

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

Call Item 5

A Bill

SENATE BILL 25

5 By: Senators G. Jeffress, Altes, Baker, Bisbee, Broadway, Hendren, J. Jeffress, Trusty, Womack
6 By: Representatives George, Medley
7
8

For An Act To Be Entitled

10 AN ACT CONCERNING SCHOOL DISTRICT CENTRAL OFFICE
11 ADMINISTRATION SALARIES, BENEFITS AND EXPENSES;
12 AND FOR OTHER PURPOSES.
13

Subtitle

14 AN ACT CONCERNING SCHOOL DISTRICT
15 CENTRAL OFFICE ADMINISTRATION SALARIES,
16 BENEFITS, AND EXPENSES.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. Arkansas Code Title 6, Chapter 20, Subchapter 22 is amended
23 to add an additional section to read as follows:

24 6-20-2209. Limitation on central office administrative expenditures.

25 (a) As used in this section:

26 (1)(A) "Central Office Administrator" means any person employed
27 by a school district who:

28 (i) Has district-wide administrative responsibility;

29 (ii) Is not a classroom teacher or building level
30 principal; and

31 (iii) Is employed in a position classified by the
32 Arkansas School and Educational Cooperative Financial Accounting Manual under
33 function codes designated by the department, such as central office
34 administrative function codes 2111, 2121, 2131, 2141, 2151, 2211, 2216, 2221,
35 2300-2399, 2500-2599, 2610, 2710, and 2800-2899.

36 (B) A school district may not change the classification



1 code of any position designated before April 3, 2006, as central office
2 administration without first obtaining written permission from the Department
3 of Education;

4 (2)(A) "Classroom teachers" means an individual who is:

5 (i) Required to hold a teaching license from the
6 Department of Education; and

7 (ii) Engaged directly in instruction with students in a
8 classroom setting for more than seventy percent (70%) of the person's
9 contracted time.

10 (B) The portion of contracted time a person is engaged in
11 his or her duties as a guidance counselor, librarian, math and literacy
12 coach, alternative learning environment director and staff, and summer and
13 after-school program staff shall be counted for purposes of subdivision
14 (a)(2)(A);

15 (3) "Building level principal" means any person who has
16 administrative responsibility for student instruction and discipline that is
17 limited to certain schools or buildings within the school district;

18 (4) "Federally-funded salary" means any portion of a school
19 district employee's salary and benefits paid from fund six (6) of the
20 Arkansas School and Educational Service Cooperative Financial Accounting
21 Manual; and

22 (5)(A) "Central office administrative expenses" means school
23 district administrative expenses assigned to any object code in function
24 codes in the Arkansas School and Educational Cooperative Financial Accounting
25 Manual designated by the department, such as those expenses in central office
26 administrative function codes 2111, 2121, 2131, 2141, 2151, 2211, 2216, 2221,
27 2300-2399, 2500-2599, 2610, 2710, and 2800-2899.

28 (B) No school district may change the object, function or
29 other code classification of such expenses which were previously designated
30 as a central office administrative expense, pursuant to this definition, as
31 of April 3, 2006, without first obtaining the written permission of the
32 department.

33 (b)(1)(A) Beginning with the 2006-2007 school year and each school
34 year thereafter, a school district's expenditures for central office
35 administrative expenses, salaries, and benefits for central office
36 administrators and their staff, regardless of the source of funds, shall not

1 exceed eight percent (8%) of the sum of the district's actual total
2 expenditures for the school year recorded in:

3 (i) Fund one (1) of the teacher salary fund;

4 (ii) Fund two (2) of the district's operating fund;

5 and

6 (iii) Fund four (4) of the district's debt service
7 fund.

8 (B) The maximum amount shall not be affected by any
9 transfers among fund codes.

10 (2) The following expenditures are exempted from the limitations
11 of subdivision (b)(1):

12 (A) Any portion of a federally-funded salary; and

13 (B) Any portion of salaries and benefits paid to a
14 classroom teacher or building-level principal.

15 (c) The Commissioner of Education may waive in writing the limitations
16 of subdivision (b)(1) of this section for any school district, provided:

17 (1) The superintendent and chair of the district's board of
18 directors submit a written request for a waiver; and

19 (2) The written request includes evidence of extraordinary
20 circumstances requiring the school district to exceed the limitations of
21 subdivision (b)(1) of this section.

22 (d)(1)(A) On or before December 15 of each school year, the Department
23 of Education and the Division of Legislative Audit shall file with the
24 Legislative Joint Auditing Committee a joint report identifying any school
25 district that violated the provisions of this section in the prior school
26 year.

27 (B)(i) The Division of Legislative Audit shall, before the
28 end of the school year that the report is received, conduct a review of each
29 school district listed in the Department of Education's report and issue a
30 follow-up verification report to the committee on the school districts that
31 violated the provisions of subdivision (b)(1) of this section.

32 (ii) The Division of Legislative Audit shall report
33 to the committee any other school district determined to be in violation of
34 subsection (b)(1) of this section when conducting annual audits of public
35 school districts.

36 (2) The committee shall require the superintendent and chair of

1 the board of directors of any school district identified in the report to
2 appear before the committee and provide an explanation and accounting of its
3 central office administrative expenses for the school year in which the
4 violation occurred.

5 (3) The Department of Education shall designate a school
6 district identified in the report as failing to comply with the best
7 financial management practices for school districts, as provided in § 6-15-
8 2301.

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10 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
11 General Assembly of the State of Arkansas that the Arkansas Supreme Court
12 found that the public school funding system continues to be inadequate and
13 the public schools are operating under a constitutional infirmity which must
14 be corrected immediately; and that the current amount of funding expended in
15 some districts on central office administration is unjustified and that a
16 limitation on these expenditures will result in an efficient use of state
17 funds. Therefore, an emergency is declared to exist and this act being
18 necessary for the preservation of the public peace, health, and safety shall
19 become effective on:

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

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

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

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