

**ARKANSAS DEPARTMENT OF EDUCATION
RULES GOVERNING THE CALCULATION OF MISCELLANEOUS FUNDS
NOVEMBER 2014**

1.0 PURPOSE

1.1 These rules shall be known as the Arkansas Department of Education Rules Governing the Calculation of Miscellaneous Funds.

1.2 The purpose of these rules is to provide the process and procedures necessary to calculate the miscellaneous funds used in both state foundation funding aid and bonded debt assistance calculations.

2.0 AUTHORITY

The Arkansas State Board of Education promulgated these rules pursuant to the authority granted to it by Ark. Code Ann. §§ 6-11-105, 6-20-2301 *et seq.*, 6-20-2501 *et seq.*, and Act 322 of 2013.

3.0 DEFINITIONS

As used in these rules:

3.1 “Bonded Debt Assistance” means an amount of state financial aid provided to an eligible school district under Ark. Code Ann. § 6-20-2503.

3.2 "Foundation Funding" means an amount of money specified by the General Assembly for each school year to be expended by school districts for the provision of an adequate education for each student as that amount is established in Ark. Code Ann. § 6-20-2305.

3.3 “Miscellaneous Funds” means funds received by a school district from federal forest reserves, federal grazing rights, federal mineral rights, federal impact aid, federal flood control, wildlife refuge funds, severance taxes, in lieu of taxes, and local sales and use taxes dedicated to education under Ark. Code Ann. §§ 26-74-201 *et seq.*, 26-74-301 *et seq.*, 26-75-301 *et seq.*, and the Local Government Bond Act of 1985, 14-164-301 *et seq.*

3.4 “State Foundation Funding Aid” means the amount of state financial aid provided to a school district under Ark. Code Ann. § 6-20-2305(a)(1).

4.0 CALCULATION

4.1 For the purpose of making an initial calculation of state foundation funding aid, the Department of Education shall calculate the miscellaneous funds of a school district or open-enrollment public charter school as the aggregate amount of miscellaneous funds a school district or open-enrollment public charter school received in the calendar year immediately preceding the beginning of the current school fiscal year, and for a school district, this

amount is multiplied by the ratio of the URT to the school district's total millage rate in effect as of January 1 of the calendar year in which the school district received the miscellaneous funds.

4.2 Prior to the end of the fiscal year, for a school district or open-enrollment public charter school that receives initial state foundation funding aid in the current school fiscal year and receives an aggregate amount of miscellaneous funds during the calendar year in which the current school fiscal year began that is less than the aggregate amount of miscellaneous funds the school district or open-enrollment public charter school received in the calendar year immediately preceding the beginning of the current school fiscal year, the department shall increase state foundation funding aid by an amount equal to the difference between the amount of miscellaneous funds calculated for the calendar year in which the current school fiscal year began and the amount of miscellaneous funds calculated for the calendar year immediately preceding the beginning of the current school fiscal year. The foundation funding amount under Ark. Code Ann. § 6-20-2305(a)(2) shall not be exceeded by virtue of a school district or open-enrollment public charter school receiving this additional state foundation funding aid.

4.3 Prior to the end of the fiscal year, for a school district or open-enrollment public charter school that receives initial state foundation funding aid in the current school fiscal year and receives an aggregate amount of miscellaneous funds during the calendar year in which the current school fiscal year began that is more than the aggregate amount of miscellaneous funds the school district or open-enrollment public charter school received in the calendar year immediately preceding the beginning of the current school fiscal year, the department shall decrease state foundation funding aid by an amount equal to the difference between the amount of miscellaneous funds calculated for the calendar year in which the current school fiscal year began and the amount of miscellaneous funds calculated for the calendar year immediately preceding the beginning of the current school fiscal year.

4.4 For the calculation of bonded debt assistance the Department of Education shall calculate the miscellaneous funds of a school district as the aggregate amount of miscellaneous funds a school district received in the calendar year immediately preceding the beginning of the current school fiscal year multiplied by the ratio of the URT to the school district's total millage rate in effect as of January 1 of the calendar year in which the school district received the miscellaneous funds.

5.0 PROCESS AND PROCEDURES

5.1 For the fiscal year 2013-2014 calculation of state foundation funding aid:

5.1.1 In accordance with 4.1 of these rules for the initial calculation of state foundation funding aid, the calendar year immediately preceding the beginning of the current school

fiscal year is calendar year 2012 and the school district's total millage rate is the total millage rate effective as of January 1, 2012.

5.1.2 In accordance with 4.2 of these rules, the calendar year in which the current school fiscal year began is 2013 and the school district's total millage rate is the total millage rate effective as of January 1, 2013.

5.2 For the fiscal year 2014-2015 calculation of state foundation funding aid:

5.2.1 In accordance with 4.1 of these rules for the initial calculation of state foundation funding aid, the calendar year immediately preceding the beginning of the current school fiscal year is calendar year 2012 and the school district's total millage rate is the total millage rate effective as of January 1, 2012.

5.2.2 In accordance with 4.2 and 4.3 of these rules, the calendar year in which the current school fiscal year began is 2014 and the school district's total millage rate is the total millage rate effective as of January 1, 2014.

5.3 For fiscal year 2015-2016 and for subsequent fiscal years, the calculation of state foundation funding aid is in accordance with 4.1, 4.2, and 4.3 of these rules.

5.4 In accordance with 4.4 of these rules for the fiscal years 2013-2014 and 2014-2015, in the calculation of bonded debt assistance the calendar year immediately preceding the beginning of the current school fiscal year is calendar year 2012 and the school district's total millage rate is the total millage rate effective as of January 1, 2012.

5.5 For fiscal year 2015-2016 and for subsequent fiscal years, the calculation of bonded debt assistance is in accordance with 4.4 of these rules.