

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

As Engrossed: H4/6/06
A Bill

Call Item 13

HOUSE BILL 1039

5 By: Representatives Elliott, Cook, Mahony, Pickett
6 By: Education Committee - Senate
7
8

9 **For An Act To Be Entitled**

10 AN ACT TO BE KNOWN AS THE EDUCATIONAL ADEQUACY
11 ACT OF 2006; TO ENSURE A GENERAL, SUITABLE AND
12 EFFICIENT SYSTEM OF PUBLIC EDUCATION FOR STUDENTS
13 BY *ADDRESSING* ISSUES RAISED BY THE ARKANSAS
14 SUPREME COURT; TO AMEND THE MINIMUM TEACHER
15 COMPENSATION SCHEDULE; TO INCREASE THE FOUNDATION
16 FUNDING PROVIDED UNDER THE PUBLIC SCHOOL FUNDING
17 ACT OF 2003; TO CLARIFY THAT THE NINE PERCENT
18 (9%) OF FOUNDATION FUNDING DEDICATED TO PAYMENT
19 OF UTILITIES AND COSTS OF MAINTENANCE, REPAIR,
20 AND RENOVATION ACTIVITIES APPLIES TO ALL PUBLIC
21 SCHOOL FACILITIES; TO LIMIT THE EMPLOYER
22 CONTRIBUTION RATE FOR TEACHER RETIREMENT; AND FOR
23 OTHER PURPOSES.
24

25 **Subtitle**

26 THE EDUCATIONAL ADEQUACY ACT OF 2006.
27
28
29

30 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
31

32 SECTION 1. Arkansas Code Title 6, Chapter 10, Subchapter 1 is amended
33 to add an additional section to read as follows:

34 6-10-120. Adequate and equitable public education system.

35 The General Assembly finds:

36 (1) It is the duty of the state of Arkansas to provide a



1 general, suitable, and efficient system of free public schools to the
2 children of the state, under Ark. Const. Art 14, § 1;

3 (2) The General Assembly is obligated to ensure the provision of
4 an adequate and equitable system of education;

5 (3) The House Interim Committee on Education and Senate Interim
6 Committee on Education conducted hearings in 2006 after the 2005 Arkansas
7 Supreme Court decision in Lake View School District v. Huckabee, 01-836 (Ark.
8 12-15-2005);

9 (4) The Eighty-Fifth General Assembly, in the First
10 Extraordinary Session of 2006, implemented revisions to Arkansas law
11 recommended by the House Interim Committee on Education and the Senate
12 Interim Committee on Education based on the committees' findings following
13 the 2006 hearings; and

14 (5) The acts passed upon the recommendation of the House Interim
15 Committee on Education and the Senate Interim Committee on Education result
16 in a system of public education that is adequate and equitable.

17
18 *SECTION 2. Arkansas Code § 6-17-2403(b) and (c), concerning the*
19 *minimum teacher compensation schedule, is amended to read as follows:*

20 *(b)(1) In school years year 2004-2005 ~~and 2005-2006~~, each school*
21 *district in the state shall have in place a salary schedule with at least the*
22 *following minimum levels of compensation for a basic contract:*

<i>Years of Experience</i>	<i>BA Degree Salary</i>	<i>MA Degree Salary</i>
0	\$27,500	\$31,625
1	27,950	32,125
2	28,400	32,625
3	28,850	33,125
4	29,300	33,625
5	29,750	34,125
6	30,200	34,625
7	30,650	35,125
8	31,100	35,625
9	31,550	36,125
10	32,000	36,625
11	32,450	37,125

1	12	32,900	37,625
2	13	33,350	38,125
3	14	33,800	38,625
4	15	34,250	39,125

5

6 (2) In school year 2005-2006, each school district in the state
 7 shall have in place a salary schedule with at least the following minimum
 8 levels of compensation for a basic contract:

9

10	<u>Years of Experience</u>	<u>BA Degree Salary</u>	<u>MA Degree Salary</u>
11	<u>0</u>	<u>\$27,940</u>	<u>\$32,131</u>
12	<u>1</u>	<u>28,390</u>	<u>32,631</u>
13	<u>2</u>	<u>28,840</u>	<u>33,131</u>
14	<u>3</u>	<u>29,290</u>	<u>33,631</u>
15	<u>4</u>	<u>29,740</u>	<u>34,131</u>
16	<u>5</u>	<u>30,190</u>	<u>34,631</u>
17	<u>6</u>	<u>30,640</u>	<u>35,131</u>
18	<u>7</u>	<u>31,090</u>	<u>35,631</u>
19	<u>8</u>	<u>31,540</u>	<u>36,131</u>
20	<u>9</u>	<u>31,990</u>	<u>36,631</u>
21	<u>10</u>	<u>32,440</u>	<u>37,131</u>
22	<u>11</u>	<u>32,890</u>	<u>37,631</u>
23	<u>12</u>	<u>33,340</u>	<u>38,131</u>
24	<u>13</u>	<u>33,790</u>	<u>38,631</u>
25	<u>14</u>	<u>34,240</u>	<u>39,131</u>
26	<u>15</u>	<u>34,690</u>	<u>39,631</u>

27

28 (c) In school year 2006-2007 and each school year thereafter, each
 29 school district in the state shall have in place a salary schedule with at
 30 least the following minimum levels of compensation for a basic contract:

31

32	<u>Years of Experience</u>	<u>BA Degree Salary</u>	<u>MA Degree Salary</u>
33	<u>0</u>	<u>\$27,994</u>	<u>\$32,193</u>
34	<u>1</u>	<u>28,452</u>	<u>32,702</u>
35	<u>2</u>	<u>28,910</u>	<u>33,211</u>
36	<u>3</u>	<u>29,368</u>	<u>33,720</u>

1	4	29,826	34,229
2	5	30,284	34,738
3	6	30,742	35,247
4	7	31,200	35,756
5	8	31,658	36,265
6	9	32,116	36,774
7	10	32,574	37,283
8	11	33,032	37,792
9	12	33,490	38,301
10	13	33,948	38,810
11	14	34,406	39,319
12	15	34,864	39,828

13

14	<u>Years of Experience</u>	<u>BA Degree Salary</u>	<u>MA Degree Salary</u>
15	<u>0</u>	<u>\$28,611</u>	<u>\$32,902</u>
16	<u>1</u>	<u>29,061</u>	<u>33,402</u>
17	<u>2</u>	<u>29,511</u>	<u>33,902</u>
18	<u>3</u>	<u>29,961</u>	<u>34,402</u>
19	<u>4</u>	<u>30,411</u>	<u>34,902</u>
20	<u>5</u>	<u>30,861</u>	<u>35,402</u>
21	<u>6</u>	<u>31,311</u>	<u>35,902</u>
22	<u>7</u>	<u>31,761</u>	<u>36,402</u>
23	<u>8</u>	<u>32,211</u>	<u>36,902</u>
24	<u>9</u>	<u>32,661</u>	<u>37,402</u>
25	<u>10</u>	<u>33,111</u>	<u>37,902</u>
26	<u>11</u>	<u>33,561</u>	<u>38,402</u>
27	<u>12</u>	<u>34,011</u>	<u>38,902</u>
28	<u>13</u>	<u>34,461</u>	<u>39,402</u>
29	<u>14</u>	<u>34,911</u>	<u>39,902</u>
30	<u>15</u>	<u>35,361</u>	<u>40,402</u>

31

32

33 SECTION 3. Arkansas Code § 6-20-2305(a), concerning foundation funding
 34 for a public school district, is amended to read as follows:

35 (a)(1) For each school year, a each school district
 36 shall receive state foundation funding aid computed as the difference between

1 the foundation funding amount pursuant to subdivision (a)(2) of this section
2 and the sum of ninety-eight percent (98%) of the uniform rate of tax
3 multiplied by the property assessment of the school district plus seventy-
4 five percent (75%) of miscellaneous funds of the school district.

5 (2)(A) For the 2005-2006 school year, the foundation funding
6 amount is equal to ~~five thousand four hundred dollars (\$5,400)~~ five thousand
7 four hundred eighty-six dollars (\$5,486) multiplied by the district's average
8 daily membership ~~of~~ for the previous school year.

9 (B) For the 2006-2007 school year, the foundation funding
10 amount is equal to ~~five thousand four hundred ninety-seven dollars (\$5,497)~~
11 five thousand six hundred twenty dollars (\$5,620) multiplied by the
12 district's average daily membership ~~of~~ for the previous school year.

13 (C) For the 2005-2006 school year and the 2006-2007 school
14 years, the foundation funding amount provided under subdivisions (a)(2)(A)
15 and (B) of this section shall be increased by forty-two dollars (\$42.00)
16 multiplied by the district's average daily membership for the previous school
17 year to pay for increased school district costs resulting from the 2005-2006
18 and 2006-2007 increases in the employer's rate of contribution to the
19 Arkansas Teacher Retirement System from thirteen percent (13%) to fourteen
20 percent (14%).

21
22 SECTION 4. Arkansas Code § 6-21-803 is amended to read as follows:

23 6-21-803. Definitions.

24 As used in this subchapter:

25 (1)(A) "Academic facility" means a building or space, including
26 related areas such as the physical plant and grounds, where public school
27 students receive instruction that is an integral part of an adequate
28 education as described in § 6-20-2302.

29 (B) A public school building or space, including related
30 areas such as the physical plant and grounds, used for an extracurricular
31 activity or an organized physical activity course as defined in § 6-16-137
32 shall not be considered an academic facility for the purposes of this
33 subchapter to the extent that the building, space, or related area is used
34 for extracurricular activities or organized physical activities courses,
35 except for physical educational training and instruction under § 6-16-132.

36 (C) Buildings or spaces, including related areas such as

1 the physical plant and grounds, used for prekindergarten education shall not
2 be considered academic facilities for purposes of this subchapter.

3 (D) District administration buildings and spaces,
4 including related areas such as the physical plant and grounds, shall not be
5 considered academic facilities for the purposes of this subchapter;

6 (2) "Annexation" means the joining of an affected school
7 district or part of the school district with a receiving district under § 6-
8 13-1401 et seq.;

9 (3) "Consolidation" means the joining of two (2) or more school
10 districts or parts of the districts to create a new single school district
11 under § 6-13-1401 et seq.;

12 (4) "Custodial activities" means routine and renovation cleaning
13 activities related to the daily operations and upkeep of ~~academic facilities~~
14 a public school facility, including related supervisory and management
15 activities;

16 (5) "Facilities distress status" means a public school district
17 determined by the Division of Public School Academic Facilities and
18 Transportation as being in academic facilities distress status under this
19 subchapter;

20 (6) "Facilities improvement plan" means a remedial plan
21 developed by a school district for a public school or school district
22 identified as being in academic facilities distress that supplements the
23 school district's facilities master plan by:

24 (A) Identifying specific interventions and actions the
25 public school or school district will undertake in order to correct deficient
26 areas of practice with regard to custodial, maintenance, repair, and
27 renovation activities with regard to academic facilities in the school
28 district; and

29 (B) Describing how the school district will remedy those
30 areas in which the school district is experiencing facilities distress,
31 including the designation of the time period by which the school district
32 will correct all deficiencies that placed the school district in facilities
33 distress status;

34 (7) "Facilities master plan" means a ten-year plan developed by
35 a school district that contains:

36 (A) ~~current~~ Current enrollment projections;

1 (B) The and details the school district's strategy for
 2 maintaining, repairing, renovating, and improving through new construction or
 3 otherwise the school district's academic facilities and equipment; and

4 (C) Other information as required by law;

5 (8) "Foundation funding" shall have the same meaning as in § 6-
 6 20-2303;

7 (9) "Local resources" means any moneys lawfully generated by a
 8 school district for the purpose of funding the school district's share of
 9 financial participation in any academic facilities project for which a school
 10 district is eligible to receive state financial participation under
 11 priorities established by the division;

12 (10) "Maintenance, repair, and renovation" means any activity or
 13 improvement to ~~an academic~~ a public school facility ~~and, if necessary,~~
 14 ~~related areas, such as the physical plant and grounds,~~ that:

15 (A) Maintains, conserves, or protects the state of
 16 condition or efficiency of the ~~academic~~ public school facility; or

17 (B) Brings the state of condition or efficiency of the
 18 ~~academic~~ public school facility up to the facility's original condition of
 19 completeness or efficiency;

20 (11)(A) "New construction" means any improvement to an academic
 21 facility and, if necessary, related areas such as the physical plant and
 22 grounds that brings the state of condition or efficiency of the academic
 23 facility to a state of condition or efficiency better than the academic
 24 facility's original condition of completeness or efficiency.

25 (B) "New construction" includes ~~additions to existing~~
 26 ~~academic facilities and new academic facilities~~ a new addition to an existing
 27 academic facility and construction of a new academic facility;

28 (12) "Project" means an undertaking in which a school district
 29 engages in:

30 (A) Maintenance, repair, and renovation activities with
 31 regard to an academic facility;

32 (B) New construction of an academic facility; or

33 (C) Any combination of maintenance, repair, and renovation
 34 activities with regard to an academic facility and new construction
 35 activities with regard to an academic facility;

36 (13) "Public school facility" means any public school building

1 or space, including related areas such as the physical plant and grounds,
 2 that is used for any purpose, including, without limitation:

3 (A) An extracurricular activity;

4 (B) An organized physical activity course as defined in §
 5 6-16-137;

6 (C) Prekindergarten education;

7 (D) District administration; or

8 (E) Delivery of instruction to public school students that
 9 is an integral part of an adequate education as described in § 6-20-2302;

10 ~~(13)~~(14) "Reconstitution" means the reorganization of the
 11 administrative unit or the governing school board of a school district,
 12 including, but not limited to, the replacement or removal of a current
 13 superintendent or the removal or replacement of a current school board, or
 14 both;

15 ~~(14)~~(15) "School district" means a geographic area with an
 16 elected board of directors that qualifies as a taxing unit for purposes of ad
 17 valorem property taxes under title 26 of the Arkansas Code and which board
 18 conducts the daily affairs of public schools under the supervisory authority
 19 vested in it by the General Assembly and title 6 of the Arkansas Code; and

20 ~~(15)~~(16) "Space utilization" means the number of gross square
 21 feet per student in ~~a public school~~ an academic facility adjusted for
 22 academic program, school enrollment, grade configuration, and type of public
 23 school in accordance with rules promulgated by the Commission for Arkansas
 24 Public School Academic Facilities and Transportation.

25
 26 SECTION 5. Arkansas Code § 6-21-804(a) is amended to read as follows:

27 (a) The Division of Public School Academic Facilities and
 28 Transportation shall develop a comprehensive Arkansas Public School Academic
 29 Facilities Program that includes the following components:

30 (1) An Academic Facilities Master Plan Program that establishes
 31 a process by which:

32 (A) Each school district develops and submits a facilities
 33 master plan for review and approval by the division; and

34 (B) The division develops a comprehensive state master
 35 plan for managing state financial participation in local academic facilities
 36 projects across the state;

1 (2) ~~An Academic Facilities~~ A Public School Facilities Custodial,
2 Maintenance, Repair, and Renovation Manual that contains uniform standards to
3 direct custodial, maintenance, repair, and renovation activities in public
4 school ~~academic~~ facilities;

5 (3) A Public School Academic ~~Facility~~ Facilities Manual that
6 contains uniform standards to guide the planning, design, and construction of
7 new ~~public school~~ academic facilities and additions to existing ~~public school~~
8 academic facilities;

9 (4) A Public School Academic Equipment Manual that contains
10 uniform standards for technology systems, instructional materials, and
11 related academic equipment determined to be necessary for a public school to
12 provide an adequate education as ~~defined~~ described in § 6-20-2302; and

13 (5) An Academic Facilities Distress Program to assist school
14 districts that are unable to conserve and protect their academic facilities
15 in accordance with this subchapter and rules adopted by the Commission for
16 Arkansas Public School Academic Facilities and Transportation.

17
18 SECTION 6. Arkansas Code § 6-21-806(b) is amended to read as follows:

19 (b) A facilities master plan shall include, at a minimum, the
20 following:

21 ~~(1) A current inventory of all academic facilities, technology~~
22 ~~systems, instructional materials, and related academic equipment in the~~
23 ~~school district;~~

24 ~~(2)~~(1) A schedule of custodial activities for each ~~academic~~
25 public school facility used by a school district;

26 ~~(3)~~(2) A schedule of maintenance, repair, and renovation
27 activities for each ~~academic~~ public school facility used by a school
28 district. The schedule shall distinguish between work associated with
29 academic facilities and work associated with nonacademic public school
30 facilities;

31 ~~(4)~~(3) Documentation that describes preventive maintenance work
32 for each ~~academic~~ public school facility and identifies the completion date
33 of the work. The documentation shall distinguish between preventive
34 maintenance work associated with academic facilities and preventive
35 maintenance work associated with nonacademic public school facilities;

36 ~~(5)~~(4) Annual expenditures of the school district for all

1 custodial, maintenance, repair, and renovation activities in the school
 2 district. The section of the facilities master plan pertaining to annual
 3 expenditures under this subdivision (b)(5) shall distinguish between
 4 expenditures associated with academic facilities and expenditures associated
 5 with nonacademic public school facilities;

6 ~~(6)~~(5) A projected replacement schedule for major building
 7 systems in each academic facility;

8 ~~(7)~~(6) The school district's plan for caring for and maintaining
 9 technology systems, instructional materials, and related academic equipment
 10 in each academic facility;

11 ~~(8)~~(7) A projected replacement schedule for technology systems,
 12 instructional materials, and related academic equipment;

13 ~~(9)~~(8) Identification of issues with regard to public school
 14 facility and program access to individuals with disabilities and, if
 15 necessary, proposed methods for improving access;

16 ~~(10)~~(9) Identification of committed projects within the school
 17 district that includes, as applicable, a breakdown of the portion of each
 18 project into maintenance, repair, and renovation activities and new
 19 construction activities. The portion of a committed project pertaining to
 20 maintenance, repair, and renovation activities shall identify, as applicable,
 21 maintenance, repair, and renovation activities associated with academic
 22 facilities and maintenance, repair, and renovation activities associated with
 23 nonacademic public school facilities;

24 ~~(11)~~(10) Annual expenditures of the school district for capital
 25 outlay;

26 ~~(12)~~(11) A description of planned new construction projects with
 27 cost estimates for each ~~academic~~ public school facility within the school
 28 district and needs prioritized as follows:

29 (A)~~(i)~~ Immediate needs that the school district intends to
 30 address within three (3) years following the submission of the facilities
 31 master plan;

32 ~~(ii)~~ A school district shall separate the immediate
 33 needs described in the master plan submitted by February 1, 2006, into two
 34 ~~(2)~~ categories as follows:

35 ~~(a)~~ Immediate needs that the school district
 36 intends to address during the period from July 1, 2006, through June 30,

1 ~~2007; and~~

2 ~~(b) Immediate needs that the school district~~
 3 ~~intends to address during the 2007-2009 biennium;~~

4 (B) Short-term needs that the school district intends to
 5 address within the four (4) to six (6) years following the submission of the
 6 facilities master plan; and

7 (C) Long-term needs that the school district intends to
 8 address within the seven (7) to ten (10) years following the submission of
 9 the facilities master plan; and

10 ~~(13)~~(12) Evidence of the school district's insurance coverage,
 11 including coverage amounts, types of coverage, identification of ~~buildings~~
 12 public school facilities covered, policy renewal dates, and all riders.

13
 14 SECTION 7. Arkansas Code § 6-21-808 is amended to read as follows:

15 6-21-808. ~~Arkansas Facilities~~ Public School Facilities Custodial,
 16 Maintenance, Repair, and Renovation Manual.

17 (a) The purposes of the ~~Arkansas Facilities~~ Public School Facilities
 18 Custodial, Maintenance, Repair, and Renovation Manual and this section are
 19 to:

20 (1) Provide for the long-term conservation and protection of
 21 public school ~~academic~~ facilities;

22 (2) Eliminate the deterioration of existing and future public
 23 school ~~academic~~ facilities;

24 (3) Provide a safe and healthy environment for students,
 25 teachers, administrators, and staff of the public schools; and

26 (4) Provide for the efficient use of state and local funds in
 27 support of academic facilities in each of the school districts in Arkansas.

28 (b)(1) The manual shall contain standards for custodial operations
 29 related to ~~academic~~ public school facilities.

30 (2) Standards for custodial operations in ~~academic~~ public school
 31 facilities shall include the following:

32 (A) The required contents of a custodial care plan;

33 (B) A suggested schedule for routine care and renovation
 34 cleaning;

35 (C) Levels of personnel necessary to perform custodial
 36 operations;

1 (D) Training criteria for the use and storage of supplies
2 and equipment, with emphasis given to chemical right-to-know, indoor air
3 quality, and other applicable standards;

4 (E) Supplies and equipment necessary to perform custodial
5 operations, including space standards for the proper storage of supplies and
6 equipment;

7 (F) In-service training opportunities for custodial
8 personnel;

9 (G) Designation of routine duties; and

10 (H) Designation of renovation cleaning duties.

11 (c)(1) The manual shall contain standards for maintenance, repair, and
12 renovation activities related to ~~academic~~ public school facilities.

13 (2) Standards for maintenance, repair, and renovation activities
14 in public school facilities shall include the following:

15 (A) The required contents of a preventive maintenance
16 plan, which shall include guidelines for:

17 (i) Scheduling preventive maintenance activities for
18 ~~academic~~ public school facilities; and

19 (ii) Preparing and retaining documentation that
20 describes preventive maintenance work related to ~~academic~~ public school
21 facilities and identifies the completion date of the work;

22 (B) Development and implementation of a work-request
23 system to allow others to inform a public school's maintenance department of
24 needs and to allow the responsible person to prioritize responses;

25 (C) Levels of personnel necessary to perform maintenance
26 operations;

27 (D) Training criteria for maintenance personnel with
28 regard to:

29 (i) School policies;

30 (ii) Safety procedures;

31 (iii) Use of specialized equipment;

32 (iv) Compliance with federal, state, county, and
33 municipal laws and regulations impacting ~~academic~~ public school facilities
34 and equipment; and

35 (v) Other applicable areas;

36 (E) In-service training opportunities for maintenance

- 1 personnel;
- 2 (F) Inspection, cleaning, servicing, and repair of
- 3 heating, ventilation, and air-conditioning systems;
- 4 (G) Inspection and repair of:
- 5 (i) Electrical systems;
- 6 (ii) Hot water boilers and heaters;
- 7 (iii) Fire alarms;
- 8 (iv) Fire extinguishers and kitchen hood vent
- 9 suppression systems;
- 10 (v) Emergency lighting and exit light fixtures;
- 11 (vi) Elevators and wheelchair lifts;
- 12 (vii) Plumbing;
- 13 (viii) Roofs;
- 14 (ix) Stairwell areas;
- 15 (x) Interior and exterior lighting;
- 16 (xi) Doors and windows;
- 17 (xii) Floor coverings;
- 18 (xiii) Masonry and concrete building exteriors;
- 19 (xiv) Interior and exterior finishes;
- 20 (xv) Kitchen equipment;
- 21 (xvi) Sidewalks, driveways, parking areas, and paved
- 22 play areas; and
- 23 (xvii) Parking lots, handicap parking spaces,
- 24 driveways, fire and emergency vehicle zones, and bus and car loading and
- 25 unloading areas;
- 26 (H) Inspection and repair and servicing of fire sprinkler
- 27 systems;
- 28 (I) Maintenance of a pest control program;
- 29 (J) Inspection of playground equipment; and
- 30 (K) Grounds maintenance.
- 31 (d)(1)(A) ~~Beginning with the 2005-2006 school year, each~~ Each school
- 32 district shall dedicate nine percent (9%) of its foundation funding
- 33 exclusively to payment of utilities and costs of custodial, maintenance,
- 34 repair, and renovation activities ~~and related personnel costs, which include~~
- 35 related personnel costs, for public school facilities.
- 36 (B)(i) If any amount of the dedicated nine percent (9%) is

1 unspent at the end of the school district's fiscal year, the funds shall
2 carry over, and the school district shall transfer the remaining amount into
3 ~~an academie~~ a public school facilities escrow account ~~to be released only~~
4 ~~upon approval by the division for use in conjunction with a local academie~~
5 ~~facilities project.~~

6 (ii) A school district may use funds from its public
7 school facilities escrow account in any fiscal year for payment of utilities
8 and costs of custodial, maintenance, repair, and renovation activities, which
9 include related personnel costs, for public school facilities.

10 (iii) If a school district wants to use funds from
11 its public school facilities escrow account for new construction, the school
12 district shall apply to the Division of Public School Academic Facilities and
13 Transportation for its approval. If the division authorizes the release of
14 funds from the school district's public school facilities escrow account and
15 approves the new construction, the school district may use the funds as
16 authorized by the division.

17 (2)(A) A school district is not required to use funds in its
18 ~~academie~~ public school facilities escrow account for new construction
19 ~~projects.~~

20 (B)(i) New construction ~~projects~~ shall be funded by local
21 resources, which may include funds in the school district's ~~academie~~ public
22 school facilities escrow account if approved by the division.

23 (ii) In addition, new construction ~~projects~~ may be
24 eligible for state financial participation.

25
26 SECTION 8. Arkansas Code § 24-2-701(c)(1), concerning employer
27 contribution rates for the Arkansas Teacher Retirement System, is amended to
28 read as follows:

29 (1)(A) For the Arkansas Teacher Retirement System, for the
30 fiscal years ending June 30, 2006, and June 30, 2007, the Board of Trustees
31 of the Arkansas Teacher Retirement System shall establish employer
32 contribution rates prospectively each year.

33 (B) The employer contribution rates shall be based on the
34 actuary's determination of the rate required to fund the plan in accordance
35 with the objectives set forth in subsection (a) of this section.

36 (C) The employer contribution rates shall be the rates

1 determined by the Board of Trustees of the Arkansas Teacher Retirement System
2 based on the annual actuarial valuation.

3 (D) For the fiscal ~~year~~ years ending June 30, 2006, and
4 June 20, 2007, the employer contribution rate shall not exceed fourteen
5 percent (14%).

6 ~~(E) For the fiscal year ending June 30, 2007, the employer~~
7 ~~contribution rate shall not be increased by more than one percent (1%) above~~
8 ~~the rate in effect on June 30, 2006.~~

9
10 SECTION 9. Arkansas Code § 24-7-401(c), concerning employer
11 contribution rates for the Arkansas Teacher Retirement System, is amended to
12 read as follows:

13 (c)(1) For the fiscal years ending June 30, 2006, and June 30, 2007,
14 the Board of Trustees of the Arkansas Teacher Retirement System shall
15 establish employer contribution rates for the system prospectively each year.

16 (2) The employer contribution rates shall be based on the
17 actuary's determination of the rate required to fund the plan in accordance
18 with the objectives stated in subsection (a) of this section.

19 (3) The employer contribution rates shall be the rates
20 determined by the board based on the annual actuarial valuation.

21 (4) For the fiscal ~~year~~ years ending June 30, 2006, and June 30,
22 2007, the employer contribution rate shall not exceed fourteen percent (14%).

23 ~~(5) For the fiscal year ending June 30, 2007, the employer~~
24 ~~contribution rate shall not be increased by more than one percent (1%) above~~
25 ~~the rate in effect on June 30, 2006.~~

26
27 SECTION 10. EMERGENCY CLAUSE. It is found and determined by the
28 General Assembly of the State of Arkansas that the Arkansas Supreme Court
29 declared the public school funding system to be inadequate and that public
30 schools are operating under a constitutional infirmity which must be
31 corrected immediately; that to correct the constitutional infirmity and to
32 ensure adequate funding for public education, the General Assembly must
33 revise the public school funding formula, revise laws regarding public school
34 facilities, provide funding for retirement increases and limit additional
35 increases; and enact other necessary reform measures; and that this act is
36 necessary to ensure that reform measures are available to public schools for

1 the 2005-2006 and 2006-2007 school years. Therefore, an emergency is
2 declared to exist and this act being necessary for the preservation of the
3 public peace, health, and safety shall become effective on:

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

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

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

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11 */s/ Elliott et al.*
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