



ARKANSAS DEPARTMENT OF EDUCATION

Arkansas School Finance Manual

2015-2016

Division of Fiscal and Administrative Services

Purpose of the Manual

The purpose of this manual is to provide guidance and resources for school districts to become better informed and enable fiscally responsible practices. As laws, rules and procedures change, the information contained in this manual may not reflect current regulations. This manual is not fully comprehensive of the rules, regulations and funding sources available for districts. As a result, this manual should only be used as a reference.

Division Mission

The Fiscal and Administrative Services Division provides leadership, service, and professional support to the Arkansas Department of Education (ADE), public school districts, charter schools, education service cooperatives, local, state and federal agencies, and the public. The Division promotes uniform coding, fiscally sound, efficient, and effective financial systems for public education.

Message from the Assistant Commissioner

The Fiscal and Administrative Services Division of the Arkansas Department of Education is dedicated to supporting schools. It is through this support that education opportunities are provided for the students in the state.

I hope that you find this manual helpful and beneficial. We are available to assist with any concerns and look forward to helping you. If we can be of any support, please do not hesitate to contact us.

Sincerely,

Dr. Eric Saunders
Assistant Commissioner
Fiscal and Administrative Services
Arkansas Department of Education

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Assessment and Local Taxes

School districts are funded through a combination of local and state taxes. The Real, Personal and Utility taxes comprise three main categories. Real, Personal and Utility Assessments are added together to create the Total Assessment for a school district.

Real + Personal + Utility = Total Assessment

Through Article 14 of the Arkansas Constitution, a school district is required to have a minimum of 25 mills, known as the Uniform Rate of Tax (URT), dedicated to maintenance and operation. The local district has the option to increase their millage rate by having voters within the district vote on additional mills. To calculate the amount of taxes a district would receive, the amount of Total Assessment is multiplied by the millage rate. The state will pay the district for up to a 98% collection rate of taxes on the URT in most cases.

For example:

School District X has the following assessment information:

Real Assessment	\$50,000,000
Personal Assessment	\$20,000,000
Utility Assessment	\$75,000,000
Millage Rate	40 mills

This would produce a Total Assessment of \$145,000,000.

To calculate the millage rate, multiply the Total Assessment by .001 and then by the millage rate. This number will produce the amount of taxes expected (at a 100% collection rate).

$$\mathbf{\$145,000,000 \times .001 \times 40 = \$5,800,000}$$

Since it is very rare that a district collects 100% of their taxes, the ADE funds the tax collections short of 98% of the URT in most cases.

To calculate the 98% amount, multiply the expected taxes by 98%.

$$\mathbf{\$5,800,000 \times .98 = \$5,684,000}$$

Determining the amount of taxes short of the 98% of the URT, the total millage rate (40) can be divided in two categories: 25 mills for URT and 15 mills above the URT. The anticipated taxes are calculate by prorating the 25 and 15 mills.

$$\mathbf{25/40 \times \$5,684,000 = \$3,552,500 \quad (URT)}$$

And

$$\mathbf{15/40 \times \$5,684,000 = \$2,131,500 \quad (Mills \text{ above } URT)}$$

In looking at the local URT (\$3,552,500), the district is funded this amount even if local taxes do not produce this amount. This is done through the 98% true-up. Assume, the district had an actual tax collection of \$5,300,000, it would produce the following amounts:

$$\mathbf{URT: 25/40 \times \$5,300,000 = \$3,312,500}$$

And

$$\mathbf{Above \text{ the } URT: 15/40 \times \$5,300,000 = \$1,987,500}$$

Since the district did not collect 98% of the URT (\$3,552,500), the difference between the 98% of URT and actual taxes collected (\$3,312,500) is calculated:

$$\mathbf{\$3,552,500 - \$3,312,500 = \$240,000}$$

This amount (\$240,000) is provided by the ADE known as “True-Up” or “98%” funding.

The actual assessment and collection rate is unique to each individual district. For good financial forecasting, it is recommended to look at **historical data** (Past

assessments, past collection rates, etc...), **current trends** (New building, abandoned homes, new or moving industry and businesses, etc...), **collection rates** (Obtained by comparing past tax collections to assessments) and **other pertinent information** to make more informed financial decisions.

Local taxes are collected through the following sources:

- Property taxes-current (Received July-December)
- Property relief sales tax
- Property tax-by 6/30 (Received July-December)
- Prop relief tax -6/30
- Property tax-delinquent
- Excess commission
- Land redemption- in state sales
- Penalties/interest on tax

The amount of local funds collected is divided by the number of students to derive the amount of local money collected per student. The difference between the local amount per student collected and the foundation funding is then paid by the state to the district. For example if a district collects \$1,500 through local taxes per-student and the foundation funding amount is \$6,584, the state would pay the district \$5,084 per-student in foundation funding. The state foundation funding is provided to districts beginning in August and occurring through June on a monthly basis.

Funding Matrix

As described by the Arkansas Bureau of Legislative Research (BLR) in “*The Resource Allocation of Foundation Funding for Arkansas School Districts and Open-Enrollment Charter Schools dated July 15, 2014*”,

“Arkansas's K-12 education foundation funding formula, referred to as the matrix, is used to determine the per-pupil level of foundation funding disbursed to each school district. The components of the matrix were determined originally by a 2003 study by Allan Odden, Lawrence Picus and Mark Fermanich (Picus, 2003). The levels were subsequently refined in 2006 by Allan Odden, Lawrence Picus and Michael Goetz (Picus, 2006). The matrix was not intended to reimburse schools for actual expenditures but rather to provide a methodology for determining an adequate level of funding to allow schools to meet minimum accreditation standards and adequately educate Arkansas students. This report examines school district expenditures and staffing levels in comparison with the funding level assumptions on which the foundation funding matrix is based.”¹

The funding matrix is based upon a 500 student enrollment school. In the matrix, the amount of per pupil funding can be divided in smaller categories thus representing revenue for a school. Expenditures made with foundation funding need to be properly coded to fund 2000. Since all tax and Foundation revenue is receipted to fund 2001, transfers must be made from fund 2001 to 2000 in order to cover the expenditures and resulting negative fund balance. A transfer(s) from fund 2001 to 2000 (2200-Charters) equal to the amount of foundation funding defined in ACA §6-20-2305 (a)(2) will be made by one or more journal entries.

A matrix showing the amounts for each category over a period of three years can be seen on the following two pages:

Funding Matrix

	FY15	FY16	FY17
Matrix Calculations			
School Size	500	500	500
K = 8% of students	40	40	40
Grades 1-3 = 23% of students	115	115	115
Grades 4-12 = 69% of students	345	345	345
Staffing Ratios			
K P:T ratio = 20:1	2.0	2.0	2.0
Grades 1-3 P:T ratio = 23:1	5.0	5.0	5.0
Grades 4-12 P:T ratio = 25:1	13.8	13.8	13.8
PAM = 20% of classroom	4.14	4.14	4.14
Total Classroom Teachers	24.94	24.94	24.94
Special Ed Teachers	2.9	2.9	2.9
Instructional Facilitators	2.5	2.5	2.5
Librarian / Media Specialist	0.825	0.85	0.85
Guidance Counselor & Nurse	2.5	2.5	2.5
Total Pupil Support Personnel	8.725	8.75	8.75
SUBTOTAL	33.665	33.69	33.69
Principal	1.0	1.0	1.0
Secretary	1.0	1.0	1.0
Total School-Level Personnel	35.665	35.69	35.69
School-Level Salaries			
Teacher Salary + Benefits	63,130	63,663	64,196
Per Student Matrix Expenditure	4,250.7	4,289.6	4,325.6
Principal Salary + Benefits	99,012	99,012	99,012
Per Student Matrix Expenditure	198.1	198.1	198.1
School-level secretary	40,031	40,031	40,031
Per Student Matrix Expenditure	80.1	80.1	80.1
School-Level Salaries Per Student	4,528.9	4,567.8	4,603.8
School-Level Resources			
Technology	225.6	237.8	250.0
Instructional Materials	183.1	183.1	183.1
Extra Duty Funds	57.2	61.05	64.9
Supervisory Aides	56.7	50.0	50.0

Substitutes		66.3		67.7		69.0
School-Level Resources Per Student		588.9		599.65		617.0
Carry-Forward						
Operations & Maintenance		651.8		664.9		664.9
Central Office		430.2		430.2		438.8
Transportation		321.2		321.2		321.2
Carry-Forward Per Student		1,403.2		1,416.3		1,424.9
Foundation Per Pupil Expenditures		6,521		6,584		6,646
Adjustments		0		0		0
Matrix Foundation Per Student		6,521		6,584		6,646
	\$	128		63		62
Increase per ADM	%	2.0%		0.97%		0.94%
Enhanced Funding Per Student		0.0		0.0		0.0
Matrix Foundation + Enhanced Per Student		6,521		6,584		6,646

<u>Categorical Program Funding</u>	<u>FY15 Cost</u>	<u>FY16 Cost</u>	<u>FY17 Cost</u>
-			
ELL	317	324	331
ALE	4,383	4,471	4,560
NSLA	517	522	526
	1,033	1,042	1,051
	1,549	1,562	1,576
PD	32.4	32.4	32.4

Special Needs (Categorical) Funding

Special Needs or Categorical Funding is prescribed in A.C.A. §6-20-2305 as well as other laws. The rules governing these funds are entitled “*Rules Governing the Distribution of Student Special Needs Funding and the Determination of Allowable Expenditures of Those Funds- June 2012*”. The types of funding included as Categorical Funds are: Alternative Learning Environment (ALE), English Language Learners (ELL), National School Lunch Act (NSL) and Professional Development (PD). Each of these categories has limitations on how the funds can be used and are therefore considered to be “restricted funds”. The allowable expenditures of each category can be referenced in law and/or rules. These funds are in addition to per-student foundation funding.

There is a limitation to the amount of carry-over categorical funds a district can have at the end of a fiscal year. Districts that carry over larger than allowed amounts may be required to surrender those unspent excess funds. Districts must expend a minimum of 85% of the current year NSL funding. Concerning all categorical funds, the total aggregate balance shall not exceed 20%.

ALE

While there are many requirements to ALE funding, it is important to understand that a student must be in the ALE environment for a minimum of 20 consecutive days. In addition, there are other criteria that must be met. An ALE program must comply with the rules set forth by ADE and A.C.A. §6-48-101 *et seq.*

For the 2015-2016 school year, ALE funding is set at \$4,471 per full-time equivalent (FTE). An example of ALE funding is as follows:

Student	Number of Days Enrolled in ALE
A	89
B	178
C	178
D	12

Since student “D” was not enrolled the required 20 consecutive days, funding is not available for that student. The FTE can be calculated by dividing the number of days each student was enrolled in ALE by the total number of days in the school year (typically 178) and adding those together.

$$(89/178) + (178/178) + (178/178) = 2.5$$

Multiply the FTE (2.5) by the ALE funding amount (\$4,471).

$$2.5 \times \$4,471 = \$11,178$$

The amount of ALE funding in this example would be \$11,178. This amount is in addition to the foundation amount provided for these students. ALE funding uses prior-year data. ALE funding is considered restricted and must be used on allowable expenditures.

ELL

As defined in ADE rules, *“English Language Learners (ELL) are students identified as not proficient in the English language based upon approved English proficiency assessment instruments, which measure proficiency in and comprehension of English in reading, writing, speaking, and listening.”*

Furthermore, as described in ADE rules:

“5.01 The ELL funding amount shall be the amount authorized by law times the district’s identified ELL students in the current school year.

5.01.1 The number of identified ELL students shall be a total of all students identified as not proficient in the English language based upon approved English proficiency assessment instruments.”

5.01.2 Documentation to be used for the calculation of the number of identified ELL students must be submitted to the ADE no later than November 1 of each school year.

5.01.3 An ELL student shall be counted as no more than one student for ELL funding purposes.”³

In the 2015-2016 school year, the amount of funding per ELL student was \$324. For example, if a district had 247 ELL identified students, the amount of funding would have been $\$324 \times 247 = \$80,028$.

ELL funding is considered restricted and must be used on allowable expenditures. Funding for this category occurs during the current school year and funds may be carried over from one year to the next, subject to limits.

NSL

NSL funding is based upon the percentage of students eligible in a district for free/reduced lunches. The NSL funding percentage is calculated from the October 1 enrollment report (Cycle 2). The funding amount per-student can be found in the table below:

Percentage of students eligible for free/reduced lunches	Funding per-student for the 2015-2016 school year
0-69%	\$522
70-89%	\$1,042
90-100%	\$1,562

Rounding of the percentages is defined in ADE rules as:

“For determination of the per-student amount of national school lunch state categorical funding, the percentage shall be calculated to one tenth of one percent (0.10%), and rounded up to the nearest whole number from five tenths of one percent (0.5%) or above or down to the nearest whole number from less than five tenths of one percent (0.5%).”

Continuing, “If the school district is a Provision 2 district, this funding is based on the school district’s percentage of national school lunch students

submitted in the base year, multiplied by the number of enrolled students for the immediately preceding school year.”³

For example, if a school district had a total student population on October 1, 2014, of 2,576 students and 1,753 of those students were eligible for free/reduced lunch, the funding amount would be calculated as follows:

$$1753/2576 = 68\%$$

$$1,753 \times \$522 = \$915,066$$

NSL funding occurs in the following year (2015-2016). There are various restrictions on how NSL funding may be used and ADE rules and/or laws should be referenced. Schools and districts participating in Provision 2 and/or CEP have other methods in the calculation of NSL funds.

PD

Per ADE rules: *“The Professional Development funding amount shall be an amount up to the amount authorized by law times the district’s ADM of the previous school year.”*³ The ADE issues an annual commissioner’s memo explaining the PD amount for the school year. For school year 2014-2015, the PD per-student amount was \$26.67

To calculate the total PD funding, the previous year 3 Quarter ADM is multiplied by the PD amount. For example, if a school had a 3 Quarter ADM for 2013-2014 of 629 students, the PD funding amount would then be multiplied by 629.

$$\$26.67 \times 629 = \$16,775.43$$

There are restrictions on PD funds. Rules and laws should always be referenced.

Federal Title Funds

(Definitions were taken from the NCLB as amended by the ESEA and the Arkansas Comprehensive School Improvement Handbook)

TITLE I, PART A - IMPROVING THE ACADEMIC ACHIEVEMENT OF THE DISADVANTAGED

“The purpose of this title is to ensure that all children have a fair, equal, and significant opportunity to obtain a high-quality education and reach, at a minimum, proficiency on challenging State academic achievement standards and State academic assessments.”

TITLE I PART D—PREVENTION AND INTERVENTION PROGRAMS FOR CHILDREN AND YOUTH WHO ARE NEGLECTED, DELINQUENT, OR AT RISK

“(a) PURPOSE.—It is the purpose of this part—

- (1) to improve educational services for children and youth in local and State institutions for neglected or delinquent children and youth so that such children and youth have the opportunity to meet the same challenging State academic content standards and challenging State student academic achievement standards that all children in the State are expected to meet;
- (2) to provide such children and youth with the services needed to make a successful transition from institutionalization to further schooling or employment; and
- (3) to prevent at-risk youth from dropping out of school, and to provide dropouts, and children and youth returning from correctional facilities or institutions for neglected or delinquent children and youth, with a support system to ensure their continued education.”

TITLE II PART A—PREPARING, TRAINING, AND RECRUITING HIGH QUALITY TEACHERS AND PRINCIPALS

“The purpose of this part is to provide grants to State educational agencies, local educational agencies, State agencies for higher education, and eligible partnerships in order to:

- (1) increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools; and
- (2) hold local educational agencies and schools accountable for improvements in student academic achievement.”

TITLE III - LANGUAGE INSTRUCTION FOR LIMITED ENGLISH PROFICIENT AND IMMIGRANT STUDENTS

“The purpose of Title III is to ensure that limited English proficient (LEP) students/ English language learners (ELL)--national-origin-minority students who are limited-English-proficient—including immigrant children and youth, develop English proficiency and meet the same academic content and academic achievement standards that other children are expected to meet. Schools use these funds to implement language instruction educational programs designed to help LEP students achieve these standards. Districts and schools are accountable for increasing the English proficiency and core academic content knowledge of ELL students.”

TITLE VI PART B—RURAL EDUCATION INITIATIVE

“This part may be cited as the ‘Rural Education Achievement Program. ‘It is the purpose of this part to address the unique needs of rural school districts that frequently:

- (1) lack the personnel and resources needed to compete effectively for Federal competitive grants; and

(2) receive formula grant allocations in amounts too small to be effective in meeting their intended purposes.”

TITLE VI, PART B, SUBPART 1

RURAL SCHOOL ACHIEVEMENT PROGRAM (REAP) TITLE VI FEDERAL

“To be eligible for the Rural School Achievement Program a district must have

(A) Less than 600 students in total ADA; and

(B) A locale code of 7 or 8, as issued by the USDE, unless the USDE Secretary grants a waiver.”

TITLE VI, PART B, SUBPART 2

RURAL AND LOW-INCOME SCHOOL PROGRAM (RLIS) TITLE VI STATE

“To be eligible for Title VI State funds a district must

(A) Have 20% or more of the children ages 5-17 from families with incomes below the poverty line;

(B) Have a locale code of 6, 7 or 8, unless the USDE Secretary grants a waiver; and

(C) Be ineligible to receive Title VI Federal funds.”

Student Growth Funding

When a district is experiencing an increase in student enrollment, the district may be eligible for funds under A.C.A. § 6-20-2305 et seq. furthermore, the ADE has rules titled “*Rules Governing the Calculation Methods for Declining Enrollment and Student Growth Funding for Public School Districts-October 2009*”. Student Growth Funding is the amount of state financial aid provided to an eligible school district for growth in the ADM occurring between each current fiscal year quarter over the prior fiscal year three-quarter ADM of the school district.

For example, if a school district experienced the following growth:

1st Q ADM	2nd Q ADM	3rd Q ADM	4th Q ADM
Current Year	Current Year	Current Year	Current Year
1,500	1,600	1,550	1,700

Assuming the previous year 3 Quarter ADM (as prescribed in the state aid notice) was 1500, the district would be eligible for the following funding.

$$(1500-1500)(1/4) + (1600-1500)(1/4) + (1550-1500)(1/4) + (1700-1500)(1/4) =$$

Number of growth students

$$0 + 25 + 12.5 + 50 = 87.50$$

Number of growth students X per-student foundation funding

87.50 X per-student foundation funding

Since these funds are distributed during the current year and current year quarterly ADMs are unknown until after cycle 7 reporting, the funds are generally disbursed in three payments including the true-up (may require payback) occurring as the third payment. The dates and amounts of this funding are as follows:

Date	Amount
By January 31	60% of projected
By April 30	40% of projected

By August 31	Disbursement of recoupment of true-up amount
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Student Growth Funding is considered unrestricted. No district can receive both declining and student growth funding. Furthermore, if a district receives Special Needs Isolated Funding then the district receives the larger amount of the following two:

- Declining Enrolment Funds
- The sum of Student Growth Funds and Special Needs Isolated Funding

Declining Enrollment Funding

Per ADE Rules title “*Governing the Calculation Methods for Declining Enrollment and Student Growth Funding for Public School Districts-2009*”

“Declining enrollment funding is provided for an eligible school district that has experienced a decline in ADM in the prior fiscal year compared to the fiscal year prior to the prior fiscal year. Declining enrollment funding is equal to the ADM of the prior fiscal year, subtracted from the average of the ADM of the prior fiscal year and the ADM of the fiscal year prior to the prior fiscal year, multiplied by the current amount of foundation funding established by the General Assembly.”⁴

For example, if a district experienced the following during the FY15 year:

FY13 3 Q ADM	FY14 3 Q ADM	FY15 3 Q ADM
1000	900	800

$$(1000+900)/2 - 900 = 50$$

50 X FY15 per-student foundation funding

$$50 \times \$6,521 = \$329,200$$

This would be considered the Declining Enrollment Funding for the FY14 school year.

E-Rate

The E-rate program is a discount program designed to help schools (and public libraries) pay for technological infrastructure and services. It is funded by the Universal Service Fee, a small fee added to every phone bill in the U.S., and is administered by the Universal Service Administration Company (USAC) on behalf of the FCC.

In order to qualify for the program, applicants must solicit bids from service providers that meet their tech needs through an open and competitive bidding process. Then, upon awarding a bid, applicants must follow up with USAC to show actual costs incurred. There are a number of pieces of paperwork that accompany every step in the process. Successful school applicants will be eligible for a discount on their actual costs that is roughly equal to the NSL percentage within their schools.

Payment to schools from USAC can come in two forms:

- 1) **The Billed Entity Applicant Reimbursement, or BEAR method** – A direct reimbursement of costs incurred, typically used for one-time infrastructure projects. In this method, a school district will work into its budget a payment, in full, for a project or service to be provided. After it has been provided, the district will file with USAC for reimbursement of their discounted percentage of the costs. USAC typically sends these funds to the provider that did the work, who then sends it to the school district. These payments can be received as a lump sum or may be structured into scheduled payments (e.g. quarterly payments).
- 2) **The Service Provider Invoice, or SPI (pronounced like “spy”) method** – A discount of costs incurred from a provider reflected on a school district’s bill, typically used for ongoing services. In this method, USAC will send funds for things like monthly telephone or internet service to the provider of those services, who then discounts the appropriate percentage from the school district’s regular bill.

There are several important changes to the E-rate program going into effect for the 2015-16 funding year:

- A) Payment for telephone, internet, e-mail, and webhosting services, among others, is being phased out. For 2015-16, a school district's regular discount rate will be reduced by 20 percentage points before being applied as a discount to these services. This 20% reduction will continue, annually, until discounts for these services are extinguished. For example, if the discount rate (based roughly on the NSLP percentage) is 80%, the district will only be eligible for a 60% discount in 2015-16, then only 40% in 2016-17, and so on until the district no longer receives any discount on these services.
- B) The funds previously designated for the above services are being shifted toward broadband. This means schools should pay particular attention to opportunities to expand their broadband infrastructure in the years ahead, as these expenditures are likely to receive discounts through E-rate.
- C) Congress has appropriated an additional \$1B for E-rate in the 2015-16 funding year. The FCC announced that it would be raising the total of funds available by \$1.5B annually starting in the 2015-16 funding year.

For questions relating to E-rate, districts should contact DIS (Department of Information Systems).

Bonded Debt Assistance

Bonded debt assistance funds are restricted funds to be used solely for the payment of bonded debt. Pursuant to ACA § 6-20-2503, the calculation of bonded debt assistance is based on a school district's principal and interest payment schedule in effect and on file with the Department of Education (ADE) on January 1, 2005.

ACA § 6-20-2503 attributed 90% of each school district's outstanding bonded debt to the financing of academic facilities. However, the law provided for a school district to submit documentation if more than 90% of its outstanding bonded debt was issued in support of academic facilities. This established percentage of 90% or more is applied to each district's fiscal year principal and interest bonded debt payment from the January 1, 2005, debt schedule. The resulting "adjusted 1/1/05 scheduled debt payment" is divided by the total assessed value (as shown on the Preliminary State Aid Notice) of the district multiplied by 1,000 to calculate the required debt service mills. This product is multiplied by the state wealth index (defined in ACA § 6-20-2503 (a)(6) - note this is different than the facilities wealth index defined in ACA § 6-20-2502) multiplied by the prior year three-quarter average daily membership and multiplied by a funding factor of \$18.03.

Under ACA § 6-20-2503, these funds must be paid on or before August 1 and February 1 each year. Typically, a disbursement of 50% is made in July with the remaining balance disbursed in January.

As the amount of state financial assistance decreases, due to reductions in principal and interest payments, bond payoff, and increases in property assessment or district wealth, the Commission distributes savings to the Educational Facilities Partnership Fund (EFP).

For more information, see the *"Arkansas Division of Public School Academic Facilities and Transportation Rule Governing the Retirement and Termination of Bonded Debt Assistance, General Facilities Funding and Supplemental Millage Incentive Funding."*

Educational Excellence Trust Fund

The Educational Excellence Trust Funds (EETF), established in 1991, are defined and explained in A.C.A. § 6-5-301 et seq. as well as the rules from Arkansas Department of Education titled *“Rules Governing the School District Educational Excellence Trust Fund”*. The actual amount of Educational Excellence Trust Funds a district receives is included in the State Aid Notices. This amount is determined based upon general state revenues (A.C.A. § 6-5-301) and therefore changes from year to year. If a school district’s EETF obligation in a given year exceeds its highest trust fund obligation between FY 1991 and the current year, the district must ensure that the difference in the highest year and the current year is used in accordance with accordance law and rules. EETF is included and part of the foundation funding.

Miscellaneous Funds

Miscellaneous Funds are defined in A.C.A. § 6.20.2303 as

(A) From federal forest reserves, federal grazing rights, federal mineral rights, federal impact aid, federal flood control, wildlife refuge funds, and severance taxes; and

(B) In lieu of taxes, and local sales and use taxes dedicated to education under § 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.;

Miscellaneous funds are coded by the district and the amount of funds receivable by the district is defined by §6.20.2308. The miscellaneous funds of a district are calculated by multiplying the total amount of miscellaneous funds received in the calendar year immediately preceding the beginning of the current school year and multiplying it by the ratio of the URT to the district's total millage rate.

If the current amount of miscellaneous funds received is less than the previous year, the department will distribute the difference to the district. If the current amount of miscellaneous funds received is more than the previous year, the department will recoup the difference with the district. This only applies if the district receives state foundation funding. A district's collection of miscellaneous funds is calculated in the local wealth calculations for the purposes of determining foundation funding.

Miscellaneous funds are unrestricted funds.

Special Education

Per ADE's Program Description Manual,

*"This program provides extended year summer programs for students with disabilities, provides special education services to foster children who are wards of the State placed in out-of-state residential facilities, and provides funds for the partial reimbursement of salaries for special education supervisors."*⁵

State funding for special education is based on how many days/hours and weeks each student participated, and ADE reimburses the school districts on a per-student basis. These funds are dispersed based upon availability and during FY14 the amount was \$74 per day.

Special Education - Catastrophic

Per ADE's "Program Descriptions Manual",

*"Provides for state funding to school districts for local occurrences when the costs of special education and related services required by an individual child are unduly expensive, extraordinary, or beyond the routine and normal costs associated with special education. Reimbursement from this program for an individual child can be sought only after eligible costs equal or exceed \$15,000 for the special education child. Medicaid and other third party funding are obtained prior to requesting state catastrophic funding."*⁵

Early Childhood Special Education

This state funding source helps support the provision of special education and related services for children ages three to five with disabilities by Education Service Cooperatives (ESC) and school districts operating their own preschool special education program. This funding source also covers the state Medicaid match for physical, occupational, and speech therapy services for preschool children with disabilities served by ESCs.

Residential Centers/Juvenile Detention

This state funding source is available to provide reimbursement to the resident district (district in which the facility is located) for the educational costs associated with school-age students without disabilities and students with disabilities ages 3-21 in approved residential treatment facilities or juvenile detention centers (JDC). Residential treatment center educational costs are reimbursed to school districts each quarter at \$60 per day, but may be prorated based upon the availability of funds. JDC facilities are funded quarterly based upon the formula set forth in the ADE Special Education and Related Services Procedural Requirements Section 18.00.

Title VI Part B Special Education Programs for Early Childhood

Federal funding is provided to Early Childhood (EC) programs for special education services for children ages three to five with disabilities. Special education and related services (including accommodations, modifications, and supplementary aides and supports, as determined appropriate by the IEP Team) are provided to eligible students with disabilities in the least restrictive environment. Associated costs include, but are not limited to, special education teacher salaries, paraprofessional salaries, equipment, supplies, transportation, related services, and professional development.

Title VI PART B Special Education Programs for School-age Students

Federal funding is provided to LEAs for the provision of special education and related services to school-age students with disabilities. Special education and related services (including accommodations, modifications, and supplementary aides and supports, as determined appropriate by the IEP Team) are provided to eligible students with disabilities in the least restrictive environment. Associated costs include, but are not limited to, special education teacher salaries, paraprofessional salaries, equipment, supplies, transportation, related services, professional development, purchased services, etc.

Maintenance of Effort

The ADE is required by federal regulation to ensure all school Districts in Arkansas comply with §300.203 of the Individuals with Disabilities Education Act (IDEA), which mandates that school Districts meet a Maintenance of Effort (MOE) obligation.

In order to be eligible to receive a Part B grant award, a District must meet the MOE requirements at 34 CFR §300.203(b) which require that a District both budget, in each subsequent year, at least the same amount that it expended in the most recent prior year for which information is available, and expend from year to year, at least the same amount that it expended in the previous year.

Determination of whether the District has met the MOE expenditure requirement is made after final actual expenditures have been reported. The District must meet at least one of the four “tests”: 1) Local, 2) Local plus State, 3) Local Per Capita, 4) Local plus State Per Capita for the MOE budget requirement and for the MOE expenditure requirement.

Local plus State is usually the first test districts run. Districts use the following process to determine MOE (2013-14 school year used as an example below). This is available to districts in an electronic checklist form.

- 1) FY 2013-14 Annual Financial Report (AFR) amount
- 2) FY 2012-13 Previous year Annual Financial Report (AFR)
- 3) AFR MOE STATUS

(subtract #2 from #1 to determine MOE status)

If the amount in #3 is a positive number, MOE has been met.

If amount in #3 is a negative number, MOE has not been met. The district can attempt to reduce their current year (13-14 in this example) state and local AFR by meeting one or more of the following four exceptions”

A1. Departure of Personnel: 1) If the person who departed was replaced by another person at a lower salary both salaries and benefits must be reported.

The difference can be used to reduce MOE; 2) If a person departed and was not replaced, the total salary and benefits can be used to reduce MOE

A2. Decrease in enrollment of children with disabilities: (this would be for the current year) If the district has shown a decrease in child count from the

previous year, the difference can be calculated to reduce MOE (see example below):

2012-13 State/Local Special Ed. MOE Expenditures divided by the 12-1-12 child count to determine the per child expenditures. The per-child expenditure is multiplied by the difference in the number of students to determine the amount of reduction allowed.

1. 12-01-12 Child Count	126
2. 12-01-13 Child Count	123
3. Difference	3
4. 2012-13 State/Local Special Ed MOE Expenditures	\$ 548,262.79
5. Per child expenditures (#4 / #1)	\$ 4,351.29
6. Amount of Reduction (#5 X #3)	\$ 13,053.88

A3. Departure of an exceptionally costly child to the program: A child with a disability that requires an exceptionally costly program (equipment and/or materials that are used exclusively for this child) has left the district or has reached the age at which the child is no longer in services (graduated and/or reached the age at which the LEA is no longer obligated to provide FAPE to the child).

A4. Termination of costly expenditures for long-term purchases such as the acquisition of equipment or the construction of school facilities:

The MOE must be met by the cycle 9 (period 13) submission to APSCN.

Child Nutrition

The Arkansas Department of Education/Child Nutrition Unit (ADE/CNU) administers the National School Lunch Program, the School Breakfast Program, the Special Milk Program, the Afterschool Snack Program, the Seamless Summer Program and the Fresh Fruits and Vegetables Grants in the public schools in Arkansas. The United States Department of Agriculture (USDA), Food and Nutrition Service administers these programs at the Federal level. At the State level, the National School Lunch Program is usually administered by State education agencies, which operate the program through agreements

According to the USDA-regulations, the CNU provides technical assistance, training, monitoring, and processes claims for reimbursement of federal funds used in the operation of local school nutrition programs. The CNU serves as the pass through agency for approximately \$185 million federal dollars to public school districts for reimbursable meals served to students. USDA requires that approximately \$2 million in state funds is paid as required state matching to each district either by payment of deliveries for USDA donated foods or as a per lunch match for the total lunches served by school districts in the previous school year.

Reimbursement rates are established by USDA, released at the beginning of each school year. There are higher funding rates that Districts may receive such as severe need breakfast and safety net lunch. Severe need breakfast rates are additional funds above the regular reimbursement rate available to Districts in which forty percent (40%) or more of the lunches served to students in the school in the second preceding year were served free or at a reduced price. District's must apply and are approved to receive additional severe need funds for breakfast. The severe need breakfast funds are by school not district. Districts are required to apply for the severe need breakfast funds in the spring for the upcoming school year. Safety net lunch funds are additional funds provided to Districts based on the District having served 60% of the previous year's lunches to free and reduced eligible students. Districts also receive additional performance based funds for all lunches served that meet the required USDA meal

pattern and nutrient standards, once the menus have been certified by the State Agency.

Meal Applications may be distributed to all students at the beginning of each school year. The household applications returned are used to determine student's correct eligibility. Students who are not included on a household application are not eligible for free or reduced-price meal benefits unless they are on a categorically eligible list. Categorically eligible lists include direct certification, Homeless, Runaway, Migrant, Head Start, Even Start, and Foster. Students on the categorically eligible lists are considered free and the District does not have to get an application from those student's households. A Child Nutrition master roster/point of sale roster is developed with free, reduced and paid student eligibility from all source documents (approved meal applications and categorically eligible lists).

Meals are planned and served to meet the meal pattern and nutrient standards set by USDA regulations. Meals served are claimed in correct eligibility category (free, reduced, and paid) and recorded on a daily record sheet. At the end of each month, the daily record sheet for each site is consolidated and submitted on the monthly claim for reimbursement to CNU. The Claim for Reimbursement is submitted to ADE/CNU. ADE/CNU reviews and processes the claim and requests payment be issued to the district.

Better Chance Program

Per the ADE "*Program Descriptions Manual*",

"This program funds innovative and developmentally appropriate early childhood programs for educationally deprived children. Act 1132 of 1997 transferred the Early Childhood Commission to the Department of Human Services with the Grants remaining with the Department of Education. Arkansas Better Chance Grants are administered by the Division of Child Care and Early Childhood Education of the Department of Human Services for the purpose of serving educationally deprived children ages birth through five years old, excluding kindergarten. Within the Arkansas Better Chance Program is the Arkansas Better Chance for School Success (ABCSS) Program, which funds innovative and developmentally appropriate early childhood programs for educationally deprived children ages three and four. For the 2013-2014 school year, the distribution of funds was based on \$4,860 per child for classroom-based programs and \$1,750 per child for home visit programs."⁵

All Better Chance funds are restricted and must be used in accordance with the rules of the grant.

MEDICAID

Medicaid is a federally funded program. As described in the “*Review of Arkansas Medicaid Program School Services and Reimbursements*” produced by the Bureau of Legislative Research,

“Federal law, namely IDEA and the Medicare Catastrophic Coverage Act of 1988, established a system of Medicaid-related reimbursement for schools that offer medical services to students. These services must be part of a student’s Individualized Education Program (IEP) or Individualized Healthcare Plan (IHP) for school districts to obtain reimbursement from Medicaid for providing services. Qualifying services must also meet all required provider guidelines established in the Arkansas Medicaid Provider Manuals.

Initially, participating Arkansas school districts were eligible to receive Medicaid reimbursements for the following services:

- *Occupational therapy.*
- *Physical therapy.*
- *Speech language pathology.*

Over time, the following additional services became eligible for Medicaid reimbursement:

- *Personal care.*
- *Private duty nursing.*
- *School-based mental health.*
- *Targeted case management.*
- *Various screenings, including vision and hearing.”⁶*

ARMAC

ARMAC stands for “Arkansas Medicaid Administrative Claiming”. This is a federally funded program that allows districts to receive funding for administrative activities being performed to carry-out Medicaid, outreach, health services and health training.

In order to receive ARMAC funding, the district must input their personnel information in the ARMAC database. After verification, the participants are eligible to receive email surveys in the future that ask them about their current activity. With this information, ARMAC funding is distributed on a quarterly basis to the district.

ARMAC funds are considered restricted funds and may be used to augment health related services or programs in the district.

Isolated Funding

Isolated Funding is addressed in A.C.A. §6-20-601 *et seq.*

In addition to the flowcharts on the following pages, A.C.A. §6-20-604 (h) states:

“(2) (A) Undistributed funds under this section and §§ 6-20-601 and 6-20-603 shall be distributed on an equal basis per school district to each school district that is eligible to receive funds under subsections (c), (d), or (e) of this section.

(B) Funds distributed under subdivision (h)(2)(A) of this section shall be used by the school district only for transportation costs of the isolated school areas in the school district.”

Isolated Funding

6-20-601

Does the district meet **4** of the following **5** criteria? 6-20-601
Definition of an **"Isolated School District"**

- Distance of 12 miles or more by hard-surfaced highway from the high school of the district to the nearest adjacent high school in an adjoining district
- Density ratio of transported students is less than 3 students per square mile
- Total area of the district is 95 square miles or greater
- Less than 50% of bus routes is on hard-surfaced roads
- There are geographic barriers such as lakes, rivers, and mountain ranges that would impede travel...

Yes

If no, then no funding is available.

School District's budget is prepared with Department of Education approval?

Does the school district have a prior-year three quarter average daily membership of less than 350?

Does the district and each school meet the minimum standards for accreditation prescribed by law and regulation?

Yes to ALL

Yes. (District must choose funding under 6-20-601 OR 6-20-603.)

Is the district receiving funding under 6-20-603?

No

Funding

Category I

- $(350 \text{ minus prior year three quarter ADM})/850$
- Multiplied by prior year three quarter ADM
- Multiplied by per-student foundation funding amount

Category II

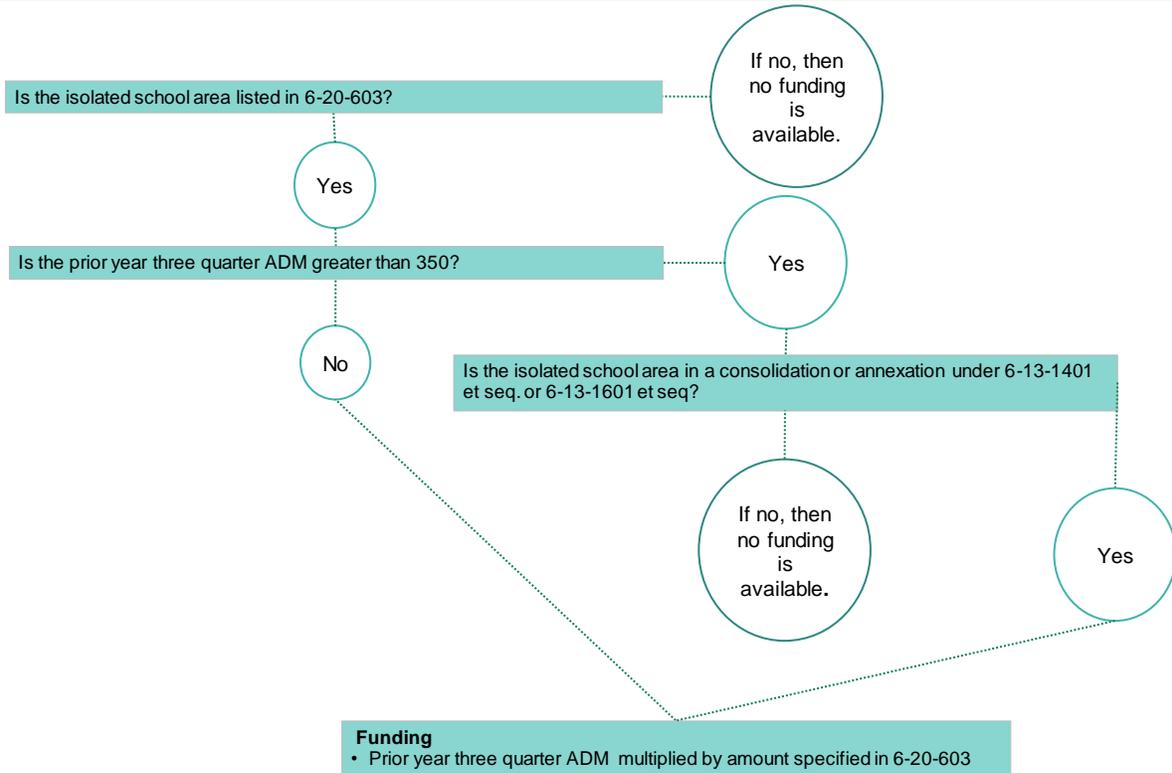
- (In addition to Category I and must have a prior year three quarter ADM density ratio of less than 1.2. Is calculated at 50% of Category I)

If the District is receives revenue in excess of the per-student foundation amount, then funding is based upon:

- (Sum of Category I and Category II) minus per-student foundation funding amount
- Minus per-student revenue and then multiplied by prior year three quarter ADM.

Isolated Funding

6-20-603



Per-Student Isolated Funding per A.C.A. §6-20-603

County <u>Column A</u>	School District <u>Column B</u>	Per Student Isolated Funding Amount <u>Column C</u>
Van Buren	Alread	2,219
Dusha	Arkansas City	2,040
Randolph	Biggers-Rayno	763
Miller	Bright Star	916
Marion	Bruno-Pyatt	329
Dallas	Carthago	1,938
Independence	Cord-Charlotte	235
Woodruff	Cotton Plant	733
Crittenden	Crawfordsville	642
Newton	Dear	853
Greene	Delaplaine	215
Dusha	Delta Special	952
Nevada	Emmet	307
Sharp	Evening Shade	115
Ashley	Fountain Hill	339
Yell	Fourche Valley	1,603
Arkansas	Gillett	1,000
Lincoln	Gould	765
Lincoln	Grady	560
Polk	Hatfield	42
Monroe	Holly Grove	868
Arkansas	Humphrey	328
Union	Huttig	668
Cleveland	Kingsland	394
Madison	Kingston	661
Phillips	Lake View	1,054
Searcy	Leslie	628
Lawrence	Lynn	782
Columbia	McNeil	329
Union	Mount Holly	898
Newton	Mount Judon	622
Izard	Mount Pleasant	225
Johnson	Oark	1,576
Montgomery	Oden	671
Saline	Paron	733
Yell	Plainsview-Rover	297
Franklin	Pleasant View	679
Randolph	Randolph County	444
Lawrence	River Valley	106
Stone	Rural Special	788
Searcy	Saint Joe	727
Madison	Saint Paul	123
Hempstead	Saratoga	1,407
Van Buren	Scotland	1,841
Dallas	Sparkman	487
Ouachita	Stephens	1
Stone	Stone County	367
Jackson	Swifton	458
Columbia	Taylor	353
Howard	Umpire	2,152
Union	Union	45
Columbia	Walker	819
Newton	Western Grove	375
Cleburne	Wilburn	978
Sharp	Willford	475
Washington	Winslow	494

Special Needs Isolated Funding

6-20-604

Was the school district consolidated or annexed or received an annexed school under the Public Education Reorganization Act, § 6-13-1601 et seq.?

Yes

If no, no funding is available.

Did the local school district board of directors by majority vote determine that the isolated school is so isolated that to combine its operation to one (1) school district campus would be impractical or unwise?

Yes

Does the isolated school or district:

(A) Meets the requirements of § 6-20-601 and filed an affidavit of isolated school status with the State Board of Education during the consolidation or annexation process, and the facts of the affidavit are verified by the state board or its designee;

(B) Meets the requirements of § 6-20-601 and filed an affidavit of isolated school status with the state board after the consolidation or annexation process or with regard to the 2006-2007 school year no later than June 1, 2006, and the facts of the affidavit are verified by the state board or its designee; **OR**

(C) Meets the requirements of § 6-20-601 but for the prior-year three-quarter average daily membership requirement of three hundred fifty (350) students or fewer and filed an affidavit of isolated school status with the state board after the consolidation or annexation process or with regard to the 2006-2007 school year no later than June 1, 2006, and the facts of the affidavit are verified by the state board or its designee?

If no, no funding is available.

Yes

Does the school district have:

(1) School facilities serving students in any grade in kindergarten through grade twelve (K-12), in one (1) or more isolated schools meeting the requirements of subsection (b) of this section;

(2) A prior-year three-quarter average daily membership for the school district of five hundred (500) or less; and

(3) A density ratio of one and three-tenths (1.3) students or less per square mile?

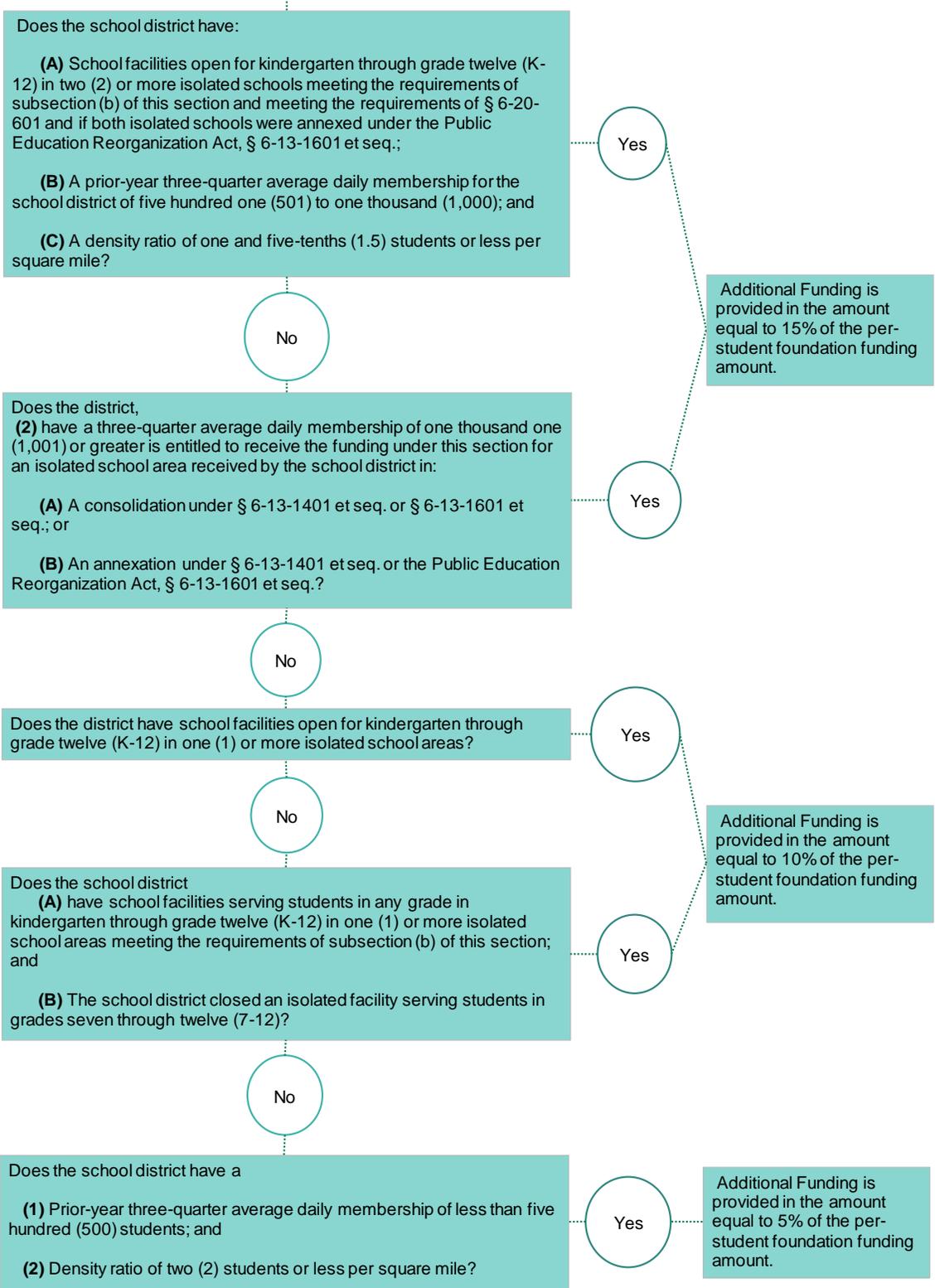
Yes

Additional Funding is provided in the amount equal to 20% of the per-student foundation funding

No

Continued on next page

Special Needs Isolated Funding A.C.A. 6-20-604 Cont.



State Aid Notices

State Aid Notices are provided by ADE at multiple times throughout the year. These reports assist districts in budgeting revenue and can be accessed via the ADE website. A typical schedule for the release of these reports is shown below:

School Districts

Preliminary: Late July ~ Early August

Preliminary: Late February ~ Early March

Preliminary: Late June ~ Early July

Final: Late August ~ Early September

Open Enrollment Charter Schools

Preliminary: August

Preliminary: Late February ~ Early March

Preliminary: Late June ~ Early July

Final: Late August ~ Early September

State Aid Notice: Sample

LEA: 6001
 County: PULASKI
 District: LITTLE ROCK

Preliminary
 State Aid Notice 2014-15
 July 31, 2014

Refer to Commissioner's Memo Number
 FIN-15-007 for additional information

		DATA					
1.	2013 Real Assessment	\$	2,402,445,332	15.	Initial Per-Student Revenue	\$	3,696,27
2.	2013 Personal Assessment	\$	707,924,245	16.	Initial Per-Student Foundation Funding Amount	\$	6,521,00
3.	2013 Utility Assessment	\$	238,696,325	17.	Initial Per-Student State Foundation Funding Aid	\$	2,824,73
4.	2013 Total Assessment	\$	3,349,065,902	18.	PY ALE FTEs (Qtrs. 1-4)		376,198719
5.	98% of URT X Assessment	\$	82,052,115	19.	CY English Language Learner Students		
6.	Net Revenues	\$	517,424	20.	PY NSL Students (Free and Reduced)		17,084
7.	2012 Calendar Year Calculated Misc. Funds ¹	\$		21.	Adjusted 1/1/05 Scheduled Debt Payment	\$	11,624,903.18
8.	2014 Calendar Year Calculated Misc. Funds ¹	\$		22.	State Wealth Index for Bonded Debt Assistance		
9.	2012-13 ADM (Qtrs. 1-3 Avg.)		22,186,99	23.	PY ADM of Isolated School Area		
10.	2013-14 ADM (Qtrs. 1-3 Avg.)		22,338,62	24.	Isolated Funding Amount	\$	0
11.	2014-15 ADM (Qtr. 1)			25.	District Square Miles		97.35
12.	Estimated 2014-15 ADM for SGF (Qtr. 2)			26.	District Total Millage Rate as of 1/1/12		46.40
13.	Estimated 2014-15 ADM for SGF (Qtr. 3)			27.	District Total Millage Rate as of 1/1/14		46.40
14.	Estimated 2014-15 ADM for SGF (Qtr. 4)						

		FUNDING					
28.	State Foundation Funding Aid ¹ (\$6,521)	\$	63,100,602	6-20-2303, 6-20-2305, 6-20-2308	Restricted	Rev. Code	SOF Code
29.	98% of URT X Assessment less Net Revenues ²	\$		6-20-2303, 6-20-2305	No	31101	2001
30.	Educational Excellence Trust ³ - R	\$	6,428,956	6-5-301 et seq.	No	31103	2001
31.	Alternative Learning Environment (\$4,383) - R	\$	1,648,879	6-20-2303, 6-20-2305	Yes	32370	275
32.	English Language Learners (\$317) - R	\$		6-20-2303, 6-20-2305	Yes	32371	276
33.	NSL State Categorical ⁴ (\$517/51,033/51,549) - R	\$	17,647,772	6-20-2303, 6-20-2305	Yes	32381	281
34.	NSL Transitional Funding ⁴ (Rate Varies) - R	\$	0	6-20-2305	Yes	32381	281
35.	NSL State Categorical Withholding ⁴	\$	0	6-20-2305	Yes	32381	281
36.	NSL Growth Funding ⁴ - R	\$	0	6-20-2305	Yes	32381	281
37.	Professional Development (\$26,67) - R	\$	595,771	6-20-2303, 6-20-2305	Yes	32256	223
38.	Bonded Debt Assistance (\$18.03) - R	\$	0	6-20-2503	Yes	32915	001
39.	State Financial Assistance - GFF - R	\$	7,595	6-20-2503	No	32912	392
40.	State Financial Assistance - SMIF - R	\$	0	6-20-2503	No	31620	001
41.	Isolated Funding	\$	0	6-20-601, 6-20-603	Yes	31500	212
42.	Special Needs Isolated Funding ⁵	\$		6-20-604 (c), (d) & (e), Act 293	Yes	31500	212
43.	Special Needs Small District Funding ⁵	\$		6-20-604 (f), Act 293	No	32249	2920
44.	Special Needs Isolated Transportation ⁵	\$		6-20-604 (h), Act 293	Yes	32248	228
45.	Declining Enrollment Funding ⁵ - R	\$	0	6-20-2305	No	31460	218
46.	Declining Enrollment Adequacy	\$		6-20-2305	No	31460	218
47.	Student Growth-Qtr. 1 & Est. Qtrs. 2, 3, & 4 ⁵ - R	\$		6-20-2303 & 2305	No	31450	217

ACA-Arkansas code annotated, ADM-average daily membership, ALE-alternative learning environment, Avg.-average, CY-current year, Est.-estimated, FTE-full-time equivalent, FY-fiscal year, GFF-general facilities funding, LEA-local education agency, Misc.-miscellaneous, NSL-national school lunch, PY-prior year, Qtr.-quarter, R-state board rule, Rev.-revenue, SGF-student growth funding, SMIF-supplemental millage incentive funding, SOF-source of fund, URT-uniform rate of tax

1) Misc. funds are defined and calculated as per ACA § 6-20-2303 (11), ACA § 6-20-2308, ACA § 6-20-2503 and Act 322 of 2013 (see the temporary language); new Rules pending.
 2) Negative funding amounts for 98% of URT X Assessment less Net Revenues indicate funds owed to the state. Districts with negative funding amounts will receive written notification that will include information on how to code the repayment transaction.
 3) Educational excellence trust funds are included in state foundation funding aid and are restricted pursuant to ACA § 6-5-307.
 4) The combination of NSL state categorical, NSL transitional (plus or minus), NSL state categorical withholding (minus), and NSL growth funding equals the total net NSL state categorical funding received by a school district.
 5) Eligible school districts shall receive the higher of student growth funding plus special needs isolated, small district, and transportation funding or declining enrollment funding. No school district shall receive both declining enrollment funding and student growth funding or special needs isolated, small district, and transportation funding. The Initial FY15 state aid notice provides declining enrollment funding that has not been compared to student growth funding (est. or actual) and/or special needs isolated, small district, and transportation funding. Subsequent FY15 state aid notices will reflect these comparisons. The final determination of FY15 student growth funding will be made in FY16.

Annual Statistical Report

In compliance with the provisions of A.C.A. §6-20-2201 et seq., the Annual Statistical Report (ASR) of the Public Schools of Arkansas, Public Charter Schools, and Education Service Cooperatives is published annually on the website of the Arkansas Department of Education.

The appendix in the ASR includes Arkansas Public School Computer Network (APSCN) coding specifications for each line item in the report. Information contained in the reports is obtained from the Annual Financial Report submitted in Cycle 9 and Budget submitted in Cycle 1.

In addition, school districts are listed according to Local Education Agency (LEA) number in the Rankings Report, and are ranked from highest to lowest on the following data:

- Ranked by Per Pupil Expenditures
- Ranked by ADA
- Ranked by ADM
- Ranked by K12 Licensed FTE
- Ranked by Average Salary K12 (Classroom) Licensed
- Ranked by Licensed FTE
- Ranked by Average Salary Licensed FTE

Annual Statistical Report: Sample

Annual Statistical Report 2013/2014

State District Totals

	2013/2014 Actual	2014/2015 Budget		2013/2014 Actual	2014/2015 Budget
1 Area In Square Miles	53,161		CURRENT EXPENDITURES		
2 ADA	438,132		Instruction:		
3 ADA Pct Change over 5 Years	1%		49 Regular Instruction	1,756,346,657	1,694,781,774
4 4 Qtr ADM	461,597		50 Special Education	317,149,848	329,535,020
5 Prior Year 3 Qtr ADM	461,104		51 Career Education	119,428,208	119,015,545
6 Assessment	44,333,874,513		52 Adult Education	9,517,376	9,024,695
7 M&O Mills	25.63		53 Compensatory Education	125,693,981	138,301,218
8 URT Mills	25.00		54 Other	172,671,826	185,268,957
9 M&O Mills In Excess of URT	0.63		55 Total Instruction	2,500,807,896	2,475,927,209
10 Dedicated M&O Mills	0.07		District Level Support:		
11 Debt Service Mills	11.75		56 General Administration	98,443,444	104,068,757
12 Total Mills	37.46		57 Central Services	118,187,472	113,028,864
13 Total Debt Bond/Non Bond	3,945,452,456		58 Maintenance & Operations Of Plant	451,319,232	458,509,312
State and Local Revenue			59 Student Transportation	203,025,960	205,714,621
14 Property Tax Receipts (Incl URT)	1,619,649,401	1,647,295,905	60 Othr District Level Support Service	15,229,193	12,982,380
15 Other Local Receipts	222,707,337	119,541,474	61 Total District Support Services	886,205,301	894,303,934
16 Revenue From Interm Srcs	4,078,292	3,045,003	School Level Support:		
17.1 Foundation Funding (Excl URT)	1,879,794,031	1,918,840,959	62 Student Support Services	217,045,208	232,118,585
17.2 98% of URT X Assessment less Net Revenues	19,448,927	8,353,173	63 Instructional Staff Support Service	349,272,652	379,785,411
18 Student Growth Funding	29,011,530	9,304,414	64 School Administration	227,388,330	230,256,841
19 Declining Enrollment Funding	9,773,009	10,038,370	65 Total District Support Services	793,706,191	842,160,837
20 Consolidation Incentive/Assistance	1,917,900	3,815,182	Non-Instructional Services:		
21 Isolated Funding	6,040,268	5,180,335	66 Food Service Operations	251,696,683	235,954,956
22 Supplemental Millage Incent. Funds	1,994,215	984,907	67 Other Enterprise Operations	4,650,407	1,840,243
23 Other Unrestricted State Funding	286,705	143,411	68 Community Operations	13,167,057	14,491,826
24 Total Unrestricted Revenue from State and Local Sources	3,794,701,614	3,726,543,135	69 Other Non-Instructional Services	0	0
Restricted Revenue from State Sources:			70 Total Non-Instructional Services	269,514,147	252,287,025
25 Adult Education	8,287,900	7,672,337	71 Facilities Acquisition And Const.	354,783,120	354,877,871
Regular Education:			72 Debt Service	285,311,300	251,259,053
26 Professional Development	20,419,133	12,678,916	75 Other Non-Programmed Costs	16,890,800	5,418,928
27 Other Regular Education	17,417,462	6,862,538	76 Total Expenditures	5,107,218,756	5,076,234,856
Special Education:			77 Less: Capital Expenditures	(423,083,973)	(422,205,405)
28 Gifted And Talented	696,605	354,098	78 Less: Debt Service	(285,311,300)	(251,259,053)
29 Alt. Learning Environment (ALE)	22,109,450	23,750,947	79 Total Current Expenditures	4,398,823,483	4,402,770,399
30 English Language Learner (ELL)	10,967,415	12,642,637	80 Exclusions from Current Expenditures	(255,337,745)	(174,643,256)
31 National School Lunch State Categorical Funds (NSL)	197,717,336	207,276,203	81 Net Current Expenditures	4,143,485,737	4,228,127,143
32 Other Special Education	33,715,146	30,518,995	82 Per Pupil Expenditures	9,457	
33 Career Education	15,565,422	15,290,849	83 Personnel - Non-Federal Licensed Classroom FTEs	33,213.30	
34 School Food Service	2,604,278	2,416,951	83.5 Total Salary - Non-Federal Licensed Classroom FTEs	1,596,245,074	
35 Educational Service Cooperatives	137,916	5,000	84 Avg Salary - Non-Federal Licensed Classroom FTEs	48,060	
36 Early Childhood Programs	57,396,747	56,028,350	85 Personnel - Non-Federal Licensed FTEs	36,379.62	
37 Magnet School Programs	78,774,558	7,821,886	85.5 Total Salary - Non-Federal Licensed FTEs	1,836,176,212	
38 Other Non-Instructional Program Aid	78,170,742	136,342,451	86 Avg Salary - Non-Federal Licensed FTEs	50,473	
39 Total Restricted Revenue from State Sources	543,980,112	519,662,158	87.1 Legal Balance (funds 1-2-4)	775,809,617	771,348,103
40 Total Restricted Revenue from Federal Sources	549,173,680	582,002,165	87.2 Categorical Fund Balance	25,552,147	12,717,804
Other Sources of Funds:			87.3 Deposits With Paying Agents (QZAB)	8,055,105	7,466,637
41 Financing Sources	406,077,863	129,556,567	87.4 Net Legal Bal (Excl Cat & QZAB)	742,202,365	751,163,662
42 Balances Conso/Annexed District	4,881,319	138,887	88 Building Fund Balance (fund 3)	661,841,641	552,197,417
43 Indirect Cost Reimbursement	3,493,998	2,931,713	89 Capital Outlay Balance/Dedicated M&O (fund 5)	13,333,210	12,194,463
44 Gains & Losses - Sale Fixed Assets	2,060,988	290,859			
45 Compensation - Loss Of Fixed Assets	4,979,486	2,488,883			
46 Other	1,296,093	275,046			
47 Total Other Sources of Funds	422,789,747	135,681,956			
48 Total Revenue and Other Sources of Funds from All Sources	5,310,645,153	4,963,889,415			

Timelines of Different Funds

Below is a sample timeline on the distribution of payment notifications for the 2013-2014 school year. This chart is found on the APSCN website and updated throughout the year.

June 2013/2014	
Charter School Payment Notification	School District Payment Notification
National School Lunch State Foundation Funding	Alternative Learning Environment Bonded Debt Assistance Grants to School Districts 2013/2014 Isolated Funding National School Lunch State Foundation Funding Uniform Rate of Tax
May 2013/2014	
Charter School Payment Notification	School District Payment Notification
National School Lunch State Foundation Funding	National School Lunch State Foundation Funding Student Growth Funding
April 2013/2014	
Charter School Payment Notification	School District Payment Notification
National School Lunch State Foundation Funding Student Growth Funding	Isolated Funding National School Lunch State Foundation Funding Student Growth Funding
March 2013/2014	
Charter School Payment Notification	School District Payment Notification
National School Lunch State Foundation Funding	National School Lunch State Foundation Funding
February 2013/2014	
Charter School Payment Notification	School District Payment Notification
National School Lunch State Foundation Funding	Isolated Funding National School Lunch State Foundation Funding
January 2013/2014	

Charter School Payment Notification	School District Payment Notification
Declining Enrollment National School Lunch State Foundation Funding Student Growth Funding	Bonded Debt Assistance Declining Enrollment National School Lunch State Financial Assistance General Facilities State Financial Assistance Supplemental Millage Incentive State Foundation Funding Student Growth Funding

December 2013/2014

Charter School Payment Notification	School District Payment Notification
English Language Learners National School Lunch State Foundation Funding	English Language Learners National School Lunch State Foundation Funding

November 2013/2014

Charter School Payment Notification	School District Payment Notification
National School Lunch State Foundation Funding	National School Lunch State Foundation Funding

October 2013/2014

Charter School Payment Notification	School District Payment Notification
National School Lunch National School Lunch Growth State Foundation Funding	Alternative Learning Environment National School Lunch National School Lunch Growth State Foundation Funding

September 2013/2014

Charter School Payment Notification	School District Payment Notification
National School Lunch Professional Development State Foundation Funding	National School Lunch Professional Development State Foundation Funding

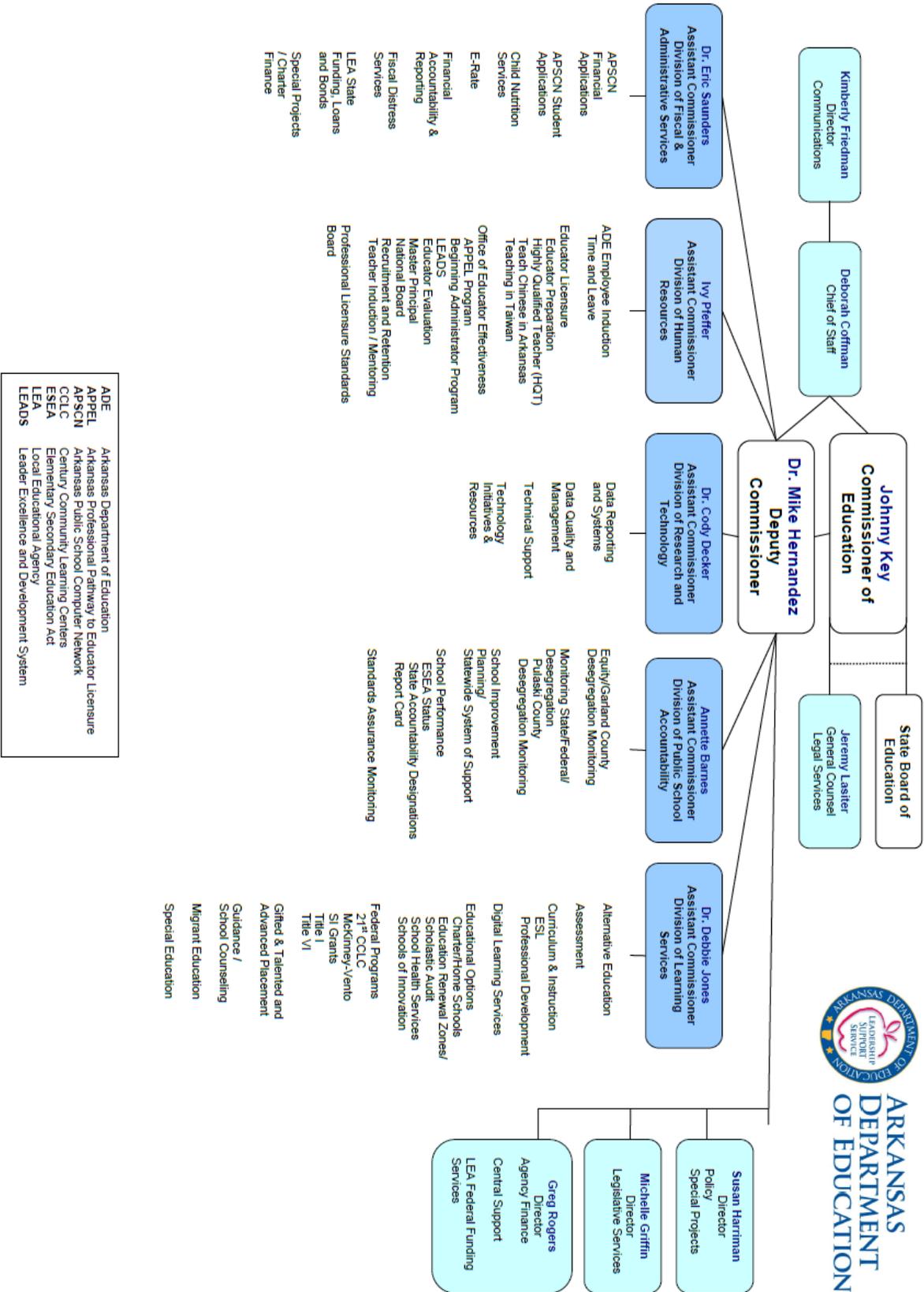
August 2013/2014

Charter School Payment Notification	School District Payment Notification
National School Lunch State Foundation Funding Student Growth Funding FY13 Final Adjustment	Declining Enrollment Funding FY13 Final Adjustment National School Lunch State Foundation Funding Student Growth Funding FY13 Final Adjustment

July 2013/2014

Charter School Payment Notification	School District Payment Notification
State Foundation Funding	Bonded Debt Assistance Consolidation/Annexation Incentive State Financial Assistance General Facilities State Financial Assistance Supplemental Millage Incentive

Organizational Chart of Arkansas Department of Education



ADE Website

There are numerous reports available on the ADE website. Through the Fiscal and Administrative Services section of the website, the following reports can be accessed:

- Assessments and Pullback Reports
- Annual Statistical Reports
- Athletic Expenditure Reports
- Fiscal Distress Lists
- Legal Balances
- Loans/Bonds/Outstanding Indebtedness for Arkansas Public Schools
- Millage Reports
- Miscellaneous
- Salary Reports
- State Aid Notices
- Tier I Presentations

Additionally, the ADE Data Center has information available. The information available on the ADE Data Center is from Cycle reports and other sources. Students enrollment, Standards Accreditations, School Performance, etc... are available.

References

1. Arkansas Bureau of Legislative Research: 2014: The Resource Allocation of Foundation Funding for Arkansas School Districts and Open-Enrollment Charter Schools: [http://www.arkleg.state.ar.us/education/K12/AdequacyReports/2014/2014-07-15/03-Resource%20Allocation%20Report,%20BLR%20\(27\).pdf](http://www.arkleg.state.ar.us/education/K12/AdequacyReports/2014/2014-07-15/03-Resource%20Allocation%20Report,%20BLR%20(27).pdf)
2. Arkansas Constitution Article 14
3. Arkansas Department of Education: 2012: Rules Governing the Distribution of Student Special Needs Funding and the Determination of Allowable Expenditures of Those Funds:
<http://www.sos.arkansas.gov/rulesRegs/Arkansas%20Register/2012/June12Reg/005.16.12-003.pdf>
4. Arkansas Department of Education: 2009: Rules Governing the Calculation Methods for Declining Enrollment and Student Growth Funding for Public School Districts: http://www.arkansased.org/public/userfiles/Legal/Legal-Current%20Rules/ade_296_declining_1009_current.pdf
5. ADE's Program Descriptions Manual: FY 2014.
6. Arkansas Bureau of legislative Research: June 6, 2014: Review of Arkansas Medicaid Program School Services and Reimbursements:
<http://www.google.com/url?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=1&ved=0CB4QFjAA&url=http%3A%2F%2Farklegaudit.gov%2Fshowfile.php%3Ft%3Dwebaudit%26fid%3DSPSR00113&ei=KwHZVI3dEpDBgwStwIKoDQ&usg=AFQjCNFRniFGL9ZDk7NeiwbCrd8jmSOGWQ&bvm=bv.85464276,d.eXY>