

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas  
2 86th General Assembly  
3 Regular Session, 2007

# A Bill

HOUSE BILL 1516

4  
5 By: Representatives Cook, Kenney, Blount, T. Bradford, J. Johnson, Rainey, Saunders, Walters  
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## For An Act To Be Entitled

8  
9 AN ACT IN CONCORDANCE WITH THE 2006 ACT 57 STUDY;  
10 TO ENSURE THAT THE DEPARTMENT OF EDUCATION AND  
11 THE GENERAL ASSEMBLY RECEIVE PROMPT AND RELIABLE  
12 INFORMATION ON SCHOOL FINANCES FROM ARKANSAS  
13 PUBLIC SCHOOL DISTRICTS; AND FOR OTHER PURPOSES.  
14

## Subtitle

15  
16 AN ACT TO ENSURE THAT THE DEPARTMENT OF  
17 EDUCATION AND THE GENERAL ASSEMBLY  
18 RECEIVE PROMPT AND RELIABLE INFORMATION  
19 ON SCHOOL FINANCES FROM PUBLIC SCHOOL  
20 DISTRICTS.  
21  
22

23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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25 SECTION 1. DO NOT CODIFY. ACT 57 COMPLIANCE.

26 The General Assembly declares this act to be in concordance with the  
27 study of the state's system of public education conducted in 2006 by the  
28 Adequacy Study Oversight Subcommittee, the Senate Interim Committee on  
29 Education, and the House Interim Committee on Education in compliance with  
30 Act 57 of the Second Extraordinary Session of 2003.  
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32 SECTION 2. Arkansas Code § 6-20-2209 is amended to read as follows.  
33 6-20-2209. Study of improved reporting systems.

34 (a)(1) The General Assembly finds that ensuring the provision of an  
35 adequate and equitable education to the children of the State of Arkansas  
36 requires prompt and reliable information on school finances, including, but



1 not limited to, reports on school district expenditures and school district  
 2 fund balances and interfund transfers.

3 (2) The General Assembly further finds that current financial  
 4 accounting and reporting systems do not promptly provide the crucial  
 5 information necessary to make informed decisions on matters pertaining to  
 6 public education in this state.

7 (b) On or before ~~November 1, 2006~~ April 1, 2008, the House Interim  
 8 Committee on Education, the Senate Interim Committee on Education, and the  
 9 Department of Education shall jointly study potential upgrades in public  
 10 school district financial accounting and reporting systems that would result  
 11 in the prompt availability of crucial information, including, but not limited  
 12 to:

- 13 (1) The cost to the state of any potential upgrades;
- 14 (2) The time necessary to implement any upgrades; and
- 15 (3)(A) A definition of the term "unallocated balances" that will  
 16 ensure uniform treatment of fund balances throughout public school districts.

17 (B) In studying possible definitions of the term  
 18 "unallocated balances", the committees shall consider the amount, if any,  
 19 appropriate for a public school district to maintain as a fund balance for  
 20 future contingencies.

21 (c) In conducting the study, the House Interim Committee on Education  
 22 and the Senate Interim Committee on Education shall seek the cooperation of  
 23 representatives from the Arkansas Association of Educational Administrators,  
 24 the Arkansas Association of School Business Officials, the Arkansas Education  
 25 Association, the education service cooperatives, and the Legislative Joint  
 26 Auditing Committee.

27 (d) On or before ~~December 1, 2006~~ May 1, 2008, the House Interim  
 28 Committee on Education and the Senate Interim Committee on Education shall  
 29 issue a report to the Speaker of the House and the President Pro Tempore of  
 30 the Senate regarding the results of the study and the recommendations of the  
 31 committees.

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