State of Arkansas 1 As Engrossed: S3/29/99 A Bill 2 82nd General Assembly 3 Regular Session, 1999 SENATE BILL 630 4 By: Senator Mahony 5 6 7 For An Act To Be Entitled 8 "AN ACT TO AMEND CERTAIN PROVISIONS IN ARKANSAS CODE 9 6-5-301, 26-51-205 AND 19-6-467 TO CHANGE THE METHOD 10 OF DETERMINING DISTRIBUTION OF FUNDS IN THE 11 12 EDUCATIONAL EXCELLENCE TRUST FUND AND TO THE WORK FORCE 2000 DEVELOPMENT FUND; AND FOR OTHER PURPOSES." 13 14 **Subtitle** 15 "CHANGE THE METHOD OF DETERMINING THE 16 DISTRIBUTION OF FUNDS TO THE EDUCATIONAL 17 18 EXCELLENCE TRUST FUND AND TO THE WORK 19 FORCE 2000 DEVELOPMENT FUND." 20 21 22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS: 23 24 SECTION 1. Arkansas Code 6-5-301 is amended to read as follows: "6-5-301. Creation - Funding. 25 (a) There is hereby established on the books of the Treasurer of State, 26 27 Auditor of State, and the Chief Fiscal Officer of the State a fund to be known as the 'Educational Excellence Trust Fund', which shall consist of the 28 29 following amounts: One hundred ninety-two million five hundred thousand dollars (\$192,500,000) for each of the fiscal years ending June 30, 1997, 1998 30 31 and 1999. Provided however, that as soon as possible prior to the convening of the Eighty-Second General Assembly, the Chief Fiscal Officer of the State will 32 conduct such studies as are necessary, in cooperation with the Legislative 33 Joint Auditing Committee, to determine the amounts of revenue which would have 34 been attributable to the fiscal years ending June 30, 1998 and 1999 from those 35 additional revenues enacted by the Seventy-Eight [sic] General Assembly 36

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meeting in regular session and make the amount so determined available for 1 each fiscal year of the succeeding biennium. The phrase 'those additional 2 revenues' shall be limited to any increases enacted in those taxes classified 3 as general revenues in the Revenue Classification Law, § 19-6-201 enacted 4 during the Seventy-Eighth General Assembly meeting in regular session. 5 (b) On the last day of each month, the Treasurer of State, after making 6 7 the deductions required from the net general revenues as set out in § 19-5-202(b)(2)(B)(i), shall also deduct from said net revenues such amounts as are 8 certified by the Chief Fiscal Officer of the State as having accrued from 9 those additional revenues and transfer them to the Educational Excellence 10 11 Trust Fund. 12 (a) There is hereby established on the books of the Treasurer of State, Auditor of State, and the Chief Fiscal Officer of the State a fund to be known 13 14 as the 'Educational Excellence Trust Fund'. For each of the State's fiscal 15 years, the Chief Fiscal Officer of the State shall determine as an annual 16 allocation for this fund an amount based on the total net general revenues, as enumerated in the Revenue Classification Law, §§ 19-6-201(1) and 19-6-201(2), 17 which were collected in the immediate past year, times a factor of 0.1414. 18 19 (b) On the last day of each month of the respective fiscal year, the 20 Chief Fiscal Officer of the State shall certify to the Treasurer of State an amount based on one-twelfth (1/12) of the annual allocation determined in § 6-21 22 5-301(a) for transfer to the Educational Excellence Trust Fund. The Treasurer of State shall make such transfer after making the deductions required from 23 24 the net general revenues as set out in § 19-5-202(b)(2)(B)(i)." 25 26 SECTION 2. Arkansas Code 26-51-205(c)(2)(B)(i) is amended to read 27 as follows: "(B)(i) On the last day of each month, the Chief Fiscal 28 29 Officer of the State shall certify to the State Treasurer an amount equal to one-twelfth (1/12) of sixteen million five hundred thousand dollars 30 (\$16,500,000) for each fiscal year of the biennial period ending June 30. 31 1999. Provided however, that as soon as possible prior to the convening of the 32 Eighty-Second General Assembly, the Chief Fiscal Officer of the State will 33 conduct such studies as are necessary, in cooperation with the Legislative 34 Joint Auditing Committee, to determine the amounts of revenue which would have 35 been attributable to the fiscal years ending June 30, 1998 and 1999 due to the 36

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1 provisions of this section and make the amount so determined available for 2 each fiscal year of the succeeding biennium. 3 (B)(i) For each of the State's fiscal years, the Chief Fiscal Officer of the State shall determine as an annual allocation available 4 under the provisions of this section an amount based on the total net 5 revenues, as enumerated in §§ 26-51-205(a) and 26-51-205(b), which were 6 7 collected in the immediate past year, times a factor of .0678. On the last day of each month of the respective fiscal year, the Chief Fiscal Officer of 8 9 the State shall certify to the Treasurer of State an amount based on one-10 twelfth (1/12) of the annual allocation provided in this section for transfer as specified in § 26-51-205(c)(2)(B)(ii)." 11 12 13 SECTION 3. Arkansas Code 26-51-205(d)(2) is amended to change the supervision and method of distribution from the Workforce 2000 Development 14 15 Fund for the post-secondary and vocational institutions to read as follows: 16 "(2) The distribution of the proceeds shall be supervised by the 17 State Board of Higher Education and the State Board of Vocational Workforce 18 Education and Career Opportunities for the postsecondary vocational-technical schools, technical institutes, and comprehensive lifelong learning centers. 19 20 The distribution of the proceeds for technical colleges, community colleges, or any postsecondary vocational-technical school, technical institute, 21 22 comprehensive lifelong learning center, or technical college that merges with a two-year branch of a four-year institution, a four-year institution, a 23 technical college, or a community college shall continue at the same 24 proportion as those distributions made in fiscal year 1996-97, excluding one-25 26 time capital disbursements and professional development disbursements made in 27 fiscal year 1996-97 equal to the amount of funds distributed in fiscal year 28 1998-99; any increase in the amount of funds in the Work Force 2000 29 Development Fund above the amount distributed in fiscal year 1998-99 shall be 30 supervised by the Arkansas Higher Education Coordinating Board and shall be 31 distributed after a review of needs including, but not limited to, equity 32 considerations and workforce development and after consultation with the 33 presidents and chancellors of the technical and former technical colleges." 34 35 SECTION 4. Arkansas Code 19-6-467 is amended to read as follows: "19-6-467. Work Force 2000 Development Fund. 36

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The Work Force 2000 Development Fund shall consist of those special
revenues as specified in subdivision (163) of § 19-6-301 and all other
revenues as may be authorized by law, there to be used exclusively for the
authorized educational activities of those entities as set out in §§ 26-51-
205(d)(1)(A) and $26-51-205(d)(1)(B)$, and as distributed under the supervision
of the State Board of Higher Education and the State Board of Vocational and
Technical Education as set out in § 26-51-205(d)(2)."
SECTION 5. 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 6. If any provision of this act or the application thereof to
any person or circumstance is held invalid, such invalidity shall not affect
other provisions or applications of the act which can be given effect without
the invalid provision or application, and to this end the provisions of this
act are declared to be severable.
SECTION 7. All laws and parts of laws in conflict with this act are
hereby repeal ed.
SECTION 8. <u>EMERGENCY CLAUSE</u> . It is hereby found and determined by the
Eighty-second General Assembly that the changes required by this act must take
effect at the beginning of the state fiscal year and not to do so will disrupt
the flow of funds for vocational education. Therefore, an emergency is
declared to exist and this act being immediately necessary for the
preservation of the public peace, health and safety shall become effective on
<u>Jul y 1, 1999.</u>
/s/ Mahony