



STATE OF ARKANSAS
ASA HUTCHINSON
GOVERNOR

November 14, 2018

Senator Bill Sample, Co-Chair
Representative Jim Dotson, Co-Chair
Arkansas Legislative Council
Arkansas General Assembly
State Capitol Building
Little Rock, AR 72201

Dear Co-Chairs:

I respectfully request the following Executive Recommendation be considered for inclusion in the 2019-2021 Biennial Budget submitted for the Arkansas Department of Education – Public School Fund Division:

<u>Appropriation</u>	<u>2019 - 2020</u>	<u>2020 - 2021</u>
Educator Compensation Reform Fund	60,000,000	60,000,000

SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL, AND TEMPORARY LAW.

EDUCATOR COMPENSATION REFORM FUND – Upon the effective date of this Act, or as soon thereafter as practical, the Arkansas State Treasurer shall transfer \$60,000,000 from the Educational Adequacy Fund to the Public School Fund to be used solely for the implementation of the Educator Compensation Reform Program. Funds shall be kept separate from all other monies in the Public School Fund and are to be utilized over a four-year period, beginning July 1, 2019, to assist school districts in ensuring that all educators in Arkansas public school districts receive a minimum annual salary of \$36,000 by July 1, 2023. The Educator Compensation Reform Fund shall not be considered part of a school district's net legal balance or net legal balance revenues for the purpose of meeting the requirements on limitation of fund balances pursuant to A.C.A. 6-20-2210. The Arkansas Department of Education shall promulgate rules to administer this section. The provisions of this section shall be in effect only from July 1, 2019, through June 30, 2020.

This program will be utilized over the next four fiscal years to provide additional funding to school districts currently below the new minimum teacher salary schedule. I appreciate your consideration of this matter.

Sincerely,

Asa Hutchinson