

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

Call Item 17

# A Bill

HOUSE BILL 1036

5 By: Representative Cook  
6 By: Senator Broadway  
7  
8

## For An Act To Be Entitled

10 AN ACT TO ESTABLISH THE EXTRAORDINARY  
11 CIRCUMSTANCES PROGRAM FOR PUBLIC SCHOOL ACADEMIC  
12 FACILITIES; AND FOR OTHER PURPOSES  
13

### Subtitle

15 TO ESTABLISH THE EXTRAORDINARY  
16 CIRCUMSTANCES PROGRAM FOR PUBLIC SCHOOL  
17 ACADEMIC FACILITIES  
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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 21, Subchapter 25 is amended  
23 by adding the following new section concerning the establishment of a public  
24 school academic facilities funding program to respond to extraordinary  
25 circumstances:

26 6-21-2514. Academic Facilities Extraordinary Circumstances Program.

27 (a) The General Assembly finds that:

28 (1) In Lake View School District v. Huckabee, 01-836 (Ark. 12-15-  
29 2005), the Arkansas Supreme Court raised concerns that some school districts  
30 might not receive any state financial assistance with academic facilities  
31 projects because the districts might not have sufficient resources to qualify  
32 for state funds under the Arkansas Public School Academic Facilities Funding  
33 Act, § 6-21-2501 et seq., which requires a local contribution based on the  
34 relative wealth of the district;

35 (2) During the 2006 hearings conducted by the House Interim  
36 Committee on Education and Senate Interim Committee on Education after the



1 2005 Arkansas Supreme Court decision in the Lake View matter, no school  
2 district came forward to testify that the district will be unable to  
3 adequately repair, renovate, or construct school buildings;

4 (3) The contention in subdivision (a)(1) of this section, while  
5 not without merit as a theory, has not been substantiated. Therefore, the  
6 implementation and funding of a program to provide additional state financial  
7 assistance to school districts with limited resources is premature; and

8 (4) While implementation and funding may be premature, the  
9 development of a program to provide state financial assistance to eligible  
10 school districts that do not have sufficient means to contribute an amount of  
11 local resources necessary to qualify for state financial participation should  
12 be initiated immediately.

13 (b)(1) The Commission for Public School Academic Facilities and  
14 Transportation division shall develop by rule the Academic Facilities  
15 Extraordinary Circumstances Program under which the Division of Public School  
16 Academic Facilities and Transportation shall provide state financial  
17 assistance to eligible school districts that do not have sufficient means to  
18 contribute an amount of local resources necessary to qualify for state  
19 financial participation under the Academic Facilities Partnership Program, §  
20 6-20-2507, or the Academic Facilities Catastrophic Program, § 6-20-2508.

21 (2) At a minimum, eligibility criteria for the program shall  
22 address:

- 23 (A) School districts with declining enrollment;
- 24 (B) School districts with rapid enrollment growth;
- 25 (C) School districts with insufficient bonding capacity;
- 26 (D) School districts with low assessed property

27 valuations;  
28 (E) School districts above the ninety-fifth percentile on  
29 the academic facilities wealth index; and

30 (F) Any other circumstance deemed extraordinary by the  
31 division.

32 (3) At a minimum, the application process for the program shall  
33 require a school district to provide the division with evidence of:

- 34 (A) The estimated cost of the project;
- 35 (B) The amount of local resources available to contribute  
36 to the project;

1                   (C) The amount and availability of funds from school  
2 district fund balances;

3                   (D) The amount and availability of other public or private  
4 assistance;

5                   (E) Effort made by the school district and the local  
6 community to develop and provide local resources;

7                   (F) How state financial participation, if granted, will  
8 support the prudent and resourceful expenditure of state funds and improve  
9 the school district's ability to deliver an adequate and equitable education  
10 to public school students in the district.

11                   (c) The division shall report to the General Assembly by January 15,  
12 2007, on the development of the program and obtain formal legislative  
13 approval before implementing the program.

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15                   SECTION 2. EMERGENCY CLAUSE. It is found and determined by the  
16 General Assembly of the State of Arkansas that the Arkansas Supreme Court  
17 found that the public school funding system continues to be inadequate and  
18 the public schools are operating under a constitutional infirmity which must  
19 be corrected immediately; that some school districts may be unable to raise  
20 local resources necessary to qualify for state financial participation under  
21 the Arkansas Public School Academic Facilities Funding Act, § 6-21-2501 et  
22 seq., and may not receive any state financial assistance for academic  
23 facilities as a result; and that this act is immediately necessary to begin  
24 the development of a program to address the potential financial needs of  
25 school districts in extraordinary financial circumstances. Therefore, an  
26 emergency is declared to exist and this act being necessary for the  
27 preservation of the public peace, health, and safety shall become effective  
28 on:

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

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

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

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