

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

# A Bill

Call Item 13

HOUSE BILL 1039

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

## 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

## Subtitle

25 THE EDUCATIONAL ADEQUACY ACT OF 2006.  
26  
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:

Years of Experience	BA Degree Salary	MA Degree Salary
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>\$28,408</u>	<u>\$32,669</u>
12	<u>1</u>	<u>28,858</u>	<u>33,169</u>
13	<u>2</u>	<u>29,308</u>	<u>33,669</u>
14	<u>3</u>	<u>29,758</u>	<u>34,169</u>
15	<u>4</u>	<u>30,208</u>	<u>34,669</u>
16	<u>5</u>	<u>30,658</u>	<u>35,169</u>
17	<u>6</u>	<u>31,108</u>	<u>35,669</u>
18	<u>7</u>	<u>31,558</u>	<u>36,169</u>
19	<u>8</u>	<u>32,008</u>	<u>36,669</u>
20	<u>9</u>	<u>32,458</u>	<u>37,169</u>
21	<u>10</u>	<u>32,908</u>	<u>37,669</u>
22	<u>11</u>	<u>33,358</u>	<u>38,169</u>
23	<u>12</u>	<u>33,808</u>	<u>38,669</u>
24	<u>13</u>	<u>34,258</u>	<u>39,169</u>
25	<u>14</u>	<u>34,708</u>	<u>39,669</u>
26	<u>15</u>	<u>35,158</u>	<u>40,169</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

	<u>Years of Experience</u>	<u>BA Degree Salary</u>	<u>MA Degree Salary</u>
15	<u>0</u>	<u>\$29,416</u>	<u>\$33,828</u>
16	<u>1</u>	<u>29,866</u>	<u>34,328</u>
17	<u>2</u>	<u>30,316</u>	<u>34,828</u>
18	<u>3</u>	<u>30,766</u>	<u>35,328</u>
19	<u>4</u>	<u>31,216</u>	<u>35,828</u>
20	<u>5</u>	<u>31,666</u>	<u>36,328</u>
21	<u>6</u>	<u>32,116</u>	<u>36,828</u>
22	<u>7</u>	<u>32,566</u>	<u>37,328</u>
23	<u>8</u>	<u>33,016</u>	<u>37,828</u>
24	<u>9</u>	<u>33,466</u>	<u>38,328</u>
25	<u>10</u>	<u>33,916</u>	<u>38,828</u>
26	<u>11</u>	<u>34,366</u>	<u>39,328</u>
27	<u>12</u>	<u>34,816</u>	<u>39,828</u>
28	<u>13</u>	<u>35,266</u>	<u>40,328</u>
29	<u>14</u>	<u>35,716</u>	<u>40,828</u>
30	<u>15</u>	<u>36,166</u>	<u>41,328</u>

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

(a)(1) For each school year, a each school district shall receive state foundation funding aid computed as the difference between the foundation funding amount pursuant to subdivision (a)(2) of this section

1 and the sum of ninety-eight percent (98%) of the uniform rate of tax  
 2 multiplied by the property assessment of the school district plus seventy-  
 3 five percent (75%) of miscellaneous funds of the school district.

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

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

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

20  
 21 SECTION 4. Arkansas Code § 6-21-803 is amended to read as follows:  
 22 6-21-803. Definitions.

23 As used in this subchapter:

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

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

35 (C) Buildings or spaces, including related areas such as  
 36 the physical plant and grounds, used for prekindergarten education shall not

1 be considered academic facilities for purposes of this subchapter.

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

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

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

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

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

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

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

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

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

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

36 (B) ~~The and details the~~ school district's strategy for

1 maintaining, repairing, renovating, and improving through new construction or  
2 otherwise the school district's academic facilities and equipment; and

3 (C) Other information as required by law;

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

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

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

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

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

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

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

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

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

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

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

35 (13) "Public school facility" means any public school building  
36 or space, including related areas such as the physical plant and grounds,

1 that is used for any purpose, including, without limitation:

2 (A) An extracurricular activity;

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

5 (C) Prekindergarten education;

6 (D) District administration; or

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

9 ~~(13)~~(14) "Reconstitution" means the reorganization of the  
10 administrative unit or the governing school board of a school district,  
11 including, but not limited to, the replacement or removal of a current  
12 superintendent or the removal or replacement of a current school board, or  
13 both;

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

19 ~~(15)~~(16) "Space utilization" means the number of gross square  
20 feet per student in ~~a public school~~ an academic facility adjusted for  
21 academic program, school enrollment, grade configuration, and type of public  
22 school in accordance with rules promulgated by the Commission for Arkansas  
23 Public School Academic Facilities and Transportation.

24  
25 SECTION 5. Arkansas Code § 6-21-804(a) is amended to read as follows:

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

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

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

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

36 (2) ~~An Academic Facilities~~ A Public School Facilities Custodial,



1 Maintenance, Repair, and Renovation Manual that contains uniform standards to  
2 direct custodial, maintenance, repair, and renovation activities in public  
3 school ~~academic~~ facilities;

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

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

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

16

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

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

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

23 ~~(2)~~(1) A schedule of custodial activities for each ~~academic~~  
24 public school facility used by a school district;

25 ~~(3)~~(2) A schedule of maintenance, repair, and renovation  
26 activities for each ~~academic~~ public school facility used by a school  
27 district. The schedule shall distinguish between work associated with  
28 academic facilities and work associated with nonacademic public school  
29 facilities;

30 ~~(4)~~(3) Documentation that describes preventive maintenance work  
31 for each ~~academic~~ public school facility and identifies the completion date  
32 of the work. The documentation shall distinguish between preventive  
33 maintenance work associated with academic facilities and preventive  
34 maintenance work associated with nonacademic public school facilities;

35 ~~(5)~~(4) Annual expenditures of the school district for all  
36 custodial, maintenance, repair, and renovation activities in the school

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

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

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

10 ~~(8)(7)~~ A projected replacement schedule for technology systems,  
 11 instructional materials, and related academic equipment;

12 ~~(9)(8)~~ Identification of issues with regard to public school  
 13 facility and program access to individuals with disabilities and, if  
 14 necessary, proposed methods for improving access;

15 ~~(10)(9)~~ Identification of committed projects within the school  
 16 district that includes, as applicable, a breakdown of the portion of each  
 17 project into maintenance, repair, and renovation activities and new  
 18 construction activities. The portion of a committed project pertaining to  
 19 maintenance, repair, and renovation activities shall identify, as applicable,  
 20 maintenance, repair, and renovation activities associated with academic  
 21 facilities and maintenance, repair, and renovation activities associated with  
 22 nonacademic public school facilities;

23 ~~(11)(10)~~ Annual expenditures of the school district for capital  
 24 outlay;

25 ~~(12)(11)~~ A description of planned new construction projects with  
 26 cost estimates for each ~~academic~~ public school facility within the school  
 27 district and needs prioritized as follows:

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

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

34 ~~(a) Immediate needs that the school district~~  
 35 ~~intends to address during the period from July 1, 2006, through June 30,~~  
 36 ~~2007; and~~



1 and equipment, with emphasis given to chemical right-to-know, indoor air  
2 quality, and other applicable standards;

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

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

8 (G) Designation of routine duties; and

9 (H) Designation of renovation cleaning duties.

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

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

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

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

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

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

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

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

28 (i) School policies;

29 (ii) Safety procedures;

30 (iii) Use of specialized equipment;

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

34 (v) Other applicable areas;

35 (E) In-service training opportunities for maintenance  
36 personnel;

1 (F) Inspection, cleaning, servicing, and repair of  
2 heating, ventilation, and air-conditioning systems;

3 (G) Inspection and repair of:  
4 (i) Electrical systems;  
5 (ii) Hot water boilers and heaters;  
6 (iii) Fire alarms;  
7 (iv) Fire extinguishers and kitchen hood vent  
8 suppression systems;

9 (v) Emergency lighting and exit light fixtures;  
10 (vi) Elevators and wheelchair lifts;  
11 (vii) Plumbing;  
12 (viii) Roofs;  
13 (ix) Stairwell areas;  
14 (x) Interior and exterior lighting;  
15 (xi) Doors and windows;  
16 (xii) Floor coverings;  
17 (xiii) Masonry and concrete building exteriors;  
18 (xiv) Interior and exterior finishes;  
19 (xv) Kitchen equipment;  
20 (xvi) Sidewalks, driveways, parking areas, and paved

21 play areas; and

22 (xvii) Parking lots, handicap parking spaces,  
23 driveways, fire and emergency vehicle zones, and bus and car loading and  
24 unloading areas;

25 (H) Inspection and repair and servicing of fire sprinkler  
26 systems;

27 (I) Maintenance of a pest control program;

28 (J) Inspection of playground equipment; and

29 (K) Grounds maintenance.

30 (d)(1)(A) ~~Beginning with the 2005-2006 school year, each~~ Each school  
31 district shall dedicate nine percent (9%) of its foundation funding  
32 exclusively to payment of utilities and costs of custodial, maintenance,  
33 repair, and renovation activities ~~and related personnel costs, which include~~  
34 related personnel costs, for public school facilities.

35 (B)(i) If any amount of the dedicated nine percent (9%) is  
36 unspent at the end of the school district's fiscal year, the funds shall

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

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

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

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

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

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

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

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

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

35 (C) The employer contribution rates shall be the rates  
36 determined by the Board of Trustees of the Arkansas Teacher Retirement System

1 based on the annual actuarial valuation.

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

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

8

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

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

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

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

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

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

25

26 SECTION 10. EMERGENCY CLAUSE. It is found and determined by the  
 27 General Assembly of the State of Arkansas that the Arkansas Supreme Court  
 28 declared the public school funding system to be inadequate and that public  
 29 schools are operating under a constitutional infirmity which must be  
 30 corrected immediately; that to correct the constitutional infirmity and to  
 31 ensure adequate funding for public education, the General Assembly must  
 32 revise the public school funding formula, revise laws regarding public school  
 33 facilities, provide funding for retirement increases and limit additional  
 34 increases; and enact other necessary reform measures; and that this act is  
 35 necessary to ensure that reform measures are available to public schools for  
 36 the 2005-2006 and 2006-2007 school years. Therefore, an emergency is

1 declared to exist and this act being necessary for the preservation of the  
2 public peace, health, and safety shall become effective on:

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

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

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

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