1.00 REGULATORY AUTHORITY


1.02 These rules shall apply to all public school districts, open enrollment public charter schools, and education service cooperatives.

2.00 PURPOSE

2.01 The purpose of these rules is to identify and define the rules, procedures, and practices regarding the Arkansas Public School Computer Network (APSCN) and other related systems relating to the Arkansas Division of Elementary and Secondary Education (“Division”), public school districts, open enrollment public charter schools, and education service cooperatives.

3.00 DEFINITIONS – For purposes of these rules, the following mean:


3.03 “Approved Budget” means an AFB that has received the required written notification from the Division that the AFB presented was not identified as deficient as of February 15 of the current year.

3.04 “Arkansas Financial Accounting Handbook” means the uniform chart of accounts and related codes which are established by the Division and incorporated into these rules as the “Arkansas Handbook”, and used for accounting and financial reporting of all public schools, school districts, open enrollment charter schools, and education service cooperatives as referenced in Ark. Code Ann. § 6-20-2202.

3.05 “Athletic Expenditures” means all direct and indirect expenses related to interschool athletic programs, prorated if necessary.
3.06 “Authorized Entity” means an entity recognized by the Division to accept data with an executed Memorandum of Understanding (MOU), a Data Sharing Agreement (DSA), or both, and that meets all applicable federal and state laws and rules of the Division.

3.07 "Cycle Reports" are mandatory reports that summarize financial and student information and that are certified and submitted to the state. The purpose of these reports is to ensure that every school district has access to comparable administrative computing systems and services with which to meet all local and state requirements, to promote increased compatibility of the administrative records and data maintained by each school district, to reduce the paperwork and reporting burden of school sites and districts, and to increase the accuracy and timeliness of data submitted by school districts. These reports are used for reporting to state and federal agencies, as well as legislative committees. These reports are also used for purposes of calculating funding for school districts.

3.08 “Deficient” or “Deficiency” means:

3.08.1 A finding by the Division auditors that budget or financial accountability reports do not meet the mandated expenditure requirements in effect for the appropriate year;

3.08.2 The budget or financial accountability reports contain one or more material misstatements of financial information; or

3.08.3 Budgeted revenue, expenditures, and fund balances are not in compliance with law or Division rules.

3.09 “Electronic Transcripts” means a student transcript that is formatted and transmitted electronically in the uniform method prescribed by the Division of Higher Education and the Division for use by public schools and institutions of higher education in this state.

3.10 “Financial Management Systems Applications” means the computer software used primarily to process and record financial transactions.

3.11 “Full-time Equivalent (FTE)” means the amount of time an employee works during a school year (July 1 through June 30 of the following calendar year) as a percentage of the amount of time a full-time employee in the same position would work during a school year.

3.12 “Local Educational Agency (LEA)” means all Arkansas public school districts, open-enrollment public charter schools, and education service cooperatives.
3.13 “Special Needs Categories” means the state funding categories of Alternative Learning Environments (ALE), English Language Learners (ELL), Enhanced Student Achievement Funding (ESA funding), and Professional Development (PD).

3.14 “State Board of Education (SBE)” means the Arkansas State Board of Education.

3.15 “State Funds” means all money derived from state revenues, specifically including but not limited to, distributions from the Department of Education Public School Fund Account and uniform rate of tax ad valorem property taxes distributed to a public school or school district.

3.16 “Student Management Systems Applications” means the computer software used primarily to process and maintain student records.

4.00 COMPREHENSIVE INFORMATION SYSTEMS

4.01 The Division shall:

4.01.1 Establish and maintain comprehensive information systems that allow reporting, analysis, and data-driven decision-making by LEAs;

4.01.2 Provide technical assistance to LEAs in the use of the data; and

4.01.2.1 Provide data access to any authorized entity for analyzing computations and posting public school, public school district, and state student achievement, if the disclosures are not in conflict with applicable federal and state law.

4.01.2.2 The Division shall provide electronic resources for educators to support and augment student achievement, efficiency, and educational initiatives.

4.01.2.3 The Division may contract with providers to collect, maintain, and analyze data and prepare reports.

4.01.3 Implement the use of policies, procedures, and personnel to provide for data quality and security of all data transmitted over APSCN.

5.00 REQUIRED USE OF THE STUDENT MANAGEMENT SYSTEM APPLICATIONS

5.01 All LEAs must use the following student management systems applications of the Arkansas Public School Computer Network (APSCN):

5.01.1 Demographics:
5.01.2 Attendance;
5.01.3 Scheduling;
5.01.4 Mark Reporting;
5.01.5 Discipline;
5.01.6 Medical; and
5.01.7 Other applications as required by the Division.

6.00 LOCAL EDUCATION AGENCY (LEA) NUMBERS

6.01 The Division is the sole and official issuer of LEA numbers to educational entities in the State of Arkansas.

6.02 These numbers shall be issued, activated, deactivated, or changed according to the annual schedule and in a format established by the Division.

6.03 An educational entity shall not be recognized as a public school district or entitled to the rights and privileges of a school district solely because the educational entity has been assigned an LEA number.

6.04 All requests for an LEA number assignment or change must be submitted on a form supplied by the Division by June 1 in order for the assignment or change to be effective for the following school year.

7.00 TRANSCRIPTS

7.01 An Arkansas public school shall use an electronic transcript in lieu of a paper transcript to:

7.01.01 Provide to the Division of Higher Education as necessary to process state financial aid applications for students in grades nine through twelve (9-12); and

7.01.02 Transmit a transcript between public schools to correctly enroll and place students in grades kindergarten through twelve (K-12) transferring between public schools.
8.00  **FINANCIAL INFORMATION REQUIRED BY APSCN**

8.01 APSCN shall be the official financial record of all LEAs. All LEAs shall, at a minimum, use the following financial management systems applications of APSCN as described in Ark. Code Ann. § 6-11-128(a)(2):

8.01.1 Fund Accounting (including all activity funds);

8.01.2 Budget Preparation;

8.01.3 Human Resources;

8.01.4 Fixed Assets;

8.01.5 Attendance;

8.01.6 Discipline;

8.01.7 Mark reporting;

8.01.8 Medical; and

8.01.9 Scheduling.

8.02 The ex officio financial secretary of each LEA shall keep a record of the following information in a format required by the Division:

8.02.1 The daily expenditures and receipts of the LEA;

8.02.2 Information on fund balances maintained by the LEA, including, but not limited to:

8.02.2.1 Sources of the funds maintained as fund balances, to the extent practicable; and

8.02.2.2 Reasons for maintaining, instead of spending, the fund balances; and

8.02.3 The amount of funds transferred between various funds during the past year.

8.03 The LEA shall identify the funds transferred between and the amount of funds transferred, including, but not limited to:

8.03.1 The amount of fund balances dedicated for the construction, maintenance, or repair of academic or athletic facilities.

ADE 350-5
8.03.2 Any information necessary for the Division to verify whether funds allocated for educational purposes, including, but not limited to, student academic needs and the maintenance and operation of public school district facilities, are used for their intended purposes or retained by the school district in its fund balances.

8.04 FTEs and Average Salaries, Annual Financial Report (AFR) and Annual Financial Budget (AFB).

8.04.1 Information regarding FTEs and average salaries, and the AFR and AFB shall be electronically submitted to the Division by LEAs in the format required by the Division.

8.04.2 The official date of filing with the Division shall be the date and time received by APSCN.

8.04.3 The Board of Directors of each LEA shall:

8.04.3.1 Electronically file the AFR in the required format with the Division by August 31 of each year.

8.04.3.1.1 The data to be reported in the AFR is outlined in Ark. Code Ann. § 6-20-2202(d)(1)(A) and includes, but is not limited to, daily expenditures and receipts of the LEA.

8.04.3.1.2 If material errors are discovered in the AFR by either the LEA or the Division, a corrected AFR must be resubmitted by September 10. Otherwise, no changes shall be made to the LEA’s financial data after it has been submitted to the Division as part of the AFR.

8.04.3.1.3 Each LEA shall perform a final close of its fiscal year immediately following submission of the AFR. Closing activities would include any entry adjusting applicable to the previous year, balancing the bank statements, all reconciliations, and journal entries required. If a final close has been performed before errors are discovered, APSCN should be contacted to reopen the fiscal year.

8.04.3.2 Approve, by board resolution (signed by the-ex-officio financial secretary and board president), and electronically file the AFB in the required format with the Division by September 30 of each year.

8.04.3.2.1 If the approved AFB and board resolution are not filed by September 30, all warrants or checks issued after
September 30 are invalid and the superintendent and the superintendent's surety shall be liable.

8.04.3.3 State Funds may be withheld if the AFB and AFR have not been received by the Division.

8.04.3.3.1 State aid may only be withheld if the Division met all deadlines for providing pertinent information to school districts, open-enrollment charter schools, or education service cooperatives.

8.04.3.3.2 The Division may only withhold funds until the reporting requirements of Ark. Code Ann. § 6-20-2202 et seq. and these Rules are met.

8.04.4 Annually, by February 15, the financial accountability office of the Division shall review the LEAs’ most currently submitted AFR, AFB, FTEs, and average salaries for deficiencies in the financial records. Any errors related to the coding and reporting of financial information that causes a material misstatement of financial information will be cause for determining a deficiency. A material misstatement occurs whenever the submitted data has more than a ten percent (10%) variance from the correct data or when corrective action is not taken after the Division has sent written notification to the LEA regarding specific errors discovered in the financial records.

8.04.4.1 The Division review will include, but not be limited to, the items listed in Ark. Code Ann. § 6-20-2203(c).

8.04.4.2 If deficiencies are found in any of the financial records, the Division shall notify in writing, via certified mail, the superintendent or director of the LEA the specific deficiencies found.

8.04.4.2.1 The LEA will have thirty (30) days to respond to the notification of deficiency. The response must include:

8.04.4.2.1.1 A proposed corrective action plan;

8.04.4.2.1.2 A training schedule to educate all pertinent personnel, if necessary;

8.04.4.2.1.3 A procedure to prevent a repeat of the deficiency; and

8.04.4.2.1.4 Any other information necessary to explain and correct the deficiency.
8.04.4.3 The response shall not be considered a right of appeal.

8.05 If the review determines the financial records are not properly maintained, submitted, or administered by the LEA in accordance with state or federal laws, State Board SBE and Division rules, or the Arkansas Financial Accounting Handbook, then eligible State Funds shall be withheld until the financial issues have been resolved.

8.06 The SBE may require the superintendent or director and board members to provide a written explanation, appear before the SBE, or both, to explain why the district is not complying with state laws or rules.

8.07 It is the duty of the Division to monitor LEA financial records and other pertinent records.

8.08 The Division shall have the authority to review, analyze, and inspect the financial records of any LEA in order to verify that an LEA is correctly and accurately reporting revenues and expenditures in accordance with the Arkansas Financial Accounting Handbook.

8.09 Recording audit adjustments will be the only adjustments made to previous year data after the September 30 deadline.

8.10 APSCN will document the LEAs that are allowed to make audit adjustments to the previous year data.

9.00 ARKANSAS FINANCIAL ACCOUNTING HANDBOOK

9.01 The Division shall establish and implement a uniform chart of accounts and related codes known as the Arkansas Financial Accounting Handbook (Arkansas Handbook) which all LEAs shall use for reporting actual and budgeted revenues and expenditures.

9.01.1 The amendments, annual revisions, and financial accounting updates to the Arkansas Handbook shall be developed with representatives from the Arkansas Association of School Business Officials, the Education Service Cooperatives, and other school district officials as designated by the Division.

9.01.2 Prior to amending the Arkansas Handbook, the Division shall provide written notice via a Commissioner’s Memo to the LEAs.

9.01.3 Amendments, annual revisions, and financial accounting updates shall be effective on July 1 of the next fiscal year or 90 days from the date of the issuance of the Commissioner’s Memo, whichever is later, unless:
9.01.3.1 The Commissioner declares an emergency, at which time the change shall be effective immediately upon the date specified in the Commissioner’s Memo; 

9.01.3.2 A new program or revenue source requires new accounting codes, at which time the change shall be effective immediately upon the date specified in the Commissioner’s Memo; or 

9.01.3.3 Upon mutual agreement between the affected districts, at which time the change shall be effective immediately upon the date specified in the Commissioner’s Memo.

10.00 CYCLE SUBMISSIONS

10.01 All LEAs shall use the Arkansas Public School Computer Network (APSCN) APSCN to submit cycle reports to the Division using the Statewide Information System (SIS).

10.02 The SIS Handbook shall be published annually by the Division containing the required data elements and dates for cycle submissions.

10.03 All data submitted to the Division by cycle submission (Cycle Data) is considered to be certified. The superintendent or director of each LEA shall review and ensure the accuracy of all data submitted.

10.04 Failure to submit Cycle Data by the prescribed date or the submission of inaccurate or incomplete data may result in one or more of the following:

10.04.1 Withholding of State Funds;

10.04.2 An increased risk factor in determining whether additional auditing or an increased level of support is needed;

10.04.3 Referral to the Division for consideration of a violation of the Standards for Accreditation;

10.04.4 Referral to the Division for consideration of fiscal distress;

10.04.5 Referral to the Professional Licensure Standards Board;

10.04.6 Possible reporting to the appropriate authorities;

10.04.7 The Division may require the LEA superintendent, director, and/or other school personnel identified by the Division, to attend additional training on proper data submission to address any deficiencies. Failure to attend
the required training may result in any of the actions listed in Section 10.04.

10.05 Any district that fails to file the attendance record reports required by Ark. Code Ann. § 6-18-213 shall have the remainder of its state foundation funding withheld, placed in escrow, and released when the reports are received.

10.06 The Division may withhold State Funds from any LEA that fails to file its budget or any other required report with the Division by the deadline established on the list of all required financial accountability reports, provided that the Division has met the deadline for providing information pertinent to meeting the deadlines.

11.00 TIER I AND II TRAINING

11.01 The Division shall establish two (2) tiers of required training that apply to all LEAs in accordance with Ark. Code Ann. § 6-20-2204.

11.02 Failure to complete the required trainings may result in sanctions in accordance with Ark. Code Ann. § 6-20-2204.

11.03 A minimum of two (2) persons per LEA are required to attend the initial and annual Tier I trainings by December 31 of each year, including the superintendent, or education service cooperative director, and a person whose job responsibilities include preparing the budget or overall accounting responsibility.

11.03.1 The trainings may be provided by an institution of higher education in this state, the Division, the Arkansas Association of School Business Officials, or from another provider approved by the Division.

11.03.2 All providers of Tier I training, except for the Division, shall apply and receive preapproval from the Division prior to offering the training.

11.03.2.1 The provider must submit a request for approval which shall include the form and content of the training.

11.03.2.2 The Division will review the request and issue an approval or denial of the training.

11.03.2.3 If additional information is requested, the provider will be responsible for providing an immediate response in order to gain approval in a timely manner.

11.03.2.4 If the provider is granted approval to offer the training, Division staff shall be allowed to attend all training sessions, without being required to pay for registration, in order to monitor for quality and completeness.
11.03.3 Approved training sessions may be held throughout the state, via distance learning, or from an online course.

11.03.4 The provider shall submit a list of all persons who have attended the Tier I training to the Division. The Division shall maintain a record of the Tier I instructional hours obtained for each individual.

11.03.5 Persons failing to obtain required Tier I training by the end of the calendar year and who fail to cure the deficiency by March 1 of the following calendar year without filing a request for an extension shall not be able to continue in their position in accordance with Ark. Code Ann. § 6-20-2204.

11.03.5.1 The request for an extension must be sent to the Division by certified mail, return receipt requested.

11.03.5.2 The request for an extension must be received by the Division prior to March 1.

11.03.5.3 The request shall include the reason why the required training was not obtained and a corrective action plan for obtaining the required training in a timely manner.

11.03.5.4 Unless an extension has been granted, for each person failing to obtain the required training by March 1, the Division shall immediately:

   11.03.5.4.1 The Division shall notify the superintendent or director of the employing LEA and the board president by certified mail, return receipt requested.

   11.03.5.4.2 The superintendent or director of the employing LEA shall notify the person by certified mail, return receipt requested.

11.03.5.4.3 Any person who has failed to obtain the required training shall be unable to continue in their position from the date of receipt of notification by the superintendent or director of the employing school district, open enrollment charter school, or education service cooperative.

11.03.5.4.4 Any person receiving notification that they are unable to continue in their position solely because of the failure to obtain the required training may request a
hearing before the State Board SBE prior to his or her permanent dismissal.

11.04 If the person fails to obtain all required training by December 31, the failure shall constitute one (1) citation under the Standards for Accreditation against the LEA, or shall constitute an admonishment to the education service cooperative.

11.04.1 If the person is unable to obtain the required training because of military service or illness as verified by a written sworn statement of the person’s attending physician, the Division shall grant an extension permitting additional time to obtain the required training.

11.04.2 The issuance of an extension shall not constitute a citation under the Standards for Accreditation to the LEA or an admonishment to the education service cooperative, and shall not operate as a removal of the person from their position.

11.05 Persons employed as of July 1 must obtain the required training by December 31 of that year.

11.06 Persons employed after July 1 must obtain the required training by December 31 of the following year.
ARKANSAS DEPARTMENT OF EDUCATION RULES GOVERNING
THE ISSUANCE OF LOCAL EDUCATION AGENCY NUMBERS

January 2016

1.00—REGULATORY AUTHORITY

1.01—These rules shall be known as the Arkansas Department of Education Rules Governing the Issuance of Local Education Agency Numbers.

1.02—The State Board of Education enacted these rules pursuant to its authority as set forth in Ark. Code Ann. §§ 6-11-105, 25-6-107, and 25-15-204.

2.00—REQUIRED REPORTS

2.01—The Department of Education is the sole and official issuer of local education agency numbers to educational entities in the State of Arkansas.

2.02—These numbers shall be issued, activated, deactivated, or changed according to the annual schedule and in a format established by the Arkansas Department of Education.

2.03—An educational entity shall not be recognized as a public school district or entitled to the rights and privileges of a school district solely because the educational entity has been assigned a local education agency number.

2.04—All requests for a local education agency number assignment or change must be submitted on a form supplied by the Arkansas Department of Education. School districts must submit such requests by August 1 prior to the beginning of the school year for which the request is made.

Note: For instance, if a school district requests an assignment of, or change to, a local education agency number for the 2016-2017 school year, such a request must be submitted to the Arkansas Department of Education by August 1, 2016.
Arkansas Department of Education  
Rules Governing the Final Close of Public School Financial Records  
September 2007

1.00 Authority

1.01 The Arkansas State Board of Education’s authority for promulgating these rules is pursuant to A.C.A. §§ 6-11-105 and 6-20-2202 (d)(1)(B) as amended by Act 858 of the 2007 regular session.

1.02 These Rules shall be known as the Arkansas Department of Education Rules Governing the Final Close of Public School Financial Records.

2.00 Purpose

2.01 The purpose of these rules is to establish the deadline for any changes made to a district’s general ledger database for the immediate previous year.

3.00 Definitions — For the purposes of these Rules, the following terms mean:

3.01 “APSCN” means the Arkansas Public School Computer Network.

3.02 “Final Close” means the last date on which changes to the APSCN general ledger database can be made on previous year data.

4.00 Procedures

4.01 For the 2006-2007 annual report, the final date on which all revenues and expenditures must be completed is September 30, 2007.

4.02 Closing activities would include any adjusting entries applicable to the previous year, balancing the bank statements, all reconciliations, and journal entries required.

4.03 All closing activities for the 2006-2007 school year must be completed by September 30, 2007 and September 15 for each school year thereafter.

4.04 APSCN shall ensure that proper controls and edits are in place to prohibit changes to the district’s databases after the final close has been performed.

4.05 A final close must be performed in each school district, open enrollment charter school, or education service cooperative.
5.00—Audit Adjustments

5.01—After the fiscal year end audit has been completed and errors are identified which require adjusting entries for the previous year data, the district, charter school, or education cooperative will be required to contact APSCN to obtain the appropriate permission to correctly record the audit adjustment required by audit.

5.02—Recording audit adjustments will be the only adjustments made to previous year data after the September 30 deadline.

5.03—A report will be maintained by APSCN of all districts granted permission to make audit adjustments to the previous year data as described in Section 5.01 of this rule.
Arkansas Department of Education

Rules Governing the Processes to Ensure the Quality, Security, Validation and Timeliness of Public School Data in the Arkansas Public School Computer Network

October 2007

1.00—Regulatory Authority

These rules are promulgated pursuant to Ark. Code Ann. §§ 6-11-105, 6-11-128 and Act 723 of the 86th Arkansas General Assembly.

2.00—Purpose

These rules shall be applied to all school districts, open enrollment charter schools, and education service cooperatives for the purposes of ensuring the quality, security, validation and timeliness of data in the Arkansas Public School Computer Network.

3.00—Definitions

For purposes of these rules, the following terms shall be defined to mean:

3.01—Arkansas Public School Computer Network (APSCN) — the Department of Education’s computer network system for public school district, open enrollment charter school and education service cooperative reporting of financial management data and student management data to the Department of Education.

3.02—Financial Management Systems Applications — Computer software used primarily to process and record financial transactions. The SunGard Pentamation financial management systems applications provided by APSCN include the following integrated modules: Fund Accounting, Human Resources, Fixed Assets, Budget Preparation, Personnel Budgeting, Purchasing and Warehouse.

3.03—Student Management Systems Applications — Computer software used primarily to process and maintain student records. The SunGard Pentamation student management systems applications provided by APSCN include: Demographics, Attendance, Scheduling, Report Cards, Discipline and Medical.

3.04—Data Quality Metrics — Specified data that have a high degree of relevance to the measurement of performance and that are scored based on accuracy indicators. They are used for the purpose of measuring and tracking the quality of the data.
4.00—Required of the Arkansas Public School Computer Network

4.01—All school districts, open enrollment charter schools, and educational cooperatives shall, at a minimum, use the following financial management systems applications of the Arkansas Public School Computer Network:

4.01.1 Fund Accounting (including all activity funds)

4.01.2 Budget Preparation

4.01.3 Human Resources

4.01.4 Fixed Assets

4.02—After approval by the Department of Education, a school district, open enrollment charter school or educational cooperative may use a different software system if:

4.02.1 The Department determines that the proposed software meets the minimum reporting requirements provided by the network;

4.02.2 The software selected enables the school district, open enrollment charter school or educational cooperative to provide all district transaction information to the Department in a compatible format and in sufficient detail as required by the Department; and

4.02.3 The Department approves the use of the software system.

5.00—Data Quality and Security

5.01—The Department shall implement the use of policies, procedures, and personnel to provide for data quality and security of all data transmitted over APSCN. The Department shall:

5.01.1 Periodically conduct a thorough security review and security risk assessment for all information, including without limitation personally identifiable employee and student information that originates in the school districts, open enrollment charter schools and educational cooperatives and terminates on Department of Information Systems and APSCN servers.

5.01.2 Create security policies and procedures.

5.01.3 Monitor the mechanism for the network’s end-to-end, enterprise-wide financial and student information systems.
5.01.4 Create and maintain a process for documenting and monitoring the quality of data from its source of entry into the network to any educational data repository in the Department.

5.01.5 Establish standards and monitor compliance with standards for all software and data testing in the network.

5.02 By June 30, 2008, the Department shall develop a certification program for each school district, open enrollment charter school and educational cooperative to have at least one (1) Certified APSCN Financial User and Trainer certified in the following financial application areas: Systems Administration, Fund Accounting, Human Resources, Fixed Assets, Budget Preparation, Personnel Budgeting, Purchasing, Warehouse, Cognos Reporting, SIS (Statewide Information System). The certification program will include the following components:

5.02.1 Courses in the application areas.

5.02.2 Training in using the network’s reporting tools.

5.02.3 An examination developed and/or approved by the Department that tests the applicant’s knowledge and skills in all the application areas and reporting tools.

5.02.4 A three-year plan developed by each school district, open enrollment charter school, and educational cooperative that specifies the name of each person who is to receive certification in each application area. This plan must be originally submitted to the Department by September 30, 2008, and updated by September 30 of each subsequent year.

5.02.5 Each applicant for certification will have a maximum of three (3) years to obtain certification.

5.02.6 In a school district of five hundred (500) or fewer students, one (1) person may be certified in both financial and student management.

5.03 By June 30, 2008, the Department shall develop a certification program for each school district, open enrollment charter school and educational cooperative to have at least one (1) Certified APSCN Student Management User and Trainer certified in the following student management application areas: Systems Administration, Demographics, Attendance, Scheduling, Report Cards, Discipline, Medical, Cognos Reporting, SIS (Statewide Information System). The certification program will include the following components:
5.03.1 Courses in the application areas.

5.03.2 Training in using the network’s reporting tools.

5.03.3 An examination developed and/or approved by the Department that tests the applicant’s knowledge and skills in the application areas.

5.03.4 A three-year plan developed by each school district, open enrollment charter school and educational cooperative that specifies the name of each person who is to receive certification in each application area. This plan must be originally submitted to the Department by September 30, 2008, and updated by September 30 of each subsequent year.

5.03.5 Each applicant for certification will have a maximum of three (3) years to obtain certification.

5.03.6 In a school district of five hundred (500) or fewer students, one (1) person may be certified in both financial and student management.

5.04 Data Quality Metrics Program – The Department shall develop a data quality metrics program designed to significantly reduce the number of data errors within the network’s applications and data warehouse and provide reports on code changes and time availability of information, including:

5.04.1 The number of code changes made by school districts, open enrollment charter schools and educational cooperatives in mid-year.

5.04.2 The percent of prime time availability of all applications that feed data into the network and data warehouse.

5.04.3 The percent of time availability of each school district, open enrollment charter school and educational cooperative server and local area network for use with the network’s availability.

5.04.4 Corrective actions taken on the network’s applications and data warehouse.

5.04.5 Preventive actions taken to avoid downtime and data errors.

5.04.6 Cycle data tardiness.

5.04.7 Number of data corrections made during each cycle submission.
Arkansas Department of Education

Rules Governing the Arkansas Educational Financial Accounting and Reporting System and Annual Training Requirements

January 2017

1.00—Regulatory Authority


2.00—Purpose

2.01—These rules shall be applied to all school districts, open enrollment public charter schools, and education service cooperatives for the purposes of accounting and reporting revenues and expenditures and for providing required training.

3.00—Definitions

For purposes of these rules, the following terms shall be defined to mean:


3.03—Approved Budget—an AFB that has received the required written notification from the Department that the AFB presented was not identified as deficient as of February 15 of the current year.

3.04—Arkansas Public School Computer Network (APSCN).

3.05—Arkansas Financial Accounting Handbook—the uniform chart of accounts and related codes which are established by the Department and incorporated into these rules as the “Arkansas Handbook, and used for accounting and financial reporting of all public schools, school districts, open enrollment charter schools, and education service cooperatives.

3.06—Athletic Expenditures—all direct and indirect expenses related to interschool athletic programs, prorated if necessary.

3.07—Budget Review—the process of determining if the AFB submitted to the Department meets the mandated expenditure requirements in effect for the
appropriate year and that budgeted revenue, expenditures and fund balances are reasonable and in compliance with law.

3.08 Court-Ordered Desegregation Funding—state funds received by an LEA under a federal court order or a settlement agreement in desegregation litigation.

3.09 Deficient—a finding by the Department auditors that budget or financial accountability reports do not meet the mandated expenditure requirements in effect for the appropriate year; that budget or financial accountability reports contain one or more material misstatements of financial information; or that budgeted revenue, expenditures and fund balances are not in compliance with law or Department rules.

3.10 Arkansas Department of Education (Department).

3.11 Full-time Equivalent (FTE)—The amount of time an employee works during a school year (July 1 through June 30 of following calendar year) as a percentage of the amount of time a full-time employee in the same position would work during a school year.

3.12 Interschool Athletic Program—any athletic program which is organized primarily for the purpose of competing with other schools, public or private; or any athletic program which is subject to regulation by the Arkansas Activities Association.

3.13 Interschool Scholastic Activities—any interschool activity program that is outside the regular curriculum, excluding interschool athletic programs as defined by Ark. Code Ann. § 6-20-2002(3), which is organized primarily for the purpose of competing with other schools, public or private; or any program or activity, excluding interschool athletic programs as defined by Ark. Code Ann. § 6-20-2002(3), which is subject to regulation by the Arkansas Activities Association.

3.14 Interschool Scholastic Activity Expenditures—all direct and indirect expenses related to interschool scholastic activities, prorated if necessary.

3.15 Local Educational Agency (LEA)—all Arkansas public school districts, open enrollment public charter schools and education service cooperatives.

3.16 Material Findings—a financial condition that jeopardizes the fiscal integrity of the school district.

3.17 Arkansas State Board of Education (SBE)
3.18 Special Needs Categories—the state funding categories of Alternative Learning Environments, English Language Learners, National School Lunch Act funding, and Professional Development.

3.19 State Funds—all money derived from state revenues, specifically including but not limited to, distributions from the Department of Education Public School Fund Account and uniform rate of tax ad valorem property taxes distributed to a public school or school district.

3.20 Tier I & II Employees—those employees described as Tier I or Tier II employees in §10 of this rule.

3.21 Tier I & Tier II Training—that training described as Tier I or Tier II training in §10 of this rule.

3.22 Valid Comparisons—comparisons deemed to be relevant to the subject material in substance and scope.

4.00 Annual Financial Report (AFR)

4.01 The AFR shall be electronically submitted to the Department by LEAs in the format required by the Department.

4.02 At least fifteen (15) calendar days before the date required to submit the AFR, APSCN shall make available to the LEAs the programs needed to collect the AFR data.

4.03 The AFR shall be filed electronically with the Department by August 31 of each year. If August 31 is on a weekend or state holiday, the AFR electronic submission shall be on the first work day for state employees following the weekend or state holiday.

4.03.1 For purposes of compliance with these rules, the official date of filing with the Department shall be the date and time the AFR is recorded as received by APSCN.

4.03.2 If errors are discovered in the AFR by either the LEA or the Department, a corrected AFR may be resubmitted by September 15 of the same calendar year it was originally due. If September 15 is on a weekend or state holiday, the resubmission shall be on the first work day for state employees following the weekend or state holiday.

4.04 No changes shall be made to the LEA’s financial data after it has been submitted to the Department as a part of the AFR, unless the AFR is resubmitted by the deadline specified in 4.03.2 of this rule.
4.05 Each LEA shall perform a final close of its fiscal year immediately following its submission of the AFR. If a resubmission is necessary and within the timeframe allowed by 4.03.2 of this rule, APSCN shall be contacted in order to re-open the fiscal year.

4.06 The data to be reported in the AFR includes, but is not limited to:

4.06.1 The daily expenditures and receipts of the LEA;

4.06.2 Information on fund balances maintained by the LEA, including without limitation, the:

4.06.2.1 Sources of funds maintained as fund balances, to the extent practicable;

4.06.2.2 Reasons for maintaining, instead of spending, the fund balances;

4.06.2.3 Amount and identification of funds transferred between various funds during the past year;

4.06.2.4 Amount of fund balances dedicated for the construction, maintenance, or repair of academic or athletic facilities;

4.06.2.5 Information sufficient to verify whether funds allocated for educational purposes, including, but not limited to, student academic needs and the maintenance and operation of public school district facilities, are used for their intended purposes or retained by the school district in its fund balances.

5.00 Annual Financial Budget (AFB)

5.01 The AFB shall be electronically submitted to the Department by LEAs in the format required by the Department.

5.02 The AFB shall be filed electronically with the Department by September 30 of each year. If September 30 is on a weekend or state holiday, the AFB electronic submission shall be on the first work day for state employees following the weekend or state holiday.

5.02.1 For purposes of compliance with these rules, the official date of filing with the Department shall be the date and time the AFB is recorded as received by APSCN.
5.02.2 At least fifteen (15) calendar days before the date required to submit the AFB, APSCN shall make available to the LEAs the programs needed to collect the AFB data.

5.03 The AFB shall be approved by the board of directors of each LEA at a legally held meeting and shall be signed by the president of the board of directors and the ex officio financial secretary of each LEA.

5.03.1 The order or resolution of the local board approving the AFB shall be signed by the president of the local board and the superintendent or director of each LEA.

5.03.2 If the AFB and the order or resolution approving the AFB are not filed with the Department on or before September 30 and as required by these rules, then all warrants or checks issued by the LEA after September 30 shall be declared invalid and the Superintendent and his or her surety shall be liable for any warrants or checks countersigned after the September 30 deadline.

5.03.3 If the AFB and the order or resolution approving the AFB are not filed with the Department on or before September 30 and as required by these rules, the Department may withhold state aid for which an LEA is eligible until the reporting requirements of these rules are met in full compliance.

5.03.3.1 State aid may only be withheld provided that the Department of Education has met all deadlines for providing pertinent information to school districts, open-enrollment charter schools, or education service cooperatives.

5.03.3.2 The Department of Education shall submit a list of all required financial accountability reports along with due dates to each school district, open-enrollment public charter school, or educational service cooperative by July 1 of each year.

6.00 Full-time Equivalents (FTEs) and Average Salaries

6.01 Information regarding FTEs and Average Salaries shall be electronically submitted to the Department by LEAs in the format required by the Department.

6.02 Information regarding FTEs and Average Salaries shall be filed electronically with the Department by July 31 of each year. If July 31 is
on a weekend or state holiday, the electronic submission shall be on the first work day for state employees following the weekend or state holiday.

6.02.1 For purposes of compliance with these rules, the official date of filing with the Department shall be the date and time the electronic submission is recorded as received by APSCN.

6.02.2 At least fifteen (15) calendar days before the date required for submission to the Department, APSCN shall make available to the LEAs the programs needed to collect the FTEs and Average Salaries data.

7.00—Arkansas Handbook

7.01 The Department shall establish and implement a uniform chart of accounts and related codes known as the Arkansas Financial Accounting Handbook (Arkansas Handbook) which shall be the uniform chart of accounts and codes utilized in reporting revenues and expenditures.

7.01.1 The Arkansas Handbook is hereby incorporated by reference into these rules. However, the Arkansas Handbook is exempt from the rule-making process and may be amended, revised or updated as provided in these rules or law.

7.01.2 The amendments, annual revisions, and financial accounting updates to the Arkansas Handbook shall be developed with representatives from the Arkansas Association of School Business Officials, the Education Service Cooperatives, and other school district officials as designated by the Department.

7.01.3 Prior to amending the Arkansas Handbook, the Department shall provide written notice via a Commissioner’s Memo to the school districts, open enrollment charter schools and education cooperatives. Amendments, annual revisions, and financial accounting updates shall be effective on July 1 of the next fiscal year or 90 days from the date of the issuance of the Commissioner’s Memo, whichever is later, unless:

7.01.3.1 The Commissioner declares that there is an emergency, at which time the change shall be effective immediately upon the date specified in the Commissioner’s Memo; or;

7.01.3.2 A new program or revenue source requires new accounting codes, at which time the change shall be effective immediately upon the date specified in the Commissioner’s Memo; or;
7.01.3.3—The change affects only a few school districts and the school districts have mutually agreed to make the change. The change shall be effective immediately upon the date specified in the Commissioner’s Memo.

7.02—The Arkansas Handbook shall be the chart of accounts and codes utilized by LEAs in making the record of actual revenues and expenditures and the annual budget of revenues and expenditures required by these rules.

8.00 Department Review of LEA Financial Records

8.01—By February 15 of each year, the Financial Accountability Unit of the Department shall review the LEAs’ most currently submitted AFR, AFB, FTEs and Average Salaries to determine if the financial records are deficient. Any error related to the coding and reporting of financial information that causes a material misstatement of financial information will be cause for determining a deficiency. A material misstatement occurs whenever the submitted data has more than a ten percent (10%) variance from the correct data or when corrective action is not taken after the Department has sent written notification to a LEA regarding specific errors discovered in the financial records.

8.01.1—Any error related to the coding and reporting of court-ordered desegregation funding that causes a material misstatement of financial information will be cause for determining a deficiency. A material misstatement occurs whenever the submitted data has more than a ten percent (10%) variance from the correct data or when corrective action is not taken after the Department has sent written notification to an LEA regarding specific errors discovered in the financial records.

8.02—The Department review will include, but is not limited to:

8.02.1—State Revenues;

8.02.2—Student Special Needs Expenditures;

8.02.3—Total Expenditures;

8.02.4—Instructional Expenditures;

8.02.5—Extracurricular Expenditures;

8.02.6—Capital Expenditures;
8.02.7—Debt Service Expenditures;

8.02.8—Expenditures of court-ordered desegregation funding;

8.02.9—Teacher Full Time Equivalency data;

8.02.10—Certified salary amounts;

8.02.11—Compliance with the Minimum Teacher Salary schedule;

8.02.12—Compliance with gifted and talented programs expenditure requirements in accordance with Ark. Code Ann. § 6-20-2208(c)(6);

8.02.13—Interschool Athletic Expenditures, including salaries with fringe benefits, travel, equipment, supplies and facilities maintenance;

8.02.14—Interschool Scholastic Expenditures, including salaries with fringe benefits, travel, equipment, supplies and facilities maintenance;

8.02.15—The district’s Total Athletic Expenditures budgeted for interschool athletic programs that are to be paid from state funds;

8.02.16—The district’s Total Scholastic Expenditures budgeted for interschool scholastic programs that are to be paid from state funds;

8.02.17—Expenditure of Federal funds, including school lunch reimbursement;

8.02.18—Verification that fiscal year expenditures did not exceed legal revenues for the same fiscal year;

8.02.19—Verification that proper financial records have been maintained in accordance with the Education Accounting and Reporting System and the Arkansas Handbook;

8.02.20—Verification that fund balances are sufficient to ensure the continuation of educational services and are within parameters set by state and federal law and Department rules.

8.03—The Department shall notify in writing, via certified mail, the superintendent or director of the LEA whose financial records are found to be deficient.
8.03.1 The notification shall state the deficiency.

8.04 The LEA will have thirty (30) days to respond to the Department’s notification. The response may include, but is not limited to:

8.04.1 A proposed corrective action plan;

8.04.2 A training schedule to educate all pertinent personnel; and

8.04.3 A procedure to prevent a repeat of the deficiency.

8.05 The response shall not be considered a right of appeal.

8.06 If the review determines the financial records of any LEA are deficient as defined in Section 8.01 or otherwise not properly maintained or submitted by the LEA or are not administered in accordance with state or federal laws, SBE rules, or the Arkansas Handbook, then state-funded grants and/or aid that the district would be eligible to receive shall be withheld until the financial issues have been resolved.

8.07 The SBE may require the superintendent or director and board members explain and/or appear before the SBE to explain why the district is not complying with state laws or rules.

8.08 Upon written notice of approval by the auditors of the Financial Accountability Unit of the Department of Education, the Department shall file copies of the approved budget with the LEA and the county treasurer, if serving as school treasurer.

8.09 It is the duty of the State to monitor LEA financial records, Arkansas Comprehensive School Improvement Plan, or any other pertinent records, to ensure the following:

8.09.1 District expenditures meet the minimum teacher salary schedule;

8.09.2 District expenditures benefit students in special needs categories;

8.09.3 District expenditures are used to improve the educational opportunity of each child;

8.09.4 District expenditures are used to provide an equal opportunity for each child;

8.09.5 District expenditures are used to meet the Standards of Accreditation.
8.09.6—The District has provided the SBE and the Department with a report of the school district’s total athletic expenditures paid from state funds for the previous year;

8.09.7—The district has provided the SBE and the Department with a budget for the school district’s total athletic expenditures to be paid from state funds for the upcoming year; and

8.09.8—The district has provided the SBE and the Department with any additional information or documentation requested for the purpose of showing compliance with state laws, including but not limited to Ark. Code Ann. § 6-20-2208, federal laws and Department rules.

8.10—The Department shall have the authority to review, analyze and inspect the financial records of any LEA in order to verify that an LEA is correctly and accurately reporting revenues and expenditures in accordance with the Arkansas Handbook.

8.11—The Department shall submit a report titled “Annual Statistical Report (ASR) to the Governor, the Senate Interim Committee on Education, and the House Interim Committee on Education by February 15 of each year concerning LEA revenue, expenditures, legal balances (total and unrestricted), FTEs, average salaries and any other financial information required by law.

8.11.1 The revenue and expenditures will reflect the prior year actual (ended June 30) and the current year budget (beginning July 1).

8.11.2 The total legal balance will be as of June 30 of the prior year and will contain the total balances of the Salary, Operating and Debt Service Funds.

8.11.3 The unrestricted legal balance will be the total legal balance less restricted funds.

8.11.4 The FTEs and average salaries will be for the prior year ended June 30.

9.00—Required Reports

9.01—The Department shall publish by July 1 of each year, via Commissioner’s Memo, a list of all required financial accountability reports, that are not a part of a cycle report submitted through APSCN, with due dates.
9.02 The Department shall submit a written notice via certified mail on or before February 15 of each year to those school districts, open enrollment charter schools and education service cooperatives whose budget or financial reports are identified as deficient. Likewise, the Department will issue a Commissioner’s Memo on or before February 15 of each year indicating which school districts, open enrollment charter schools or education service cooperatives budgets are identified as approved.

9.03 Each county clerk is required to provide to the Department an annual Abstract of Assessment by March 15 of each year.

9.03.1 The treasurer of the state shall withhold the monthly distribution of county aid from any county that fails to provide the annual Abstract of Assessment by March 15 for each school district located wholly or in part in the county.

9.03.2 The Department shall establish the required format for the Abstract of Assessment, to include:

9.03.2.1 The previous calendar year’s property assessment that will be used for ad valorem tax collections in the current year.

9.03.2.2 The millage rates, which shall be listed by the type of millage, levied against that property assessment.

9.03.2.3 In cases that administratively consolidated school districts do not have a unified millage rate, the county clerk shall submit the assessment data in a form specified by the Department.

9.03.3 To consider a county in compliance with this filing requirement, the Department must receive all data no later than March 15 of each year.

9.04 By January 31, 2012, and by January 31 of each year thereafter, each county treasurer shall provide an annual summary report of all proceeds generated from ad valorem tax and distributed by the county to a school district for the period beginning January 1 and ending on December 31 of the preceding calendar year to the:

9.04.1 Treasurer of State;

9.04.2 Department of Education; and
9.04.3 Superintendent of the school district to which the proceeds from the uniform rate of tax are distributed by the county.

9.04.4 Failure of the county treasurer to report the annual summary required by 9.04 of this rule shall result in the withholding of all reappraisal funding provided under Ark. Code Ann. § 26-26-1907 until the county treasurer provides the annual summary report. Funds withheld are forfeited as follows:

9.04.4.1 Twenty percent (20%) of withheld reappraisal funds are forfeited every two (2) months of noncompliance; and

9.04.4.2 After ten (10) months of noncompliance, the total amount of withheld reappraisal funds are forfeited.

9.04.4.3 A county is not relieved of the requirement to reappraise property and funding for reappraisal shall be by local taxing unit sources until the county provides the required annual summary report.

9.04.4.4 The Department shall notify the Assessment Coordination Department if a county treasurer fails to comply with 9.04 of this rule. Withholding of reappraisal funding for failure to comply is authorized under Ark. Code Ann. § 26-80-101.

9.05 By September 1 of each year, any school district that received court-ordered desegregation funding for the prior school year shall report to the Department the following:

9.05.1 The total amount of state funding received under the federal court order or settlement agreement in the prior school year;

9.05.2 A detailed statement outlining the school district’s obligations under the federal court order, settlement agreement, or court-approved remedial plan, including without limitation:

9.05.2.1 Programs that the school district is required to administer;

9.05.2.2 Specific goals that the school district is required to reach;

9.05.2.3 Actions that the school district is required to take or are prohibited from taking;
9.05.2.4 Problems that the school district is required to remedy;

9.05.2.5 Overall purposes of the federal court order, settlement agreement, or court-approved remedial plan; and

9.05.2.6 Any other pertinent information as determined by the department;

9.05.3 An itemized accounting of all expenditures made during the prior school year from state funds identified under section 9.05.1 and expended to comply with the school district's obligations identified under section 9.05.2;

9.05.3.1 The accounting shall be specific and detailed and include an explanation of how each expenditure was necessary in order to comply with the school district's obligations under the federal court order, settlement agreement, or court-approved remedial plan;

9.05.3.2 It is not sufficient to provide general statements, such as stating that the funds were used in magnet schools;

9.05.3.3 As part of the explanation for each expenditure, the accounting shall identify the program, goal, action, problem, and/or purpose listed in response to Section 9.05.2 to which the expenditure is related;

9.05.4 The total amount of all state funds identified in response to section 9.05.1 and remaining in the school district's fund balances as of July 1; and

9.05.5 A statement that the sum total of all expenditures identified in response to sections 9.05.3 and 9.05.4 is equal to the sum total of state funding identified in response to section 9.05.1, or alternatively, an explanation of the discrepancy.

9.06 Unless the Department approves otherwise, any data to be reported under sections 9.05.1, 9.05.3, and 9.05.4 shall be submitted to the Department in electronic format as a Microsoft Excel file utilizing a template to be furnished by the Department no later than August 1.
9.06.1 Unless the Department approves otherwise, any data to be reported under section 9.05.2 shall be submitted to the Department in electronic format as a Microsoft Word or Adobe Portable Document Format (PDF) file.

9.07 The Department may withhold state aid from any LEA that fails to file its budget or any other required report with the Department by the deadline established on the list of all required financial accountability reports, provided that the Department has met the deadline for providing information pertinent to meeting the deadlines.

10.00 Required Training

10.01 The Department shall establish two (2) tiers of required training:

10.01.1 Both tiers of required training shall apply to all LEAs.

10.01.2 A minimum of two (2) persons per LEA are required to attend an Initial and an Annual Tier I Training. The two persons shall include:

10.01.2.1 The district superintendent or the education service cooperative director or the open enrollment charter school director; and

10.01.2.2 A person whose job responsibilities include preparing the budget or overall accounting responsibility.

10.02 The two (2) persons per LEA required to attend shall each obtain twelve (12) hours of Initial Training and instruction necessary to demonstrate basic proficiency as determined by the Department, including but not limited to:

10.02.1 School laws of Arkansas;

10.02.2 Laws and rules governing expenditures, fiscal accountability, and school finance;

10.02.3 Ethics; and

10.02.4 Financial accounting and reporting of LEAs.

10.03 After obtaining the Initial Training, the two (2) persons required to attend shall obtain a minimum of two (2) hours of Tier I annual training and instruction in order to maintain basic proficiency in the topics described in...
Section 10.02 of these rules. Additional annual training may be required by the department for the school district superintendent, the education service cooperative executive director, or the open enrollment public charter school director and the person whose job responsibilities include preparing the budget or overall accounting responsibility based on repetitive or flagrant audit findings or the identification of multiple indicators of fiscal distress.

10.03.1—The two (2) persons per LEA are required to attend the training under Section 10.01 of these rules by December 31 of each year.

10.03.1.1—The training may be provided by a higher education institution, the Department, the Arkansas Association of School Business Officials or from another provider.

10.03.1.2—The training sessions may be held throughout the State, via distance learning, or from an online course.

10.03.1.3—All providers for training shall apply for and receive approval from the Department prior to providing the training.

10.03.1.3.1—The provider shall submit a complete request for approval prior to the scheduled training.

10.03.1.3.2—The Department shall establish the request form.

10.03.1.3.3—The provider shall provide the Department with a list of persons who attended the training sessions.

10.03.1.3.4—The Department’s administrative staff will review the request.

10.03.1.3.5—If additional information is requested, the provider will be responsible for providing an immediate response in order to gain approval in a timely manner.
10.03.1.3.6—Department staff will be allowed to attend all training sessions in order to monitor for quality and completeness.

10.03.1.3.6.1—Department staff will not be required to pay to attend the training.

10.03.2—Persons failing to obtain required training by the end of the calendar year and failing to receive training by March 1 of the following calendar year without filing a request for an extension shall be sanctioned by the State.

10.03.2.1—The request for an extension must be sent to the Department by certified mail, return receipt requested.

10.03.2.2—The request for an extension must be received by the Department prior to March 1.

10.03.2.3—The Department shall establish a form to be used in requesting an extension.

10.03.2.4—The request shall include a corrective action plan for obtaining the required training in a timely manner.

10.03.2.4.1—For each person failing to obtain the required training by March 1, the Department shall immediately notify the superintendent or director of the employing school district, open enrollment charter school, or education service cooperative.

10.03.2.4.2—Notification will be sent by certified mail, return receipt requested.

10.03.2.4.3—The Department will also notify the school board president.

10.03.3—The superintendent or director of the LEA shall notify the person who failed to receive the required training and the person shall be unable to continue in his or her position from the date of receipt of notification.
10.03.3.1 Notification will be by certified mail, return receipt requested.

10.03.3.2 Any person receiving notice that he or she shall be unable to continue in his or her position solely because of his or her failure to obtain the required training may request a hearing before the SBE prior to his or her permanent dismissal.

10.03.4 If the person fails to obtain all required training by December 31 following the March 1 extension deadline, this failure shall constitute one (1) citation against the school district, or the open enrollment charter school, as measured by the Standards for Accreditation of Arkansas Public Schools issued by the Department or an admonishment to the education service cooperative by the Department.

10.03.5 If the person is unable to obtain the required training because of military service or illness as verified by a written sworn statement of the person’s attending physician, the Department shall grant an extension permitting the person additional time to obtain the required training.

10.03.5.1 The person shall submit the appropriate documentation of military service or illness to the Department.

10.03.5.2 The documentation must be sent by certified mail, return receipt requested.

10.03.5.3 The length of time of the extension will be determined on an individual basis at the discretion of the Department.

10.03.5.4 The issuance of an extension shall not constitute a citation against the school district or the open enrollment charter school as measured by the Standards for Accreditation of Arkansas Public Schools issued by the Department or an admonishment to the education service cooperative by the department. Also the Department shall not operate to remove the person from his or her job if an extension has been granted by the Department.
10.03.6—The Department shall maintain records of instructional hours of Tier I Training obtained by any individual covered under this section.

10.03.6.1 Each district shall provide a list of the names and positions of the persons covered by these rules, to the Department by December 31 of each year. The information shall be provided in a format approved by the Department.

10.03.6.2 Separate lists will be provided for persons obtaining the initial training to demonstrate basic proficiency and for those obtaining additional hours.

10.03.6.3 The trainer or the institution providing the training will provide verification of instructional hours.

10.03.6.4 The Department may publish a list identifying the persons required to receive training and the compliance status.

10.03.6.5 Persons employed as of July 1 shall be required to obtain training by December 31 of that year.

10.03.6.6 Persons employed after July 1 shall be required to obtain training by December 31 of the next year.

10.03.6.7 Persons changing employment will have their training history accepted by the new employer.

10.03.7 Any school district or open enrollment charter school that does not follow the provisions of Ark. Code Ann. Title 6, Chapter 20, subchapter 22 shall be placed in fiscal distress.

10.03.8 Any education service cooperative that does not follow the provisions of Ark. Code Ann. Title 6, Chapter 20, subchapter 22 shall be sanctioned by the SBE.

10.04 Tier II training shall include, but is not limited to, employees who make decisions about selecting codes or who have a limited number of codes that they can use.

10.04.1 Tier II training shall be developed by the Department in cooperation with representatives from the Arkansas Association of School Administrators, the Arkansas Association of School Business Officials, the Arkansas
Education Association, the Legislative Joint Auditing Committee and education service cooperatives.

10.04.1.1 The training shall be annual and shall be a minimum of two (2) hours.

10.04.1.2 LEAs shall be responsible for providing the training to these employees.

10.04.1.3 LEAs’ trainers are required to attend Initial and annual Tier I training.

10.04.1.4 Each LEA shall maintain files and records indicating all employees required to obtain and who have completed Tier II training.

10.04.1.5 Each district superintendent, open enrollment charter school director or education service cooperative director shall provide the Department an assurance statement regarding the completion of Tier II training by the required individuals by the end of the fiscal year.

10.04.1.6 Additional annual training may be required by the department for employees who do not make decisions about selecting codes or who have a limited number of codes that they can use based on repetitive or flagrant audit findings or the identification of multiple indicators of fiscal distress.

11.00—Sanctions

11.01 Any school district that does not comply with and meet the requirements of these rules, shall, after receiving notice as required by law, be identified by the Department as being in fiscal distress.

11.01.1 Any open enrollment charter school that does not comply with and meet the requirements of these rules may be referred to the SBE for possible modification, revocation, or denial of renewal of its charter pursuant to Ark. Code Ann. § 6-23-105 and the Department’s Rules Governing Public Charter Schools.

11.02 Any education service cooperative that does not comply with and meet the requirements of these rules shall be sanctioned by the SBE.
11.03—Any licensed classroom teacher or administrator of a school, school district, open enrollment charter school or education service cooperative that provides false expenditure information may have his or her license placed on probation, suspended or revoked pursuant to procedures utilized in accord with Ark. Code Ann. § 6-17-410.

11.04—Persons failing to obtain required training by December 31 of the calendar year and who fails to cure any training deficiency by March 1 of the following year without filing a request for extension of time and after receiving proper notice shall be unable to continue in his or her position of employment effective on the date of receipt of notification from the superintendent of the school district, open enrollment charter school or education service cooperative.

11.05—If a person fails to obtain all required training by December 31, this failure shall constitute one (1) citation against the school district, the open enrollment charter school or an admonishment to the education service cooperative.
Ms. Hyatt,

For Arkansas to attain equitable discipline, it is essential that all infractions are entered into eSchool and that all districts enter infractions the same way. Without this requirement and sufficient monitoring, Arkansas will continue to have inequitable discipline patterns. Without standardized and monitored discipline entry procedures, it is not possible to hold any school accountable for discipline data attained from eSchool.

Recommendations:
No discipline infraction in eSchool may have more than one offender.

- Discipline entries must be entered into eSchool within five business days of the administration of the consequence.
- The Division will utilize eSchool and Cognos discipline audits to prevent the removal or manipulation of discipline infraction information and ensure the entry of discipline information.
- Schools will use eSchool to record all affirmative findings of student policy violations.
- The Division will monitor the use of eSchool for discipline data entry.
- Each discipline infraction in only one offender

Thank you for your consideration. Please contact me if you have any questions.
JS

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Jacob Smith
Director of Federal Programs and Student Services
Jacksonville North Pulaski School District
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Jacksonville, AR 72076
Phone: 501.241.2080
Fax: 501.241.2092
Good afternoon, Mary Claire –

I have finished looking over the above-referenced rules, and I just had the following questions:

(1) **Section 3.04** – Should the statutory reference be to Ark. Code Ann. § 6-20-2203, which requires the establishment and implementation of the Handbook in subsection (a)(3)(A)? (Also, missing close quotes after Handbook?)

(2) **Section 10.00** – This section seems fairly broad in its terms. Is the Department comfortable with its statutory authority to impose each of the sanctions listed as it pertains specifically to failing to submit cycle data or submitting inaccurate or incomplete data?

(3) **Section 11.03** – Both the prior rule, Financial Accounting 10.01.2, and Ark. Code Ann. § 6-20-2204(a)(1)(C)(i), (1) provide that a minimum of two persons must attend the initial and Tier I training and then (2) list out the two persons that shall be included. Is there a reason the Department removed the “minimum” language and the specified persons that the minimum shall include?

(4) **Section 11.03.5.4.3** – Both the prior rule, Financial Accounting 10.03.3 and Ark. Code Ann. § 6-20-2204(a)(4)(B)(i), provide that a person failing to obtain the required Tier I training shall be notified by the person’s superintendent or director by certified mail, return receipt requested. Is there a reason this language was not included in the new rules?

As always, thank you for answering these questions at your earliest convenience.

Have a great weekend,

Rebecca

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501.537.9132
From Lucas Harder via e-mail

Rules Governing Data Reporting:
5.01: APSCN is previously abbreviated at 2.01 and 4.01.3 so it does not need to be written longhand here.
6.00: Local Education Agency was previously defined and abbreviated so it doesn’t need to be written longhand here.
8.04: AFR and AFB were both previously defined and abbreviated so they do not need to be written longhand here.
8.05: For consistency, I would recommend replacing “State Board” with “SBE” as it is abbreviated in the majority of the document.
8.08: There is a comma missing after analyze.
10.01: APSCN is already abbreviated earlier so it does not need to be written longhand here.
11.03.5.4.4: For consistency, I would recommend replacing “State Board” with “SBE” as it is abbreviated in the majority of the document.
ARKANSAS DEPARTMENT OF EDUCATION RULES GOVERNING SCHOOLS OF INNOVATION

PUBLIC COMMENTS AND RESPONSES OF THE ARKANSAS DEPARTMENT OF EDUCATION, DIVISION OF ELEMENTARY AND SECONDARY EDUCATION

Commenter Name: Lucas Harder, Arkansas School Boards Association (10/3/19)

Comment(1): 5.01: APSCN is previously abbreviated at 2.01 and 4.01.3 so it does not need to be written longhand here.

Division Response: Comment considered. No change made.

Comment (2): 6.00 Local Education Agency was previously defined and abbreviated so it doesn’t need to be written longhand here.

Division Response: Comment considered. No change made.

Comment(3): 8.04: AFR and AFB were both previously defined and abbreviated so they do not need to be written longhand here.

Division Response: Comment considered. No change made.

Comment(4): 8.05: For consistency, I would recommend replacing “State Board” with “SBE” as it is abbreviated in the majority of the document.

Division Response: Comment considered. Non-substantive change made.

Comment(5): 8.08: There is a comma missing after analyze.

Division Response: Comment considered. Non-substantive change made.

Comment(6): 10.01: APSCN is already abbreviated earlier so it does not need to be written longhand here.

Division Response: Comment considered. Non-substantive change made.

Comment(7): 11.03.5.4.4: For consistency, I would recommend replacing “State Board” with “SBE” as it is abbreviated in the majority of the document.

Division Response: Comment considered. Non-substantive change made.

Commenter Name: Rebecca Miller-Rice, Bureau of Legislative Research (10/25/19)
Comment (1): Section 3.04 – Should the statutory reference be to Ark. Code Ann. § 6-20-2203, which requires the establishment and implementation of the Handbook in subsection (a)(3) (A)? (Also, missing close quotes after Handbook?)

Division Response: Yes. Non-substantive change made.

Comment (2): Section 10.00 – This section seems fairly broad in its terms. Is the Department comfortable with its statutory authority to impose each of the sanctions listed as it pertains specifically to failing to submit cycle data or submitting inaccurate or incomplete data?

Division Response: Yes, Ark. Code Ann. §§ 6-20-2202(e)(1)—authority to withhold state funds, 6-20-1805(c)—referral to the SBE, 6-20-1904—consideration of fiscal distress, 6-20-2207(c)—consideration of fiscal distress, 6-20-2205—consideration of fiscal distress, 6-17-410—referral to the Professional Licensure Standards Board, 6-15-2901 et seq.—increased risk factor in determining whether increased level of support is needed, 6-20-2202(b)-(c)—require submission to address deficiencies, 6-18-213(d)(1)—withholding state funds, 6-20-2202(d)(1)(B). No change made.

Comment (3): Section 11.03 – Both the prior rule, Financial Accounting 10.01.2, and Ark. Code Ann. §6-20-2204(a)(1)(C)(i), (1) provide that a minimum of two persons must attend the initial and Tier I training and then (2) list out the two persons that shall be included. Is there a reason the Department removed the “minimum” language and the specified persons that the minimum shall include?

Division Response: The required language was accidentally omitted and has been added. Non-substantive change made.

Comment (4): Section 11.03.5.4.3 – Both the prior rule, Financial Accounting 10.03.3 and Ark. Code Ann. § 6-20-2204(a)(4)(B)(i), provide that a person failing to obtain the required Tier I training shall be notified by the person’s superintendent or director by certified mail, return receipt requested. Is there a reason this language was not included in the new rules?

Division Response: The language was included in Section 11.03.5.4.2, but was not clear as originally written. Sections 11.03.5.4.1 and 11.03.5.4.2 have been changed for clarity. Non-substantive change made.

Commenter Name: Jacob Smith, Jacksonville North Pulaski School District (11/19/19)

Comment (1): For Arkansas to attain equitable discipline, it is essential that all infractions are entered into eSchool and that all districts enter infractions the same way. Without this
requirement and sufficient monitoring, Arkansas will continue to have inequitable discipline patterns. Without standardized and monitored discipline entry procedures, it is not possible to hold any school accountable for discipline data attained from eSchool.

Recommendations: (1) No discipline infraction in eSchool may have more than one offender; (2) Discipline entries must be entered into eSchool within five business days of the administration of the consequence; (3) The Division will utilize eSchool and Cognos discipline audits to prevent the removal or manipulation of discipline infraction information and ensure the entry of discipline information; (4) Schools will use eSchool to record all affirmative findings of student policy violations; (5) The Division will monitor the use of eSchool for discipline data entry; and (6) Each discipline infraction in only one offender.

Division Response: DESE provides the statewide portal for data entry for schools in an effort to meet state and federal law and rules. In eSchool, part of the APSCN, there are designated discipline categories that are based on general common disciplinary areas and categories that are required by federal law. DESE monitors discipline data in an effort to review trends, assist with discrepancies, and to monitor for adherence to state and federal law. There are standardized procedures and training for input of discipline data by districts into eSchool provided by DESE and APSCN, however districts remain in control of their local policies for input of discipline data, subject to state and federal law. Schools have local control with regard to discipline, provided their policies meet the state and federal requirements. Comment considered. No change made.
FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT/AGENCY: Division of Elementary and Secondary Education, Arkansas Department of Education
DIVISION: Fiscal and Administrative Services
PERSON COMPLETING THIS STATEMENT: Mary Claire Hyatt
PHONE NO.: 501-683-0960. FAX NO.: 501-682-4249 E-MAIL: maryclaire.hyatt@arkansas.gov

To comply with Ark. Code Ann. § 25-15-204(e), please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE: Rules Governing Data Reporting, the Arkansas Public School Computer Network, and Information Systems

1. Does this proposed, amended, or repealed rule have a financial impact?
   Yes ________ No ______X_____

2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule?
   Yes____X______ No____________

3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered? Yes____X______ No____________

   If an agency is proposing a more costly rule, please state the following:

   (a) How the additional benefits of the more costly rule justify its additional cost;

   (b) The reason for adoption of the more costly rule;

   (c) Whether the more costly rule is based on the interests of public health, safety, or welfare, and if so, please explain; and

   (d) Whether the reason is within the scope of the agency’s statutory authority, and if so, please explain.

3. If the purpose of this rule is to implement a federal rule or regulation, please state the following:

   (a) What is the cost to implement the federal rule or regulation?

<table>
<thead>
<tr>
<th>Current Fiscal Year</th>
<th>Next Fiscal Year</th>
</tr>
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<tbody>
<tr>
<td>General Revenue</td>
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</tr>
<tr>
<td>Federal Funds</td>
<td></td>
</tr>
<tr>
<td>Cash Funds</td>
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<td>Special Revenue</td>
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<tr>
<td>General Revenue</td>
<td>0</td>
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<td>Federal Funds</td>
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<td>Cash Funds</td>
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<td>Special Revenue</td>
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</table>

Revised June 2019
<table>
<thead>
<tr>
<th>Other (Identify)</th>
<th>Other (Identify)</th>
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<tr>
<td>Total 0</td>
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</table>

(b) What is the additional cost of the state rule?

<table>
<thead>
<tr>
<th>Current Fiscal Year</th>
<th>Next Fiscal Year</th>
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<tbody>
<tr>
<td>General Revenue</td>
<td>General Revenue</td>
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<td>Federal Funds</td>
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<td>Cash Funds</td>
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<td>Special Revenue</td>
<td>Special Revenue</td>
</tr>
<tr>
<td>Other (Identify)</td>
<td>Other (Identify)</td>
</tr>
<tr>
<td>Total 0</td>
<td>Total 0</td>
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</tbody>
</table>

5. What is the total estimated cost by fiscal year to any private individual, entity and business subject to the proposed, amended, or repealed rule? Identify the entity(ies) subject to the proposed rule and explain how they are affected.

<table>
<thead>
<tr>
<th>Current Fiscal Year</th>
<th>Next Fiscal Year</th>
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<tr>
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_________________________________________________________________________________
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6. What is the total estimated cost by fiscal year to state, county, and municipal government to implement this rule? Is this the cost of the program or grant? Please explain how the government is affected.

<table>
<thead>
<tr>
<th>Current Fiscal Year</th>
<th>Next Fiscal Year</th>
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_________________________________________________________________________________
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7. With respect to the agency’s answers to Questions #5 and #6 above, is there a new or increased cost or obligation of at least one hundred thousand dollars ($100,000) per year to a private individual, private entity, private business, state government, county government, municipal government, or to two (2) or more of those entities combined?

Yes X No
If YES, the agency is required by Ark. Code Ann. § 25-15-204(e)(4) to file written findings at the time of filing the financial impact statement. The written findings shall be filed simultaneously with the financial impact statement and shall include, without limitation, the following:

(1) a statement of the rule’s basis and purpose;

(2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute;

(3) a description of the factual evidence that:
   (a) justifies the agency’s need for the proposed rule; and
   (b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule’s costs;

(4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;

(5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;

(6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and

(7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:
   (a) the rule is achieving the statutory objectives;
   (b) the benefits of the rule continue to justify its costs; and
   (c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.