funding aid distributed to the school district for the school fiscal year on which the recoupment is based.

SECTION 5. Arkansas Code § 6-20-2503(a)(3), concerning bonded debt assistance of school districts, is amended to read as follows:

(3)(A) "Miscellaneous funds" means ~~funds calculated as follows:~~

~~(i) The average of funds collected in the five (5) school years immediately preceding the previous school year that were received by a school district;~~

~~(a) From federal forest reserves, federal grazing rights, federal mineral rights, federal impact aid, federal flood control, wildlife refuge funds, and severance taxes;~~

~~(b) In lieu of taxes; and~~

~~(c) From local sales and use taxes for capital improvements dedicated to education under § 26-74-201 et seq., § 26-74-301 et seq., and § 26-75-301 et seq., and the Local Government Bond Act of 1985, §~~

~~14-164-301 et seq., and~~

~~(ii) Multiplied by the ratio of the uniform rate of tax to the school district's total millage rate in effect as of January 1 of the fiscal year prior to the current funding year.~~

~~(B) If the school district did not receive funds from a source of funds listed in subdivision (a)(3)(A) of this section during the most recent school year used to calculate the five-year average, then previous collections from that source of funds shall not be included in the five-year average.~~

~~(C) For the purpose of calculating the amount of miscellaneous funds of a school district under this subdivision (a)(3), a school year is the period beginning on July 1 of a calendar year and ending on June 30 of the next calendar year the amount of miscellaneous funds, as defined in § 6-20-2303, calculated under § 6-20-2308(a);~~

SECTION 6. DO NOT CODIFY. TEMPORARY LANGUAGE. For the 2014-2015 school fiscal year only, as used in this act the phrase "calendar year immediately preceding the beginning of the current school fiscal year" means the 2012 calendar year.