

Act 402 of the 1989 Regular Session.

Act 402

HB1254

By: Joint Budget Committee

"AN ACT TO PROVIDE ADDITIONAL FLEXIBILITY IN ACCOUNTING PROCEDURES FOR INSTITUTIONS OF HIGHER EDUCATION; TO ALLOW FOR THE CARRY FORWARD OF GENERAL REVENUE FUND BALANCES IN THE VOCATIONAL TECHNICAL SCHOOLS FUND ACCOUNT; AND TO ALLOW THE CARRY FORWARD OF UNSPENT GENERAL REVENUE FUNDS FOR THE STATE SCHOLARSHIP ASSISTANCE GRANTS PROGRAM IN THE DEPARTMENT OF HIGHER EDUCATION FUND ACCOUNT; AND FOR OTHER PURPOSES."

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

SECTION 1. Arkansas Code 19-4-1102 (a) is hereby amended to read as follows:

"(a) Where the Chief Fiscal Officer of the State has determined that the executive head of a State agency has established adequate internal administrative procedures and controls pursuant to law, which determination shall be made only after the Chief Fiscal Officer shall have consulted with the Legislative Auditor, he may grant an exemption from the preexpenditure voucher examination and approval required by law in connection with expenditures, not in excess of five thousand dollars (\$5,000) each, made by that agency to be paid from agency funds."

SECTION 2. Arkansas Code 6-63-309(a) and (b) are hereby amended to read as follows:

"(a) In order that exceptionally well-qualified faculty personnel may be recruited and retained, each state-supported institution of higher education may exceed the maximum salary levels by no more than twenty-five percent (25%) for no more than ten percent (10%) of the positions authorized in their biennial operations appropriation act as Distinguished Professor, University Professor, Professor, Associate Professor, Assistant Professor, Instructor, Extension Specialist IV, Extension Specialist III, Extension Specialist II, Extension Specialist I, County Extension Agent-Chairman I, or County Extension Agent-Chairman II.

(b) To recruit and retain quality academic deans, division chairs and department chairs, emergency authority is granted to each State-supported institution of higher education to exceed the legislative line-item salary maximum by an additional seven percent (7%) for no more than fifteen percent (15%) of such positions."

SECTION 3. Arkansas Code 19-4-1710 is hereby amended by adding at the end thereof the following new subsection:

"(c) Funds from grants and contracts to any State institution of higher education may be used for the purpose of subcontracting with institutions under the performance conditions of the grants or contracts. Subcontracts for research that are derived from grants and contracts to any State institution of higher education shall require the prior approval of the Chief Fiscal Officer of the State and a review by the Legislative Council."

SECTION 4. Arkansas Code 19-5-1004(b)(2) is hereby amended to read as follows:

"(2) The portion not determined to be special revenues by 19-6-110 of the year-end balances of the funds and fund accounts created in 19-5-302, 19-5-304(1), (3), (4), (5) and (6), 19-5-306, 19-5-307, 19-6-404, and 19-6-411, which fund balances are to be transferred on or before August 15 of the fiscal year next following the fiscal year during which balances accrued. Provided, however, that the unspent balance of those funds used by the Department of Higher Education under the provisions of 19-5-302 (7), appropriated and funded for the operation of the State Scholarship Assistance Grants Program, shall be exempt from the provisions of this sub-paragraph, and shall remain deposited in the Department of Higher Education Fund Account, and be carried forward, provided that such funds are used solely for providing grants to students as authorized in the State Scholarship Assistance Grants Program for each year of the the biennium. Provided further, a report of such balances which are authorized to be carried forward herein, as well as a summary of expenditures made from the State Scholarship Assistance Grants Program, shall be filed annually with the Arkansas Legislative Council. In addition, any funds which remain in the Vocational Technical Schools Fund Account at the end of a fiscal year due to the provisions of this Section, shall be transferred by the Chief Fiscal Officer of the State to the General Improvement Fund or its successor fund or fund accounts, there to be used exclusively to provide additional funding for appropriations for Vocational Technical Schools which are made payable from the General Improvement Fund or its successor fund or fund accounts."

SECTION 5. LEGISLATIVE INTENT. It is the intent of the General Assembly that any funds disbursed under the authority of the appropriations contained in this Act shall be in compliance with the stated reasons for which this Act was adopted, as evidenced by the Agency Requests, Executive Recommendations and Legislative Recommendations contained in the budget manuals prepared by the Department of Finance and Administration, letters, or summarized oral testimony in the official minutes of the Arkansas Legislative Council or Joint Budget Committee which relate to its passage and adoption.

SECTION 6. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 7. EMERGENCY CLAUSE. It is hereby found and determined by the Seventy-Seventh General Assembly that current State accounting and budgetary procedures cause considerable expense to and place undo restrictions on Institutions of Higher Education; that the recovery of general revenue fund balances from the Vocational Technical Schools and the State Scholarship Assistance Grants Program restrict educational opportunities for the citizens of this State; and that the provisions of this Act will remedy such situations. Therefore, an emergency is hereby declared to exist, and this Act being necessary for the immediate preservation of the public peace, health and safety shall be in full force and effect from and after July 1, 1989.

APPROVED: March 8, 1989
