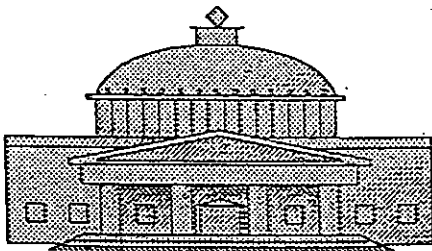


# ARKANSAS REGISTER



## Transmittal Sheet

Sharon Priest  
Secretary of State  
State Capitol Rm. 01  
Little Rock, AR 72201-1094

For Office

Use Only: Effective Date 9/17/99 Code Number 605.04.99-014

Name of Agency Arkansas Department of Education

Department Public School Finance & Administrative Support

Contact Person Patricia Martin Phone 501-682-5124

Statutory Authority for Promulgating Rules A. C. A. 6-11-105 (Repl. 1993)(Supp. 95) as

amended by Act 1323 of 1999; A. C. A. 6-20-  
1205(e)(Repl 1993(Supp 1997) Date

Intended Effective Date

Legal Notice Published..... 6-18-99

☐ Emergency:

Final Date for Public Comment..... 7-19-99

☐ 10 Days After Filing

Filed with Legislative Council..... 8-10-99

☐ Other

Reviewed by Legislative Council..... 9-2-99

Adopted by State Agency..... 9-9-99

### CERTIFICATION OF AUTHORIZED OFFICER

I Hereby Certify That The Attached Rules Were Adopted  
In Compliance with Act 434 of 1967 As Amended.

Sharon Wallert  
Signature

501-682-4227  
Phone Number

Staff Attorney  
Title

September 7, 1999  
Date

FILED  
99 SEP -7 PM 3:51  
STATE OF ARKANSAS  
SECRETARY OF STATE

**ARKANSAS DEPARTMENT OF EDUCATION  
AMENDING ADMINISTRATIVE REGULATION**

**NUMBER:** ADE 088

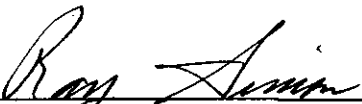
**TITLE:** Rules and Regulations Governing Loans and Bonds Applications

**EFFECTIVE DATE:** September 16, 1999

**STATUTORY AUTHORITY:** Ark. Code Ann. § 6-11-105 (Repl. 1993)(Supp. 95) as amended by Act 1323 of 1999; § 6-20-1205(e) (Repl. 1993)(Supp. 1997)

**NECESSITY AND FUNCTION:** To set forth the criteria used by the Arkansas Department of Education Loans and Bonds Committee in reviewing loans and bonds applications.

**PAGES FILED:** ADE 088-1 through ADE 088-13

  
\_\_\_\_\_  
Ray Simon, Director  
Arkansas Department of Education

**PROMULGATION DATE:** August 9, 1999

**CONTACT PERSON:** Patricia Martin  
#4 Capitol Mall  
Little Rock, AR 72201  
Phone: 501-682-4227

**ARKANSAS DEPARTMENT OF EDUCATION  
RULES AND REGULATIONS GOVERNING LOANS  
AND BOND APPLICATIONS**

Amended August 1999

**1.00 REGULATORY AUTHORITY**

- 1.01 These regulations shall be known as the *Arkansas Department of Education Regulations Governing Loan and Bond Applications*.
- 1.02 These regulations are enacted pursuant to the State Board of Education's authority under Ark. Code Ann. §§ 6-20-801, *et seq.*, 6-20-901, *et seq.*, 6-20-1001, *et seq.*, 6-20-1201, *et seq.*, and 6-11-105 (Repl.1993) (Supp. 1997), as amended.

**2.00 PURPOSE**

These regulations are enacted to set forth the criteria that shall be used by the Arkansas Department of Education Loan and Bond Committee (Committee) in reviewing and recommending loan and bond applications from school districts and Education Service Cooperatives to the State Board of Education (State Board), by the State Board in reviewing loan and bond applications from school districts and Education Service Cooperatives, and by the Director of the Department of Education (Director) in approving refunding bond applications.

**3.00 APPLICATION**

- 3.01 These regulations shall be applicable to all applications filed by school districts and Education Service Cooperatives with the Arkansas Department of Education (Department) for approval of any loan or bond issue.
- 3.02 Loans approved as part of a court approved settlement agreement to which the Department or State Board are signatory are exempt from the general application of these regulations.

**4.00 LOAN AND BOND COMMITTEE**

- 4.01 The Committee shall consist of these seven members of the Department staff:
  - A. Assistant Director, Public School Finance and Administrative Support
  - B. Associate Director Finance

- C. Program Manager, Loans and Bonds
- D. Coordinator, Equity Assistance Center
- E. Program Manager, School Plant
- F. Coordinator, Local Fiscal Services
- G. Coordinator, Financial Accountability

4.02 Applications considered by the Committee may be acted upon in any of the following ways:

- A. the application may be recommended for approval to the State Board;
- B. the application may be recommended for disapproval to the State Board;
- C. the application may be tabled pending a request for additional information; for further study by the Department staff; or for verification of information regarding the application; or
- D. the application may be conditionally recommended for approval to the State Board.

## **5.00 ACCREDITATION STATUS**

5.01 Loan or bond applications, excluding applications for refunding bond issues, from school districts that have an accreditation status of "not accredited" at the time the application is considered by the Committee, shall be recommended for disapproval by the Committee to the State Board, unless extraordinary circumstances are documented by the district superintendent or his designee. Such an application may be considered by the State Board upon appearance by the superintendent or his designee, but will not be approved absent extraordinary circumstances.

5.02 Loan and bond applications from school districts that have an accreditation status of "probationary" at the time the application is considered by the Committee, excluding applications for refunding bond issues, shall be recommended for disapproval by the Committee to the State Board unless the citation that is the cause of the probationary status will be corrected through the use of the loan or bond proceeds. The application shall be considered by the State Board only upon appearance by the district's superintendent or his designee.

5.03 Loan and bond applications, excluding applications for refunding bond issues, from school districts with an accreditation status of "accredited cite" at the time the application is considered by the Committee, shall be recommended for disapproval by the Committee to the State Board if the number of teacher certification violations is greater than 30

percent of the district's teachers. Such an application may be considered by the State Board upon appearance by the superintendent or his designee.

- 5.04 Loan and bond applications, excluding applications for refunding bond issues, from districts that have an accreditation status of "probationary," "not accredited," or "accredited cite" may be recommended for approval by the Committee to the State Board if the district has provided sufficient documentation to prove the deficiency no longer exists.

## **6.00 EQUITY STATUS**

- 6.01 All school districts submitting loan or bond applications to fund a proposed facility project, excluding maintenance and operation facilities, transportation facilities, and other non-instructional facilities, shall submit written documentation showing:
- (A) That the proposed facility project is necessary to meet an important educational goal of the district. Completion of the proposed project should allow the applying district to provide a better quality, desegregated education, necessary to meet the needs of its present and projected population. A detailed outline or explanation of the educational goal being met shall be included; and/or
- (B) That the proposed facility project is necessary to comply with Department rules and regulations, and/or State and federal statutes and regulations.
- 6.02 The applying district shall have as its goal not to establish or enlarge a school, unless the enrollment in such school is reasonably projected to be within a twenty-five percent (25%) range of its district-wide percentage of majority-minority students by organizational level, as established in the *Little Rock School District v. Pulaski County Special School District* case.
- 6.03 The applying district shall submit a written assurance impact statement that the facility project will not in any manner establish, continue, or ignore segregative activities within the district.
- 6.04 Any school in any county contiguous to Pulaski County shall submit a written assurance statement that the proposed facility project will not have a substantial negative impact on the ability of any district in Pulaski County to desegregate effectively. Upon receipt of the application, the school district shall be notified by the Department that this section is applicable to the school district's application.

- 6.05 The Committee shall not recommend approval of any application from any district not submitting the documentation in section 6.01.
- 6.06 The Committee may recommend approval of any application from a district submitting the information in section 6.01 if the Committee agrees with the documentation.
- 6.07 The State Board shall not approve an application from any district not submitting the information required in section 6.01.
- 6.08 The State Board may consider a school district's application not approved by the Committee under section 6.03 after reviewing the documentation submitted by the applying district.

## **7.00 ENDING BALANCES**

- 7.01 Revolving loan applications for less than five percent (5%) of a school district's projected ending balance, from school districts which have a projected ending balance exceeding fifteen percent (15%) of their total budget, will be recommended for disapproval to the State Board by the Committee. Such an application will be considered by the State Board only upon an appearance by the school district superintendent or his designee.
- 7.02 Revolving loan applications from school districts or Education Service Cooperatives that project a year's ending balance less than the amount of the loan payment, including accrued interest, will be recommended for disapproval by the Committee to the State Board.
- 7.03 Revolving loan applications from school districts or Education Service Cooperatives that have a negative projected ending balance will be recommended for disapproval by the Committee to the State Board.

## **8.00 COST EFFICIENCY**

- 8.01 Loan and bond applications for projects that substantially exceed the cost of similar projects will be recommended for disapproval to the State Board by the Committee unless written justification is provided by the district or Education Service Cooperative explaining the additional cost. The Department's School Plant Unit will provide average cost figures on projects to school districts and Education Service Cooperatives upon request.
- 8.02 Loan and bond applications from school districts which, if approved, would cause the district to exceed twenty-seven percent (27%) of the

district's latest assessed valuation will be considered by the Committee upon written justification explaining the necessity for exceeding the percentage limit.

- 8.03      Loan and bond applications from school districts which, if approved, would cause the district to exceed thirty percent (30%) of the district's latest assessed valuation will be recommended for disapproval to the State Board by the Committee and will not be approved by the State Board, as authorized by Ark. Code Ann. § 6-20-1202 (Supp. 1997).

## **9.00    REFUNDING BONDS**

- 9.01      A separate application must be submitted for each issue being refunded. The application must include, but is not limited to, (A) a contract between the applying school district and its fiscal agent, and (B) a statement of savings as prescribed in Section 9.02.
- 9.02      Total minimum net saving must be five percent (5%) or one hundred thousand dollars (\$100,000) (whichever is less) inclusive of Agent's fees and related costs.
- 9.03      Refunding issues may not be combined in order to achieve minimum savings. Each refunding bond must meet the savings requirement independently.
- 9.04      The amount of the new bond issue is limited to no more than the amount on the application. If there is a sudden drop in interest rates after the application has been approved, and more bonds will have to be sold to accomplish the sale, written approval must be granted by the Director for the increased amount.
- 9.05      Once an application for a refunding issue has been approved by the State Board or Director, the application is only effective until the following May 30. If the district has not exercised its option to refund within this time period, a new application must be submitted to be approved by the State Board or Director.

## **10.00    PROCEDURAL REQUIREMENTS**

- 10.01      No loan or bond application will be considered by the Committee, the State Board, or the Director until the application complies with all statutory requirements.
- 10.02      All documents, excluding refunding bond applications, must be received by the Loans and Bonds Unit of the Department thirty (30)

days before the regularly scheduled State Board meeting to consider the applications. If thirty (30) days before the scheduled meeting date falls on a holiday or weekend, the deadline for filing shall be extended to the next business day. Loan or bond applications for which documents are received after this date will be considered in the next application cycle.

- 10.03 All bond applications shall include a description of each intended use of the bond proceeds and corresponding estimated revenue requirement, and a declaration (date voted) of the millage being used to secure the bond. Second lien bond applications must identify the existing bond issue the second lien is applicable to. Bond applications that do not include this information will be recommended for disapproval to the State Board by the Committee.

## **11.00 SECURITY OF LOANS, BONDS, AND POSTDATED WARRANTS**

- 11.01 In the case of default on principal or interest payments on a commercial bond by a school district, one of the following shall occur, depending on the following circumstances:

- 11.01.1 If the school district board of directors has passed a resolution authorized under Ark. Code Ann. § 6-20-1212 (Supp. 1997), all moneys received by the district, with the exception of revenues derived from the uniform rate of tax, shall be used to cure the default;
- 11.01.2 If the school district board of directors has not passed a resolution authorized under Ark. Code. Ann. § 6-20-1212 (Supp. 1997), the Director, after notification under Ark. Code. Ann. § 6-20-1204 (Supp. 1997), shall withhold any and all state aid to the district, in an amount sufficient to cure the default, and use those funds to cure the default as authorized under Ark. Code. Ann. § 6-20-1204 (Supp. 1997); or,
- 11.01.3 If a school district board of directors has passed a resolution authorized under Ark. Code Ann. § 6-20-1212 (Supp. 1997), but is still unable to cure the default under Section 11.01.1; the Director shall withhold any and all future state aid to the district in an amount sufficient to cure the default and use those funds to cure the default as authorized under Ark. Code. Ann. § 6-20-1204 (Supp. 1997).



- 11.02 In the case of default on principal or interest payments on revolving loans, the Department shall withhold all state aid payments in amount(s) sufficient to cure the defaults and use those funds to cure the default as authorized under Ark. Code. Ann. § 6-20-814 (Repl. 1993).
- 11.03 In the case of default on principal or interest payments on postdated warrants, the Department shall withhold all state aid payments in amount(s) sufficient to cure the default and use those funds to cure the default as authorized under Ark. Code. Ann. § 6-20-402 (Supp. 1997).
- 11.04 If a default occurs simultaneously on a bond and another type of debt, the bond default shall be cured in its entirety before other debt payment defaults are cured.

## **12.00 EDUCATION SERVICE COOPERATIVE REVOLVING LOAN APPLICATIONS**

- 12.01 Education Service Cooperatives shall submit an authorization signed by the Board President and Secretary authorizing the Department to withhold state aid in case of default on a revolving loan.
- 12.02 Education Service Cooperatives shall submit an authorization signed by the Board President and Secretary pledging any or all state aid to the Education Service Cooperative securing the loan in the event of loan default.

## **13.00 REPORTING**

- 13.01 School Districts that call bonds early must report such calls to the Department's Loans and Bonds Unit prior to June 30 of the school's fiscal year. The notification must include the amount of bonds called, the price paid for the called bonds, and the series and the date the bonds were called.
- 13.02 For a school district to qualify for relief under Ark. Code Ann. § 6-20-308 (Supp. 1997), as amended, the school district must submit a certificate to the Director prior to the date the refunding bonds are sold at public sale, certifying that the yearly debt service savings resulting from the refinancing will be used for the following purposes:
  - a) building and equipping of school buildings
  - b) major adaptations to a facility
  - c) purchasing of sites for school buildings.
- 13.03 The Loans and Bonds Unit shall forward a copy of the certificate in

Section 13.02, as well as the annual scheduled debt payment, to the Coordinator of Local Fiscal Services.

- 13.04 If a refunding bond application is determined to be permissible under Section 13.02, a copy of the file shall be forwarded to the Local Fiscal Services Unit of the Department for case by case adjustments in Additional Base Funding using calculations set forth in Sections 16.00 and/or 19.00, *et seq.*
- 13.05 If a school district applies for a second lien bond after May 30, 1997, the Committee shall forward the application to the Local Fiscal Services Unit of the Department before the application is considered by the Committee. The Local Fiscal Services Unit of the Department, in consultation with the legal office of the Department, using criteria and calculation set forth in Section 17.00, *et seq.*, shall make a determination if the application is permissible under Ark. Code Ann. § 6-20-1205 (Supp. 1997).
- 13.06 If a second lien bond application is determined to be permissible under Section 13.05, a copy of the file shall be forwarded to the Local Fiscal Services Unit of the Department for case by case adjustments in Additional Base Funding using calculations set forth in Sections 18.00 and/or 19.00, *et seq.*

#### **14.00 TRUSTEE FEES**

- 14.01 Fees assessed by Trustee Banks for acting as paying agent and for providing other services necessary to manage school district bond issues shall be approved by the State Board. A fee schedule will be provided upon request to interested parties by contacting the Loans and Bonds Unit of the Department.
- 14.02 Fees set by the State Board will be reviewed on a regular basis by the Loans and Bonds Unit of the Department, and adjustments may be recommended by the Loans and Bonds Unit of the Department to the State Board to reflect the current cost of services provided.

#### **15.00 DEBT SERVICE PAYMENTS TO BE USED IN ALL FUNDING ADJUSTMENTS**

- 15.01 In the calculations for adjustments in Additional Base Funding discussed in the following Sections the calendar year scheduled debt payment certified under Ark. Code Ann. § 26-80-201(3) (Repl. 1997), as amended, for use in Debt Service Funding Supplement calculations shall be the base data used for the entire school year.

15.02 In the following Sections, the calculations for adjustments in Additional Base Funding necessitated by a refunding bond issuance shall use an adjusted scheduled debt service payment which replaces the scheduled payment of a refunding bond(s) with the scheduled payment of the original refunded bond(s).

15.03 In the following Sections, the calculations for adjustments in Additional Base Funding necessitated by a second lien bond issuance shall use an adjusted scheduled debt service payment in which the scheduled payment for a second lien bond shall be removed from the total scheduled debt payment of the school district.

**16.00 ADJUSTMENTS TO ADDITIONAL BASE FUNDING CALCULATIONS  
IN THE CASE OF A REFUNDING BOND ISSUE.**

16.01 In the event that a school district issues bonds for the purpose of refunding bonds, that school district shall not lose any Additional Base Funding due to the refunding; if and only if the school district has fulfilled the requirements in Section 13.02. (*See generally* Ark. Code Ann. § 6-20-308 (Supp. 1997), as amended)

16.02 After receiving the certificate specified in Section 13.02 and after the sale of the refunding bonds in 16.01, the Loans and Bonds Unit of the Department shall maintain the commercial bond payment schedule(s) of the refunded bonds and the refunding bonds until the refunding bonds mature. This information, electronically stored, shall be made available to the Local Fiscal Services Unit of the Department.

16.03 The Local Fiscal Services Unit of the Department shall be responsible for the calculation of adjustment to Additional Base Funding under this Section.

16.04 The calculation for the adjustment in Additional Base Funding shall be performed as follows:

16.04.1 Additional Base Funding shall be initially calculated using the scheduled debt payment in Section 15.01;

16.04.2 The scheduled debt payment shall then be altered by replacing the scheduled payment on the bonds qualifying under Section 13.02 with the scheduled payment of the original bonds that were refunded;

16.04.3 Additional Base Funding shall be recalculated using the scheduled debt payment in Section 16.04.2;

- 16.04.4 The school district, in this scenario, shall receive Additional Base Funding in an amount equal to the higher of the two amounts calculated in Sections 16.04.1 or 16.04.3.

**17.00 CRITERIA AND CALCULATIONS TO DETERMINE THE PERMISSIBILITY OF A SECOND LIEN BOND ISSUE**

- 17.01 For each and every application for a second lien bond issuance, the Local Fiscal Services Unit of the Department shall determine whether the issuance of the second lien bond would place the school district making the application out of compliance with the uniform rate of tax under Ark. Const. Ann. Art. 14 Sec. 3 (as amended by Amendments 11, 40 and 74) (Supp. 1997).
- 17.02 To determine compliance with Section 17.01, the following calculations shall be performed:
- 17.02.1 The calculation outlined in Ark. Code Ann. § 26-80-201, *et seq.*, (Repl. 1997) shall be used with the exception that the scheduled debt payment certified on May 30 shall be adjusted to include the scheduled second lien bond annual payment;
- 17.02.2 If after completing the calculation in Section 17.02.1, it is determined that the school district would not meet the uniform rate of tax under Ark. Const. Ann. Art. 14 Sec. 3 (as amended by Amendments 11, 40 and 74), then the application for the second lien bond shall immediately be denied under Ark. Code Ann. § 6-20-1205 (Supp. 1997). The Committee shall recommend disapproval and the State Board shall not approve any application that would cause a district to not meet the uniform rate of tax requirement(s). If the school district would still meet the minimum millage requirement, the Local Fiscal Services Unit of the Department will continue on to Section 17.02.3, *et seq.*;
- 17.02.3 For each and every application for a second lien bond issuance, the Local Fiscal Services Unit of the Department shall calculate Additional Base Funding for the applying school district using Section 18.00, as if the second lien bond had been issued.
- 17.03 The calculation in Section 17.02 shall be maintained as a record for future use under Section 17.04.

- 17.04 Whenever an application is made for a second lien bond issuance, the Local Fiscal Services Unit of the Department shall compute the Federal Range Ratio statistic using the following data:
- 17.04.1 All data currently being used to calculate Additional Base Funding, with the exception that second lien bond scheduled debt payments approved since May 30, 1997, and the appropriate Additional Base Funding adjustment will be used, as well as the applied for second lien bond debt payment.
- 17.04.2 The Federal Range Ratio shall be calculated as outlined in 34 C.F.R. § 222.61, *et seq.* (1994) (See Ark. Code Ann. §§ 6-20-303(20) and 6-20-308(a) (Supp. 1997) and *Lake View v. Tucker* Finding of Fact # 54).
- 17.05 If the application causes the state not to meet the court approved federal range ratio standard of twenty-five hundredths (0.25) or twenty five percent (25%) (See *Lake View v. Tucker* Finding of Fact ## 54, 55), the second lien bond application shall be recommended for disapproval to the State Board.
- 17.06 If the number of students who would receive Additional Base Funding in an amount less than the amount necessary to meet the minimum state and local revenue per average daily membership would exceed four and seven tenth's percent (4.7%) of the statewide average daily membership due to the issuance of the applied for second lien bond, the second lien bond application shall be recommended for disapproval to the State Board.
- 17.07 If the test under Sections 17.05 and 17.06 are satisfied, it will be assumed that the state would meet the Coefficient of Variation and Gini Index of Inequality tests as well (See *Lake View v. Tucker*, Finding of Fact ## 62, 63).
- 17.08 Applications for second lien bonds shall be analyzed in the order in which they are received. If two or more second lien bond applications are received simultaneously, any school district in fiscal distress shall take precedent, and others shall be analyzed in Local Education Agency reference number order -- smallest to highest.
- 17.09 The application of a school district not in fiscal distress shall take priority over other applications being considered in LEA number order if the district can substantiate that the proceeds of the second lien bond

will be used to fund a project which if not undertaken will have a detrimental effect on accreditation status.

- 17.10 All terms used in this section shall be read in conjunction with definitions and uses found in Ark. Code Ann. § 6-20-300, *et seq.*

**18.00 ADJUSTMENTS TO ADDITIONAL BASE FUNDING CALCULATIONS  
IN THE CASE OF A SECOND LIEN BOND ISSUE**

- 18.01 In the event that a school district issues second lien bonds after the process outlined in Section 13.05.1 *et seq.*, that school district shall not gain any Additional Base Funding due to the issuance of those second lien bonds. (See Ark. Code Ann. § 6-20-1205 (Supp. 1997))
- 18.02 After receiving the approval of the second lien bond under Section 13.05, *et seq.* and after the sale of the second lien bonds, the Loans and Bonds Unit of the Department shall maintain the payment schedule(s) of the second lien bonds. This information, electronically stored, shall be made available to the Local Fiscal Services Unit of the Department.
- 18.03 The Local Fiscal Services Unit of the Department shall be responsible for the calculation of adjustment to Additional Base Funding under this Section.
- 18.04 The calculation for the adjustment in Additional Base Funding shall be performed as follows:
- 18.04.1 Additional Base Funding shall be initially calculated using the scheduled debt payment in Section 15.01;
  - 18.04.2 The scheduled debt service payment shall then be altered by removing the scheduled payment on the second lien bonds qualifying under Section 13.05.1 *et seq.*;
  - 18.04.3 Additional Base Funding shall be recalculated using the scheduled debt payment in Section 18.04.2;
  - 18.04.4 The school district, in this scenario, shall receive Additional Base Funding in an amount equal to the lesser of the two amounts calculated in Sections 18.04.1 or 18.04.3.

**19.00 ADJUSTMENTS TO ADDITIONAL BASE FUNDING CALCULATIONS  
IN THE CASE OF A REFUNDING BOND ISSUE IN COMBINATION  
WITH NEW DEBT OR A SECOND LIEN BOND ISSUE**

- 19.01 A school district that has issued second lien bonds after May 30, 1997, and has refunded/refinanced bonds since May 30, 1997, shall have its Additional Base Funding calculated using the scheduled debt payment used to calculate eligible debt service mills required under Ark. Code Ann. § 6-20-303 (Supp. 1997) as amended, but excluding any and all second lien bonds filed and sold since May 30, 1997.

QUESTIONNAIRE FOR FILING PROPOSED RULES AND REGULATIONS  
WITH THE ARKANSAS LEGISLATIVE COUNCIL AND JOINT INTERIM  
COMMITTEE

DEPARTMENT/AGENCY Department of Education  
DIVISION Public School Finance and Administrative Support  
DIVISION DIRECTOR Ms. Patricia Martin  
CONTACT PERSON Ms. Patricia Martin  
ADDRESS # 4 State Capitol Mall, Little Rock, Arkansas 72201  
PHONE NO. (501) 682-5124 FAX NO. (501) 682-9035

INSTRUCTIONS

- A. Please make copies of this form for future use.
- B. Please answer each question completely using layman terms. You may use additional sheets, if necessary.
- C. If you have a method of indexing your rules, please give the proposed citation after "Short Title of this Rule" below.
- D. Submit two (2) copies of this questionnaire attached to the front of two (2) copies of your proposed rule and mail or deliver to:

Donna K. Davis  
Subcommittee on Administrative Rules and Regulations  
Arkansas Legislative Council  
Bureau of Legislative Research  
Room 315, State Capitol  
Little Rock, AR 72201

\*\*\*\*\*

- 1. What is the short title of this rule?  
*Rules and Regulations Governing Loans and Bonds Applications*
- 2. What is the subject of the proposed rule?  
*This rule and regulation is necessary to set forth the criteria used by the Arkansas Department of Education Loan and Bond Committee in reviewing loan and bond applications.*
- 3. Is this rule required to comply with federal statute or regulations?  
Yes \_\_\_\_\_ No XXX  
  
If yes, please provide the federal regulation and/or statute citation.
- 4. Was this rule filed under the emergency provisions of the Administrative Procedures Act? Yes \_\_\_\_\_ No XXX  
If yes, what is the effective date of the emergency rule?

When does the emergency rule expire?

OFFICE OF THE CLERK  
LEGISLATIVE COUNCIL  
STATE OF ARKANSAS

03 APR 12 AM 9:22

FILED  
AR. REGISTER DIV.



Will this emergency rule be promulgated under the regular provisions of the Administrative Procedure Act? Yes \_\_\_\_\_ No \_\_\_\_\_

N/A

5. Is this a new rule? Yes \_\_\_\_\_ No XXX

Does this repeal an existing rule? Yes \_\_\_\_\_ No XXX  
If yes, please provide a copy of the repealed rule.

Is this an amendment to an existing rule? If yes, please attach a markup showing the changes in the existing rule and a summary of the substantive changes. Yes, see attached marked-up

6. What state law grants the authority for this proposed rule? If codified, please give Arkansas Code citation.  
*Arkansas Code Annotated §§ 6-11-105 (Repl. 1993) (Supp.95) as amended by Act 1323 of 1999, 6-20-1205(e) (Repl 1993, Supp 1997)*
7. What is the purpose of this proposed rule? Why is it necessary?  
*This rule and regulation is necessary to set forth the criteria used by the Arkansas Department of Education Loan and Bond Committee in reviewing loan and bond applications.*
8. Will a public hearing be held on this proposed rule? Yes XXX No \_\_\_\_\_  
If yes, please give the date, time, and place of the public hearing.  
*June 29, 1999 2:00 p.m.  
Department of Education, Arch Ford Education Building, # 4 Capitol Mall, Room 201-A  
Little Rock, Arkansas 72201*
9. When does the public comment period expire?  
*July 19, 1999 4:30 p.m.*
10. What is the proposed effective date of this proposed rule?  
*September 16, 1999*
11. Do you expect this rule to be controversial? Yes \_\_\_\_\_ No XXX  
If yes, please explain.
12. Please give the names of persons, groups, or organizations which you expect to comment on these rules. Please provide their position (for or against) if known.  
N/A

PLEASE ANSWER ALL QUESTIONS COMPLETELY

FILED  
AR. REGISTER DIV.  
99 SEP -7 PM 3:51

DEPARTMENT Arkansas Department of Education  
DIVISION Public School Finance and Administrative Support  
PERSON COMPLETING THIS STATEMENT Ms. Patricia Martin BY \_\_\_\_\_  
TELEPHONE NO. (501) 682-5124 FAX NO. (501) 682-9035

### FINANCIAL IMPACT STATEMENT

To comply with Act 1104 of 1995, please complete the following Financial Impact Statement and file with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE Rule and Regulation Governing Loan and Bond Applications

1. Does this proposed, amended, or repealed rule or regulation have a financial impact?  
Yes \_\_\_\_\_ No XXX

2. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain.

3. If the purpose of this rule or regulation is to implement a federal rule or regulation, please give the incremental cost for implementing the regulation.  
N/A

1997-98 Fiscal Year

1998-99 Fiscal Year

General Revenue \_\_\_\_\_  
Federal Funds \_\_\_\_\_  
Cash Funds \_\_\_\_\_  
Special Revenue \_\_\_\_\_  
Other \_\_\_\_\_  
Total \_\_\_\_\_

General Revenue \_\_\_\_\_  
Federal Funds \_\_\_\_\_  
Cash Funds \_\_\_\_\_  
Special Revenue \_\_\_\_\_  
Other \_\_\_\_\_  
Total \_\_\_\_\_

4. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule or regulation?  
N/A

1997-98 Fiscal Year

1998-99 Fiscal Year

5. What is the total estimated cost by fiscal year to the agency to implement this regulation?  
N/A

1997-98 Fiscal Year

1998-99 Fiscal Year

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AR. REGISTER DIV.  
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DEPARTMENT OF EDUCATION  
FISCAL IMPACT STATEMENT  
OF PROPOSED REGULATION  
(In compliance with Acts 884 and 1253 of 1995)

Regulation Title: *Rule and Regulation Governing Loan and Bond Applications*

Summary Description of Regulatory Proposal:

*This rule and regulation is necessary to set forth the criteria used by the Arkansas Department of Education Loan and Bond Committee in reviewing loan and bond applications.*

Cite Statutory Authority for this Regulatory Proposal:

*Arkansas Code Annotated §§ 6-11-105 (Repl. 1993), 6-20-1205(e) (Repl 1993, Supp 1997)*

- I. Fiscal Impact on the Department: (include whether impacts are non-recurring or recurring) *N/A*
  - A. Resources Required - Personnel, equipment, office space.
  - B. Time Required for Implementation.
  - C. Procedural Changes.
  - D. Other.
- II. Fiscal Impact on Local School District or Others? (Include whether impacts are non-recurring or recurring) *N/A*
  - A. Resources Required - Personnel, equipment, office space.
  - B. Time Required for Implementation.
  - C. Procedural Changes.
  - D. Other.
- III. Additional Comments.

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(Date) *June 10, 1999*