

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

As Engrossed: S4/4/06
A Bill

Call Item 13

SENATE BILL 5

5 *By: Education Committee - Senate*
6 *By: Representatives Elliott, Cook, Mahony, Pickett*
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 ADRESSING 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 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
30

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

33 6-10-120. Adequate and equitable public education system.

34 *The General Assembly finds:*

35 (1) It is the duty of the state of Arkansas to provide a
36 general, suitable, and efficient system of free public schools to the



1 children of the state, under Ark. Const. Art 14 § 1;

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

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

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

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

16
17 SECTION 2. Arkansas Code § 6-17-2403(b) and (c), concerning the
18 minimum teacher compensation schedule, is amended to read as follows:

19 (b)(1) In school ~~years~~ year 2004-2005 ~~and 2005-2006~~, each school
20 district in the state shall have in place a salary schedule with at least the
21 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 |
| 12 | 32,900 | 37,625 |

| | | | |
|---|----|--------|--------|
| 1 | 13 | 33,350 | 38,125 |
| 2 | 14 | 33,800 | 38,625 |
| 3 | 15 | 34,250 | 39,125 |

4

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

8

| 9 | <u>Years of Experience</u> | <u>BA Degree Salary</u> | <u>MA Degree Salary</u> |
|----|----------------------------|-------------------------|-------------------------|
| 10 | <u>0</u> | <u>\$28,408</u> | <u>\$32,669</u> |
| 11 | <u>1</u> | <u>28,858</u> | <u>33,169</u> |
| 12 | <u>2</u> | <u>29,308</u> | <u>33,669</u> |
| 13 | <u>3</u> | <u>29,758</u> | <u>34,169</u> |
| 14 | <u>4</u> | <u>30,208</u> | <u>34,669</u> |
| 15 | <u>5</u> | <u>30,658</u> | <u>35,169</u> |
| 16 | <u>6</u> | <u>31,108</u> | <u>35,669</u> |
| 17 | <u>7</u> | <u>31,558</u> | <u>36,169</u> |
| 18 | <u>8</u> | <u>32,008</u> | <u>36,669</u> |
| 19 | <u>9</u> | <u>32,458</u> | <u>37,169</u> |
| 20 | <u>10</u> | <u>32,908</u> | <u>37,669</u> |
| 21 | <u>11</u> | <u>33,358</u> | <u>38,169</u> |
| 22 | <u>12</u> | <u>33,808</u> | <u>38,669</u> |
| 23 | <u>13</u> | <u>34,258</u> | <u>39,169</u> |
| 24 | <u>14</u> | <u>34,708</u> | <u>39,669</u> |
| 25 | <u>15</u> | <u>35,158</u> | <u>40,169</u> |

26

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

30

| 31 | <u>Years of Experience</u> | <u>BA Degree Salary</u> | <u>MA Degree Salary</u> |
|----|----------------------------|-------------------------|-------------------------|
| 32 | <u>0</u> | <u>\$27,994</u> | <u>\$32,193</u> |
| 33 | <u>1</u> | <u>28,452</u> | <u>32,702</u> |
| 34 | <u>2</u> | <u>28,910</u> | <u>33,211</u> |
| 35 | <u>3</u> | <u>29,368</u> | <u>33,720</u> |
| 36 | <u>4</u> | <u>29,826</u> | <u>34,229</u> |

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

12

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

30

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

33 (a)(1) For each school year, a each school district
 34 shall receive state foundation funding aid computed as the difference between
 35 the foundation funding amount pursuant to subdivision (a)(2) of this section
 36 and the sum of ninety-eight percent (98%) of the uniform rate of tax

1 multiplied by the property assessment of the school district plus seventy-
2 five percent (75%) of miscellaneous funds of the school district.

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

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

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

19
20 SECTION 4. Arkansas Code § 6-21-803 is amended to read as follows:

21 6-21-803. Definitions.

22 As used in this subchapter:

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

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

34 (C) Buildings or spaces, including related areas such as
35 the physical plant and grounds, used for prekindergarten education shall not
36 be considered academic facilities for purposes of this subchapter.

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

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

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

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

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

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

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

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

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

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

35 (B) The ~~and details the~~ school district's strategy for
36 maintaining, repairing, renovating, and improving through new construction or

1 otherwise the school district's academic facilities and equipment; and

2 (C) Other information as required by law;

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

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

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

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

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

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

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

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

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

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

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

34 (13) "Public school facility" means any public school building
35 or space, including related areas such as the physical plant and grounds,
36 that is used for any purpose, including, without limitation;

- 1 (A) An extracurricular activity;
- 2 (B) An organized physical activity course as defined in §
- 3 6-16-137;
- 4 (C) Prekindergarten education;
- 5 (D) District administration; or
- 6 (E) Delivery of instruction to public school students that
- 7 is an integral part of an adequate education as described in § 6-20-2302;

8 ~~(13)~~(14) "Reconstitution" means the reorganization of the

9 administrative unit or the governing school board of a school district,

10 including, but not limited to, the replacement or removal of a current

11 superintendent or the removal or replacement of a current school board, or

12 both;

13 ~~(14)~~(15) "School district" means a geographic area with an

14 elected board of directors that qualifies as a taxing unit for purposes of ad

15 valorem property taxes under title 26 of the Arkansas Code and which board

16 conducts the daily affairs of public schools under the supervisory authority

17 vested in it by the General Assembly and title 6 of the Arkansas Code; and

18 ~~(15)~~(16) "Space utilization" means the number of gross square

19 feet per student in ~~a public school~~ an academic facility adjusted for

20 academic program, school enrollment, grade configuration, and type of public

21 school in accordance with rules promulgated by the Commission for Arkansas

22 Public School Academic Facilities and Transportation.

23

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

25 (a) The Division of Public School Academic Facilities and

26 Transportation shall develop a comprehensive Arkansas Public School Academic

27 Facilities Program that includes the following components:

28 (1) An Academic Facilities Master Plan Program that establishes

29 a process by which:

30 (A) Each school district develops and submits a facilities

31 master plan for review and approval by the division; and

32 (B) The division develops a comprehensive state master

33 plan for managing state financial participation in local academic facilities

34 projects across the state;

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

36 Maintenance, Repair, and Renovation Manual that contains uniform standards to

1 direct custodial, maintenance, repair, and renovation activities in public
2 school ~~academic~~ facilities;

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

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

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

15

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

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

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

22 ~~(2)~~(1) A schedule of custodial activities for each ~~academic~~
23 public school facility used by a school district;

24 ~~(3)~~(2) A schedule of maintenance, repair, and renovation
25 activities for each ~~academic~~ public school facility used by a school
26 district. The schedule shall distinguish between work associated with
27 academic facilities and work associated with nonacademic public school
28 facilities;

29 ~~(4)~~(3) Documentation that describes preventive maintenance work
30 for each ~~academic~~ public school facility and identifies the completion date
31 of the work. The documentation shall distinguish between preventive
32 maintenance work associated with academic facilities and preventive
33 maintenance work associated with nonacademic public school facilities;

34 ~~(5)~~(4) Annual expenditures of the school district for all
35 custodial, maintenance, repair, and renovation activities in the school
36 district. The section of the facilities master plan pertaining to annual

1 expenditures under this subdivision (b)(5) shall distinguish between
2 expenditures associated with academic facilities and expenditures associated
3 with nonacademic public school facilities;

4 ~~(6)(5)~~ A projected replacement schedule for major building
5 systems in each academic facility;

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

9 ~~(8)(7)~~ A projected replacement schedule for technology systems,
10 instructional materials, and related academic equipment;

11 ~~(9)(8)~~ Identification of issues with regard to public school
12 facility and program access to individuals with disabilities and, if
13 necessary, proposed methods for improving access;

14 ~~(10)(9)~~ Identification of committed projects within the school
15 district that includes, as applicable, a breakdown of the portion of each
16 project into maintenance, repair, and renovation activities and new
17 construction activities. The portion of a committed project pertaining to
18 maintenance, repair, and renovation activities shall identify, as applicable,
19 maintenance, repair, and renovation activities associated with academic
20 facilities and maintenance, repair, and renovation activities associated with
21 nonacademic public school facilities;

22 ~~(11)(10)~~ Annual expenditures of the school district for capital
23 outlay;

24 ~~(12)(11)~~ A description of planned new construction projects with
25 cost estimates for each ~~academic~~ public school facility within the school
26 district and needs prioritized as follows:

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

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

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

36 ~~(b) Immediate needs that the school district~~

1 ~~intends to address during the 2007-2009 biennium;~~

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

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

8 ~~(13)~~(12) Evidence of the school district's insurance coverage,
9 including coverage amounts, types of coverage, identification of ~~buildings~~
10 public school facilities covered, policy renewal dates, and all riders.

11
12 SECTION 7. Arkansas Code § 6-21-808 is amended to read as follows:

13 6-21-808. ~~Arkansas Facilities~~ Public School Facilities Custodial,
14 Maintenance, Repair, and Renovation Manual.

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

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

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

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

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

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

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

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

31 (B) A suggested schedule for routine care and renovation
32 cleaning;

33 (C) Levels of personnel necessary to perform custodial
34 operations;

35 (D) Training criteria for the use and storage of supplies
36 and equipment, with emphasis given to chemical right-to-know, indoor air

1 quality, and other applicable standards;

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

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

7 (G) Designation of routine duties; and

8 (H) Designation of renovation cleaning duties.

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

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

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

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

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

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

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

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

27 (i) School policies;

28 (ii) Safety procedures;

29 (iii) Use of specialized equipment;

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

33 (v) Other applicable areas;

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

36 (F) Inspection, cleaning, servicing, and repair of

1 heating, ventilation, and air-conditioning systems;

2 (G) Inspection and repair of:

3 (i) Electrical systems;

4 (ii) Hot water boilers and heaters;

5 (iii) Fire alarms;

6 (iv) Fire extinguishers and kitchen hood vent

7 suppression systems;

8 (v) Emergency lighting and exit light fixtures;

9 (vi) Elevators and wheelchair lifts;

10 (vii) Plumbing;

11 (viii) Roofs;

12 (ix) Stairwell areas;

13 (x) Interior and exterior lighting;

14 (xi) Doors and windows;

15 (xii) Floor coverings;

16 (xiii) Masonry and concrete building exteriors;

17 (xiv) Interior and exterior finishes;

18 (xv) Kitchen equipment;

19 (xvi) Sidewalks, driveways, parking areas, and paved

20 play areas; and

21 (xvii) Parking lots, handicap parking spaces,

22 driveways, fire and emergency vehicle zones, and bus and car loading and

23 unloading areas;

24 (H) Inspection and repair and servicing of fire sprinkler

25 systems;

26 (I) Maintenance of a pest control program;

27 (J) Inspection of playground equipment; and

28 (K) Grounds maintenance.

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

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

1 ~~an academic a public school~~ facilities escrow account ~~to be released only~~
2 ~~upon approval by the division for use in conjunction with a local academic~~
3 ~~facilities project.~~

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

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

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

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

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

23
24 SECTION 8. Arkansas Code § 24-2-701(c)(1), concerning employer
25 contribution rates for the Arkansas Teacher Retirement System, is amended to
26 read as follows:

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

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

34 (C) The employer contribution rates shall be the rates
35 determined by the Board of Trustees of the Arkansas Teacher Retirement System
36 based on the annual actuarial valuation.

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

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

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

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

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

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

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

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

24
25 SECTION 10. EMERGENCY CLAUSE. It is found and determined by the
26 General Assembly of the State of Arkansas that the Arkansas Supreme Court
27 declared the public school funding system to be inadequate and that public
28 schools are operating under a constitutional infirmity which must be
29 corrected immediately; that to correct the constitutional infirmity and to
30 ensure adequate funding for public education, the General Assembly must
31 revise the public school funding formula, revise laws regarding public school
32 facilities, provide funding for retirement increases and limit additional
33 increases; and enact other necessary reform measures; and that this act is
34 necessary to ensure that reform measures are available to public schools for
35 the 2005-2006 and 2006-2007 school years. Therefore, an emergency is
36 declared to exist and this act being necessary for the preservation of the

- 1 public peace, health, and safety shall become effective on:
- 2 (1) The date of its approval by the Governor;
- 3 (2) If the bill is neither approved nor vetoed by the Governor,
- 4 the expiration of the period of time during which the Governor may veto the
- 5 bill; or
- 6 (3) If the bill is vetoed by the Governor and the veto is
- 7 overridden, the date the last house overrides the veto.

8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36

/s/ Education Committee - Senate