

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997
4

As Engrossed: H2/17/97

A Bill

HOUSE BILL 1545

5 By: Representative Thicksten
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For An Act To Be Entitled

9 "AN ACT AMENDING ARKANSAS CODE ANNOTATED § 6-17-914 TO
10 AUTHORIZE THE DEPARTMENT OF EDUCATION TO WITHHOLD STATE
11 AID FROM SCHOOL DISTRICTS THAT FAIL TO FILE BUDGETS AND
12 OTHER REQUIRED REPORTS IN A TIMELY MANNER AND TO AUTHORIZE
13 THE DEPARTMENT OF FINANCE AND ADMINISTRATION TO WITHHOLD
14 COUNTY TURNBACK AID FROM COUNTIES THAT DO NOT PROVIDE
15 COUNTY BOARDS OF EDUCATION WITH INFORMATION NECESSARY TO
16 SUBMIT ANNUAL ABSTRACTS OF ASSESSMENTS FOR LOCAL SCHOOL
17 DISTRICTS IN A TIMELY MANNER; AND FOR OTHER PURPOSES."

Subtitle

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20 "TO AMEND A.C.A. § 6-17-914 BY
21 AUTHORIZING THE DEPT. OF EDUCATION TO
22 WITHHOLD STATE AID FROM SCHOOL DISTRICTS
23 THAT FAIL TO FILE REQUIRED REPORTS IN A
24 TIMELY MANNER."
25

26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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28 SECTION 1. Arkansas Code Annotated § 6-17-914 is amended to read as
29 follows:

30 "6-17-914. District budget.

31 (a) Each school district of the state shall prepare annually a budget
32 of expenditures and receipts which shall, ~~no later than August 28 of each~~
33 ~~year,~~ be filed with the Department of Education. Each budget, approved by the
34 board of directors of the district in a legally held meeting and signed by the
35 president of the board and the ex officio financial secretary of the district,
36 shall contain such information and be prepared on such paper forms or

1 electronic format as prescribed by the State Board of Education.

2 (1) A school district that utilizes paper forms shall file the
3 budget with the department no later than August 28 of each year.

4 (2) A school district that utilizes an electronic format shall
5 file the budget with the department no later than September 15 of each year.

6 (b) Warrants or checks of the district issued after ~~August 28 of a~~
7 ~~fiscal year~~ the date required by subsection (a) of this section shall be
8 invalid unless a budget has been filed as required by this subchapter. The ex
9 officio financial secretary of the district and his surety shall be liable for
10 any warrants or checks he countersigns after this date if a budget has not
11 been filed, and all grants and aids from the state for which the district may
12 be eligible shall be suspended until the requirements of this subchapter are
13 met.

14 (c) Budgets of the school districts of the state filed as required by
15 this section shall be reviewed by the Department of Education to determine if
16 the requirements of the statutes and the regulations of the State Board of
17 Education regarding the earmarking or use of school funds are being met. Upon
18 approval, copies of the approved budget shall be filed with the school
19 district, the county board of education, the county treasurer if serving as
20 school treasurer, and the Department of Education.

21 (d) The ex officio financial secretary of each school district shall
22 keep a record of the expenditures and receipts of the district in such manner
23 and on such forms as may be specified by the State Board of Education or the
24 School Audit Section of the Division of Legislative Audit of the Legislative
25 Joint Auditing Committee. When the Department of Education or the School Audit
26 Section of the Division of Legislative Audit of the Legislative Joint Auditing
27 Committee determines that the financial records of any school district are not
28 being properly kept or that the financial affairs of the district are not
29 being administered in accordance with state law or State Board of Education
30 regulations, grants and aids from the state to which the district may be
31 entitled shall be withheld until it can be determined that the fiscal records
32 of the district are in order or the financial affairs are being properly
33 administered.

34 (e)(1) The Department of Education may withhold state aid from any
35 school district that fails to file its budget or any other required report
36 with the department by the deadline established by statute or by regulation

1 promulgated by the State Board of Education, so long as the department has met
2 all deadlines for providing information to school districts.

3 (2) The department shall submit a list of all required reports,
4 with due dates, to each school district on or before July 1 of each year.

5 (f) The State Board of Education shall promulgate the necessary
6 regulations to fully implement the provisions of this section.

7 (g) The Treasurer of State may withhold the monthly distribution of
8 county aid provided for under § 19-5-602(b) from any county that fails to
9 provide the county board of education in a timely manner with information
10 necessary for submission to the Department of Education of the annual abstract
11 of assessment for each school district located wholly or in part in such
12 county."

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14 SECTION 2. All provisions of this act of a general and permanent nature
15 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
16 Revision Commission shall incorporate the same in the Code.

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18 SECTION 3. If any provision of this act or the application thereof to
19 any person or circumstance is held invalid, such invalidity shall not affect
20 other provisions or applications of the act which can be given effect without
21 the invalid provision or application, and to this end the provisions of this
22 act are declared to be severable.

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24 SECTION 4. All laws and parts of laws in conflict with this act are
25 hereby repealed.

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/s/Rep. Thicksten

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