1	State of Arkansas	As Engrossed: S6/10/02 S6/11/02 A Bill	Call Item 4
2	83rd General Assembly		Act 2 of 2002
3	First Extraordinary Session, 2002		SENATE BILL 2
4			
5	By: Senators Beebe, P. Malone, Hoofman, Hill, Gwatney, Miller, D. Malone, Bryles, Wilkinson, Everett,		
6	Argue, Gullett, K. Smith, Wooldridge, Critcher, B. Walker, Faris, Wilkins, J. Jeffress, Cash, Brown,		
7	Horn, Fitch, Simes, Mahony, B. Johnson, T. Smith, <i>Hunter, Bisbee, Baker</i>		
8	By: Representatives Broadway, French, Cleveland, Bevis, Salmon, Teague, Jacobs, McMellon, M.		
9	Steele, Creekmore, Lendall, Adams, Cowling, Clemons, Rankin, Boyd, House, Hathorn, Napper,		
10	Borhauer, Ledbetter, Jones, R. Smith, Biggs, Prater, Thomas, W. Walker, Lewellen, White, Fite,		
11	Roebuck, Dees, Bookout, T. Steele, Carson, Judy, Shoffner, Oglesby, Seawel, Mack, Mathis, Bolin,		
12	Hausam, Dangeau, Pritchard, Ormond, Magnus, King, Scrimshire, C. Johnson, Holt, Duggar, Ferguson,		
13	Childers, Goss		
14			
15		For Ar. Ast To Do Fritial	
16		For An Act To Be Entitled	ma
17		CREATE AN ARKANSAS RAINY DAY FUND	
18		S IMMEDIATELY AVAILABLE TO SUSTAIN	
19	STATE MEDICAID PROGRAM AT ITS PRESENT LEVEL OF		
20	SERVICE; AN	ND FOR OTHER PURPOSES.	
21		Cultitle	
22	CDDAME A	Subtitle	
23		ARKANSAS RAINY DAY FUND AND	
24	MAINTAIN	N MEDICAID SERVICES.	
25			
26 27	DE IM ENACMED DV MUE COME	DAT ACCEMENT OF MUTE CHAMP OF ADVA	NG A G
27	BE II ENACIED BY THE GENE	CRAL ASSEMBLY OF THE STATE OF ARKA	ANSAS:
28	CECTION 1 (a) T	i - hh	.l., .f. +h.,
29		There is hereby created on the boo	<u> </u>
30	of State, the Auditor of State, and the Chief Fiscal Officer of the State a special revenue fund to be known as the Arkansas Rainy Day Fund.		
31			
32	(b) The fund shall consist of such funds as appropriated by the		
33 34	General Assembly and Coda	cco proceeds as set out by law.	
35	SECTION 2 Arleanage	Code 19-12-108(c), concerning di	stribution of funds
36		ent Program Fund to the various Pr	

```
1
     amended to read as follows:
 2
            (c) Amounts deposited to the Tobacco Settlement Program Fund shall,
 3
    prior to the distribution to the Program Accounts set forth in § 19-12-
 4
     108(d)(1), be held and invested in investments pursuant to and in compliance
 5
    with § 19-12-103(c); provided that all such investments must mature, or be
6
     redeemable without penalty, on or prior to the next succeeding June 30.
 7
8
           SECTION 3. Arkansas Code 19-12-108(d), concerning the methods for
9
     transferring of funds from the Tobacco Settlement Program Fund to the various
10
    Program Accounts, is amended to read as follows:
11
           (d)(1) On each July 1, the amounts deposited into the Tobacco
12
    Settlement Program Fund excluding investment earnings shall be transferred to
13
     the various Program Accounts, as follows:
14
                 (1) thirty one and six-tenths per cent (31.6%) of amounts in the
15
    Tobacco Settlement Program Fund shall be transferred to the Prevention and
16
    Cessation Program Account:
17
                       (2)(A) fifteen and eight-tenths per cent (15.8%) of
18
     amounts in the Tobacco Settlement Program Fund shall be transferred to the
19
    Targeted State Needs Program Account;
20
                       (3) (B) twenty-two and eight-tenths per cent (22.8%) of
21
     amounts in the Tobacco Settlement Program Fund shall be transferred to the
22
    Arkansas Biosciences Institute Program Account; and
23
                       (4)(C) twenty-nine and eight-tenths per cent (29.8%) of
24
     amounts in the Tobacco Settlement Program Fund shall be transferred to the
25
    Medicaid Expansion Program Account.
26
                 (2)(A) Beginning July 1, 2002, the Prevention and Cessation
27
    Program Account may receive loans from the Budget Stabilization Trust Fund
28
     from time to time in amounts determined by the Chief Fiscal Officer of the
29
    State which shall not exceed thirty-one and six-tenths per cent (31.6%) of
30
    the amounts estimated to be received in the Tobacco Settlement Program Fund
     during the current fiscal year.
31
32
                       (B) The loans shall be repaid from thirty-one and six-
33
    tenths per cent (31.6%) of amounts received in the Tobacco Settlement Program
34
    Fund during the fiscal year in which the loans are made. The loans shall be
    repaid prior to the end of the fiscal year. After the loans have been repaid,
35
     the Prevention and Cessation Program Account shall be transferred the
36
```

36

```
1
     difference between thirty-one and six-tenths per cent (31.6%) of amounts
 2
     received in the Tobacco Settlement Program Fund during the fiscal year in
     which the loans are made and the amount of the loans.
 3
 4
 5
           SECTION 4. Arkansas Code 19-12-108(e)(1), concerning redeposit of funds
 6
     from the various Program Accounts to the Tobacco Settlement Program Fund, is
 7
     amended to read as follows:
 8
            (e)(1) All moneys distributed to the Program Accounts set forth in
 9
     subdivision (d)(l) above and remaining at the end of each fiscal biennium
10
     shall be transferred to the Tobacco Settlement Program Fund by the State
11
     Board of Finance. Such amounts will be held in the Tobacco Settlement
12
     Program Fund and combined with amounts deposited to such Fund from the annual
13
     NSA Disbursements, and then redeposited on July 1 pursuant to the formula set
14
     forth in \S 19-12-108(d)(1).
15
16
           SECTION 5. Arkansas Code 19-12-109 is amended to read as follows:
17
           19-12-109. Creation of Prevention and Cessation Program Account.
           (a) There is hereby created a trust fund on the books of the Treasurer
18
19
     of State, Auditor of State and Chief Fiscal Officer of the State within the
20
     Tobacco Settlement Program Fund maintained by the State Board of Finance an
21
     account to be known as the "Prevention and Cessation Program Account." Such
22
     account shall be used by the Arkansas Department of Health for such purposes
23
     and in such amounts as may be appropriated in law.
24
           (b) On each July 1, there shall be transferred from the Tobacco
25
     Settlement Program Fund to the Prevention and Cessation Program Account the
26
     amount specified in § 19-12-108(d)(1).
27
                    All moneys deposited to the Prevention and Cessation Program
28
     Account except for investment earnings shall be used for the purposes set
29
     forth in § 19-12-113 or such other purposes as may be appropriated in law.
30
           (d)(c) Moneys remaining in the Prevention and Cessation Program
     Account at the end of the first fiscal year of a biennium shall be carried
31
32
     forward and used for the purposes provided by law. Such amounts that remain
     at the end of a biennium shall be transferred to the Tobacco Settlement
33
34
     Program Fund pursuant to § 19-12-108(e).
35
```

SECTION 6. Arkansas Code 19-12-110(b), concerning creation of the

1 Targeted State Needs Program Account, is amended to read as follows: 2 (b) On each July 1, there shall be transferred from the Tobacco 3 Settlement Program Fund to the Targeted State Needs Program Account the 4 amount specified in 19-12-108(d)(2)(1)(A). 5 6 SECTION 7. Arkansas Code 19-12-111(b), concerning creation of the 7 Arkansas Biosciences Institute Program Account, is amended to read as 8 follows: 9 (b) On each July 1, there shall be transferred from the Tobacco 10 Settlement Program Fund to the Arkansas Biosciences Institute Program Account 11 the amount specified in $\S 19-12-108(d)(3)(1)(B)$. 12 13 SECTION 8. Arkansas Code 19-12-112(b), concerning creation of the Medicaid Expansion Program Account, is amended to read as follows: 14 15 (b) On each July 1, there shall be transferred from the Tobacco 16 Settlement Program Fund to the Medicaid Expansion Program Account the amount 17 specified in 19-12-108(d)(4)(1)(C). 18 19 SECTION 9. TRANSFER. On the effective date of this act and throughout 20 the fiscal year ending June 30, 2003 the Chief Fiscal Officer of the State 21 may, as directed by the Governor, transfer from the Tobacco Settlement 22 Program Fund thirty-one and six-tenths per cent (31.6%) of amounts scheduled 23 in the Master Settlement Agreement to be received in the Tobacco Settlement Program Fund on January 1, 2002 and April 15, 2002 or so much thereof as is 24 required determined by the Chief Fiscal Officer of the State to the Arkansas 25 26 Rainy Day Fund. 27 28 SECTION 10. RAINY DAY UTILIZATION. In the event the Chief Fiscal 29 Officer of the State lowers the estimate of general revenue available for 30 distribution under the provisions of the Revenue Stabilization Law, §19-5-101 et seq., in effect on July 1, 2002, or upon certification from the Director 31 32 of the Department of Human Services and in such detail as required by the 33 Chief Fiscal Officer of the State that sufficient funds will not become 34 available to meet the needs and requirements of the Arkansas Medicaid program 35 such funds as are available from the Arkansas Rainy Day Fund may be used to supplement the general revenues that would have otherwise been distributed, 36

1	y transferring those funds to the Department of Human Services Grants Fund		
2	Account to be used for the state Medicaid program for the remainder of the		
3	2001-2003 biennial period.		
4			
5	SECTION 11. In addition to the purposes enumerated in Arkansas Code		
6	19-12-116 for the Medicaid Expansion Program, the funds made available to the		
7	Medicaid Expansion Program Account may also be used to supplement current		
8	general revenues as approved by the Governor and the Chief Fiscal Officer of		
9	the State for the Arkansas Medicaid Program. None of the funds shall be used		
10	for this additional purpose if the usage will reduce the funds made available		
11	by the General Assembly for the Meals on Wheels and the Senior Prescription		
12	Drug Program.		
13			
14	SECTION 12. EMERGENCY CLAUSE. It is found and determined by the		
15	General Assembly that the budgetary crisis facing this state may require		
16	large reductions in the state Medicaid program, which reductions will cut		
17	three federal matching dollars for each state dollar, resulting in a serious		
18	threat to the ability of the state Medicaid program to provide adequate care		
19	to the state's neediest citizens. Setting aside funds for an Arkansas Rainy		
20	Day Fund by shifting the Prevention and Cessation Program Account to a		
21	current year budget will make moneys available to assist the state Medicaid		
22	program in maintaining its established levels of service in the event that		
23	the current revenue forecast is not collected. Therefore, an emergency is		
24	declared to exist and this act being immediately necessary for the		
25	preservation of the public peace, health and safety shall become effective on		
26	the date of its approval by the Governor. If the bill is neither approved		
27	nor vetoed by the Governor, it shall become effective on the expiration of		
28	the period of time during which the Governor may veto the bill. If the bill		
29	is vetoed by the Governor and the veto is overridden, it shall become		
30	effective on the date the last house overrides the veto.		
31			
32	/s/ Beebe		
33			
34			
35	APPROVED: 06/12/2002		
36			