

ARKANSAS SENATE
85th General Assembly - Regular Session, 2005
Amendment Form

Subtitle of Senate Bill No. 338

"AN ACT TO UPDATE VARIOUS PROVISIONS OF THE ARKANSAS CODE RELATED TO
PUBLIC SCHOOL FINANCE."

Amendment No. 2 to Senate Bill No. 338.

Amend Senate Bill No. 338 as engrossed, S3/7/05 (version: 03-07-2005 09:06):

Page 2, delete line 4 and substitute:

"(a) ~~Before January 1, 2004, the~~ The Department of Education shall make the"

AND

Page 2, delete line 12 and substitute:

"(C) District balances, including legal balances and building fund balances;"

AND

Page 2, delete line 18 and substitute:

"(3)(A) Links to the local district's website containing information from the"

AND

Page 2, delete line 35 and substitute:

"years and the projected budgeted information for the current school year.

(b) By December 31 of each year, the Department of Education shall provide a written report to the House and Senate Joint Interim Committee on Education listing those school districts that are not in compliance with this section."

AND

Page 8, delete lines 27 through 36 and substitute:

"SECTION 12. Arkansas Code § 6-20-402(e)(1) and (2), concerning school district's debt, is amended to read as follows:

(e)(1)(A)(i) Except as provided in subdivision (e)(1)(B) of this section, As as additional security for the payment of any postdated warrant, installment contract, lease-purchase agreement, or current indebtedness of a



school district authorized under subdivision (a)(2) of this section, the district may authorize the state board to cure any delinquencies ~~in payment of the school district~~ by withholding state aid and foundation funding due the district.

(ii) Authorization shall be given by the school district at the time the postdated warrant, installment contract, or lease-purchase agreement is issued or the current indebtedness authorized under subdivision (a)(2) of this section is incurred and shall be given in the manner and in the form that the state board shall prescribe.

(B) A school district may not authorize the state board to cure and the state board shall not cure any delinquencies of the district in contracts or extended warranties on equipment by withholding state foundation funding due the district.

(2)(A) If the debtor district has authorized withholding of state aid, then whenever the payee or the designated paying agent for receipt of the district's payments does not receive a payment when due pursuant to the authorizing documents, the payee or paying agent will be entitled to payment from the withheld state aid in an amount sufficient to cure the payment deficiency upon notifying the Director of the Department of Education and the superintendent of the district by telephone, facsimile, or other similar communication followed by written verification If a school district has authorized withholding of its state foundation funding under subdivision (e)(1)(A) of this section and the school district has failed to pay the payee or paying agent amounts due under a postdated warrant, installment contract, or lease-purchase agreement described in subdivision (a)(2) of this section, then the payee or paying agent shall be entitled to payment from the school district's withheld state foundation funding if the payee or paying agent:

(i) Obtains a final judgment establishing the payee's or paying agent's right to payment from the school district under a postdated warrant, installment contract, or lease-purchase agreement described in subdivision (a)(2) of this section; and

(ii) Submits a written request for payment of the amount of the unpaid judgment and a certified copy of the final judgment to the Director of the Department of Education and the superintendent of the school district.

(B)(i) Except as provided in subdivision (e)(1)(B) of this section, ~~Unless~~ unless the superintendent of the school district certifies in writing to the director ~~determines~~ that payment has been made by the district and there is no longer a payment deficiency to the payee or the paying agent and the judgment has been paid in full, the director shall withhold from the next distribution to the school district of state aid and foundation funding and remit to the payee or paying agent an amount sufficient to ~~cure the deficiency~~ pay the judgment amount.

(ii) If the amount withheld under subdivision (e)(1)(B)(i) is insufficient to pay the judgment in full, the director shall continue withholding subsequent distributions of state foundation funding to the school district until the superintendent certifies to the director that the judgment is paid in full."

AND

Page 9, delete line 1 entirely

AND

Page 12, delete lines 25 through 29 and substitute:

“(a) Any increase in Educational Excellence Trust Fund funds allocated for teacher salaries ~~may~~ shall be used by school districts to provide salary increases for current certified personnel positions and for no other purpose, to fund the required salary increase provided for in this subsection, 6-20-412, and 6-17-210let seq., and except that required social security and teacher retirement matching required to be paid by the school districts for certified personnel may be paid from the funds.”

AND

Page 17, delete line 13, and substitute:

"participate in the program.

SECTION 23. Arkansas Code § 6-20-402(a)(2), concerning school district's debt, is amended to read as follows:

(2) School districts may issue postdated warrants or enter into installment contracts or short-term lease-purchase agreements for the following purposes:

- (A) Purchase of school buses;
- (B) Payment of premiums of insurance policies on school buildings, facilities, and equipment in instances in which the insurance coverage extends three (3) years or longer;
- (C) (i) Purchase of equipment.
 - (ii) However, “purchase of equipment” does not include separate equipment service agreements, equipment repair contracts, or extended warranties for the equipment;
- (D) Installation or purchase, or both, of energy conservation measures in school facilities;
- (E) Repair and renovation of school facilities;
- (F) Purchase of school sites;
- (G) Payment on loans secured for settlement resulting from litigation against a school district;
- (H) Payment of the district's pro rata part of employing professional appraisers as authorized by laws providing for the appraisal or reappraisal and assessment of property for ad valorem tax purposes; and
- (I) The professional development and training of teachers or other programs authorized under the federally recognized Qualified Zone Academy Bond Program codified at 26 U.S.C. § 1397E.”

AND

If appropriate, renumber the remaining sections of the bill

The Amendment was read the first time, rules suspended and read the second time and _____

By: Senator Broadway

KAC/TAT - 03-23-2005 09:12

KAC776

Secretary