

Act 902 of the 1989 Regular Session.

Act 902

HB1060

By: Joint Budget Committee

"AN ACT TO MAKE AN APPROPRIATION TO THE DEPARTMENT OF EDUCATION FOR PAYING EXPENSES OF COURT-ORDERED DESEGREGATION FOR THE BIENNIAL PERIOD ENDING JUNE 30, 1991; AND FOR OTHER PURPOSES."

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

SECTION 1. FUND CREATED. There is hereby created on the books of the State Treasurer, State Auditor, and Chief Fiscal Officer of the State, a fund to be known as the "Court-Ordered Desegregation Trust Fund", which such fund shall consist of general revenues or other funds made available by the General Assembly and is to be used for paying expenses of court-ordered desegregation, including but not limited to the legal expenses of the Department of Education in representing the State of Arkansas and the State Board of Education in desegregation suits and additional public school costs for selected school districts, as required or ordered by a federal court to be paid by the State of Arkansas. A reporting of all expenditures by the Department of Education shall be made quarterly to the Office of the Governor, the Arkansas Legislative Council, and the Joint Interim Committee on Education.

At the end of each month, the Department of Education shall certify to the State Treasurer, the amount of obligations incurred for desegregation expenses determined to be the responsibility of the State of Arkansas by a federal court. Upon the receipt of such certification, the State Treasurer shall, after making those deductions as set out in Arkansas Code 19-5-202(b)(2)(B) shall also deduct the amount certified from the net general revenues. In the event that, in an emergency, funds are required to be made available prior to the end of a month, the Chief Fiscal Officer of the State may authorize a loan from the Budget Stabilization Trust Fund to the Court-Ordered Desegregation Trust Fund upon request and justification for such advance transfer by the Department of Education. Such loan is to be repaid on the last day of the month during which such loan was made.

SECTION 2 (a) There is hereby appropriated, to be payable from the Court-Ordered Desegregation Trust Fund to the Department of Education for additional expenses of desegregating public schools, as required by federal court order, including expenses incurred by the Department of Education in representing the State of Arkansas and the State Board of Education in desegregation cases, the sum of \$9,360,000 for each year of the biennial period ending June 30, 1991, to be used specifically to defray the continuation of the state's legal obligations in Little Rock School District v. Pulaski County Special School District established prior to the settlement agreement.

(b) On July 1, 1989, there shall be transferred on the books of the Chief Fiscal Officer of the State, the State Treasurer and the State Auditor from the Budget Stabilization Trust Fund to the Court-Ordered Desegregation Trust Fund the sum of \$4,110,000.

SECTION 3. There is hereby appropriated, to be payable from the Budget

Stabilization Trust Fund, to the Department of Education for loans authorized by the court to the Little Rock School District, the sum of \$6,000,000 for the 1989-91 biennium.

SECTION 4. There is hereby appropriated to the Department of Education, to be payable from the Budget Stabilization Trust Fund, to make the payments as required as follows for the biennial period ending June 30, 1989, the sum of...

\$ 5,650,350 to the Little Rock School District (LRSD)  
\$ 675,278 to the Pulaski County Special School District (PCSSD)  
\$ 499,911 to the North Little Rock School District (NLRSD)  
\$ 6,825,539 TOTAL APPROPRIATED

SECTION 5. There is hereby appropriated, to be payable from the Budget Stabilization Trust Fund, to the Department of Education for payment of the State's share of legal fees and an advance of the LRSD share of legal fees to the Legal Defense and Education Fund, Inc. the sum of \$2,750,000.

SECTION 6. There is hereby appropriated to the Department of Education to be payable from the Court-Ordered School Desegregation Trust Fund the following amount to be paid to LRSD, PCSSD, and NLRSD:

|                                        | 1989-90       | 1990-91       |
|----------------------------------------|---------------|---------------|
| Little Rock School District            | \$ 7,950,000  | \$ 8,218,500  |
| Pulaski County Special School District | 3,500,000     | 3,500,000     |
| North Little Rock School District      | 389,025       | 389,025       |
| TOTAL PAYMENT                          | \$ 11,839,025 | \$ 12,107,525 |

SECTION 7. The Arkansas General Assembly respectfully requests and urges the Special Master and the Court to consider removing the following items as contained in the "Pulaski County School Desegregation Settlement Agreement" executed by the parties in Little Rock School District v. Pulaski County Special School District, et. al., in March, 1989, and to be filed with the United States District Court for the Eastern District of Arkansas, as follows:

- 1) Article II, Paragraph J, Recognition of Autonomy;
- 2) Article III, Paragraph M, School Construction;
- 3) Article IV, Paragraph C, Reserved Issue; and
- 4) Article VII, Paragraph D, Housing.

SECTION 8. 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 9. 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 10. EMERGENCY CLAUSE. It is hereby found and determined by the General Assembly of the State of Arkansas that the State has been found liable for constitutional violations in Little Rock School District v. Pulaski County Special School District, et. al. LR-C-82-8656; that the State has exhausted its appeals on the issue of liability; that the State Board of Education has entered into a Settlement Agreement which will dismiss the State as a

defendant in this litigation; that the Settlement Agreement is contingent on the passage of an appropriation bill to enable the State to pay the financial obligations set forth in the Settlement Agreement. Therefore, an emergency is 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 its passage and approval.

APPROVED: March 23, 1989

---