

A Bill

4

5 By: Representative Cleveland

6 By: Senator Broadway

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9 For An Act To Be Entitled

10 AN ACT TO CREATE THE EDUCATIONAL ADEQUACY FUND;

11 AND FOR OTHER PURPOSES.

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13

Subtitle

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AN ACT TO CREATE THE EDUCATIONAL

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ADEQUACY FUND

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

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20 SECTION 1. Educational Adequacy Fund.

21 (a) There is created on the books of the Treasurer of State, the
22 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
23 known as the Educational Adequacy Fund.

24 (b) The fund shall consist of all net revenues collected due to
25 enactments of the 84th General Assembly meeting in Second Extraordinary
26 Session, unless a different distribution of those additional net revenues is
27 otherwise provided in the Act of the Eighty-Fourth General Assembly meeting
28 in Second Extraordinary Session creating those additional net revenues, after
29 the Treasurer of State has made the deduction from the revenues under
30 Arkansas Code § 19-5-203(b)(2)(A).

31 (c)(1) The Chief Fiscal Officer of the State will determine, from time
32 to time, the amount of funds required from the Educational Adequacy Fund
33 which, when added to other resources available to the Department of Education
34 Public School Fund Account and the Department of Education Fund Account, is
35 needed to fulfill the financial obligation of the state to provide an
36 adequate educational system as enacted by the Second Extraordinary Session of



1 the 84th General Assembly and shall certify the amounts to the Treasurer of
2 State.

3 (2) At the end of each month, the Treasurer of State shall
4 transfer all monies available from the Educational Adequacy Fund to the
5 Department of Education Public School Fund Account established in Arkansas
6 Code § 19-5-305 and to the Department of Education Fund Account, until the
7 sum of all transfers from the Educational Adequacy Fund equal the amounts
8 determined in subdivision (1) of this subsection, there to be used as
9 determined by law.

10 (d) In the event the Chief Fiscal Officer of the State determines that
11 the transfers from the Education Adequacy Fund, when added to the other
12 resources available to the Department of Education Public School Fund Account
13 are not sufficient to meet the state's financial obligation to provide an
14 adequate educational system as enacted by the Second Extraordinary Session of
15 the 84th General Assembly, the additional amount required shall be transferred
16 from the other funds and fund accounts within Arkansas Code 19-5-402(a) and
17 19-5-404(a) based upon the proportion that each of the remaining fund and
18 fund accounts bears to the total of the remaining funds and fund accounts in
19 Arkansas Code 19-5-402(a) and 19-5-404(a).

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21 SECTION 2. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED
22 SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. For the fiscal year ending
23 June 30, 2005, the Chief Fiscal Officer of the State shall transfer the sum
24 of eighty nine thousand nine hundred forty nine dollars (\$89,949) from the
25 Education Adequacy Fund to the Department of Higher Education Fund Account in
26 order to finance the personal services costs of the Higher Education
27 Recruitment Coordinator.

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29 SECTION 3. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED
30 SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. On June 30, 2005, the Chief
31 Fiscal Officer of the State shall transfer on his books and those of the
32 State Treasurer and the State Auditor the sum of twenty two million dollars
33 (\$22,000,000), or so much thereof as is available, from the General Revenue
34 Allotment Reserve Fund to the Educational Adequacy Fund.

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36 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the 84th

1 General Assembly of the State of Arkansas, meeting in Second Extraordinary
2 Session, that this act is necessary due to the November 2002 Arkansas Supreme
3 Court decision declaring the Arkansas public school system financially
4 inadequate. Therefore, an emergency is declared to exist and this act being
5 immediately necessary for the preservation of the public peace, health, and
6 safety shall become effective on:

7 (1) The date of its approval by the Governor;

8 (2) If the bill is neither approved nor vetoed by the Governor,
9 the expiration of the period of time during which the Governor may veto the
10 bill; or

11 (3) If the bill is vetoed by the Governor and the veto is
12 overridden, the date the last house overrides the veto.

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14 */s/ Cleveland*
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