

Stricken language would be deleted from present law. Underlined language would be added to present law.

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

As Engrossed: S2/20/97 S3/18/97

A Bill

SENATE BILL 128

4
5 By: Senator Walker

For An Act To Be Entitled

9 "AN ACT TO AMEND ARKANSAS CODE § 24-7-202 TO FURTHER DEFINE
10 EMPLOYMENT WITH A SCHOOL UNDER THE ARKANSAS TEACHER
11 RETIREMENT SYSTEM TO INCLUDE EMPLOYEES OF A SCHOOL
12 DISTRICT WORKING FOR PRIVATIZED ENTERPRISES PROVIDING
13 SERVICES TO THE SCHOOL DISTRICT *AND THE EMPLOYEES WITH*
14 *COMMUNITY PROVIDERS ASSOCIATION AGENCIES*; TO DECLARE AN
15 EMERGENCY; AND FOR OTHER PURPOSES."

Subtitle

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18 "TO ALLOW EMPLOYEES OF PRIVATIZED
19 ENTERPRISES PROVIDING SERVICES TO THE
20 SCHOOL DISTRICT *AND OF CERTAIN NONPROFIT*
21 *AGENCIES TO BE* MEMBERS OF THE ARKANSAS
22 TEACHER RETIREMENT SYSTEM."

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

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26 SECTION 1. Subdivision (8) of Arkansas Code § 24-7-202, regarding the
27 definitions for the Teacher Retirement System, is amended to read as follows:

28 "(8) Employment with a school means, beginning July 1, 1993:

29 (A) Employment with any of the following institutions or
30 agencies:

- 31 (i) Arkansas School for the Blind;
32 (ii) Arkansas School for the Deaf;
33 (iii) Arkansas Activities Association;
34 (iv) A local school board;
35 (v) Chief county school officers;
36 (vi) The State Board of Education;

1 (vii) Regional education cooperatives;
2 (viii) The State Surplus Property Program; and
3 (ix) The Arkansas Teacher Retirement System;
4 (B) Employment in a position with any of the following
5 organizations:

6 (i) Juvenile training schools;
7 (ii) The Arkansas Educational Television Commission; and
8 (iii) Area vocational-technical schools, except those
9 employees of area vocational schools and the Vocational and Technical
10 Education Division of the Department of Education who have elected to
11 participate in an alternate retirement plan established by §§ 24-7-901 -
12 24-7-908;

13 (C) Employment by the Arkansas Rehabilitation Services or the
14 Division of State Services for the Blind, except those employees who have
15 elected to participate in the noncontributory plan of the Arkansas Public
16 Employees' Retirement System; ~~and~~

17 (D) Employment in a position with an educationally related agency
18 if the employee is or has been a member of the Arkansas Teacher Retirement
19 System for a minimum of five (5) years and elects to become or remain a member
20 of the system. The employment shall be related to the training of public
21 school employees or school board members, or teaching public school students,
22 or in adult education programs. The employment shall not be related in any
23 manner to private schools. Such agency shall be approved according to rules
24 and regulations established by the board of trustees, shall be considered an
25 employer under § 24-7-202(6), and shall be responsible for all required
26 employer contributions;

27 (E) Employment in an enterprise privatized by a public school
28 district. If a public school district should privatize any of its services,
29 any individual who is or was employed by the school district in one of those
30 services and who is or has been a member of the Arkansas Teacher Retirement
31 System may elect to remain a member if the board of trustees determines
32 pursuant to rules and regulations adopted by the board that the participation
33 of these employees in the system will not in any way impair any legal status
34 of the system, including but not limited to its status as a governmental plan
35 pursuant to the federal Internal Revenue Code and the Employee Retirement
36 Income Security Act of 1974 (ERISA), or have a substantial adverse impact on

1 the actuarial soundness of the system and if the private provider assumes all
2 responsibility for the required employer contributions and any fees for
3 obtaining Internal Revenue rulings or ERISA opinions; and
4 (F) Employment in positions with educational nonprofit corporations
5 associated with the Community Providers Association in Arkansas if the
6 nonprofit corporation has elected to participate in the Arkansas Teacher
7 Retirement System, and if the Board of Trustees determines pursuant to rules
8 and regulations adopted by the board that their participation will not in any
9 way impair any legal status of the system, including but not limited to its
10 status as a governmental plan pursuant to the federal Internal Revenue Code
11 and the Employee Retirement Income Security Act of 1974 (ERISA), or have a
12 substantial adverse impact on the actuarial soundness of the system. The
13 employment shall be related to the training of public school employees or
14 school board members, or teaching public school students, or in adult
15 education programs. The employment shall not be related in any manner to
16 private schools. Each nonprofit corporation shall be approved according to
17 rules and regulations established by the board of trustees, shall be
18 considered an employer under § 24-7-202(6), and shall be responsible for all
19 required employer contributions and any fees for obtaining Internal Revenue
20 rulings or ERISA opinions."

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22 SECTION 2. All provisions of this act of general and permanent nature
23 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
24 Revision Commission shall incorporate the same in the Code.

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26 SECTION 3. If any provisions of this act or the application thereof to
27 any person or circumstance is held invalid, the invalidity shall not affect
28 other provisions or applications of the act which can be given effect without
29 the invalid provisions or application, and to this end the provisions of this
30 act are declared to be severable.

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

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35 SECTION 5. Emergency. It is hereby found and determined by the
36 Eighty-First General Assembly of the State of Arkansas that the current trend

1 in government and school administration is to privatize more and more school
2 services; that many school districts in Arkansas are following this
3 privatization trend; that many employees of the school districts will go to
4 work for those privatized enterprises; that it is in the best interest of
5 State of Arkansas and its public schools to continue to allow these employees
6 to remain members of the Teacher Retirement System; and that the best
7 practices of fiscal management for the System require that this act be
8 effective at the beginning of the fiscal year. Therefore, in order to
9 accommodate the developing trends in school administration and sound fiscal
10 administration, an emergency is hereby declared to exist, and this act being
11 necessary for the immediate preservation of the public peace, health, and
12 safety, shall become effective July 1, 1997.

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/s/Walker