

Stricken language would be deleted from and underlined language would be added to present law.
Act 35 of the 1st Extraordinary Session

1 State of Arkansas
2 85th General Assembly
3 First Extraordinary Session, 2006
4

As Engrossed: S4/5/06
A Bill

Call Item 17

SENATE BILL 22

5 By: Senator Broadway
6 By: Representative Cook
7
8

9 **For An Act To Be Entitled**

10 AN ACT TO ESTABLISH THE EXTRAORDINARY
11 CIRCUMSTANCES PROGRAM FOR PUBLIC SCHOOL ACADEMIC
12 FACILITIES; AND FOR OTHER PURPOSES
13

14 **Subtitle**

15 TO ESTABLISH THE EXTRAORDINARY
16 CIRCUMSTANCES PROGRAM FOR PUBLIC SCHOOL
17 ACADEMIC FACILITIES
18
19

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
21

22 SECTION 1. Arkansas Code Title 6, Chapter 21, Subchapter 25 is amended
23 by adding the following new section concerning the establishment of a public
24 school academic facilities funding program to respond to extraordinary
25 circumstances:

26 6-21-2514. Academic Facilities Extraordinary Circumstances Program.

27 (a) The General Assembly finds that:

28 (1) In Lake View School District v. Huckabee, 01-836 (Ark. 12-15-
29 2005), the Arkansas Supreme Court raised concerns that some school districts
30 might not receive any state financial assistance with academic facilities
31 projects because the districts might not have sufficient resources to qualify
32 for state funds under the Arkansas Public School Academic Facilities Funding
33 Act, § 6-21-2501 et seq., which requires a local contribution based on the
34 relative wealth of the district;

35 (2) During the 2006 hearings conducted by the House Interim
36 Committee on Education and Senate Interim Committee on Education after the



1 2005 Arkansas Supreme Court decision in the Lake View matter, no school
2 district came forward to testify that the district will be unable to
3 adequately repair, renovate, or construct school buildings;

4 (3) The contention in subdivision (a)(1) of this section, while
5 not without merit as a theory, has not been substantiated. Therefore, the
6 implementation and funding of a program to provide additional state financial
7 assistance to school districts with limited resources is premature; and

8 (4) While implementation and funding may be premature, the
9 development of a program to provide state financial assistance to eligible
10 school districts that do not have sufficient means to contribute an amount of
11 local resources necessary to qualify for state financial participation should
12 be initiated immediately.

13 (b)(1) The Commission for Public School Academic Facilities and
14 Transportation division shall develop by rule the Academic Facilities
15 Extraordinary Circumstances Program under which the Division of Public School
16 Academic Facilities and Transportation shall provide state financial
17 assistance to eligible school districts that do not have sufficient means to
18 contribute an amount of local resources necessary to qualify for state
19 financial participation under the Academic Facilities Partnership Program, §
20 6-20-2507, or the Academic Facilities Catastrophic Program, § 6-20-2508.

21 (2) At a minimum, eligibility criteria for the program shall
22 address:

23 (A) School districts with declining enrollment;
24 (B) School districts with rapid enrollment growth;
25 (C) School districts with insufficient bonding capacity;
26 (D) School districts with low assessed property
27 valuations;

28 (E) School districts at or above the ninety-fifth
29 percentile on the academic facilities wealth index; and

30 (F) Any other circumstance deemed extraordinary by the
31 division.

32 (3) At a minimum, the application process for the program shall
33 require a school district to provide the division with evidence of:

34 (A) The estimated cost of the project;
35 (B) The amount of local resources available to contribute
36 to the project;

1 (C) The amount and availability of funds from school
2 district fund balances;

3 (D) The amount and availability of other public or private
4 assistance;

5 (E) Effort made by the school district and the local
6 community to develop and provide local resources;

7 (F) How state financial participation, if granted, will
8 support the prudent and resourceful expenditure of state funds and improve
9 the school district's ability to deliver an adequate and equitable education
10 to public school students in the district.

11 (c) The division shall report to the General Assembly by January 15,
12 2007, on the development of the program and obtain formal legislative
13 approval before implementing the program.

14
15 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
16 General Assembly of the State of Arkansas that the Arkansas Supreme Court
17 found that the public school funding system continues to be inadequate and
18 the public schools are operating under a constitutional infirmity which must
19 be corrected immediately; that some school districts may be unable to raise
20 local resources necessary to qualify for state financial participation under
21 the Arkansas Public School Academic Facilities Funding Act, § 6-21-2501 et
22 seq., and may not receive any state financial assistance for academic
23 facilities as a result; and that this act is immediately necessary to begin
24 the development of a program to address the potential financial needs of
25 school districts in extraordinary financial circumstances. Therefore, an
26 emergency is declared to exist and this act being necessary for the
27 preservation of the public peace, health, and safety shall become effective
28 on:

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

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

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

35
36 /s/ Broadway

 APPROVED: 4/11/2006