

As Engrossed: 1/24/91 1/31/91

1 **State of Arkansas**
2 **78th General Assembly**
3 **Regular Session, 1991**
4 **By: Joint Budget Committee**

A BILL ACT 10 OF 1991
HOUSE BILL 1287

For An Act To Be Entitled

8 "AN ACT TO CREATE AN EDUCATIONAL EXCELLENCE TRUST FUND; TO
9 PROVIDE FOR THE TRANSFER AND ALLOCATION OF FUNDS TO THE
10 EDUCATIONAL EXCELLENCE TRUST FUND; TO PROVIDE FOR THE
11 DISTRIBUTION OF REVENUES ACCORDING TO THIS FUND; AND FOR
12 OTHER PURPOSES."

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

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16 SECTION 1. There is hereby established on the books of the State
17 Treasurer, State Auditor, and Chief Fiscal Officer of the State a fund to be
18 known as the "Educational Excellence Trust Fund" which shall consist of those
19 additional revenues as may be enacted by the Seventy-Eighth General Assembly
20 meeting in Regular Session. The phrase "those additional revenues" shall be
21 limited to any increases enacted in those taxes classified as "General
22 Revenues" in the revenue classification law, A.C.A. 19-6-201.

23 On the last day of each month, the State Treasurer after making the
24 deductions required from the "Net General Revenues" as set out in Arkansas
25 Code of 1987 Annotated 19-5-202(b)(2)(B)(i) shall also deduct from said "Net
26 General Revenue" such amounts as are certified by the Chief Fiscal Officer of
27 the State as having accrued from "those additional revenues" and transfer them
28 to the Educational Excellence Trust Fund.

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30 SECTION 2. (a) From the monies accruing to the Educational Excellence
31 Trust Fund, the State Treasurer on the last day of the month shall transfer to
32 the various funds and fund accounts listed below, until there has been
33 transferred a total of \$138,370,000 for fiscal year 1991-92 and \$147,800,000
34 for fiscal year 1992-93 and for each fiscal year thereafter, or as much as may
35 become available, provided that the State Treasurer shall make such monthly
36 allocations in accordance with each fund or fund account's proportionate part

1 of the total of all such allocations set forth herein:

	<i>Fiscal Year Ending</i>	
		<i>June 30, 1993</i>
<i>Fund or Fund Accounts</i>	<i>June 30, 1992</i>	<i>& Thereafter</i>
5 Public School Fund	\$102,770,000	\$109,200,000
6 Dept. of Education Fund Account	550,000	700,000
7 Vocational Education Admin. Fund Acct.	1,000,000	2,000,000
8 Dept. of Higher Ed. Grants Fund Account	4,000,000	7,000,000
9 Institutions of Higher Education:		
10 Arkansas State University Fund	3,481,396	3,161,564
11 Arkansas State University-Beebe Fund	501,998	442,000
12 Arkansas Tech University Fund	1,111,587	1,093,359
13 Henderson State University Fund	1,188,397	1,127,931
14 Southern Arkansas University Fund	688,680	869,425
15 University of Arkansas Fund	7,691,452	8,125,589
16 Univ. of Arkansas at Little Rock Fund	2,971,784	2,870,373
17 Univ. of Ark. Med. Center Fund	4,908,590	4,967,306
18 Univ. of Ark. Med. Ctr. - Indigent Care	111,918	123,515
19 Univ. of Arkansas at Monticello Fund	560,896	577,415
20 Univ. of Arkansas at Pine Bluff Fund	935,816	1,002,816
21 Univ. of Central Arkansas Fund	2,582,692	2,469,798
22 East Arkansas Community College Fund	354,577	321,600
23 Garland County Community College Fund	516,563	449,650
24 Mississippi County Community College Fund	429,014	390,318
25 North Arkansas Community College Fund	267,696	247,693
26 Phillips County Community College Fund	377,448	397,461
27 Rich Mountain Community College Fund	114,519	106,280
28 Westark Community College Fund	1,104,977	1,155,907
29 Northwest Ark. Comty. College Fund	<u>100,000</u>	<u>100,000</u>
30 Total Institutions of Higher Education	\$ 30,000,000	\$30,000,000

31 (b) After making the maximum allocations each fiscal year provided for
 32 in subsection (a) of Section 2 of this Act, the State Treasurer shall transfer
 33 any remaining revenues accruing to the Educational Excellence Trust Fund to
 34 the funds and fund accounts listed herein in accordance with each fund
 35 account's proportionate part of the total of all such allocations set forth
 36 herein.

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SECTION 3. (a) In each fiscal year of the biennium beginning July 1, 1991, the funds to be allocated from the Educational Excellence Trust Fund for distribution to school districts through Minimum Foundation Program Aid (MFPA) of the Public School Fund shall be utilized by school districts to provide salary increases for current certified personnel positions and for no other purposes except that required social security matching on such salary increases required to be paid by school districts may be paid from such funds. This increased funding shall be divided equally among all certified personnel unless the board of directors of a district and a majority of the teachers agree to a different distribution. Provided however, for the school years 1991-1992 and 1992-93, no superintendent or assistant superintendent shall receive a salary increase from monies received by the district from the Education Excellence Trust Fund. Any salary increase received from any other funds by any superintendent or assistant superintendent shall be no larger than the average percentage increase of the certified personnel of that district.

(b) The funds to be allocated from the Educational Excellence Trust to Minimum Foundation Program Aid of the Public School Fund shall be disbursed to school districts based on the formula for distribution of MFPA set out in Arkansas Code of 1987 Annotated 6-20-301 et seq., except that the allowances for consolidation or annexation as set out in A.C.A. 6-20-309 and compensatory education funds under A.C.A. 6-20-320 shall not be utilized in calculating such disbursement; however, the use of such funds shall be governed by Section 3(a) of this act. Provided, however, the funds allocated and distributed pursuant to this act during school year 1991-92 shall not be considered in computing the charge against real property as provided in Arkansas Code of 1987 Annotated 6-20-306(a).

(c) It is the intent of this act to supplement, not to supplant, funding for public education in this state. Nothing herein shall be construed to reduce that portion of general revenue or growth revenues which would otherwise accrue to the public school fund. The monies provided by this act are intended to be in addition to those anticipated to be provided to fund public education for the children of this state at the same historical

1 proportionate levels.

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3 SECTION 4. All provisions of this act of a general and permanent nature
4 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
5 Revision Commission shall incorporate the same in the Code.

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7 SECTION 5. If any provision of this act or the application thereof to
8 any person or circumstance is held invalid, such invalidity shall not affect
9 other provisions or applications of the act which can be given effect without
10 the invalid provision or application, and to this end the provisions of this
11 act are declared to be severable.

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13 SECTION 6. All laws and parts of laws in conflict with this act are
14 hereby repealed.

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16 SECTION 7. EMERGENCY CLAUSE. It is hereby found and determined by the
17 Seventy-Eighth General Assembly that the provision of quality education to the
18 students of secondary schools and Arkansas institutions of higher education is
19 essential to the preservation of the public welfare; that the provisions of
20 this act are necessary in meeting this essential need of providing salary
21 increases for those certified personnel positions on the effective date of
22 this act; that a revision of state financial procedures is necessary to assure
23 that the increased revenues to become available to the State in accordance
24 with various tax increases enacted in this General Assembly are first made
25 available to support the programs of educational opportunity improvement also
26 enacted; and that delay past July 1, 1991 will cause a serious and critical
27 delay in the initiation of the programs for improvement of the educational
28 system of this state. Therefore, an emergency is declared to exist and this
29 act being necessary for the immediate preservation of the public peace, health
30 and safety shall be in full force and effect from and after July 1, 1991.

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/s/ John E. Miller

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APPROVED: 2-1-91

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