

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

A Bill

SENATE BILL 578

5 By: Senator J. Dismang
6 By: Representative Jean
7

For An Act To Be Entitled

9 AN ACT TO TRANSFER FUNDS, DEFINE THE MONIES TO BE
10 AVAILABLE IN THE RESTRICTED RESERVE FUND; AND TO
11 ALLOW THAT ADDITIONAL FUNDS MAY BE MADE AVAILABLE FOR
12 STATE DEPARTMENTS, AGENCIES, AND INSTITUTIONS
13 APPROPRIATIONS; AND FOR OTHER PURPOSES.
14

Subtitle

15 AN ACT TO TRANSFER FUNDS, DEFINE MONIES
16 AVAILABLE IN THE RESTRICTED RESERVE FUND,
17 AND TO ALLOW ADDITIONAL FUNDS FOR STATE
18 DEPARTMENTS, AGENCIES AND INSTITUTIONS;
19 AND FOR OTHER PURPOSES.
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
25

26 SECTION 1. DO NOT CODIFY. Legislative findings – Nonseverability.

27 (a) The General Assembly finds that:

28 (1) Determining the maximum amount of appropriation and funding
29 for a state agency or institution each fiscal year is the prerogative of the
30 General Assembly;

31 (2) Determining the maximum amount of appropriation and funding
32 for a state agency or institution is usually accomplished by delineating the
33 maximum amounts in the appropriation acts for the state agency or institution
34 and in the general revenue allocations authorized for each relevant fund and
35 fund account by amendment to the Revenue Stabilization Law, § 19-5-101 et
36 seq.;



1 (3) The Restricted Reserve Fund has established procedures for
 2 the transfer of funds to various funds and fund accounts for the efficient
 3 and effective operation of state government; and

4 (4) It is necessary and appropriate that the General Assembly
 5 maintain oversight by requiring prior approval of the Legislative Council or,
 6 if the General Assembly is in session, the Joint Budget Committee, as
 7 provided in § 19-5-1263(c).

8 (b) The requirement of approval by the Legislative Council or if the
 9 General Assembly is in session the Joint Budget Committee, is not a severable
 10 part of § 19-5-1263. If the requirement of approval by the Legislative
 11 Council or if the General Assembly is in session the Joint Budget Committee,
 12 is ruled unconstitutional by a court of competent jurisdiction, § 19-5-1263
 13 (c)(d) and (e) are void in their entirety.

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 15 SECTION 2. DO NOT CODIFY. TRANSFERS TO THE RESTRICTED RESERVE FUND.
 16 Immediately upon the effective date of this Act, as soon thereafter as is
 17 practical or as authorized in this Section the State Treasurer shall transfer
 18 and credit to the "Restricted Reserve Fund", upon certification of the
 19 amounts thereof by the Chief Fiscal Officer of the State, the following:

20 (a)(1) Notwithstanding other provisions of law as set out in Sections 2
 21 (c) and 3 (d) of Act 225 of 2022, any unobligated funds which are set aside
 22 as authorized in Section 2 (a) of Act 225 of 2022 and in Section 3 (a) of Act
 23 225 of 2022;

24 (2) Notwithstanding other provisions of law as set out subsections
 25 (c) and (d) of Section 3 of Act 1058 of the 2021 Regular Session, any
 26 unobligated funds which are set aside as authorized in Section 3 subsections
 27 (a)(1)(A) and (B), (a)(2)(A), (a)(3)(A),(B),(C), and (b) of Act 1058 of the
 28 2021 Regular Session;

29 (b) All unobligated and unallocated monies remaining in the
 30 "Development and Enhancement Fund" on June 30, 2023 which are not required to
 31 finance projects to be financed therefrom pursuant to appropriations enacted
 32 by the General Assembly, or which have not been reappropriated or reallocated
 33 for financing from the "Development and Enhancement Fund" by the 94th General
 34 Assembly;

35 (c)(1) All General Revenue Funds recovered from remaining fund balances
 36 in the "General Revenue Allotment Reserve Fund" from monies accruing thereto

1 during the 2021-2022 fiscal year which are not required to finance enactments
 2 of the 94th General Assembly that do not expire on June 30, 2022, including
 3 all General Revenue Funds recovered from remaining fund balances;

4 (2) Any unobligated or unallocated funds remaining on July 2, 2023 in
 5 the "General Revenue Allotment Reserve Fund" from monies accruing thereto
 6 which are not required to finance enactments of the 94th General Assembly
 7 that do not expire on June 30, 2023, including all General Revenue Funds
 8 recovered from remaining fund balances;

9 (3) All General Revenue Funds recovered from remaining fund balances
 10 in the "General Revenue Allotment Reserve Fund" from monies accruing thereto
 11 during the 2023-2024 fiscal year which are not required to finance enactments
 12 of the 94th General Assembly that do not expire on June 30, 2024, including
 13 all General Revenue Funds recovered from remaining fund balances;

14 (d) Those special revenues credited to the Development and Enhancement
 15 Fund from estate taxes as set out in Arkansas Code § 19-6-301(171);

16 (e) Other revenues as may be transferred or authorized by law.

17
 18 SECTION 3. DO NOT CODIFY. TRANSFERS, RESTRICTED RESERVE FUND
 19 DISTRIBUTION AND SET-ASIDES. After having made transfers as authorized in
 20 this Act, and after having transferred or set-aside the obligations as set
 21 out in §19-5-202(b)(2)(B)(iii) as determined by the Chief Fiscal Officer of
 22 the State, for those funds transferred and credited to the Restricted Reserve
 23 Fund as authorized in Section 2 of this Act that are unobligated for other
 24 Set-Asides established in the 2023 Regular Session, the State Treasurer shall
 25 transfer funds or establish sub-funds in the Restricted Reserve Fund,
 26 referred to and established as Set-Asides in the Restrict Reserve fund
 27 herein, which shall be funded as funds are available in the following order:
 28 (a) Set-Aside one billion one hundred fifty-two million two hundred twenty-
 29 seven thousand two hundred fifty-seven dollars (\$1,152,227,257) or so much as
 30 is available for the "Restricted Reserve Fund Set-Asides" as enumerated in
 31 subsections (a)(1) through (a)(27) of this section, less those Set-Asides
 32 that are effective upon passage and approval of this Act with fund transfer
 33 language, for purpose as set out in each Set-Aside, to be in the following
 34 order:

35 (1) Educational Facilities Set-Aside, Department of Education - Division
 36 of Public School Academic Facilities and Transportation, Educational

1 Facilities Partnership Fund Account, Academic Facilities Partnership for
2 transfers from time to time, as authorized in 19-5-1263 (c), in a sum not to
3 exceed \$250,000,000;

4 (2) Correctional Facilities Set-Aside, Department of Corrections, for
5 transfers from time to time as determined by the Chief Fiscal Officer of the
6 State, as authorized in 19-5-1263 (c), in a sum not to exceed \$330,000,000;

7 (3) State Crime Laboratory Building Set-Aside, Department of Public Safety
8 - State Crime Laboratory, Development and Enhancement Fund, Arkansas State
9 Crime Laboratory Facility Project for transfers from time to time, as
10 authorized in 19-5-1263 (c), in a sum not to exceed \$200,000,000;

11 (4)(A) Infrastructure Investment and Jobs Act Grants Matching Set-Aside,
12 for transfers from time to time as determined by the Chief Fiscal Officer of
13 the State, as authorized in 19-5-1263 (c), to provide matching funds for the
14 Infrastructure Investment and Jobs Act, in a sum not to exceed \$200,000,000;

15 (B) Notwithstanding other provisions as set out by law, immediately
16 upon the effective date of this subsection, the Chief Fiscal Officer of the
17 State shall transfer on his or her books and those of the State Treasurer and
18 the Auditor of the State the sum of two hundred million dollars
19 (\$200,000,000) from the General Revenue Allotment Reserve Fund to the
20 Infrastructure Investment and Jobs Act Grants Matching Set-Aside as
21 established in Section 3 (4)(A) herein;

22 (5) UAMS NCI Set-Aside, University of Arkansas for Medical Sciences for
23 the University of Arkansas for Medical Sciences National Cancer Institute
24 Designation Trust Fund or appropriated fund as determined by the Chief Fiscal
25 Officer of the State, as requested by the University of Arkansas for Medical
26 Sciences, for transfers from time to time, as authorized in 19-5-1263 (c), in
27 a sum not to exceed \$50,000,000;

28 (6) School Safety Set-Aside, Department of Education for School Safety
29 Grants for transfers from time to time as determined by the Chief Fiscal
30 Officer of the State, as authorized in 19-5-1263 (c), in a sum not to exceed
31 \$37,576,412;

32 (7) Transfer to the Arkansas Major Historic Rehabilitation Trust Fund,
33 notwithstanding other provisions as set out by law and immediately upon the
34 effective date of this subsection, the Chief Fiscal Officer of the State
35 shall transfer on his or her books and those of the State Treasurer and the
36 Auditor of the State the sum of forty million dollars (\$40,000,000) from the

1 General Revenue Allotment Reserve Fund to Arkansas Major Historic
2 Rehabilitation Trust Fund for the Department of Parks, Heritage, and Tourism
3 - Division of Heritage, for expenses to offset the cost of the income tax
4 credits allowed under the Arkansas Major Historic Rehabilitation Income Tax
5 Credit Act;

6 (8) Teacher Academy Scholarship Set-Aside, Department of Education -
7 Division of Higher Education, Arkansas Teacher Academy Scholarship Program
8 Fund for transfers from time to time, as authorized in 19-5-1263 (c), in a
9 sum not to exceed \$12,000,000;

10 (9) Motor Vehicle Set-Aside, for transfers from time to time as determined
11 by the Chief Fiscal Officer of the State, as authorized in 19-5-1263 (c), in
12 a sum not to exceed \$20,000,000;

13 (10) Educational Freedom Account Set-Aside, Department of Education -
14 Division of Elementary and Secondary Education, Arkansas Children's
15 Educational Freedom Account Fund for transfers from time to time, as
16 authorized in 19-5-1263 (c), in a sum not to exceed \$15,000,000;

17 (11) Transfer to the University of Arkansas for Medical Sciences - South
18 Arkansas Hospital Expansion, notwithstanding other provisions as set out by
19 law and immediately upon the effective date of this subsection, the Chief
20 Fiscal Officer of the State shall transfer on his or her books and those of
21 the State Treasurer and the Auditor of the State the sum of twelve million
22 dollars (\$12,000,000) from the General Revenue Allotment Reserve Fund to the
23 cash fund deposited in the State Treasury as determined by the Chief Fiscal
24 Officer of the State to provide funds for the University of Arkansas for
25 Medical Sciences to be used exclusively for grants for various expenses and
26 working capital for hospital expansion in South Arkansas;

27 (12) Performance Fund Set-Aside, Performance Fund for transfers from time
28 to time as determined by the Chief Fiscal Officer of the State, as authorized
29 in 19-5-1263 (c), in a sum not to exceed \$10,000,000;

30 (13) Charter School Facilities Set-Aside, Department of Education,
31 Division of Elementary and Secondary Education, Education Revolving Loan
32 Certificates Fund or appropriated fund or fund account as determined by the
33 Chief Fiscal Officer of the State for transfers from time to time, as
34 authorized in 19-5-1263 (c), in a sum not to exceed \$12,000,000;

35 (14) State Police Troop School and Recruitment Set-Aside, Department of
36 Public Safety - Division of Arkansas State Police, for Certified Troop School

1 and Training for transfers from time to time, as authorized in 19-5-1263 (c),
2 in a sum not to exceed \$6,445,000;

3 (15) UAPB Land Grant Set-Aside, University of Arkansas at Pine Bluff,
4 University of Arkansas at Pine Bluff Fund for transfers from time to time, as
5 authorized in 19-5-1263 (c), in a sum not to exceed \$2,000,000;

6 (16) Teacher Education Program Set-Aside, Department of Education -
7 Division of Higher Education, Higher Education Grants Fund Account or
8 appropriated fund as determined by the Chief Fiscal Officer of the State,
9 State Teacher Education Program for transfers from time to time, as
10 authorized in 19-5-1263 (c), in a sum not to exceed \$1,100,000;

11 (17) Pregnancy Help Organization Grants Set-Aside, Department of Finance
12 and Administration - Disbursing Officer, Pregnancy Help Organization Sub-Fund
13 in the Miscellaneous Agencies Fund Account, Pregnancy Help Organization
14 Grants for transfers from time to time, as authorized in 19-5-1263 (c), in a
15 sum not to exceed \$1,000,000;

16 (18)(A) Various General Discretionary Majority Vote Set-Aside, for
17 transfers from time to time as determined by the Chief Fiscal Officer of the
18 State, in a sum not to exceed \$100,000,000;

19 (B) Notwithstanding other provisions of law as set out in 19-5-1263(c)
20 the Various General Discretionary Majority Vote Set-Aside authorized in
21 subsections (a)(18)(A) herein shall only require a majority affirmative vote
22 as set out in the rules of the Legislative Council or the Joint Budget
23 Committee during a legislative session of the General Assembly for prior
24 approval of all disbursements;

25 (19) EBD or Contingency Set-Aside, for transfers from time to time as
26 determined by the Chief Fiscal Officer of the State, as authorized in 19-5-
27 1263 (c), in a sum not to exceed \$47,115,845;

28 (20) Game and Fish Grants Set-Aside, for transfers from time to time as
29 requested by the Arkansas State Game and Fish Commission, as authorized in
30 19-5-1263 (c), in a sum not to exceed \$10,000,000;

31 (21) Rapid ID DNA Set Aside, Department of Public Safety – State Crime
32 Laboratory, for the cash fund deposited in the State Treasury as determined
33 by the Chief Fiscal Officer of the State for Rapid ID Jump Start Package, for
34 transfers from time to time as determined by the Chief Fiscal Officer of the
35 State, as authorized in 19-5-1263 (c), in a sum not to exceed \$370,000;

36 (22) Transfer to the Economic Development Incentive Quick Action Closing

1 Fund, Department of Commerce – Arkansas Economic Development Commission, for
2 incentives to attract new business and economic development to the state, in
3 a sum not to exceed \$35,000,000;

4 (23) Economic Stimulus Programs Set-Aside, For transfers from time to
5 time to the Department of Commerce - Arkansas Economic Development Commission
6 to fund or fund accounts as determined by the Chief Fiscal Officer of the
7 State for funding for economic stimulus activities throughout the state, as
8 authorized in 19-5-1263 (c), in a sum not to exceed \$10,000,000;

9 (24) Food Insecurity and Health Needs Set-Aside, to be funded with those
10 funds deposited in the Restricted Reserve Fund as set out in SB479 of the
11 2023 Regular Session to be used to address food insecurity and health needs,
12 for transfers from time to time, as determined by the Chief Fiscal Officer of
13 the State as authorized in 19-5-1263 (c), in a sum not to exceed \$40,000,000;

14 (25) Drug Task Force Set-Aside, Department of Finance and Administration
15 – Disbursing Officer, Miscellaneous Agencies Fund, State Drug Crime
16 Enforcement and Prosecution Grant Awards, for transfers from time to time, as
17 authorized in 19-5-1263 (c), in a sum not to exceed \$2,500,000;

18 (26) Economic Development Districts Set-Aside, for transfers from time to
19 time by the Chief Fiscal Officer of the State in equal amounts to each of the
20 eight Economic Development Districts, as authorized in 19-5-1263 (c), in a
21 sum not to exceed \$120,000;

22 (27)(A) Law Enforcement Stipends Set-Aside. (i) The Arkansas Legislative
23 Council may approve, modify, deny, pass-over or re-refer the report set out
24 in subsection (ii), and may notify the Chief Fiscal Officer of the State how
25 to distribute the Law Enforcement Stipends grants authorized in this Section.

26 (ii) The Personnel Subcommittee of the Legislative Council shall report to
27 the Legislative Council no later than September 15, 2023 a recommendation on
28 how to distribute the Law Enforcement Stipends as grants.

29 (iii) The Personnel Subcommittee shall implement a procedure to report to the
30 Legislative Council as required in subsection (ii) herein.

31 (B) Notwithstanding other provisions of law as set out in Section 3
32 (ii) of Act 224 of 2022 on June 29, 2023, the Chief Fiscal Officer of the
33 State shall transfer on his or her books and those of the State Treasurer and
34 the Auditor of the State any remaining balances in the Law Enforcement
35 Stipend Grant Sub-Fund in the Miscellaneous Agencies Fund Account as
36 established in Act 224 of 2022 to the Law Enforcement Stipends Set-Aside as

1 established in subsection (27)(A) herein for distribution these funds from
2 time to time as set out in subsection 27(A) herein.

3 (b) Next, set-aside three hundred eighty million six hundred forty-three
4 thousand five hundred eighty-eight dollars (\$380,643,588) or so much as is
5 available for the "Restricted Reserve Fund Set-Asides" as enumerated in
6 subsections (b)(1) through (b)(9) of this section, for purpose as set out in
7 each Set-Aside and funded in the following order:

8 (1) Educational Facilities Set-Aside, Department of Education - Division
9 of Public School Academic Facilities and Transportation, Educational
10 Facilities Partnership Fund Account, Academic Facilities Partnership for
11 transfers from time to time, as authorized in 19-5-1263 (c), in a sum not to
12 exceed \$250,000,000;

13 (2) UAMS NCI Set-Aside, University of Arkansas for Medical Sciences for
14 the University of Arkansas for Medical Sciences National Cancer Institute
15 Designation Trust Fund or appropriated fund for the designation as requested
16 by the University of Arkansas for Medical Sciences for transfers from time to
17 time, as authorized in 19-5-1263 (c), in a sum not to exceed \$50,000,000;

18 (3) Adequacy Set-Aside, Department of Education, Educational Adequacy
19 Fund for transfers from time to time, as authorized in 19-5-1263 (c), in a
20 sum not to exceed \$45,000,000;

21 (4) Teacher Academy Scholarship Set-Aside, Department of Education -
22 Division of Higher Education, Arkansas Teacher Academy Scholarship Program
23 Fund for transfers from time to time, as authorized in 19-5-1263 (c), in a
24 sum not to exceed \$12,000,000;

25 (5) UAPB Land Grant Set-Aside, University of Arkansas at Pine Bluff,
26 University of Arkansas at Pine Bluff Fund for transfers from time to time, as
27 authorized in 19-5-1263 (c), in a sum not to exceed \$2,000,000;

28 (6) Teacher Education Program Set-Aside, Department of Education -
29 Division of Higher Education, Higher Education Grants Fund Account or
30 appropriated fund as determined by the Chief Fiscal Officer of the State,
31 State Teacher Education Program for transfers from time to time, as
32 authorized in 19-5-1263 (c), in a sum not to exceed \$1,100,000;

33 (7) School Safety Set-Aside, Department of Education for School Safety
34 Grants for transfers from time to time as determined by the Chief Fiscal
35 Officer of the State, as authorized in 19-5-1263 (c), in a sum not to exceed
36 \$12,423,588;

1 (8) Human Development Center Master Plan Upgrades Set-Aside, Arkansas
2 Department of Human Services – Division of Developmental Disabilities
3 Services, for transfers from time to time as determined by the Chief Fiscal
4 Officer of the State, as authorized in 19-5-1263 (c), in a sum not to exceed
5 \$8,000,000;

6 (9) Economic Development Districts Set-Aside, for transfers from time to
7 time by the Chief Fiscal Officer of the State as authorized in 19-5-1263 (c),
8 in equal amounts to each of the eight Economic Development Districts, in a
9 sum not to exceed, in a sum not to exceed \$120,000;

10 (c) Then all remaining unobligated funds not set-aside or transferred to the
11 Restricted Reserve Fund as set out in SB479 of the 2023 Regular Session, that
12 are transferred or credited to the Restricted Reserve Fund and any future
13 collections, deposits and transfers authorized in Section 2 of this Act shall
14 be transferred and credited to the General Revenue Allotment Reserve Fund.

15
16 SECTION 4. DO NOT CODIFY. Conditions and Audit. (a) Transfer of funds
17 from the "Restricted Reserve Fund" shall be made only after the Chief Fiscal
18 Officer of the State has determined that all criteria or pre-conditions
19 established in the appropriation act to receive the transfer have been met
20 and that a Method of Finance has been filed with the Office of Accounting in
21 the Department of Finance and Administration, if required.

22 (b) Any matching funds as may be provided in law shall be certified to
23 the Chief Fiscal Officer of the State prior to the commencement of the
24 project.

25 (c) Any recipient of the funds appropriated herein are also subject to
26 an audit by the Arkansas Legislative Audit of the Legislative Joint Auditing
27 Committee in order to determine that the use of the funds was in compliance
28 with the intent and appropriated purposes of the General Assembly.

29
30 SECTION 5. DO NOT CODIFY. Funding Authority. (a) Any enactment of the
31 94th General Assembly in either regular, fiscal or extraordinary session
32 appropriating, transferring or allocating funds to the "Restricted Reserve
33 Fund" may be deemed to be payable from the "Restricted Reserve Fund".

34 (b) Appropriations which are not enumerated in this Act may be
35 financed from monies accruing to the "Restricted Reserve Fund" to fund
36 appropriations authorized by the General Assembly and as set out in law.

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2 SECTION 6. EMERGENCY CLAUSE. It is found and determined by the General
3 Assembly, that the Constitution of the State of Arkansas prohibits the
4 appropriation of funds for more than a one (1) year period; that the
5 effectiveness of this Act on July 1, 2023 is essential to allow transfers
6 which can provide an additional funding mechanism for the operation of state
7 departments, agencies and institutions of higher education, as well as to
8 address unforeseen needs of the state through the disbursement of state funds
9 with the Restricted Reserve Fund as authorized in this Act; with the
10 exception that Section 3 Subsections (a)(4), (a)(7), (a)(11), and (a)(27) in
11 this Act shall be in full force and effect from and after the date of its
12 passage and approval, and that in the event of an extension of the Regular
13 Session, the delay in the effective date of this Act beyond July 1, 2023,
14 with the exception that Section 3 Subsections (a)(4), (a)(7), (a)(11), and
15 (a)(27) in this Act shall be in full force and effect from and after the date
16 of its passage and approval, could work irreparable harm upon the proper the
17 proper transfer of funds, administration and provision of essential
18 governmental programs. Therefore, an emergency is hereby declared to exist
19 and this Act being necessary for the immediate preservation of the public
20 peace, health and safety shall be in full force and effect from and after
21 July 1, 2023; with the exception that Section 3 Subsections (a)(4), (a)(7),
22 (a)(11), and (a)(27) in this Act shall be in full force and effect from and
23 after the date of its passage and approval.

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26 **APPROVED: 4/11/23**
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