Arkansas DEPARTMENT OF EDUCATION
DIRECTOR'S COMMUNICATION
4 State Capitol Mall Little Rock, Arkansas 72201-1071 (501) 682-4475
Dr. Kenneth James, Director

(1)

Memo Number : FIN-09-071 **Date Created :** 04/28/2009

Attention:

Superintendents
Co-op Directors
other: General Business Managers
School Purchasing Officials

Type of Memo: Regulatory

Response Required: No

Section: Fiscal and Administrative Services - William J. Goff, Assistant Commissioner

Subject:
Purchasing and Bidding Requirements for Commodities

Regulatory Authority:
Ark. Code Ann. §§ 6-21-301 and 6-21-304; 7 Code of Federal Regulations 3016.60(b)

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Ark. Code Ann. § 6-21-301 provides the following definitions:

COMMODITIES - All supplies, goods, materials, equipment, machinery, facilities, personal property, and services, other than personal and professional services, purchased for or on behalf of the school district.

OPEN MARKET PURCHASES - Those purchases of commodities by any purchasing official in which competitive bidding is not required.

PURCHASE - Means and includes not only the outright purchase of a commodity but also the acquisition of commodities under rental-purchase agreements, lease-purchase agreements, or any other type of agreements whereby the school district has an option to buy the commodity and to apply the rental payments on the purchase price thereof.

PURCHASE PRICE - The full sale or bid price of any commodity without any allowance for trade-in.

PURCHASING OFFICIAL - The board of directors of any school district or a lawfully designated agent of the school district with authority to contract or make purchases on behalf of the school district.

Ark. Code Ann. provides that open market purchases of commodities may be made where the purchase price is less than ten thousand dollars ($10,000). However, no purchasing official shall parcel or split any item or items with the intent or purpose to enable the purchase to be made under a less restrictive procedure. In addition, Commissioner's Memo FIN-09-036 dated December 5, 2008, provides further information regarding ethical guidelines related to purchases.

If the estimated purchase price equals or exceeds ten thousand dollars ($10,000), the

commodity shall be procured by soliciting bids, provided the purchasing official may reject all bids and may purchase the commodity by negotiating a contract. If the purchasing official, after rejecting all bids, determines that the purchase should be made by negotiation, then each responsible bidder who submitted a bid shall be notified of the determination and shall be given a reasonable opportunity to negotiate.

The local school board shall have exclusive jurisdiction for the purchase of Types A, B, C, and D school buses. The Department of Education shall have responsibility for drawing up the minimum specifications for all school buses and the local school board may request the State Procurement Director to solicit bids for school buses on its behalf.

The following items may be purchased without soliciting bids:

1. Commodities in instances of an unforeseen and unavoidable emergency. However, no emergency purchase shall be approved by the superintendent unless a statement in writing is attached to the purchase order describing the emergency necessitating the purchase of the commodity without competitive bidding.
2. Commodities available only from the federal government.
3. Utility services, the rates for which are subject to regulation by a state agency or a federal regulatory agency.
4. Used equipment, machinery, and used school buses. A school bus becomes a used school bus two (2) years after the date of issuance of the manufacturer's certificate of origin.
5. Commodities available only from a single source. However, the purchasing official must determine in writing that it is not practicable to use other than the required or designated commodity or service, and a copy of this statement shall be attached to the purchase order.

BIDS (Ark. Code Ann. § 6-21-304)

In soliciting bids for the purchase of a commodity, a school district or a person or organization acting on behalf of a school district, shall not impose qualifications or specifications that unreasonably restrict competition for the purchase of a commodity. "Specifications" means a technical description or other description of the physical or functional characteristics of a commodity. Specifications shall not include the name or identity of any specific vendor. If the purchase will be from the federal child nutrition food service fund, potential bidders cannot have input into the development of specifications and/or advance review of the completed procurement documents. (See FIN-09-069 dated April 17, 2009.)

A school district shall notify in writing all actual or prospective bidders, offerors, or contractors who make a written request to the school district for notification of opportunities to bid. Such notice shall be provided in sufficient time to allow actual or prospective bidders, offerors, or contractors to submit a bid or otherwise appropriate response.

Any competitive bid submitted to a school district or education service cooperative in response to a solicitation for bids for the purchase of a commodity shall be accompanied by a form substantially similar to one of the attachments to this memo. Any person determined to have made a false statement on the submitted form or any bidder who acts contrary to the provisions of the form after its agent has executed the form shall be guilty of a Class C misdemeanor.

Any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with the solicitation or award of a school district or educational service cooperative contract may protest to the superintendent of the school district in accordance with procedures established by the board of directors of the school district. Protest procedures shall include, at a minimum, provisions addressing the following:

1. Authority of the superintendent or education service cooperative director to settle and resolve a protest of an aggrieved person concerning the solicitation or award of a contract.
2. Submission of a protest in writing within seven (7) calendar days after the aggrieved

person knows or should have known of the facts giving rise to the protest.
3. Reasonable notice to all persons involved and reasonable opportunity for those persons to respond to the protest issues.
4. Issuance of a prompt decision in writing that states the reasons for the action taken which is provided to all interested parties.
5. Impact of a protest on continuing with the solicitation or award of the school district contract pending the resolution of the protest.
6. Award of costs with regard to the successful protests.

A decision on a protest under the above procedures shall be final and conclusive.

Please reference Commissioner's Memo FIN-09-069, Purchasing Cooperatives and Applicable Procurement Regulations for Federal Child Nutrition, dated April 17, 2009, for more detailed information regarding purchases from School Food Service funds.

Attachments:

- **Bidder Assur. and Disclosure Form - Ed. Coop**
- **Bidder Assur. and Disclosure Form - Sch District**

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Department of Education Home Page

Bidder Assurances and Disclosure - Education Service Cooperative Bid

Name of Education Service Cooperative:_____

Bid Description/Number:_____

Bid Opening Date:_____

Assurances:

I, _____ hereby state:

1. I am the duly authorized agent of _____, the bidder submitting the competitive bid which is attached to this statement, for the purpose of certifying the facts pertaining to the existence of collusion among and between bidders and education service cooperative officials, as well as facts pertaining to the giving or offering of things of value to education service cooperative personnel in return for special consideration in the awarding of any contract pursuant to the bid to which this statement is attached.
2. I am fully aware of the facts and circumstances surrounding the making of the bid to which this statement is attached and have been personally and directly involved in the proceedings leading to the submission of the bid.
3. Neither the bidder nor anyone subject to the bidder's direction or control has been a party:
    a. To any collusion among bidders in restraint of freedom of competition by agreement to bid at a fixed price or to refrain from bidding;
    b. To any collusion with any education service cooperative official or employee as to quantity, quality or price in the prospective contract, or as to any other terms of the prospective contract; or
    c. In any discussions between bidders and any education service cooperative official concerning exchange of money or other thing of value for special consideration in the awarding of a contract.
4. I hereby guarantee that the specifications outlined in the bid shall be followed as specified and that deviations from the specifications shall occur only as part of a formal change process approved by the Board of Directors of the education service cooperative.

Disclosure:

1. Does any board member or employee of the education service cooperative have a financial interest in your business or hold a position as officer, director, trustee, partner, or other top level management?_____ Yes _____No

2. Does any board member or employee of the education service cooperative have a family relationship with anyone employed by your business? _____Yes _____No

(If the answer is yes to either of the above questions, provide details in a separate attachment to this form.)

3. Did you or your company assist the education service cooperative or any agent of the education service cooperative with the development of the bid specifications?
   _____Yes _____No

If yes:

a. Were you or your company compensated? _____Yes _____No
b. Is your company's name or identity included anywhere within the specifications?
   _____Yes _____No
c. Were you offered any preferential treatment in the bid evaluation process?
   _____Yes _____No

_____ _____
Signature Date

_____ _____
Name Title

_____
Company

Subscribed and sworn to before me this _____day of _____, 20_____.

_____
Notary Public

Any person determined to have made a false statement on the form or any bidder who acts contrary to the provisions of the form after its agent has executed the form shall be guilty of a Class C misdemeanor.

Bidder Assurances and Disclosure -
School District Bid

Name of School District:_____

Bid Description/Number:_____

Bid Opening Date:_____

Assurances:

I, _____ hereby state:

1. I am the duly authorized agent of _____, the bidder submitting the competitive bid which is attached to this statement, for the purpose of certifying the facts pertaining to the existence of collusion among and between bidders and school district officials, as well as facts pertaining to the giving or offering of things of value to school district personnel in return for special consideration in the awarding of any contract pursuant to the bid to which this statement is attached.
2. I am fully aware of the facts and circumstances surrounding the making of the bid to which this statement is attached and have been personally and directly involved in the proceedings leading to the submission of the bid.
3. Neither the bidder nor anyone subject to the bidder's direction or control has been a party:
    a. To any collusion among bidders in restraint of freedom of competition by agreement to bid at a fixed price or to refrain from bidding;
    b. To any collusion with any school district official or employee as to quantity, quality or price in the prospective contract, or as to any other terms of the prospective contract; or
    c. In any discussions between bidders and any school district official concerning exchange of money or other thing of value for special consideration in the awarding of a contract.
4. I hereby guarantee that the specifications outlined in the bid shall be followed as specified and that deviations from the specifications shall occur only as part of a formal change process approved by the Board of Directors of the school district.

Disclosure:

1. Does any school board member or employee of the school district have a financial interest in your business or hold a position as officer, director, trustee, partner, or other top level management?_____ Yes _____No

2. Does any school board member or employee of the school district have a family relationship with anyone employed by your business? _____Yes _____No

(If the answer is yes to either of the above questions, provide details in a separate attachment to this form.)

3. Did you or your company assist the school district or any agent of the school district with the development of the bid specifications? _____Yes _____No

If yes:

a. Were you or your company compensated? _____Yes _____No
b. Is your company's name or identity included anywhere within the specifications? _____Yes _____No
c. Were you offered any preferential treatment in the bid evaluation process? _____Yes _____No

(If the purchase will be from the school district's federal child nutrition food service fund, potential bidders cannot have input into the development of specification. – 7 Code of Federal Regulations 3016.60(b))

_____ _____
Signature Date

_____ _____
Name Title

_____
Company

Subscribed and sworn to before me this _____day of _____, 20_____.

_____
Notary Public

Any person determined to have made a false statement on the form or any bidder who acts contrary to the provisions of the form after its agent has executed the form shall be guilty of a Class C misdemeanor.

(2)

ARKANSAS DEPARTMENT OF EDUCATION
RULES AND REGULATIONS GOVERNING ETHICAL GUIDELINES AND PROHIBITIONS FOR EDUCATIONAL ADMINISTRATORS, EMPLOYEES, BOARD MEMBERS AND OTHER PARTIES

November 14, 2011

1.00 REGULATORY AUTHORITY

1.01 These rules and regulations shall be known as the Arkansas Department of Education Rules Governing Ethical Guidelines and Prohibitions for Educational Administrators, Employees, Board Members and other parties.

1.02 These rules are enacted pursuant to the Arkansas State Board of Education's authority under Ark. Code Ann. §§ 6-11-105, 6-24-101 et seq., 25-15-201 et seq., and Act 878 of 2011.

2.00 PURPOSE

2.01 The purpose of these rules is to set forth certain ethical guidelines and prohibitions for educational administrators, employees, board members and other parties which involve contracts, transactions or agreements with Arkansas public school districts, charter schools, educational cooperatives or any publicly supported entity having supervision over public educational entities excluding institutions of higher education.

3.00 DEFINITIONS

Unless otherwise specifically stated herein, the term:

3.01 "Administrator" means any superintendent, assistant superintendent or his/her equivalent, open-enrollment public charter school director, school district treasurer, business manager, or other individual responsible for entity-wide purchasing. *The determining factor for being considered an "administrator" for the purposes of these regulations is the actual or implied authority of an individual to make purchases on behalf of the entire organization. This definition excludes many building principals (whose purchasing authority is often limited to their own school), but could include athletic directors or others. Classified employees serving in food services, business/accounting or other capacities may also be considered "administrators" when they exercise autonomous system-wide purchasing authority.*

3.02 "Board" means local school boards or other governing bodies of public educational entities;

3.03 "Board Member" means any board member, director, or other member of a

governing body of a public educational entity;

3.04 "Board of Education" means the State Board of Education;

3.05 "Commissioner" means the Commissioner of the Arkansas Department of Education or his or her designee.

3.06 "Commodities" means all supplies, goods, material, equipment, computers, software, machinery, facilities, personal property, and services, other than personal and professional services, purchased for or on behalf of a public educational entity;

3.07 "Contract" means any transaction or agreement for the purchase, lease, transfer, or use of real property or personal property and personal or professional services, including but not limited to, motor vehicles, equipment, commodities, materials, services, computers or other electronics, construction, capital improvements, deposits, and investments;

3.08 "Contract disclosure form" means the form herein incorporated and attached to these rules as Appendix Form B;

3.09 "Day" means a working day in which the Arkansas Department of Education is open to transact official governmental business;

3.10 "Department" means the Arkansas Department of Education;

3.11 "Directly" or "directly interested" means receiving compensation or other benefits personally or to a business or other entity in which the individual has a financial interest or receives other benefits. *See 3.16 "Financial interest." A direct interest exists even when a management position or ownership interest is merely "on paper," and is not dependent on the exercise of actual authority or the receipt of actual financial benefits from a business or entity;*

3.12 "Emergency purchase" means purchases mandated by unforeseen and unavoidable circumstances in which human life, health, or public property is in immediate jeopardy; and the expenditure is necessary to preserve life, health, or public property;

3.13 "Employee" means a full-time employee or part-time employee of a public educational entity;

3.14 "Employment contract" means an agreement or contract between an employer and an employee in which the terms and conditions of the employment are provided.

3.15 "Family" or "family members" means:

3.15.1 An individual's spouse;

3.15.2 Children of the individual or the children of the individual's spouse;

3.15.3 The spouse of a child of the individual or the spouse of a child of the individual's spouse;

3.15.4 Parents of the individual or parents of the individual's spouse;

3.15.5 Brothers and sisters of the individual or brothers and sisters of the individual's spouse;

3.15.6 Anyone living or residing in the same residence or household with the individual or in the same residence or household with the individual's spouse; or

3.15.7 Anyone acting or serving as an agent of the individual or as an agent of the individual's spouse.

3.16 "Financial interest" in a business or other entity means:

3.16.1 Ownership of more than a five percent (5%) interest;

3.16.2 Holding a position as officer, director, trustee, partner, or other top level management; or

3.16.3 Being an employee, agent, independent contractor, or having any other arrangement in which the individual's compensation is based in whole or in part on transactions with the public educational entity.

3.16.4 "Financial interest" does not include:

3.16.4.1 The ownership of stock or other equity holdings in any publicly held company; or

3.16.4.2 Clerical or other similar hourly compensated employees.

3.17 "Gratuity" means a payment, loan, subscription, advance, deposit of money, travel, services or anything having a present market value of one hundred dollars ($100) or more unless consideration of substantially equal or greater value is received;

3.18 "Indirectly" or "indirectly interested" means that a family member, business, or other entity in which the individual or family member has a financial interest will receive compensation or benefits;

3.19 "Initially employed" means:

3.19.1 Employed in either an interim or permanent position for the first time or following a severance in employment with the school district; or

3.19.2 A change in the terms and conditions of any existing contract, excluding:

3.19.2.1 Any renewal of a teacher contract under Ark. Code Ann. § 6-17-1506;

3.19.2.2 Renewal of a noncertified employee's contract that is required by law; or

3.19.2.3 Movement of an employee on the salary schedule that does not require board action.

3. 20 "Public educational entity" means Arkansas public school districts, charter schools, education service cooperatives, or any publicly-supported entity having supervision over public educational entities. "Public educational entity" does not include institutions of higher education.

3.21 "Unusual and limited circumstances" means, without limitation, those circumstances that are uncommon, rare and restricted.

3.21.1 For the purposes of employment contracts, unusual and limited circumstances may include without limitation, a shortage of qualified candidates.

3.21.2 For contracts and transactions other than employment contracts, unusual and limited circumstances may include without limitation: the selected vendor being the only vendor within a reasonable distance offering the required services; or the selected vendor offering the lowest bid for prices or services as compared to two (2) or more other bidders.

3.22 "Written resolution" means the form herein incorporated and attached to these rules and regulations as Appendix Form C.

4.00 COMPLIANCE WITH OTHER LAWS AND RULES

4.01 Nothing in these rules alters or diminishes other statutory or regulatory requirements regarding purchasing, contracting, bidding, disposition of property, or other transactions with public educational entities.

4.02 Nothing in these rules alters or diminishes the professional and/or ethical obligations of licensed personnel.

5.00 GENERAL PROHIBITION

5.01 No board member, administrator, or employee shall knowingly use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself or others.

5.02 While serving as a board member, administrator, or employee, an individual shall not accept employment, contract, or engage in any public or professional activity that a reasonable person would expect might require or induce him or her to disclose any information acquired by the member by reason of his or her official position that is declared by law or regulation to be confidential.

5.03 No board member, administrator, or employee shall knowingly disclose any confidential information gained by reason of his or her position, nor shall the member knowingly otherwise use such information for his or her personal gain or benefit.

5.04 Nothing in these rules prohibits board members, administrators, or employees of public educational entities from donating services or property to a public educational entity.

6.00 GENERAL ETHICAL STANDARDS FOR NON-EMPLOYEES

Any effort by a nonemployee to influence a public educational entity board member, administrator, or employee to breach the standards of ethical conduct stated in these rules and Ark. Code Ann. § 6-24-101 et seq. is a breach of ethical standards punishable under the criminal penalties set forth in Ark. Code Ann. § 6-24-101 et seq.

7.00 RESTRICTIONS ON EMPLOYMENT OF PRESENT AND FORMER ADMINISTRATORS

7.01 Unless written approval is granted by the Commissioner it is a breach of ethical standards for an administrator to be or become the employee, agent, or independent contractor of any party contracting with the public educational entity

the administrators serve. The Commissioner's approval letter shall be filed with and maintained by the public educational entity employing the administrator.

7.02 Unless written approval is granted by the Commissioner it is a breach of ethical standards for administrators to engage in selling or attempting to sell commodities or services to the public educational entity they served or were employed by for one (1) year following the date employment or service ceased.

8.00 GRATUITIES AND KICKBACKS

8.01 It is a breach of the ethical standards for any person to offer, give, or agree to give any board member, administrator, or employee a gratuity or an offer of employment in connection with any contract or transaction of a public educational entity.

8.02 It is a breach of the ethical standards for any board member, administrator, or employee to solicit, demand, accept, or agree to accept from another person or entity a gratuity or an offer of employment in connection with any contract or transaction of a public educational entity.

8.03 It is a breach of the ethical standards for any payment, gratuity, or offer of employment to be made by or on behalf of a person or an entity as an inducement for the award of a contract or transaction with a public educational entity.

9.00 EMERGENCY PURCHASES

9.01 Any emergency purchases or contracts with a public educational entity shall be exempt from the prohibitions of these rules.

9.02 Emergency purchases shall only be used for the preservation of life, health or public property, and shall not be used to substantially improve the condition of an asset of the public educational entity, the board member, administrator or employee of the public educational entity prior to the emergency.

9.03 Each public educational entity shall maintain records and copies of all documentation relating to and supporting a determination that the transactions qualify as emergency purchases.

9.04 Any person using emergency purchases to avoid the intent of these rules shall be guilty of violating these rules and shall be subject to the penalties provided for in these rules and in Ark. Code Ann. § 6-24-101 et seq.

10.00 SCHOOL BOARDS

10.01 General Prohibition: Except as otherwise provided, it is a breach of the ethical standards for a board member to contract with the public educational entity the member serves if the board member has knowledge that he or she is directly or indirectly interested in the contract.

10.02 Employment of Family Members: A board member's family member may not be initially employed by the public educational entity the member serves during the member's tenure of service on the local board for compensation in excess of five thousand dollars ($5,000) unless the Commissioner issues a letter of exemption and approves the employment contract based on unusual and limited circumstances.

10.02.1 The determination of unusual and limited circumstances shall be at the sole discretion of the Commissioner as further defined by these rules.

10.02.2 A family member of a school board member who was employed by the public educational entity during the school year immediately preceding the election of the board member may continue employment with the public educational entity under the same terms and conditions of the previously executed contract and any renewal of the contract under Ark. Code Ann. § 6-17-1506.

10.02.3 Subject to the local board's written policy, a qualified family member of a board member may be employed as a substitute teacher, substitute cafeteria worker, or substitute bus driver for a period of time not to exceed a total of thirty (30) days per fiscal year for the public educational entity served by the board member.

10.02.4 No employment contract that is prohibited under this section is valid or enforceable by any party to the employment contract until approved in writing by the Commissioner.

10.02.5 The Commissioner's approval of an employment contract may include restrictions and limitations that are by this section incorporated as terms or conditions of the contract.

10.02.6 Excluding any renewal of a contract under Ark. Code Ann. § 6-17-1506, any change in the terms and conditions of an employment contract, a promotion, or a change in employment status for a family member of a school board member employed by a public educational entity that will result in an increase in compensation of more than two thousand five hundred dollars ($2,500) must be approved in writing by the Commissioner before any change in the

terms or conditions of the employment contract or promotion or changes in employment status are effective, valid, or enforceable.

10.03 Exceptions:

10.03.1 Board Approval: In unusual or limited circumstances, a public educational entity's board may approve a contract, but not an employment contract, between the public educational entity and the board member or the member's family if the board determines that the contract is in the best interest of the public educational entity.

10.03.1.1 In unusual or limited circumstances, a public educational entity's board may approve an employment contract as provided in this section.

10.03.1.2 The approval by the public educational entity's board shall be documented by written resolution (Form C) after fully disclosing the reasons justifying the contract or employment contract in an open meeting. Such disclosure should include without limitation the contract disclosure form (Form B). The resolution shall state the unusual and limited circumstances necessitating the contract or employment contract and shall document the restrictions and limitations of the contract or employment contract.

10.03.1.3 If any proposed contract or employment contract is with a family member of a board member or a board member directly or indirectly interested in the proposed contract or employment contract, then the board member shall leave the meeting until the voting on the issue is concluded, and the absent member shall not be counted as having voted.

10.03.2 Independent Approval: If it appears the total transactions or contracts with the board member or a family member for a fiscal year total, or will total, five thousand dollars ($5,000) or more, the superintendent or other chief administrator of the public educational entity shall forward the written resolution (Form C) along with all relevant data, including Form B, to the Commissioner for independent review and approval.

10.03.2.1 The written resolution and other relevant data shall

be sent by certified mail, return receipt requested, or other method approved by the State Board of Education to assure that adequate notice has been received by the Department of Education and to provide a record for the school district board of directors sending the request for approval.

10.03.2.2 Upon review of the submitted data for any contract, including an employment contract, the Commissioner, within twenty (20) days of receipt of the resolution and other relevant data, shall approve or disapprove in writing the board's request.

10.03.2.3 The Commissioner may request additional information or testimony before ruling on a request. If additional data are needed for a proper determination, the Commissioner shall approve or disapprove the contract within twenty (20) days of receipt of the additional requested data.

10.03.2.4 If the Commissioner does not respond to the public educational entity within the twenty-day period or request additional time or data for proper review of the contract, the contract shall be deemed to be approved by the Commissioner.

10.03.2.5 If approved, the Commissioner shall issue an approval letter stating all the relevant facts and circumstances considered and any restrictions or limitations pertaining to the approval. The Commissioner may grant the approval for a particular transaction or contract, a series of related transactions or contracts, or employment contracts. However, the approval shall not be granted for a period greater than two (2) complete and consecutive fiscal years, excluding employment contracts.

10.03.2.6 No contract subject to the Commissioner's review and approval shall be valid or enforceable until an approval letter has been issued by the Commissioner or the Commissioner fails to respond to the public educational entity within the time periods specified in this section.

10.04 Records: The Department of Education and the public educational entity shall maintain a record and copy of all documentation relating to transactions or contracts with board members or members of their families.

10.05 Providing False or Incomplete Information: Any board member or other person knowingly furnishing false information or knowingly not fully disclosing relevant information necessary for a proper determination by the public educational entity or the Commissioner shall be guilty of violating the provisions of these rules and Ark. Code Ann. § 6-24-101 et seq.

10.06 School board members should also be mindful of the requirements of Ark. Code Ann. § 6-13-616, which prohibits school board members from being employed by the school district they serve.

11.00 ADMINISTRATORS

11.01 Except as otherwise provided, it is a breach of the ethical standards for an administrator to contract with the public educational entity employing him or her if the administrator has knowledge that he or she is directly or indirectly interested in the contract.

11.02 Except as otherwise provided, it is a breach of the ethical standards for an administrator to contract with any public educational entity if the administrator has knowledge that he or she is directly interested in the contract.

11.03 Family Members as Employees: These rules do not prohibit an administrator's family members from being employed by the public educational entity the administrator serves or any other public educational entity. However, a member of an administrator's immediate family or former spouse may not be initially employed as a disbursing officer of the public educational entity where the administrator is employed unless the public educational entity receives written approval from the Commissioner. Before issuing written approval or denial, the Commissioner shall request the Division of Legislative Audit to review the internal controls, including the segregation of duties, present at the public educational entity. The Division of Legislative Audit shall report its findings to the Commissioner.

11.04 Exceptions:

11.04.1 In unusual and limited circumstances and only with prior written approval from the Commissioner, an administrator may contract with a public educational entity other than the public educational entity employing him or her.

11.04.2 In unusual and limited circumstances and only with prior written approval from the Commissioner, an administrator's family members may contract with a public educational entity employing the administrator.

11.04.3 An administrator seeking to contract with other public educational entities, or an administrator's family member seeking to contract with the public educational entity employing the administrator, shall first present the request, with all relevant facts and circumstances justifying approval, to the board currently employing the administrator at an open meeting. Such request should include without limitation the contract disclosure form (Form B).

11.04.4 After reviewing the request in an open meeting, the board may, by written resolution (Form C), approve the contract subject to approval by the Commissioner. A copy of the approval resolution (Form C) and all relevant data, including Form B, shall be forwarded by the board president to the Commissioner.

11.04.4.1 The written resolution and other relevant data shall be sent by certified mail, return receipt requested, or other method approved by the State Board of Education to assure that adequate notice has been received by the Department of Education and to provide a record for the school district board of directors sending the request for approval.

11.04.4.2 Upon review of the submitted data, the Commissioner shall, within twenty (20) days of receipt of the resolution and other relevant data, approve or disapprove in writing the board's request.

11.04.4.3 The Commissioner may request additional information or testimony before ruling on a request. If additional data is needed for a proper determination, the Commissioner shall approve or disapprove the contract within twenty (20) days of receipt of the additional requested data.

11.04.4.4 If the Commissioner does not respond to the public educational entity within the twenty-day period or request additional time or data for a

proper review of the contract, the contract shall be deemed to be approved by the Commissioner.

11.04.4.5 If approved, the approval letter shall state all relevant facts and circumstances considered in the approval and shall state any restrictions or limitations of the approval. The Commissioner may grant an approval for a particular transaction or a series of related transactions. No approval shall be granted for a period greater than two (2) complete and consecutive fiscal years.

11.04.5 The Department of Education and the public educational entity shall maintain a record and copy of all documentation relating to an exemption from the provisions of these rules.

11.04.6 A contract subject to this section is not valid until the Commissioner:

11.04.6.1 Approves the contract; or

11.04.6.2 Fails to respond to the public educational entity within the time periods specified in this section.

11.05 Providing False or Incomplete Information: Any administrator knowingly furnishing false information or knowingly not disclosing relevant information necessary for a proper determination by the public educational entity or the Commissioner shall be guilty of violating the provisions of these rules and Ark. Code Ann. § 6-24-101 et seq.

11.06 "Contract" defined: For the purposes of this section only, "contract" does not apply to employment contracts issued to an administrator of a public educational entity for administrative or other duties such as, but not limited to, teaching, bus driving, or sponsorship of clubs or activities.

11.07 Compensation for Officiating Athletic Events: Nothing in this section prohibits administrators from receiving compensation for officiating school-sponsored athletic activities with any public education entity.

11.08 Compensation for Conducting Seminars: Nothing in this section prohibits administrators from receiving compensation for conducting seminars for, or making presentations to, public educational entities other than the public educational entity employing them.

12.00 EMPLOYEES

12.01 Except as otherwise provided, it is a breach of the ethical standards for an employee to contract with the public educational entity employing him or her if the employee has knowledge that he or she is directly interested in the contract.

12.02 Exceptions

12.02.1 Approval by Board: In unusual and limited circumstances, a public educational entity's board may approve a contract between the public educational entity and the employee if the board determines that the contract is in the best interest of the public educational entity.

12.02.1.1 The approval by the public educational entity's board shall be documented by written resolution (Form C) after fully disclosing the reasons justifying the contract in an open meeting. Such disclosure should include without limitation the contract disclosure form (Form B). The resolution shall state the unusual circumstances necessitating the contract and shall document the restrictions and limitations of the contract.

12.02.1.2 Any board member directly or indirectly interested in the proposed contract shall leave the meeting until the voting on the issue is concluded, and the absent member shall not be counted as having voted.

12.02.2 Independent Approval: If it appears that the total transactions with an employee for a fiscal year total, or will total, five thousand dollars ($5,000) or more, the superintendent or other chief administrator of the public educational entity shall forward the written resolution (Form C) along with all relevant data, including Form B, to the Commissioner for independent review and approval.

12.02.2.1 The written resolution and other relevant data shall be sent by certified mail, return receipt requested, or other method approved by the State Board of Education to assure that adequate notice has been received by the Department of Education and to provide a record for the school district board of directors sending the request for approval.

12.02.2.2 Upon review of the submitted data, the Commissioner shall, within twenty (20) days of receipt of the resolution and other relevant data, approve or disapprove in writing the board's request.

12.02.2.3 The Commissioner may request additional information or testimony before ruling on a request. If additional data is needed for a proper determination, the Commissioner shall approve or disapprove the contract within twenty (20) days of receipt of the additional requested data.

12.02.2.4 If the Commissioner does not respond to the public educational entity within the twenty-day period or request additional time or data for a proper review of the contract, the contract shall be deemed to be approved by the Commissioner.

12.02.2.5 If approved, the Commissioner shall issue an approval letter stating all relevant facts and circumstances considered and any restrictions or limitations pertaining to the approval. The Commissioner may grant the approval for a particular transaction or series of related transactions. However, approval shall not be granted for a period greater than two (2) complete and consecutive fiscal years.

12.02.2.6 No contract subject to the Commissioner's review and approval shall be valid or enforceable until an approval letter has been issued by the Commissioner or the Commissioner fails to respond to the public educational entity within the time periods specified in this section.

12.03 Documentation: The Department of Education and the public educational entity shall maintain a record and copy of all documentation relating to transactions with employees.

12.04 Providing False or Incomplete Information: Any employee or other person knowingly furnishing false information or knowingly not fully disclosing relevant information necessary for a proper determination by the public educational entity

or the Commissioner shall be guilty of violating the provisions of these rules and of Ark. Code Ann. § 6-24-101 et seq.

12.05 "Contract" defined: For the purposes of this section only, the term "contract" does not apply to employment contracts issued to public educational entity employees or other transactions for the performance of teaching or other related duties such as, but not limited to, bus driving, sponsorship of clubs or activities, tutoring, summer school duties, or working at school sponsored events.

12.06 Technology Employees: All transactions involving the purchase, lease, acquisition, or other use of computers, software, copies, or other electronic devices from family members of an employee responsible for establishing specifications or approving purchases of such equipment shall be approved according to the requirements of this section regarding the purchase from an employee with a direct interest in the transaction.

13.00 REIMBURSEMENT OF EXPENSES

Nothing in these rules prevents board members, administrators, or employees from being reimbursed by the appropriate public educational entity for necessary and documented travel or other job-related expenses in accordance with law and school district policy.

14.00 EDUCATIONAL AWARDS, RECOGNITIONS, GRANTS AND GIFTS

Nothing in these rules prohibits administrators or employees of public educational entities from receiving monetary or other awards, grants, or benefits from entities generally recognized as providing benefits based upon exceptional skills or exemplary contributions to education.

15.00 REGISTRATION, TRAVEL, CONVENTIONS AND SEMINARS

15.01 Board members, administrators and employees of a public educational entity are prohibited from receiving any payment or reimbursement from a vendor for any registration, travel, lodging, food, entertainment or other expenses not directly associated with an educational interest or business interest of the public educational entity.

15.02 Board members, administrators and employees of a public educational entity are prohibited from receiving any trip or attending any convention or seminar which is paid for by a vendor when the purpose for the trip or attendance at the convention or seminar is not directly associated to an educational interest or business interest of the public educational entity.

15.03 Board members, administrators and employees of a public educational entity are prohibited from receiving any gift or award from any public educational entity except as allowed for by Arkansas law.

15.04 All public educational entities shall maintain a record and copy for at least three (3) years of all documentation relating to payments or reimbursements made by a vendor on behalf of a board member, administrator or employee for travel, lodging, food, registration, entertainment, or other expenses when the payments or reimbursements total $300.00 or more per fiscal year per individual board member, administrator, or employee.

15.05 Any board member, administrator or employee of a public educational entity that violates any provisions of these rules may be subject to the penalties and sanctions provided for in Section 17.00 of the rules.

16.00 FILING STATEMENT OF FINANCIAL INTEREST

16.01 Every board member, public and charter school superintendent, or executive director of a public school or educational cooperative shall timely file a financial statement of interest as required by Ark. Code Ann. § 21-8-701 et seq. The financial statement of interest and instructions for completing and filing the financial statement of interest can be found on the website of the Arkansas Ethics Commission: http://www.arkansasethics.com/.

16.02 Any person required to file a financial statement of interest as required under Arkansas law who fails to file said financial statement of interest shall be in violation of the provisions of these rules and regulations and may be subject to the sanctions and penalties provided for in Section 17.00 of these rules.

17.00 ADMINISTRATIVE SANCTIONS AND PENALTIES

17.01 The Department of Education may review alleged violations of these rules and of Ark. Code Ann. § 6-24-101 et seq. If the Department of Education reviews the allegations and the Commissioner determines that there is adequate evidence of a violation, the Commissioner may refer the allegations to the State Board of Education for review. If a licensed educator is alleged to have violated these rules or Ark. Code Ann. § 6-24-101 et seq., the Commissioner may refer the allegation(s) against the licensed educator to the Professional Licensure Standards Board in lieu of following the procedures listed below.

17.02 Upon the State Board's approval to review the alleged violation and after reasonable notice in writing to all parties, the State Board may schedule a hearing to determine whether an administrator or employee has knowingly violated the provisions of these rules or Ark Code Ann. § 6-24-101 et seq. At the State Board

hearing, a member of the Arkansas Department of Education or a member of the Professional Licensure Standards Board staff, as appropriate, shall present the allegations against the administrator or employee.

17.03 A hearing by the State Board shall be subject to the following procedures:

17.03.1 Each party will have the opportunity to present an opening statement of no longer than five (5) minutes, beginning with the representative of the Arkansas Department of Education or the Professional Licensure Standards Board. The Chairperson of the State Board may, only for good cause shown and upon the request of either party, allow either party additional time to present their opening statements.

17.03.2 Each party will be given thirty (30) minutes to present their cases, beginning with the representative of the Arkansas Department of Education or the Professional Licensure Standards Board. The Chairperson of the State Board may, only for good cause shown and upon the request of either party, allow either party additional time to present their cases.

17.03.3 Every witness giving oral testimony must be sworn under oath by the court reporter and shall be subject to direct examination, cross examination, and questioning by the State Board.

17.03.4 For the purposes of the record, documents offered during the hearing by the Arkansas Department of Education or the Professional Licensure Standards Board shall be clearly marked in sequential, numeric order (e.g. 1, 2, 3).

17.03.5 For the purposes of the record, documents offered during the hearing by the administrator or employee shall be clearly marked in sequential, alphabetic letters (e.g. A, B, C).

17.03.6 The Arkansas Department of Education or the Professional Licensure Standards Board shall have the burden of proving the basis for the violation by a preponderance of the evidence.

17.04 After presentation of all evidence, if the State Board determines that the administrator or employee knowingly violated the provisions of these rules, the State Board may provide any or all of the following administrative remedies:

17.04.1 Issue a letter of reprimand; or

17.04.2 Suspend or revoke the administrator's or teacher's Arkansas

teaching license for a definite period, or permanently.

17.05 After reasonable notice and opportunity for a hearing, a board of a public educational entity may take appropriate administrative remedies against an administrator or employee that has allegedly violated the provisions of these rules. If an administrator or employee of a public educational entity is charged by the prosecuting attorney for a possible violation of this chapter, the public educational entity's board may, after reasonable notice and opportunity for a hearing, place the individual charged on leave, with or without pay, dismiss the individual, or provide any other proper administrative remedy. If the individual is dismissed by the board due to charges being filed for an alleged violation of these rules, any employment contracts with the public educational entity shall be deemed void from the date of the action of the board.

18.00 NOTICE OF POTENTIAL CRIMINAL PENALTIES

18.01 Any board member, administrator, employee, or nonemployee who shall knowingly violate the provisions of Ark. Code Ann. § 6-24-101 et seq. shall be guilty of a felony.

18.02 Upon pleading guilty or nolo contendere to or being found guilty of violating the provisions of Ark. Code Ann. § 6-24-101 et seq., the court shall order restitution to the public educational entity.

18.03 In addition, the court may fine the violator in any sum not to exceed the greater of ten thousand dollars ($10,000) or double the dollar amounts involved in the transactions, sentence the violator to prison for not more than five (5) years, or impose both a fine and imprisonment.

19.00 REQUEST FOR REVIEW OF TRANSACTIONS

At the request of a board of a public educational entity, the executive administrator at a public educational entity, the Commissioner, or the Legislative Joint Auditing Committee, the appropriate prosecuting attorney shall review contracts or transactions for compliance with the provisions of Ark. Code Ann. § 6-24-101 et seq.

20.00 BOARD POSITION VACANT UPON CONVICTION

If a board member is found guilty of violating the provisions of Ark. Code Ann. § 6-24-101 et seq., the board member shall immediately cease to be a board member, the position is declared vacant, and a replacement shall be named as provided by law.

21.00 ENFORCEMENT OF CRIMINAL SANCTIONS BY THE PROSECUTING ATTORNEY

21.01 It shall be the duty and responsibility of the prosecuting attorneys to supervise compliance with Ark. Code Ann. § 6-24-101 et seq. and prosecute violators.

21.02 If the prosecuting attorney fails or refuses to enforce this chapter when the facts are known by the prosecuting attorney, or are called to his or her attention, the Attorney General or any citizen of this state may bring mandamus proceedings to compel the prosecuting attorney to perform his or her duties.

21.03 All criminal actions related to alleged violations of this chapter shall be filed in circuit court and shall be subject to the criminal rules and procedures of this state.

22.00 FORM PROCEDURES AND REQUIREMENTS

22.01 For purposes of these rules the following attached Forms A – C-are herein incorporated into these rules as Appendix Forms A – C and supporting documents.

22.02 A public educational entity shall use Forms A – C when such form is specifically required by any section of these rules.

22.03 A public educational entity seeking independent review and approval from the Commissioner shall submit a separate contract disclosure form (Form B) and written resolution (Form C) of approval for each contract involving a different party or entity.

NOTIFICATION LETTER
(Date)

Dear Board Members, Administrators and Employees:

A.C.A. § 6-24-101 et seq. requires full open disclosure and approval before a school district board member, administrator or employee may enter into contracts or other transactions with the school district where he/she serves or is employed.

A.C.A. § 6-24-101 et seq. does not apply to reimbursements paid for proper work-related expenses. However, in the case of hiring family members of administrators and/or board members, the district must meet all requirements set forth in A.C.A. § 6-24-101 et seq.

A.C.A. § 6-24-101 et seq. applies when the board member, administrator or school employee is "financially interested" or "directly interested" in the transaction. "Financially interested" means ownership or more than 5% interest; holding a position of officer, director, trustee, partner, or top level management; and/or the employee's compensation is based in whole or in part on transactions with the public education entity. For board members and administrators, restrictions may also apply to family members. "Directly interested" means receiving compensation or other benefits personally or to a business or other entity in which the individual has a financial interest or receives other benefits.

Therefore, board members, administrators and employees of this district have an affirmative obligation under A.C.A. § 6-24-101 et seq. to disclose relationships with vendors before the district enters into the contract or before services are performed. Disclosure is to be made to the superintendent of the district. Forms for this purpose will be provided by the district.

All transactions involving the purchase, lease, acquisition, or other use of computers, software, copiers, or other electronic devices from family members of an employee responsible for establishing specifications or approving purchases of such equipment shall be approved according to the requirements of Arkansas law regarding the purchase from an employee with a direct interest in the transaction.

A.C.A. § 6-24-101 et seq. requires proper disclosure and approval of the transaction at an open board meeting. In certain instances, approval by the Commissioner of the Department of Education is required.

Therefore, every district board member, administrator or employee will be required to disclose any potential vendor relationship by completing a disclosure form provided by the district. Failure to fully disclose could result in criminal charges being brought against the board member, administrator or employee. A copy of A.C.A. § 6-24-101 et seq. is available in the central office if you wish to review it. The law may also be viewed at www.arkleg.state.ar.us.

Sincerely,

Superintendent

Please sign below to acknowledge receipt of this notification.

_____ _____

Board Member, Administrator or Employee Date

B

CONTRACT DISCLOSURE FORM

Name of Public Educational Entity:_____

Name of Person Disclosing Transaction:_____

Note: ***Fully complete this form and return to the administration office. NO TRANSACTION OR SERVICE MAY BE RENDERED UNTIL THIS FORM HAS BEEN COMPLETED AND APPROVED. A.C.A. § 6-24-101 et seq. requires FULL and COMPLETE DISCLOSURE of transactions with public educational entities. KNOWINGLY FAILING to FULLY DISCLOSE pertinent information relating to a transaction could result in criminal charges.***

I am a (an) ☐ Board Member ☐ Administrator ☐ Employee

Note: ***"Board member" means any board member, director, or other member of a governing body of a public educational entity.***

"Administrator" means any superintendent or assistant superintendent or his or her equivalent, open-enrollment public charter school director, school district treasurer, business manager, or other individual directly responsible for entity-wide purchasing.

"Employee" means a full-time employee or part-time employee of a public educational entity.

_____

Mailing Address City State Zip

Home Telephone:_____ Work Telephone:_____

Nature of transaction subject to disclosure and approval: _____

_____

_____

_____

Estimated dollar amount of transactions with public educational entity for entire school year:

_____

Check One:

☐ I have a financial interest in the transaction with the public educational entity.
☐ A family member has a financial interest in the transaction with the public educational entity.
☐ Both a family member and I have a financial interest in the transaction with the public educational entity.

Nature of financial interest: (State how you and/or family members are financially interested in the transaction):_____

_____

_____

_____

_____

Justification for Approval: (State reason why you believe the transactions are in the best interest of the public educational entity. State the unusual and limited circumstances involved.)

_____

_____

_____

_____

_____

☐ Check here if Emergency Transaction as defined by A.C.A. § 6-24-101(9).

PLEASE ATTACH ANY OTHER ADDITIONAL INFORMATION OR DOCUMENTS YOU BELIEVE ARE NECESSARY FOR A FULL, COMPLETE, AND ACCURATE DISCLOSURE OF THE FACTS AND CIRCUMSTANCES OF THE TRANSACTIONS.

SIGNATURE: _____ DATE: _____

_____

FOR OFFICE USE ONLY:

Date completed form received by district:_____

_____ _____ _____
School Official's Signature Telephone Number FAX Number

Local Board Action: ☐ APPROVED ☐ DISAPPROVED

Date Presented to Board: _____

Board President's Signature: _____

Required to be presented to the Commissioner of the Department of Education for written approval: ☐ YES ☐ NO

Written Adopted Resolution Attached: ☐ YES ☐ NO

Required Additional Documentation: _____
_____
_____
_____
_____

Date Certified to ADE: _____

Date Commissioner's Written Approval received by district: _____

Effective Date: _____

Please return by certified mail to: Office of the Commissioner
Arkansas Dept. of Education
#4 Capitol Mall, Room 304-A
Little Rock, AR 72201

C

RESOLUTION
A.C.A. § 6-24-101 et seq.

Whereas the _____ School District Board of Directors met in a (regular/special), open, and properly-called board meeting on (MM/DD/YY), in (location).

Whereas (Number) members were present, a quorum was declared by the chair.

Whereas the Board of Directors received a recommendation to adopt a resolution to enter into a contract with _____

Full disclosure of all relationships and interest as required by A.C.A. § 6-24-101 et seq. that are relevant to proposed contract:

_____
_____
_____

Specific facts and reasons for justifying the contract were:

_____
_____
_____

The unusual and limited circumstances necessitating the contract were:

_____
_____
_____

List of relevant data enclosed supporting the unusual and limited circumstances:

_____
_____
_____

Note: For employment contracts, the following information may be necessary to support a finding of unusual and limited circumstances:

- *A copy of the job vacancy announcement or posting;*
- *A description of how/where the job vacancy announcement was posted;*
- *Copies of applications received;*
- *A list of those applicants who were interviewed;*
- *Interview/Applicant score sheets kept by the interviewer or hiring committee;*
- *A copy of the interviewer's or hiring committee's recommendation(s); and*
- *Specific justification of why the selected applicant is the best qualified candidate.*

For contracts and transactions other than employment contracts, the following information may be necessary to support a finding of unusual and limited circumstances:

- *Request for bids (if bids were required);*
- *Copies of bids submitted by interested vendors (if bids were required);*
- *Price lists or quotes by interested vendors;*
- *Number of bidders or interested vendors with names and addresses; and*
- *A list of those vendors offering similar services in the area.*

Whereas _____, board member(s) having declared an interest in the proposed contract, left the meeting prior to the discussion of the contract and did not return to the meeting room until the voting on the contract had been concluded.

Whereas the Board, after serious consideration, moved to approve the contract with:

_____

Whereas the contract was approved with the following restrictions and/or limitations:

_____

_____

_____

_____

Whereas the period of the contract shall be from _____ to _____.

Therefore, due to the specific reasons cited above, it is hereby declared to be the intent of the _____ School District Board of Directors to award this contract to

_____

As is required by A.C.A. § 6-24-101 et seq., the contract is contingent upon approval by the Commissioner of the Arkansas Department of Education, if required. If approval is denied, this contract approved by the Board would be null and void.

_____ _____

Superintendent Board President

_____ _____

Date Date

Special Education

1. **Special Education BUDGETS & ANNUAL FINANCIAL REPORTS**—expenditures must provide special education instruction and related services for students with disabilities.

A. FY 2012-13 Special Education Budget Data for each district's MySPED, the special education website, budget will be pulled from each district's *CYCLE 1 SUBMISSION TO APSCN due* 9-30-12. The completed Special Education Budget Signature Sheets (Statement of Intent, Assurances & Agreements, and ED 80-0013-Certification of Lobbying) along with equipment, bus, and/or Construction/Renovation Project requests are due 10-1-12. Budgets included are State/Local Special Education (Fund/Source 1000-1200, 1212-1239, 1278-1299, 2000-2200, 2212-2239, and 2278-2299 when used with Program codes 200-249), Title VI-B (Fund/Source 6702), Medicaid (Fund/Source 6750), and ARMAC (Fund/Source 6752).

B. FY 2011-12 Annual Financial Report (AFR) Data for each district's MySPED, the special education website, AFR will be pulled from each district's *CYCLE 9 SUBMISSION TO APSCN due* 8-31-12. Reports of Equipment or buses purchased and/or Construction/Renovation Projects completed are also due 10-1-12. Expenditures included are State/Local Special Education (Fund/Source 1000-1200, 1212-1239, 1278-1299, 2000-2200, 2212-2239, and 2278-2299 when used with Program codes 200-249), Title VI-B (Fund/Source 6702), Medicaid (Fund/Source 6750), and ARMAC (Fund/Source 6752).

2. **Maintenance of Effort (MOE)**—Meeting MOE means that a district must maintain the same level of expenditures for special education from State/Local funds for one year compared to the funds that were expended the previous year.

--The State/Local AFR for 2011-12 must show total expenditures that equaled or exceeded the total expenditures for 2010-11 unless the district qualified for federal exemptions to local Maintenance of Effort as allowed by 34CFR 300.204. (If the amount at the top of the 2011-12 State/Local AFR in MySPED, the special education website, {or the State/Local Special Education COGNOS AFR for Period 13 or FY '12) is positive, the district met MOE. If the amount is negative, the district must provide on the Special Education AFR Checklist the allowable federal exception(s) that equals or exceeds and justifies the negative amount which resulted from spending less State/Local special education funds in 2011-12 compared to expenditures in 2010-11.

--The State/Local budget for 2012-13 must show total budgeted that equals or exceeds the total expenditures for 2011-12 unless the district qualifies for federal exemptions to local Maintenance of Effort as allowed by 34CFR 300.204. If the amount at the top or the 2012-13 State/Local Budget in MySPED {or the State/Local Special Education COGNOS Budget for Period 3 of FY '13) is positive, the district met MOE. If the amount is negative, the district must provide on the Budget Checklist the allowable federal exception(s) that equal or exceed and justify the negative amount which resulted from budgeting less State/Local special education funds in 2012-13 than was spent in 2011-12).

The federal exemptions to reduce MOE as allowed by 34CFR 300.204 includes one or more of the following reasons:

1) Departure of personnel,

2) Decrease in enrollment of children with disabilities,

3) Departure of an exceptionally costly child, or

4) Termination of costly expenditures.

Note: Only personnel or costs paid from State/Local funds qualify for these exemptions.

Simply changing the funding source from State/Local funds to Title VI-B funds does not qualify a district for one of the federal exemptions.

3. **Budget 100% of Title VI-B Funds**-- Districts are required to budget 100% of Title VI-B funds available (Cash-on-Hand {should match the ending balance for Fund/Source 6702 of the district's Period 13 of FY '12 Board Report—in many cases this will be $0.00} + Reserve from previous year + Total Allocation for current year {both amounts appear on MySPED}). Appropriate special education account codes must be used. Program codes 200 through 269 (200 in most instances) must be used for special education budgets and expenditures. (Function codes 1210-1299, 2140-2149, 2150-2159, 2160-2168, 2213, 2292, 2900, and 2990 are generally acceptable special education codes. Function codes 1103-1199, 1265-1267, 1500-1599, 1950, 2230, 2293-2599 and 3000-3399 generally are NOT acceptable special education codes. Other function codes may be used but additional information may be required.

4. **10% Budget/Expenditure Variance**—EDGAR 80.30 (c) indicates that districts are allowed to expend up to ten percent of the total approved budget (Title VI-B) without obtaining the prior approval of the ADE. (Note: This is a change from previous years where districts were only allowed to expend up to ten percent of each function/object cell of the approved Title VI-B budget that is shown in MySPED). Any change in special education budgets after Cycle 1 submission to APSCN will require an amendment (accompanied by a COGNOS Budget showing the revision) for the Special Education Grants section to change the MySPED budget. Legislative auditors will use the latest version of the Title VI-B budget on MySPED as the approved budget when they review expenditures.

5. **Equipment, Bus, and Construction/Renovation Project Lists**—Districts must obtain prior approval to purchase equipment or buses and for construction/renovation projects by submitting appropriate request forms for purchasing Equipment, Bus, and/or Construction/Renovation Projects. Equipment requests must list the equipment requested and must match the amount shown in the Capital Outlay (Object 67000) column for each function code and the total amount of the Object 67000 column on the district's budget. Bus requests must include a copy of the bus specifications and certify that the bus will be used for the specialized transportation for a special education student or students with IEPs that require specialized transportation. Any transportation costs for non-disabled students

must be proportionately paid by non-special education funds. Construction/Renovation Project Request must provide an assurance that the project does NOT create a Least Restrictive Environment (LRE) and a description of how the project will benefit students with disabilities. The building specifications and drawings must also be provided.

Equipment and buses purchased must be listed on the Report of Equipment and/or Buses Purchased form. Costs (including taxes and shipping) must match the amount shown in the Capital Outlay (Object 67000) column for each function code and the total amount of the Object 67000 column on the district's AFR. A Report of Construction/Renovation Projects Completed must include cost and the account codes used for Construction/Renovation Projects payments.

6. **Budget & AFR Checklists**--The Special Education Budget Checklist and AFR Checklist must be completing by 10-1-12.

7. **Excess Cost**—Districts are required to complete the Excess Cost calculation as a part of the AFR Checklist. Location codes must be used to separate expenditures from 2011-12 by elementary and secondary levels and the district wide expenditures must be prorated to the elementary and secondary levels.

8. **CEIS (Coordinated Early Intervening Services)**—CEIS activities allow districts to use Title VI-B funds to provide services for non-special education students that helps keep these students from becoming special education students. The emphasis of CEIS should be directed toward Kindergarten through 3rd grade students but may be used for other students. Districts may voluntarily set aside up to 15% of the district's allocation for Part B, Section 611 & 619 (Preschool) for CEIS activities The maximum amount that can be used is posted on MySPED. Districts CANNOT exceed this posted amount. Function codes 1297 and 2213 may be used for Voluntary CEIS and Program code 265 must be used for the current year budget or AFR. Voluntary CEIS funds may be carried over to the next year. Carryover Voluntary CEIS must use Program code 264.

Any LEA that is found to have significant disproportionality based on race or ethnicity is referred to as a "Trigger" district. "Trigger" districts are required to use 15 percent of its IDEA Part B, Section 611 & 619 (Preschool) funds for comprehensive CEIS. The required amount is posted on MySPED and MUST be budgeted for REQUIRED CEIS. Function codes 1297 and 2213 may be used for REQUIRED CEIS and coded to Program code 269. Any unspent REQUIRED CEIS funds must be included in the following year's budget as Program code 267. Function 1297 CEIS expenditures CANNOT be included in State/Local Special Education, Medicaid or ARMAC budgets or AFRs.

9. **Private School Proportionate Share (PSPS)**—A proportionate share of Part B funds are required to be set aside as PSPS funds to provide service to eligible private or home school students. The required PSPS amount is posted on MySPED and MUST be budgeted for PSPS. Function codes 1218, 1228, 2158, and 2168 may be used PSPS. Current year PSPS funds must be budgeted to one of these function codes and coded to Program code 268. Any unspent PSPS funds must be included in the following year's budget as Program code 266.

(4)

Arkansas Department of Education
Rules Governing the Distribution of Student Special Needs Funding and the Determination of Allowable Expenditures of Those Funds
July 2010

1.00 Authority

1.01 The Arkansas State Board of Education's authority for promulgating these Rules is pursuant to Ark. Code Ann. §§ 6-11-105, 6-18-508, 6-18-509,and 6-20-2301 et seq.

1.02 These Rules shall be known as the Arkansas Department of Education (ADE) Rules Governing the Distribution of Student Special Needs Funding and the Determination of Allowable Expenditures of Those Funds.

2.00 Purpose

2.01 The purpose of these Rules is to distribute student special needs funding and define the allowable expenditures of those funds.

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

3.01 "Alternative Learning Environment (ALE)" is a student intervention program in compliance with Ark. Code Ann. §§ 6-18-508 and 6-18-509 and these Rules that seeks to eliminate traditional barriers to learning for students.

3.02 "Average Daily Membership (ADM)" is the total number of days of school attended plus the total number of days absent by students in grades kindergarten through twelve (K-12) during the first three (3) quarters of each school year divided by the number of school days actually taught in the school district during that period of time rounded up to the nearest hundredth.

3.02.1 In those instances in which the ADM for fewer than three (3) quarters is specified, the number of days used in the calculation shall be the days in the specified period of time.

3.02.2 As applied to these Rules, students who may be counted for ADM are:

3.02.2.1 Students who reside within the boundaries of the school district, are enrolled in a public school operated by the school district, and are enrolled in a curriculum that fulfills the requirements established by the State Board of Education (State Board) under the Standards for Accreditation of Arkansas Public Schools and School Districts;

3.02.2.2 Legally transferred students living outside the school district, but are attending a public school in the school district under a provision of the Arkansas Code and are enrolled in a curriculum that fulfills the requirements established by the State Board under the Standards for Accreditation of Arkansas Public Schools and School Districts.

3.02.2.3 Open-enrollment public charter school students who are enrolled in a curriculum that fulfills the requirements established by the State Board under the Standards for Accreditation of Arkansas Public Schools and School Districts;

3.02.2.4 Students who are eligible to attend and who reside within the boundaries of a school district and are enrolled in the Arkansas National Guard Youth Challenge Program, so long as the students are participants in the program; or

3.02.2.5 Any other circumstance allowed by law.

3.03 "Bonus" is a non-recurring payment to a school district employee, which shall not be considered an addition to the employee's contractual salary amount.

3.04 "Chronically Underperforming School" is a public school that does not meet adequate yearly progress under the No Child Left Behind Act of 2001, 20 U.S.C. § 6301 et seq., as it existed on July 1, 2009, for three (3) or more consecutive years.

3.05 "Classroom Teacher" is an individual who is required to hold a teaching license from the ADE and who is working directly in instruction with students in a classroom setting for more than seventy percent (70%) of the individual's contracted time; a guidance counselor; or a librarian.

3.06 "Coordinated School Health Coordinator" is an individual that coordinates the implementation or the Coordinated School Health model components, facilitates the Wellness Priority within the Arkansas Comprehensive School Improvement Plan (ACSIP) with a minimum of a bachelor's degree (Master's preferred) in either the field of education, nursing, health services administration, social services, psychology/mental health services or nutrition. The coordinator will be in addition to other school health staff or positions.

3.07 "Coordinated School Health" (CSH) is an effective system designed to connect health (physical, mental/emotional and social) with education. This coordinated approach improves students' health and their capacity to learn through the support of families, communities and schools working together. The CSH approach consists of eight major components. Although these components are listed separately, it is their composite that allows CSH to have significant impact. The eight components include: health education, physical education/physical activity, health services, nutrition services, health promotion for staff, counseling and psychological services, healthy school environment, and student/parent/community involvement.

3.08 "English Language Learners (ELL)" are students identified by the State Board as not proficient in the English language based upon approved English proficiency assessment instruments, which measure oral, reading, writing, speaking, listening proficiency, and comprehension of English.

3.09 "Eligible ALE Student" is a student who meets the qualifications of Section 4.01, is in a program that meets the qualifications of Section 4.02, has been enrolled in an eligible ALE for a minimum of twenty (20) consecutive days per school year and meets the requirements outlined in Section 4.00.

3.10 "Excess National School Lunch State Categorical Funds" are current year National School Lunch State Categorical Funds remaining after a district has met the educational needs of students that are to be used to supplement teacher salaries.

3.11 "Experienced-based Field Trip" A student field trip which culminates an academic content unit directly tied to the Arkansas Frameworks that includes research-based activities.

3.12 "Human Service Worker" shall collaborate and provide information, resources, services, and referrals, to the district, LEA, parents, and students in a variety of activities, trainings, and assessments concerning the physical, mental/emotional, and social health of the child.

3.13 "Licensed Mental Health Counselor," or L.M.H.C., hold a master's degree from a graduate program in the field. They may render mental health care services to individuals, families or groups. L.M.H.C.s use therapeutic techniques to define goals and develop treatment plans aimed toward prevention, treatment, and resolution of mental and emotional dysfunction. Mental Health Professionals are licensed by the specific state boards corresponding with their licensure (i.e., Board of Examiners [LPCs, LACs], Board of Psychology [PhDs, LPEs), Social Work Licensing Board [LCSW, LMSW, LSW], which also monitors professional conduct).

3.14 "NSLA" – National School Lunch Act.

3.15 "National School Lunch Students" are those students from low socioeconomic backgrounds as indicated by eligibility for free or reduced-price meals under the federal NSLA as determined on October 1 of each previous school year and submitted to the ADE, unless the district participates in the federal NSLA Provision 2 Program.

3.16 "Open Enrollment Public Charter School" is a public school operating under the terms of a charter granted by the State Board and is a local educational agency under the Elementary and Secondary Education Act of 1965, 20 U.S.C. § 7801, as it existed on April 10, 2009.

3.17 "Previous Year" is the school year immediately preceding the school year in which funds are allocated.

3.18 "Professional Development" is a coordinated set of professional development activities that improve the knowledge of teachers, administrators, and paraprofessionals concerning effective instructional strategies, methods, and skills for improving teaching practices, and for all employees to improve knowledge, awareness, and resources in physical/mental/emotional/social health-related issues for the purpose of improving student academic achievement. Training activities for school bus drivers may also be included.

3.18.1 Professional Development shall result in individual school-wide and district-wide improvement designed to ensure that all students demonstrate proficiency in the state academic standards.

3.18.2 Professional Development should be based on research, and be standards-based and continuous.

3.19 "Provision 2 district" is a school district participating in the federal National School Lunch Program under 42 U.S.C. § 1759a, as interpreted in 7 C.F.R. § 245.9.

3.20 "Provision 2 district base year (base year)" means the last school year for which eligibility determinations were made and meal counts were taken by type.

3.21 "Scholastic Audit" is a comprehensive review of the learning environment, organization efficiency, and academic performance of schools and districts.

3.22 "School District" or "District" is a geographic area with an elected board of directors that qualifies as a taxing unit for purposes of *ad valorem* property taxes under Title 26 of the Arkansas Code, and whose board conducts the daily affairs of public schools pursuant to the supervisory authority vested in it by the General Assembly and Title 6 of the Arkansas Code. For the purposes of these Rules, all references to "school district" or "district" include open enrollment charter schools.

3.23 "School Resource Officer" (SRO) is a sworn law enforcement officer assigned to a school on a long-term basis. The SRO is specifically trained in and performs three main functions, law enforcement officer, law related counselor, and law related educator. In addition the SRO works in collaboration with the school and the community as a resource.

3.24 "School Year" is the year beginning July 1 of one calendar year and ending June 30 of the next calendar year.

3.25 "Students at Risk" are those students demonstrating an ongoing persistent lack of attaining proficiency levels in literacy and mathematics.

3.26 "Social Workers" have an undergraduate or graduate degree in social work or a related mental health field, and are trained in psychotherapy and social work techniques. Family therapists and employee assistance program counselors are often social workers. Social workers who work in private agencies or independent practice must hold state licenses from the Board of Registration of Social Workers. An L.C.S.W (Licensed Certified Social Worker) or a L.S.W. (Licensed Social Worker) may practice in an agency setting under proper supervision. Professional conduct is monitored by the State of Arkansas Social Work Licensing Board.

3.27 "Supplement to Teacher Salaries" is the use of excess National School Lunch State Categorical Funds to supplement teacher salaries as either a bonus, as defined at 3.03, or to provide an amount of compensation above the amount required by the minimum teacher salary compensation schedule, as defined at Ark. Code Ann. § 6-17-2403.

3.28 "Technology" is any equipment for instructional purposes that are electronic in nature including, but not limited to, computer hardware, computer software, internet connectivity, and distance learning.

4.00 Special Needs - Alternative Learning Environment (ALE)

4.01 Eligible ALE Students

4.01.1 An eligible ALE student shall exhibit two (2) or more of the characteristics identified in Section 4.01.1.1 and Section 4.01.1.2. Students will not be placed in the ALE based on academic problems alone.

4.01.1.1 Students placed at risk, though intelligent and capable, typically manifest one or more of the following characteristics:

- Disruptive behavior
- Drop out from school
- Personal or family problems or situations
- Recurring absenteeism
- Transition to or from residential programs

4.01.1.2 Situations that negatively affect the student's academic and social progress may include, but are not limited to:

- Ongoing, persistent lack of attaining proficiency levels in literacy and mathematics
- Abuse: physical, mental, or sexual
- Frequent relocation of residency
- H omelessness
- Inadequate emotional support
- Mental/physical health problems
- Pregn ancy
- Single parenting

4.02 Eligible ALE Programs

4.02.1 An eligible ALE program shall meet the following guidelines:

4.02.1.1 Have students taught by a currently licensed teacher. If course credit is granted, the teacher must be highly qualified. Newly hired teachers in these designated districts will have three years from the date of hire to become highly qualified as required by the federal No Child Left Behind Act of 2001.

4.02.1.2 Have a student/teacher ratio in grades Kindergarten through six (K-6) of no more than ten (10) to one (1). If a paraprofessional is employed in addition to a licensed supervisor, the student/teacher ratio shall be no more than twelve (12) to one (1).

4.02.1.3 In a middle school where the grade configuration includes grades five (5) and/or six (6), the fifteen (15) to one (1) student/teacher ratio may be utilized.

4.02.1.4 Have a student/teacher ratio in grades seven through twelve (7-12) of no more than fifteen (15) to one (1). If a paraprofessional is employed in addition to a licensed supervisor, the student/teacher ratio shall be no more than eighteen (18) to one (1).

4.02.1.5 Provide each ALE student with access to the services of a school counselor or a mental health professional, a nurse, and support services provided to other students.

4.02.1.6 Coordinate the ALE with state and federal student assistance programs.

4.02.1.7 Submit a description of the ALE in the districts' Arkansas Comprehensive School Improvement Plan (ACSIP).

4.02.1.8 Have an Alternative Education Placement Team to determine student placement in the ALE. This team shall include the referring school counselor, ALE administrator, building principal, and LEA special education or 504 representative, if applicable. A parent or legal guardian and the student's regular classroom teacher(s) should be included in the student placement determination. The school district shall document efforts of contacting the parent/guardian to schedule a meeting or a phone call for a placement meeting at the parent/guardian's convenience.

4.02.1.9 Maintain documentation of the presence of the characteristics listed in the student's plan.

4.02.1.10 Provide that the ALE shall not be punitive but should provide the guidance, counseling, and academic support to enable students who are experiencing emotional, social or academic problems to continue to make progress toward educational goals either in the traditional educational system or the General Educational Development (GED) Program.

4.02.1.11 Provide that computer programs when used in the ALE setting will supplement teacher instruction.

4.02.1.12 Develop an agreement with the parent or guardian, teacher or ALE director, and student outlining the responsibilities of the school, parent, and the student to provide assurance that the plan for each student is successful.

4.02.1.13 Provide a curriculum including mathematics, science, social studies, and language arts aligned with the regular classroom instruction or with the standards for the tests of the GED.

4.02.1.14 Develop exit criteria on which to base a student's return to the regular program. A positive behavior or transitional plan shall be in place prior to returning an ALE student to the prior classroom placement.

4.02.1.15 Require ALE staff to meet the same professional development requirements as other certified staff.

4.02.1.16 The ADE shall monitor ALEs as required in compliance with Ark. Code Ann. § 6-18-509.

4.02.1.17 All districts within an agreed upon consortium must submit the contract agreement to ADE by October 1 of each school year.

4.02.1.18 All students attending a consortium shall follow the lead district's school calendar.

4.02.1.19 Meals provided at remote ALE facilities shall follow the Arkansas Child Nutrition guidelines or shall be approved by the Arkansas Department of Education's Child Nutrition Section.

4.03 ALE Funding

4.03.1 The ALE funding amount shall be the amount required by law times the district's eligible ALE students' full time equivalent (FTE) in the previous school year as defined in these Rules.

4.03.2 An ALE student shall be counted as no more than one student for ALE funding purposes.

4.03.3 An eligible ALE student's FTEs shall be determined by the number of hours taught in an eligible ALE each day divided by 6 hours, times the number of days an eligible student attends the ALE, plus the number of days absent, divided by the number of school days actually taught in the school year.

4.03.3.1 Prior to the 2010-2011 school year, an ALE Student is a student who has been enrolled in an eligible ALE for a minimum of twenty (20) days per school year.

4.03.3.2 Beginning with the 2010-2011 school year, an ALE Student is a student who has been enrolled in an eligible ALE for a minimum of twenty (20) consecutive days per school year.

4.03.3.3 Full Time Equivalent (FTE) ALE Student is an ALE student who has at least six (6) hours per day of student/teacher interaction time in the ALE, and attends the ALE for the entire school year.

4.03.4 ALE funding is restricted state aid.4.03.5 ALE funding shall be spent on eligible ALE programs identified in these Rules except as otherwise allowed by law or rule.

4.03.6 ALE funding may be carried over from one fiscal year to the next but these funds shall remain restricted to the priority areas as defined in these Rules.

5.00 Special Needs - English Language Learners (ELL)

5.01 The ELL funding amount shall be the amount required 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 by the State Board 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 30 of each school year.

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

5.02 School districts shall maintain documentation of each student identified as an ELL.

5.03 For ELL funding purposes, State-approved English proficiency assessment instruments include:

5.03.1 LAS (Language Assessment Scales)

5.03.2 Maculaitis Assessment of Competencies

5.03.3 English Language Development Assessment English Language Proficiency Screener

5.04 ELL funding shall be expended for eligible activities including, but not limited to, the following:

5.04.1 Salaries for ELL-skilled instructional services (not supplanting district financial obligations for providing teachers for ELL students).

504.2 Funds for teacher training, consultants, workshops, ELL course work including ADE sponsored training programs.

5.04.3 Released-time for ELL program development.

5.04.4 Selection and purchase of language-appropriate instructional and supplemental (enrichment) materials for ELL students (including computer-assisted technology and library materials).

5.04.5 Language and cultural skills training for school-based health service providers, counseling service providers, and community liaison staff as needed to serve ELL students.

5.04.6 Assessment activities, which include test administration, identification, placement, and review of ELL student academic progress, as well as evaluation activities to determine the effectiveness of the district's ELL program.

5.04.7 Funds for the implementation of supplemental instructional services for ELL students.

5.05 ELL funding may be carried over from one fiscal year to the next, but these funds shall remain restricted to those priority areas defined in these Rules.

5.06 A description of ELL activities and funding shall be included in the district's ACSIP.

6.00 Special Needs - National School Lunch Act

6.01 National school lunch state categorical funding under Ark. Code Ann. § 6-20-2305 (b) (4) shall be based on the number of national school lunch students for the immediately preceding school year determined under 3.15 of these Rules, divided by the district's total enrolled students for the immediately preceding school year. 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. 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, and rounded up to the nearest whole number from five tenths or down to the nearest whole number from less than five tenths.

6.01.1 For school districts in which ninety percent (90%) or greater of the previous school year's enrolled students are national school lunch students, per student national school lunch state categorical funding shall be the amount required by Ark. Code Ann. § 6-20-2305(b)(4)(A)(i).

6.01.2 For school districts in which less than ninety percent (90%) but at least seventy percent (70%) of the previous school year's enrolled students are national school lunch students, per student national school lunch state categorical funding shall be the amount required by Ark. Code Ann. § 6-20-2305(b)(4)(A)(ii) .

6.01.3 For school districts in which less than seventy percent (70%) of the previous school year's enrolled students are national school lunch students, per student national school lunch state categorical funding shall be the amount required by Ark. Code Ann. § 6-20-2305(b)(4)(A)(iii).

6.01.4 Districts must participate in the federal NSLA Program to receive national school lunch state categorical funding.

6.02 The district percentage of NSLA eligible students shall be determined from the Arkansas Public School Computer Network's Cycle 2 report for the previous school year.

6.02.1 The Child Nutrition Unit of the ADE shall verify the Cycle 2 report for accuracy.

6.02.2 Adjustments to the Cycle 2 report shall be made by the ADE based on documentation provided by the school district.

6.03 National School Lunch State Growth Funding

6.03.1 The ADE shall use the Cycle 2 enrollment data for the previous four years to calculate a three-year trend in district enrollment.

6.03.2 If a district has grown at least one percent for each of the three previous years, it shall qualify for National School Lunch State Growth Funding.

6.03.3 Districts that qualify for funding shall receive National School Lunch State Growth Funding.

6.03.4 The funding shall be calculated as the three year average growth in enrollment multiplied by the district's previous year's percentage of students eligible for the federal NSLA Program multiplied by the per student funding amount determined in 6.01.

6.04 Transitional National School Lunch State Funding Methods

6.04.1 Beginning with the 2009-2010 school year, if a school district receives, in the current school year, national school lunch state categorical funding under Ark. Code Ann. § 6-20-2305(b)(4)(A) that is based on a different per student amount of national school lunch state categorical funding than the school district received in the immediately preceding school year, due to a percentage change in national school lunch students, the ADE shall adjust the funding to the school district in a transitional three-year period.

6.04.2 The amount of national school lunch state categorical funding under Ark. Code Ann. § 6-20-2305(b)(4)(A) shall be increased or decreased in each year of a three-year transition period by one-third (1/3) of the difference between the amount of national school lunch state categorical funding per student for the current year and the amount of national school lunch state categorical funding per student for the immediately preceding year, adjusted for changes to the funding rates in Ark. Code Ann. § 6-20-2305(b)(4)(A).

6.04.3 The method of transition for a school district that experiences a decrease in the amount of national school lunch state categorical funding per student under Ark. Code Ann. § 6-20-2305(b)(4)(A) is detailed using the following example of a decrease in national school lunch state categorical funding per student from $1,488 in the immediately preceding year to $992 in the current year:

For illustrative purposes:

- Year one (current year) of transition (decrease 1/3) – the transitioned amount of national school lunch state categorical funding per student is $1,322.67 ($1,488 - $165.33).
- Year two of transition (decrease 1/3) – the transitioned amount of national school lunch state categorical funding per student is $1,157.34 ($1,322.67- $165.33).

- Year three (final year) of transition (decrease 1/3) – the transitioned amount of national school lunch state categorical funding per student is $992 ($1,157.34 - $165.34).

6.04.4 The method of transition for a school district that experiences an increase in the amount of national school lunch state categorical funding per student under Ark. Code Ann. § 6-20-2305(b)(4)(A) is detailed using the following example of an increase in national school lunch state categorical funding per student from $992 in the immediately preceding year to $1,488 in the current year:

For illustrative purposes:

- Year one (current year) of transition (increase 1/3) – the transitioned amount of national school lunch state categorical funding per student is $1,157.33 ($992 + $165.33).
- Year two of transition (increase 1/3) – the transitioned amount of national school lunch state categorical funding per student is $1,322.66 ($1,157.33 + $165.33).
- Year three (final year) of transition (increase 1/3) – the transitioned amount of national school lunch state categorical funding per student is $1,488 ($1,322.66 + $165.34).

6.04.5 The method of transition for a school district that, within a three-year period, experiences both a decrease and an increase in the amount of national school lunch state categorical funding per student under Ark. Code Ann. § 6-20-2305(b)(4)(A) is detailed using the following two examples:

6.04.5.1 In the first example, a school district experiences an *increase* in national school lunch state categorical funding per student from $992 in the immediately preceding year to $1,488 in the current year, and a *decrease* to $992 in the following year. In this instance, the transition is completed in two years rather than three.

For illustrative purposes:

- Year one (current year) of transition (increase 1/3) – the transitioned amount of national school lunch state categorical funding per student is $1,157.33 ($992 + $165.33).
- Year two (final year) of transition (decrease 1/3) – the transitioned amount of national school lunch state categorical funding per student is $992 ($1,157.33 - $165.33).

6.04.5.2 In the second example, a school district experiences a decrease in national school lunch state categorical funding per student from $992 in the immediately preceding year to $496 in the current year, no change in the second year, and an increase to $992 in the third year. In this instance, the transition is completed in four years rather than three.

For illustrative purposes:

- Year one (current year) of transition (decrease 1/3) – the transitioned amount of national school lunch state categorical funding per student is $826.67 ($992 - $165.33).
- Year two of transition (decrease 1/3) – the transitioned amount of national school lunch state categorical funding per student is $661.34 ($826.67- $165.33).

- Year three of transition (increase 1/3) – the transitioned amount of national school lunch state categorical funding per student is $826.67 ($661.34 + $165.33).
- Year four (final year) of transition (increase 1/3) – the transitioned amount of national school lunch state categorical funding per student is $992 ($826.67 + $165.33).

6.05 Each school district receiving national school lunch state categorical funds shall provide a research-based program(s) or purpose(s) for students scoring below proficiency in order to improve instruction and increase academic achievement of those students. This does not prohibit use of funds in performing schools to continue doing those strategies that are sustaining that performance.

6.05.1 Effective July 1, 2010, chronically underperforming schools shall develop and implement its ACSIP plan and shall use national school lunch state categorical funding to include, but not limited to:

6.05.1.1 Use of an Arkansas Scholastic Audit in school not meeting adequate yearly progress for three (3) or more consecutive years of School Improvement.

6.05.1.2 Use disaggregated school data to set academic targets in reading, writing, mathematics, and science.

6.05.1.3 Use improvement targets to define professional development needs related to content, instruction, differentiation, and best practices in educating student subgroups as identified in need.

6.05.1.4 Develop interim building-level assessment to monitor student progress toward proficiency on the state benchmark assessments.

6.05.1.5 Develop a plan to immediately address gaps in learning.

6.05.1.6 Examine and realign, as needed, school scheduling, academic support systems, and assignments of personnel to improve student achievement.

6.05.1.7 Design a plan for increasing parental knowledge and skill to support academic objectives.

6.05.1.8 Evaluate the impact of the before mentioned educational strategies on student achievement.

6.06 National school lunch state categorical funding shall not be used to meet or satisfy the Arkansas Standards for Accreditation required by Ark. Code Ann. § 6-15-201 et seq. the Arkansas Minimum Teacher Salaries required by Ark. Code Ann. § 6-17-2403 except as otherwise allowed herein this section.

6.06.1 National school lunch state categorical funding shall not be used to augment, replace, or supplement the mandatory requirements of the Arkansas Standards for Accreditation required by Ark. Code Ann. § 6-15-201 et seq. unless the expenditure is for the purposes outlined under Section 6.07 of these Rules .

6.06.2 A district may use national school lunch state categorical funds as a bonus or to supplement salaries above the minimum salary schedule required by Ark. Code Ann. § 6-17-2403 provided the school district is in compliance with and meets the eligibility provision of these Rules.

6.06.3 School districts may use national school lunch state categorical funds to pay the salaries of those teachers which are used to reduce the pupil to teacher ratio below the mandates required by the Arkansas Standards of Accreditation under the following conditions:

6.06.3.1 In its ACSIP, the district designates the specific teacher(s) used to reduce the pupil-to-teacher ratios required by the Standards of Accreditation; explain how the district will use national school lunch state categorical funds to only pay the salaries of those class-size-reduction teachers or other teachers designated by the ADE as bona fide national school lunch state categorical program or purpose expenditures as allowed by Section 6.07 of these Rules; explains how the district will use class-size-reduction teachers(s) pursuant to a recognized published research-based program to specifically target an identified academic deficiency or need of the district which aligns with and supports the district's ACSIP;

6.06.3.2 Any district which did not use national school lunch state categorical funds to support the salaries of the class-size-reduction teachers by June 30 in the 2006-2007 school year is limited to using national school lunch state categorical funds to support the salaries of only those class-size-reduction teachers in kindergarten through the eighth (8th) grade of the school district starting in the 2007-2008 school year and each school year thereafter, provided the district submits a detailed written plan as required in § 6.06.3.1 which is approved by the ADE; and

6.06.3.3 Along with any request to expand or increase the use of national school lunch state categorical funds to pay for or support the salaries of class-size-reduction teachers from a previous school year, the district shall submit a written justification showing how the funds are being used to support an increased academic deficiency or need of the district and is not an attempt to avoid or circumvent the general purpose of reducing the amount of national school lunch state categorical funds used to increase teacher salaries as required and mandated by Ark. Code Ann. § 6-20-2305.

6.06.3.4 National school lunch state categorical funds to support the salaries of the class-size reduction teachers shall only be used to reduce the pupil-to-teacher ratios required by the Standards of Accreditation for each single grade level.

6.07 National school lunch state categorical funding shall be expended for eligible program(s) or purpose(s) that are research-based and aligned to the Arkansas Content Standards for improving instruction and increasing achievement of students at risk of not meeting challenging academic standards. These programs or purposes include:

6.07.1 Employing Literacy and/or Mathematics and/or Science Specialists/Coaches (K-12) and/or instructional facilitators that meet the following requirements:

6.07.1.1 The Specialists/Coaches and/or instructional facilitators are educators who assist in curriculum alignment with state curriculum documents; alignment of classroom assessment with statewide exams; instructional strategies; professional development and implementation of training; choosing standards-based instructional materials; understanding of current research; advantageous arrangement of the instructional day; and integrating technology into instruction.

6.07.1.2 Qualifications for Specialists/Coaches (K-12 and/or Instructional Facilitators):

- At least four years of recent teaching experience in appropriate content areas within grades K-12
- Knowledge of Arkansas Curriculum Framework
- Knowledge of current research and effective practices in standards-based curriculum, instruction, and assessment
- Experience in adult learning situations and in team problem solving
- A bachelor's degree (a master's degree would be preferred)
- Or completion of the required two-year training and teaching components of the Teach for America Program

6.07.2 Providing research-based professional development in the areas of literacy and/or mathematics and/or science in grades Kindergarten through twelfth grade (K-12) as defined in the Arkansas Department of Education Regulations Governing Attendance at Certified Instructional Professional Development Sessions (Ark. Code Ann. § 6-17-702).

6.07.3 Employing highly qualified classroom teachers in grades Kindergarten through twelfth grade (K-12) pursuant to the restrictions set forth in Section 6.06 of this Rule.

6.07.4 Providing research-based before and after-school academic programs, including transportation to and from the programs.

6.07.5 Providing research-based pre-kindergarten programs that meet the program standards as outlined in the Rules Governing the Arkansas Better Chance program.

6.07.6 Employing Tutors:

6.07.6.1 Tutors must be able to demonstrate competency (as determined locally) in each area where instruction is provided.

6.07.6.2 Tutors must work under the supervision of highly qualified classroom teachers.

6.07.7 Employing Teacher's Aides:

6.07.7.1 Teacher's aides must be highly qualified.

6.07.7.2 Teacher's aides must work under the direct supervision of highly qualified teachers.

6.07.8 Employing licensed counselors and nurses above standard mandates.

6.07.9 Employing coordinated school health coordinator

6.07.10 Employing human service workers

6.07.11 Employing licensed mental health counselors

6.07.12 Employing licensed certified social workers or licensed social workers

6.07.13 Employing Curriculum Specialists:

6.07.13.1 The Curriculum Specialists shall meet current licensure requirements that are outlined in the Rules Governing Initial and Standard Administrator Licensure.

6.07.14 Employing School Resource Officers (SRO) whose job duties include research-based methods and strategies tied to improving achievement of students at risk.

6.07.15 Providing experience-based field trips

6.07.16 Providing parent education that addresses the whole child.

6.07.17 Providing summer programs that implement research-based methods and strategies.

6.07.18 Providing early intervention programs:

6.07.18.1 Early intervention means short-term, intensive, focused, individualized instruction developed from ongoing, daily, systematic diagnosis that occurs while a child is beginning in the initial, kindergarten through grade one (K-1), stages of learning social skills, early reading, writing, and mathematical strategies to ensure acquisition of the basic skills and to prevent the child from developing poor behavior and problem-solving habits which become difficult to change.

6.07.19 Obtaining materials, supplies, and equipment, including technology, used in approved instructional programs or for approved purposes. The approved programs and or purposes support the local educational agency's ACSIP.

6.07.20 Other activities approved by the ADE that will further the purposes of this Section. Such activities include, but are not limited to, research-based activities and activities directed at chronically under-performing schools.

6.08 Use of national school lunch state categorical funds shall be included within the school and/or school district's ACSIP. The ACSIP will include how the funds will be spent, the person(s) responsible, a timeline, and budget.

6.08.1 The district shall evaluate programs supported by national school lunch state categorical funds annually to ensure that the programs are providing intervention/prevention services designed to increase student achievement.

6.08.2 The district shall maintain documentation that supports gains in student achievement as measured by the state assessment system.

6.09 National school lunch state categorical funding may be carried over from one fiscal year to the next, but these funds shall remain restricted to priority areas as defined in these Rules or law.

6.10 National school lunch state categorical funding is restricted state aid, except as otherwise allowed by law or Rule.

6.11 Use of excess national school lunch state categorical funds to supplement teacher salaries

6.11.1 School districts that have met the needs of students for whom the national school lunch state categorical funds are provided, and that have excess national school lunch state categorical funds, may request to use the excess national school lunch state categorical funds to supplement teacher salaries under the following conditions:

6.11.1.1 The school district shall not use any portion of the national school lunch state categorical funds that are carry forward or reserve funds as a supplement to classroom teacher salaries;

6.11.1.2 The school district is meeting the minimum teacher salary schedule under Ark. Code Ann. § 6-17-2403 without using national school lunch state categorical funds;

6.11.1.3 The school district is in full compliance with the rules and laws governing the Standards for Accreditation of Arkansas Public Schools under Ark. Code Ann. § 6-15-201 et seq. and the rules and laws governing the Arkansas Fiscal and Accountability Program under Ark. Code Ann. § 6-20-1901 et seq. without using current year, carry forward or reserve national school lunch state categorical funds.

6.11.1.4 The school district shall not allocate or use any excess national school lunch state categorical funds in any manner except to supplement teacher salaries, unless in accordance with the transfer provisions stated in section 8.00 of this rule.

6.11.1.5 Excess national school lunch state categorical funds used as a bonus to supplement teacher salaries shall not be considered a permanent obligation under the school district's teacher salary schedule.

6.11.1.6 The school district will include the amount and uses of excess national school lunch state categorical funds in its ACSIP.

6.11.1.7 The district has met or is meeting the adequate educational needs of students.

6.11.1.8 The district has prudently managed its resources

6.11.1.9 The district has met all requirements of Section 6.11 of this Rule

6.11.1.10 If the district used excess national school lunch state categorical funds in the prior year to supplement teacher salaries, the district has submitted the required report on prior year expenditures as required by Section 6.11.5.

6.11.1.11 The district has submitted the portion of its ACSIP that described the uses of national school lunch state categorical funds.

6.11.1.12 The district has complied with the mandatory 20% reduction of actual amount of prior year national school lunch state categorical funds used to supplement teacher salaries above the minimum teacher salary schedule until the district has no more than 20% of the total of current year national school lunch state categorical funds used as a supplement to teacher salaries above the minimum teacher salary schedule.

6.11.2 A school district requesting to use excess national school lunch state categorical funds as a supplement to the minimum teacher salary schedule under Ark. Code Ann. § 6-17-2403 shall provide the following information to the Commissioner of Education, or designee, by February 15 of the school year for which approval is requested:

6.11.2.1 A statement of assurance attesting to compliance with sections 6.11.1 of these Rules

6.11.2.2 The actual amount of excess national school lunch state categorical funds used to supplement salaries above the required minimum salary schedule in the previous school year, the actual amount of total national school lunch state categorical funds received in the previous school year, and the actual percentage of national school lunch state categorical funds used as a supplement above the required minimum salary schedule to total national school state categorical funds received.

6.11.2.3 The budgeted amount of excess national school lunch state categorical funds used to supplement salaries above the required minimum salary schedule in the current school year, the budgeted amount of total national school lunch state categorical funds received in the current school year, and the calculated percentage of national school lunch state categorical funds used as a supplement above the required minimum salary schedule to total national school lunch state categorical funds received in the current year.

6.11.2.4 If the percent of excess national school lunch state categorical funds used as a supplement above the required minimum salary schedule to total national school lunch state categorical funds received is greater than twenty percent (20%), the district shall reduce by twenty percent (20%) the actual amount of prior year national school lunch state categorical funds used to supplement teacher salaries above the minimum teacher salary schedule until the district has no more than twenty percent (20%) of the total of current year national school lunch state categorical funds used as a supplement to teacher salaries above the minimum teacher salary schedule.

6.11.2.5 No school district shall use national school lunch state categorical funds to supplement salaries above the required minimum salary schedule without first obtaining the express written approval of the Commissioner of Education of his/her designee.

6.11.3 A school district requesting to use excess national school lunch state categorical funds as a supplement in the form of a bonus, shall provide the following information to the Commissioner of Education, or designee, by February 15 of the school year for which approval is requested.

6.11.3.1 A statement of assurance attesting to compliance with sections 6.11.1 of this Rule

6.11.3.2 The information required in Section 6.11.2, and any other information requested by the ADE,

6.11.3.3 The amount of funds to be used as a bonus.

6.11.3.4 The total amount of national school lunch state categorical funds the district will receive in that year.

6.11.3.5 In response to the district's request, the Commissioner shall evaluate the district's test scores against the state averages as one indicator of how the district has met the educational needs of students. Tests may include, but not be limited to, grades three (3) through eight (8) state required benchmark exams in math and literacy and state required end-of-course exams for algebra, biology, geometry, and literacy.

6.11.3.6 As additional assessment data becomes available, it may also be included in the Commissioner's review

6.11.3.7 No school district shall use national school lunch state categorical funds as a bonus without first obtaining the express written approval of the Commissioner of Education or his/her designee.

6.11.4 Upon review of the information required in Section 6.11.2, 6.11.3, and any other information requested by the ADE, if the Commissioner of Education, or designee, determines the school district has met the needs of students, has prudently managed its resources, and has complied with these Rules and the law, the Commissioner shall give written approval of the use of excess national school lunch state categorical funds to supplement teacher salaries.

6.11.4.1 Such approval is limited to one school year.

6.11.5 By September 15 of each school year, any school district that received written approval to use national school lunch state categorical funds as a supplement to teacher salaries in the previous school year shall issue a written report to the Commissioner of Education listing:

6.11.5.1 Each program upon which national school lunch state categorical funds were expended.

6.11.5.2 The actual amount of national school lunch state categorical funds expended on each program.

6.11.5.3 Information required in Section 6.11.2 and 6.11.3, and any other information requested by the ADE.

6.11.6 Upon review, at any time during a school year, of a school district's Arkansas Comprehensive School Improvement Plan, those reports and information required by these Rules, test or financial data or other indicators of a school district, if the Commissioner of Education or his/her designee determines a school district has not met the needs of students that may be served by national school lunch state categorical funds, has provided false or misleading information or has failed to comply with the provisions of the district's submitted plans without obtaining ADE approval to change the submitted plans required by this rule, the Commissioner of Education may require that any and all national school lunch state categorical funds dedicated for use or application as a bonus shall be removed from and not used as a bonus and may require the school district to redirect the national school lunch state categorical funds to meet other educational needs of the students of that district.

6.11.7 Only those school districts which previously used or applied excess national school lunch state categorical funds to supplement the teacher salary schedule for all classroom teachers in the district as part of a salary obligation may continue to use national school lunch state categorical funds as a salary obligation to the extent the district has received approval from the Commissioner of Education under Section 6.12 and the district is in full compliance with these Rules.

7.00 Special Needs - Professional Development

7.01 The Professional Development funding amount shall be an amount up to the amount required by law times the district's ADM of the previous school year.

7.02 Professional Development funding shall be expended for approved programs and purposes identified in the Rules Governing Professional Development and employing literacy, mathematics, or science coaches as described in these Rules.

7.03 Districts may expend state Professional Development funding to provide the requisite hours of professional development required by Rule or law.

7.04 Professional Development funding is restricted state aid. Professional Development funding shall be spent on activities identified in these Rules, except as otherwise allowed by law or Rule.

7.05 Professional Development funding may be carried over from one fiscal year to the next, but these funds shall remain restricted to priority areas as defined in these Rules.

7.06 Professional Development activities and funding shall be included in the district's ACSIP.

8.00 Financial Accounting for Special Needs State Funding for ALE, ELL, National School Lunch Students, and Professional Development

8.01 After having provided programs designed to meet the needs of students in the respective categorical funding areas, a school district may transfer and expend funds on any of the special needs categories allowed for in these Rules.

8.02 Special needs state funding of ALE, ELL, National School Lunch students, and Professional Development may be used for any of the expenditures identified in these Rules.

8.03 Districts shall report the funds received under each special needs state funding category.

8.04 Districts shall report the expenditures of all special needs state funds as required by law, including, but not limited to, fund balances remaining on June 30 of each year.

8.05 The funds received, transferred, expended, and/or carried over shall balance.

8.06 If the ADE determines that a district would lose any federal funding due to these explicated expenditure requirements, the special needs state funds may be expended for other academic programs or salaries, as permitted by the ADE.

Approved Memos: Aggregate Categorical Funds Balance Per Act 1220

5

ARKANSAS DEPARTMENT OF EDUCATION

Version History

Title	Aggregate Categorical Funds Balance Per Act 1220
Memo Number	FIN-12-095
Memo Date	4/17/2012
Attention	Co-op Directors; Superintendents; Bookkeepers
Memo Type	Regulatory
Response Required	No
Section	Fiscal & Administrative Services
Regulatory Authority	Ark. Code Ann. §6-20-2305(e)
Contact Person	Patty Martin
Phone Number	(501) 682-1114
E-Mail	patricia.martin@arkansas.gov

Memo Text

On June 30, 2012, and on June 30 of each school year thereafter, if the total aggregate balance of all state categorical fund sources exceeds twenty percent (20%) of the school district's total aggregate annual state categorical fund allocations for the current school year, the school district shall reduce the total balance by ten percent (10%) each year until the school district's June 30 balance of aggregate annual categorical fund sources is twenty percent (20%) or less of the total aggregate annual state categorical fund allocations for the current school year.

In the attached spreadsheet, 20% of Categorical Funds, the column "20% of Total Categorical Funds" reflects the aggregate categorical funds balance a school district should have as of June 30, 2012, to be in compliance with Act 1220.

The data supporting the amount in the column "Aggregate Categorical Funds Balances March 31, 2012" is provided in the attachment: All Cat Fund Balances FY12 March 31, 2012.

The column "20% of Funding Versus Categorical Fund Blcs" is the difference in the first two columns.

The attachment 20 Percent of Categorical Funds Example is provided to assist in projecting the June 30, 2013, balance of categorical funds.

All of this data is provided to assist in gauging your progress towards compliance with Act 1220. We fully recognize there are three more months of expenditures that will be used in the final calculation of this requirement. As stated in law, if the June 30, 2012, aggregate balance of all state categorical funds exceeds 20% of the aggregate of current year categorical funding, you are required to reduce the aggregate balance by at least 10%

in the 2012-2013 school year.

If you make budget changes to reduce your aggregate categorical funds balance, please be sure to update the ACSIP also.

Data Sources:
"20% of Total Categorical Funds" is 20% of the sum of ALE, ELL, NSLA, and PD Funding. This data is reported on the State Aid Notice 2011-2012 Preliminary, as of February 29, 2012, as published on the ADE website: http://arkansased.org/about/pdf/reports/STAIDFINAL%202011-12%2002%2029%2012.pdf

The data used in "Aggregate Categorical Funds Balances March 31, 2012" is available in the attachment: All Cat Fund Balances FY 12 March 31, 2012

Act 1220 of 2011 is codified at Ark. Code Ann. §6-20-2305(b)(4)(F)(i). The Act is attached.

Attachments	20 Percent of Categorical Funds.xlsx.pdf 20 Percent ofCategorical Funds Example.pdf Act 1220 of 2011.pdf All Cat Fund Balances FY 12 March 31, 2012.pdf

Version: 19.0
Created at 4/17/2012 9:22 AM by Lynn Kinsey (ADE)
Last modified at 4/19/2012 2:44 PM by Seth Blomeley (ADE)

Approved Memos: NSLA Fund Balances, per Act 1220

6

ARKANSAS DEPARTMENT OF EDUCATION

Version History

Title	NSLA Fund Balances, per Act 1220
Memo Number	FIN-12-094
Memo Date	4/17/2012
Attention	Co-op Directors; Superintendents; Bookkeepers
Memo Type	Regulatory
Response Required	No
Section	Fiscal & Administrative Services
Regulatory Authority	Ark Code Ann. §6-20-2305(b)(4)(F)
Contact Person	Patty Martin
Phone Number	(501) 682-1114
E-Mail	patricia.martin@arkansas.gov
Memo Text	A school district that on June 30, 2012, has a national school lunch state categorical funding balance in excess of fifteen percent (15%) of the school district's current year annual national school lunch state categorical funding allocation shall reduce its total national school lunch state categorical funding balance by at least ten percent (10%) each year so that by June 30, 2022, and by June 30 of each year thereafter, the school district has a balance of no more than fifteen percent (15%) of the school district's current year annual national school lunch state categorical funding allocation. In the attachment 15% NSLA Fund Balance, the column "15% of Total NSLA Funds" reflects 15% of the school district's current year (11-12) national school lunch state categorical funding allocation. The data supporting the amount in column "District NSLA Fund Balance March 31, 2012" is provided in the attachment FY12 NSLA Fund Blc thru March 31, 2012, and includes all expenditures coded to Source of Funds 1281 and 2281. The column "Fund Balance Versus 15% of NSLA Funds" is the difference in the first two columns. The attachment Fifteen Percent of NSLA Funds Example is provided to assist in projecting the June 30, 2013, NSLA Fund Balance. This information is provided to assist in gauging your progress towards compliance with Act 1220. We fully recognize there are three more months of expenditures that will be used in the final calculation of this requirement. If you make budget changes to reduce your NSLA Fund balance, please be sure to update the ACSIP also.

Data Sources:
"15% of Total NSLA Funds" is 15% of the sum of NSLA, NSLA Transitional, and NSLA Growth funds times 85%. This data is reported on the State Aid Notice 2011-2012 Preliminary, as of February 29, 2012, as published on the ADE website: http://arkansased.org/about/pdf/reports/STAIDFINAL%202011-12%2002%2029%2012.pdf

The data used in "District NSLA Fund Balance March 31, 2012" is available in the attached spreadsheet: FY12 NSLA Fund Blc thru March 31, 2012.

Act 1220 of 2011 is codified at Ark. Code Ann. §6-20-2305(b)(4)(F)(i) and is attached.

Attachments	15 Percent NSLA Fund Balance.pdf 15 Percent of NSLA Funds Example.pdf Act 1220 of 2011.pdf FY 12 NSLA Fund Blc thru March 31 2012.pdf

Version: 21.0
Created at 4/17/2012 9:05 AM by Lynn Kinsey (ADE)
Last modified at 4/19/2012 2:43 PM by Seth Blomeley (ADE)

A-3

1

CERTIFICATE OF APPOINTMENT

AS

DISTRICT TREASURER OF _____ SCHOOL DISTRICT

I, _____, the current Superintendent of

_____ School District, do hereby certify that

at a regular meeting of the School Board of said School District held on

_____ 2011, _____ was appointed as

District Treasurer to serve until (his/her) successor shall have been appointed. The

appointment is effective _____, 2011.

In witness whereof, I have hereunto affixed my signature on this _____

Day of _____, 2011.

_____ School District

BY: _____
Superintendent

Cc: County Clerk
County Treasurer
Director of the Arkansas Department of Finance and Administration

Required as per A.C.A 6-13-701

Arkansas DEPARTMENT OF EDUCATION
DIRECTOR'S COMMUNICATION
4 State Capitol Mall Little Rock, Arkansas 72201-1071 (501) 682-4475
Dr. Kenneth James, Director

8

Memo Number : FIN-09-047 **Date Created :** 01/29/2009

Attention:

Superintendents
Co-op Directors
other: District Business/Financial Officers

Type of Memo: Administrative

Response Required: No

Section: Fiscal and Administrative Services - William J. Goff, Assistant Commissioner

Subject:
New Financial Coding Requirement for 2009/2010

Regulatory Authority:
Ark.. Code Ann. Â§ 6-20-2203

Contact Person:
Kathleen Crain

Phone Number:
501-682-4887

E-mail:
kathleen.crain@arkansas.gov

Beginning with the 2009-2010 fiscal year (July 1, 2009), Source of Fund Code 000 and Source of Fund codes in the range of 100-199 are to be used solely with Foundation Funding and Enhanced Funding. All expenditures from Foundation Funding and Enhanced Funding must be charged to either Fund 1 (Teacher Salary) or Fund 2 (Operating).

Foundation Funding includes state funding (revenue code 31101), the revenue resulting from the 25 mills Uniform Rate of Tax (URT), and miscellaneous funds revenue. Miscellaneous funds revenue include:
Federal Forest Reserves (42100),
Federal Grazing Rights (42400),
Federal Mineral Rights (42300),
Federal Impact Aid (42500),
Federal Flood Control (42200),
Wildlife Refuge Funds (41200),
Severance Taxes (21200),
Revenue in Lieu of Taxes (12800),
and Local Sales and Use Taxes Dedicated to Education (11200).

Enhanced Funding includes state funding in revenue code 31102.

If districts have voted Maintenance and Operations mills in excess of the 25 mills URT, and/or excess Debt Service mills (voted debt service mills not needed to service bonded debt), the Arkansas Department of Education (ADE) will adjust expenditures to account for the mills above the URT. Therefore districts should code expenditures from Maintenance and Operations mills above 25 and excess Debt Service mills as though the expenditures are from foundation funding.

A more detailed explanation of this financial coding requirement was posted to the FMS listserv on December 19, 2008. A copy is attached for reference purposes.

Attachments:

- **Coding Change 0910 email**

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Arkansas. DIRECTOR'S COMMUNICATION
DEPARTMENT OF EDUCATION
4 State Capitol Mall Little Rock, Arkansas 72201-1071 (501) 682-4475
Dr. Kenneth James, Director

(9)

Memo Number : FIN-10-008 **Date Created :** 08/07/2009

Attention:

Superintendents
Co-op Directors
other: Business Managers

Type of Memo: Administrative

Response Required: No

Section: Fiscal and Administrative Services - William J. Goff, Assistant Commissioner

Subject:
2009-10 Title I Allocations

Regulatory Authority:
Elementary & Secondary Education Act of 1965

Contact Person:
Kim Bajorek

Phone Number:
501-683-6530

E-mail:
Kim.Bajorek@arkansas.gov

This document constitutes official notice of the 2010 Title I, Part A total allotment available for use in the 2009-2010 school year under provisions of Title I of the Elementary and Secondary Education Act of 1965.

The Elementary and Secondary Education Act provides that a school district not meeting statutory eligibility for Concentration Grants is guaranteed its hold-harmless amount for four consecutive years. Therefore, a school district that was last eligible for a Concentration Grant in SY 2004-2005, but was not eligible in SY 2005-2006, SY 2006-2007, SY 2007-2008 and SY 2008-2009 will receive its hold-harmless Concentration Grant in SY 2009-2010. If that school district fails to meet the Concentration Grant eligibility thresholds next year (SY 2010-2011), it will no longer be eligible for the hold-harmless guarantee. Several school districts in Arkansas did not qualify for Concentration Grants and received the hold-harmless amount.

No individual notice of funds allotment will be provided. All allocations are listed on this communication. Please keep a copy of this communication and the attachment on file for the auditor.

The Source Code for Title I, Part A is 6501 and the Revenue Code is 45110.

Title I allotments have been calculated to reflect the districts existing on July 1, 2009, after consolidations/annexations were approved by the State Board of Education. Title I Policy Guidance from the U. S. Department of Education (USDOE) outlines how allotments are to be made in cases of consolidation/annexation. This policy guidance can be found at the following web site: http://www.ed.gov/programs/titleiparta/legislation.html. The same policy guidance also covers open-enrollment charter school allotments under Title I.

Open enrollment charter schools qualifying for Title I allotments have been included in the listing with all other school districts. A district's Title I allocation for 2009-2010 could

be reduced if the district has Title I low-income eligibles enrolled in a new open-enrollment charter school when the official count is taken on October 1, 2009. Another reduction could occur when a significant change has been made in an existing open-enrollment charter school, i.e. another grade was added, another subject area is added to the charter that causes a significant increase in the enrollment, etc.

The State Agency Part D Allotments are shown below the Title I, Part A State Totals. This section lists the Department of Corrections and Division of Youth Services allotments.

The Local Institution Part D Allotments follow the state agency Part D allotments. The school district and name of the institution are listed in the second column. The Source Code for Title I Local Institution Part D funds is 6510 and the Revenue Code is 45120.

The Neglected Institution Allotments notice follows and indicates which school districts receive a portion of the Part A allotment for a local institution for neglected children. These funds are to be used to provide Title I services to children residing in the institutions. Please keep a record of services provided and funds expended. This list indicates which institution is located in the school district and the amount of money the eligibles in the institution generated. The funds generated by the neglected eligibles have already been included in the total Title I allotment for the district.

Availability period of Education Funds is 27 months from the time the funds are made available to the state. Funds allotted to the state on July 1, 2009, will be available for expenditure or obligation in an approved Arkansas Comprehensive School Improvement Plan (ACSIP) plan until September 30, 2011. Under Tydings, unobligated funds can be carried over from the first year, Title I has a carryover of 15%, which may be waived once every three years.

Direct questions to either Kim Bajorek at 501-683-6530 or Annette Pearson 501-683-1243.

Attachments:

- **2009-2010 Title I Allocations**

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	FY08	FY09	FY10	FY11	FY12
Matrix Calculations	Recalibration				
School Size	500	500	500	500	500
K = 8% of students	40	40	40	40	40
Grades 1-3 = 23% of students	115	115	115	115	115
Grades 4-12 = 69% of students	345	345	345	345	345
Staffing Ratios					
K P:T ratio = 20:1	2.0	2.0	2.0	2.0	2.0
Grades 1-3 P:T ratio = 23:1	5.0	5.0	5.0	5.0	5.0
Grades 4-12 P:T ratio = 25:1	13.8	13.8	13.8	13.8	13.8
PAM = 20% of classroom	4.14	4.14	4.14	4.14	4.14
Total Classroom Teachers	24.94	24.94	24.94	24.94	24.94
Special Ed Teachers	2.9	2.9	2.9	2.9	2.9
Instructional Facilitators	2.5	2.5	2.5	2.5	2.5
Librarian / Media Specialist	0.825	0.825	0.825	0.825	0.825
Guidance Counselor & Nurse	2.5	2.5	2.5	2.5	2.5
Total Pupil Support Personnel	8.725	8.725	8.725	8.725	8.725
SUBTOTAL	33.665	33.665	33.665	33.665	33.665
Principal	1.0	1.0	1.0	1.0	1.0
Secretary	1.0	1.0	1.0	1.0	1.0
Total School-Level Personnel	**35.665**	**35.665**	**35.665**	**35.665**	**35.665**
School-Level Salaries					
Teacher Salary + Benefits	54,888	55,954	57,073	58,214	59,378
Per Student Matrix Expenditure	3,695.6	3,767.4	3,842.7	3,919.6	3,998.0
Principal Salary + Benefits	86,168	87,860	89,617	91,409	93,237
Per Student Matrix Expenditure	172.3	175.7	179.2	182.8	186.5
School-level secretary	34,751	35,415	36,123	36,845	37,582
Per Student Matrix Expenditure	69.5	70.8	72.3	73.7	75.2
School-Level Salaries Per Student	3,937.4	4,013.9	4,094.2	4,176.1	4,259.7
School-Level Resources					
Teacher Continuing Ed Pay (5 days)	0.0	0.0	0.0	0.0	0.0
Technology	220	201	205	209.1	213.3
Instructional Materials	160	163.2	166.5	169.8	173.2
Extra Duty Funds	50	51.0	52.0	53.0	54.1

Adequacy Funding Matrix

(10)

Supervisory Aides	49.35	50.35	51.4	52.5		53.6
Substitutes	59	59	60.2	61.4		62.7
School-Level Resources Per Student	**538.4**	**524.6**	**535.1**	**545.8**		**556.9**
Carry-Forward						
Operations & Maintenance	581	581	592.6	604.5		616.6
Central Office	376	383.5	391.2	399.0		407.0
Transportation	286	286	291.7	297.5		303.8
Carry-Forward Per Student	**1,243.0**	**1,250.5**	**1,275.5**	**1,301.0**		**1,327.4**
Foundation Per Pupil Expenditures	**5,719**	**5,789**	**5,905**	**6,023**		**6,144**
Retirement	0.0	0.0	0.0	0.0		0.0
Matrix Foundation Per Student	**5,719**	**5,789**	**5,905**	**6,023**		**6,144**
Increase per ADM	57	70	116	118		121
	1.0%	1.2%	2.0%	2.0%		2.01%
Enhanced Funding Per Student	**51.0**	**87.0**	**35.0**	**0.0**		**0.0**
Matrix Foundation + Enhanced Per Student	**5,770**	**5,876**	**5,940**	**6,023**		**6,144**

Categorical Program Funding	**FY08&09 ADJ**	**New Cost**	**FY10 ADJ**	**FY11 ADJ**	**FY12 ADJ**
ELL	**0.4/1 to 0.6/1**	**293**	**0**	**0**	**299**
ALE	**15/1 to 12/1**	**4,063**	**0**	**0**	**4,145**
NSLA	**1.0328**	**496**	**0**	**0**	**506**
	1.0328	**992**	**0**	**0**	**1,012**
	1.0328	**1,488**	**0**	**0**	**1,518**
PD	**0**	**50**	**0**	**0**	**51**

Approved Memos: New Financial Coding Requirements for 2011-2012

ARKANSAS DEPARTMENT OF EDUCATION

Version History

Title	New Financial Coding Requirements for 2011-2012
Memo Number	FIN-11-080
Memo Date	4/1/2011
Attention	Co-op Directors; Superintendents; General Business Managers
Memo Type	Regulatory
Response Required	No
Section	Fiscal & Administrative Services
Regulatory Authority	A.C.A. §6-20-2207
Contact Person	Kathleen Crain
Phone Number	(501) 682-2887
E-Mail	Kathleen.Crain@arkansas.gov

Memo Text

Commissioner's Memo FIN-09-047, dated January 29, 2009, contained financial coding requirements for the 2009-2010 school year for revenues and expenditures specific to foundation funding. The coding changes explained by FIN-09-047 were implemented due to the following motion approved by the House and Senate Joint Education Committee on Monday, November 24, 2008:

"By motion made by Representative Abernathy, the Education Committee requests ADE (Arkansas Department of Education), BLR (Bureau of Legislative Research), and AASBO (Arkansas Association of School Business Officials) to determine if financial coding changes are required in order to better compare school district expenditures with the components of the Adequacy Funding Matrix. The Committee requests that any required changes be communicated by the ADE to school districts no later than January 31, 2009."

The coding changes implemented as a result of FIN-09-047 did improve the state's ability to compare school district expenditures with the components of the Adequacy Funding Matrix. Beginning with the 2009-2010 school year, school districts were required to charge expenditures related to meeting Adequacy to either the Teacher Salary Fund (Fund 1) or the Operating Fund (Fund 2) and Source of Funds 000 and/or 100-199. Foundation funding is defined in Arkansas Code Annotated (ACA) §6-20-2305 (a)(2) and for the 2010-2011 school year is $6,023 multiplied by the prior year's three-quarter average daily membership (ADM).

Based on the coding requirements specified in FIN-09-047, districts will likely have revenue recorded in funds 1000, 1100-1199, 2000 and 2100-2199, that exceeds foundation funding. This additional revenue will be due to voted Maintenance and Operations mills in excess of the 25 mills Uniform

Rate of Tax (URT), excess debt-service mills, miscellaneous funds in excess of the calculated amount shown on the state-aid notice, and beginning fund balances containing revenue from a variety of sources other than foundation funding. In order to limit these funds to only the revenue from foundation funding, the following requirement will be implemented beginning with the 2011-2012 school year:

No revenue will be recorded in funds 1000, 1100-1199, 2000 and 2100-2199. Revenue previously recorded in fund 2000 should be recorded in fund 2001. A transfer(s) from fund 2001 to fund 2000 equal to the amount of foundation funding defined in ACA §6-20-2305(a)(2) will be made by one or more journal entries. For example, assuming the foundation funding for the 2011-2012 school year is $6,144 per student, and assuming a district's three-quarter ADM for 2010-2011 is 1000, the amount of the transfer would be $6,144,000. The transfer, which could be entered one time in July, 2011, will be recorded as follows:

Budget Unit	Object/Account No.	Debit Amount	Credit Amount
2001 5200 000 000 00	69321 Transfer to 2000	$6,144,000	
2001	01010 Cash in Bank		$6,144,000
2000	01010 Cash in Bank	$6,144,000	
2000	52201 Transfer from 2001		$6,144,000

Object codes 69321 and revenue account code 52201 are new for the 2011-2012 school year.

This will have no effect on how school districts are now required to code expenditures. The expenditure coding requirements implemented for the 2009-2010 school year per Commissioner's Memo FIN-09-047 will continue to apply.

Other coding changes required for the 2011-2012 school year are:

1. Savings from refunding outstanding bonds must be recorded in fund 3300. Any revenue savings received at the time of refunding must be recorded in fund 3300, revenue code 51800. A regular transfer from the Operating Fund to fund 3300 will be required to record the savings each fiscal year when debt payments are made. The initial transfer from the district defined fund for this purpose to fund 3300 must be done before the final close of the 2010-2011 school year.
2. Amounts paid for financial audit services must be recorded in function 2317 and object code 63431.
3. Pathwise Mentoring Pilot Grant (Teacher Licensure) must be coded to Source of Fund 245, Revenue Code 32245.
4. Professional Quality Enhancement Teacher & Administrator Induction Program (Pathwise) must be charged to Source of Fund 246 and Revenue Code 32250.
5. Payments from Operating Fund (fund 2) to Food Service Fund (fund 8):

For ABC Pre-K Students:
Fund 2 object code 69610
Fund 8 revenue code 16211
Amounts in object code 69610 and revenue code 16211 must equal.

For Provision 2 Differentiated Cost:
Fund 2 object code 69620
Fund 8 revenue code 16212

Amounts in object code 69620 and revenue code 16212 must equal.

6. Federal Funds:

Medicaid General Health Services Fund 6752:

ARMAC	Revenue Code 45913
Personal Care	Revenue Code 45916
Vision & Hearing	Revenue Code 45917
Audiology	Revenue Code 45918

Medicaid for Preschool Fund 6749 Revenue Code 45679
Medicaid Fund 6750 Revenue Code 45910
School-Based Mental Health Fund 6751 Revenue Code 45912
Title 1 Fund 6501 – add function 1594 for Neglected Institutions.

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Created at 4/1/2011 3:10 PM by Lynn Kinsey (ADE)
Last modified at 4/5/2011 7:55 AM by Seth Blomeley (ADE)

Approved Memos: 9% Requirement for Utilities & Facilities Maintenance

ARKANSAS DEPARTMENT OF EDUCATION

12

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Title	9% Requirement for Utilities & Facilities Maintenance
Memo Number	FIN-12-022
Memo Date	8/8/2011
Attention	Co-op Directors; Superintendents; General Business Managers
Memo Type	Administrative
Response Required	No
Section	Fiscal & Administrative Services
Regulatory Authority	Ark. Code Ann. § 6-21-803, Ark. Code Ann. §06-21-808(d), Ark. Code Ann. §06-20-2305(a) as amended by Act 1474 of 2009
Contact Person	Kathleen Crain
Phone Number	(501) 682-4887
E-Mail	kathleen.crain@arkansas.gov

Memo Text

Act 19 of the 1st Extraordinary Session of 2006 made revisions to Ark. Code Ann. § 6-21-808(d)(1) concerning the annual expenditure requirement for utilities and facilities maintenance. School districts must now dedicate 9 percent of foundation funding exclusively to payment of utilities and costs of custodial, maintenance, repair, and renovation activities, which include related personnel costs, for public school facilities.

The following definitions are included in Ark. Code Ann. § 6-21-803:

Public School Facility - Any public school building or space, including related areas such as the physical plant and grounds, that is used for any purpose, including, without limitation:
(A) An extracurricular activity;
(B) An organized physical activity course as defined in Ark Code Ann. § 6-16-137;
(C) Pre-kindergarten education
(D) District administration; or
(E) Delivery of instruction to public school students that is an integral part of an adequate education as described in Ark. Code Ann. § 6-20-2302.

Custodial Activities - Routine and renovation cleaning activities related to the daily operations and upkeep of a public school facility, including related supervisory and management activities.

Maintenance, Repair, and Renovation - Any activity or improvement to a public school facility that:
(A) Maintain, conserves, or protects the state, condition or efficiency of the public school facility; or
(B) Bring the state, condition or efficiency of the public school facility up to the

facility's original condition of completeness or efficiency.

The expenditure requirement, as show on the attached spreadsheet is based on 9 percent of foundation funding. For 2010-2011, foundation funding is equal to $6,023.00 multiplied by the 3 Quarter Average Daily Membership (ADM) for 2009-2010.

Act 1474 of 2009 made changes to Ark. Code Ann. § 6-20-2305(a) concerning foundation funding. Foundation Funding for 2011-2012 will increase to $6,144.

School districts should code expenditures eligible to meet the 9 percent requirement as follows: Fund = 2000 or 2011-2199, Function = 2600 through 2699, Objects 61000 through 65199 and 65300 through 69999. This will include all Operating Fund expenditures charged to Operating and Maintenance of Plant Services in the "General Operating Fund" except for "Insurance Other than Employee Benefits."

If any amount of the dedicated 9 percent is unspent at the end of the school district's fiscal year, the funds shall carry over, and the school district must transfer the remaining amount into a public school facilities escrow account. Source of funds code 391 shall be used for this escrow account. The funds in escrow may be used in any fiscal year for payment of utilities and costs of custodial, maintenance, repair, and renovation activities, which include related personnel costs, for public school facilities.

If a school district wants to use funds from its public school facilities escrow account of new construction, the school district shall apply to the Division of Public School Academic Facilities and Transportation for approval.

Attachments M and O req FY11 081011.xls

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Approved Memos: 2011-2012 Expenditure Requirements for Gifted and Talented Programs

13

ARKANSAS DEPARTMENT OF EDUCATION

Version History

Title	2011-2012 Expenditure Requirements for Gifted and Talented Programs
Memo Number	FIN-12-054
Memo Date	11/15/2011
Attention	Co-op Directors; Superintendents; General Business Managers
Memo Type	Informational
Response Required	No
Section	Fiscal & Administrative Services
Regulatory Authority	Ark. Code Ann. §6-20-2208(c)(6) et seq. (as amended by Act 61 of the 2nd Extraordinary Session of 2003)
Contact Person	Lynn Kinsey
Phone Number	(501) 682-1297
E-Mail	Lynn.kinsey@arkansas.gov
Memo Text	Pursuant to Ark. Code Ann. §6-20-2208(c)(6), school districts are required to expend state and local revenues on gifted and talented programs in an amount equal to fifteen percent of the foundation funding amount multiplied by five percent of the school district's prior year Three Quarter Average Daily Membership (3QTR ADM). A spreadsheet is attached that shows each districts 2011-2012 spending requirement for Gifted and Talented Programs based on the Foundation Funding amount of $6,144.00
Attachments	FiscalYear12GiftedTalentedExpenditureRequirement.pdf

Version: 11.0
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Arkansas Department of Education
Arkansas Public School Computer Network
ADM 2010-11 Qtrs. 1-3 Avg. as of 7/28/11
Fiscal Year 12 Gifted/Talented Expenditure Requirement
M to M ADM Excluded

Notes:
From final fiscal year 2010-2011 state aid data file
Magnet ADM included, M to M excluded for LEAs 6001, 6002, and 6003
The FY12 foundation funding amount per student is $6,144.00.

		State-Wide Totals	**457,452.48**	**22,872.62**	**921.60**	**21,079,410.28**
			Column # 1	Column # 2	Column # 3	Column # 4
			Cycle 7 2010-2011			Column # 2 X # 3
1	2		3	4	5	6
			3-Qtr Total	5% of 2010-2011	921.60 15% of Total	GT Expenditure
LEA NO.	County	School District	ADM	3 QTR ADM	Foundation Aid	Requirement
101	ARKANSAS	DEWITT	1,334.51	66.73	921.60	61,494.22
104	ARKANSAS	STUTTGART	1,792.83	89.64	921.60	82,613.61
201	ASHLEY	CROSSETT	1,866.76	93.34	921.60	86,020.30
203	ASHLEY	HAMBURG	1,896.21	94.81	921.60	87,377.36
302	BAXTER	COTTER	661.42	33.07	921.60	30,478.23
303	BAXTER	MOUNTAIN HOME	3,985.05	199.25	921.60	183,631.10
304	BAXTER	NORFORK	466.67	23.33	921.60	21,504.15
401	BENTON	BENTONVILLE	13,541.22	677.06	921.60	623,979.42
402	BENTON	DECATUR	489.81	24.49	921.60	22,570.44
403	BENTON	GENTRY	1,422.55	71.13	921.60	65,551.10
404	BENTON	GRAVETTE	1,770.22	88.51	921.60	81,571.74
405	BENTON	ROGERS	13,894.67	694.73	921.60	640,266.39
406	BENTON	SILOAM SPRINGS	3,858.86	192.94	921.60	177,816.27
407	BENTON	PEA RIDGE	1,641.13	82.06	921.60	75,623.27
501	BOONE	ALPENA	554.30	27.72	921.60	25,542.14
502	BOONE	BERGMAN	1,065.32	53.27	921.60	49,089.95
503	BOONE	HARRISON	2,759.87	137.99	921.60	127,174.81
504	BOONE	OMAHA	418.47	20.92	921.60	19,283.10
505	BOONE	VALLEY SPRINGS	953.61	47.68	921.60	43,942.35
506	BOONE	LEAD HILL	364.09	18.20	921.60	16,777.27
601	BRADLEY	HERMITAGE	469.20	23.46	921.60	21,620.74
602	BRADLEY	WARREN	1,518.97	75.95	921.60	69,994.14
701	CALHOUN	HAMPTON	553.49	27.67	921.60	25,504.82
801	CARROLL	BERRYVILLE	1,863.68	93.18	921.60	85,878.37
802	CARROLL	EUREKA SPRINGS	645.56	32.28	921.60	29,747.40

Arkansas Department of Education
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M to M ADM Excluded

Notes:
From final fiscal year 2010-2011 state aid data file
Magnet ADM included, M to M excluded for LEAs 6001, 6002, and 6003
The FY12 foundation funding amount per student is $6,144.00.

		State-Wide Totals	**457,452.48**	**22,872.62**	**921.60**	**21,079,410.28**
			Column # 1 Cycle 7 2010-2011	Column # 2	Column # 3	Column # 4 Column # 2 X # 3
1	2		3	4	5	6
			3-Qtr Total	5% of 2010-2011	921.60 15% of Total	GT Expenditure
LEA NO.	County	School District	ADM	3 QTR ADM	Foundation Aid	Requirement
803	CARROLL	GREEN FOREST	1,218.92	60.95	921.60	56,167.83
901	CHICOT	DERMOTT	423.87	21.19	921.60	19,531.93
903	CHICOT	LAKESIDE	1,160.75	58.04	921.60	53,487.36
1002	CLARK	ARKADELPHIA	1,947.46	97.37	921.60	89,738.96
1003	CLARK	GURDON	751.41	37.57	921.60	34,624.97
1101	CLAY	CORNING	1,024.89	51.24	921.60	47,226.93
1104	CLAY	PIGGOTT	959.29	47.96	921.60	44,204.08
1106	CLAY	RECTOR	590.97	29.55	921.60	27,231.90
1201	CLEBURNE	CONCORD	457.65	22.88	921.60	21,088.51
1202	CLEBURNE	HEBER SPRINGS	1,747.36	87.37	921.60	80,518.35
1203	CLEBURNE	QUITMAN	606.68	30.33	921.60	27,955.81
1204	CLEBURNE	WEST SIDE	491.03	24.55	921.60	22,626.66
1304	CLEVELAND	WOODLAWN	549.94	27.50	921.60	25,341.24
1305	CLEVELAND	CLEVELAND COUNTY	844.57	42.23	921.60	38,917.79
1402	COLUMBIA	MAGNOLIA	2,777.49	138.87	921.60	127,986.74
1408	COLUMBIA	EMERSON-TAYLOR	613.88	30.69	921.60	28,287.59
1503	CONWAY	NEMO VISTA	490.76	24.54	921.60	22,614.22
1505	CONWAY	WONDERVIEW	412.96	20.65	921.60	19,029.20
1507	CONWAY	SO CONWAY COUNTY	2,229.19	111.46	921.60	102,721.08
1601	CRAIGHEAD	BAY	565.21	28.26	921.60	26,044.88
1602	CRAIGHEAD	WESTSIDE CONSOLIDATED	1,621.26	81.06	921.60	74,707.66
1603	CRAIGHEAD	BROOKLAND	1,616.79	80.84	921.60	74,501.68
1605	CRAIGHEAD	BUFFALO ISLAND CENTRAL	821.88	41.09	921.60	37,872.23
1608	CRAIGHEAD	JONESBORO	5,323.08	266.15	921.60	245,287.53
1611	CRAIGHEAD	NETTLETON	3,152.80	157.64	921.60	145,281.02

Arkansas Department of Education
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M to M ADM Excluded

Notes:
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The FY12 foundation funding amount per student is $6,144.00.

	State-Wide Totals	**457,452.48**	**22,872.62**	**921.60**	**21,079,410.28**

			Column # 1	Column # 2	Column # 3	Column # 4
			Cycle 7 2010-2011			Column # 2 X # 3
1	2		3	4	5	6
			3-Qtr Total		921.60	
LEA NO.	County	School District	ADM	5% of 2010-2011 3 QTR ADM	15% of Total Foundation Aid	GT Expenditure Requirement
1612	CRAIGHEAD	VALLEY VIEW	2,345.83	117.29	921.60	108,095.85
1613	CRAIGHEAD	RIVERSIDE	809.92	40.50	921.60	37,321.11
1701	CRAWFORD	ALMA	3,411.34	170.57	921.60	157,194.55
1702	CRAWFORD	CEDARVILLE	927.74	46.39	921.60	42,750.26
1703	CRAWFORD	MOUNTAINBURG	694.90	34.75	921.60	32,020.99
1704	CRAWFORD	MULBERRY/PLEASANT VIEW BI-C	391.43	19.57	921.60	18,037.09
1705	CRAWFORD	VAN BUREN	5,891.00	294.55	921.60	271,457.28
1802	CRITTENDEN	EARLE	696.51	34.83	921.60	32,095.18
1803	CRITTENDEN	WEST MEMPHIS	5,670.23	283.51	921.60	261,284.20
1804	CRITTENDEN	MARION	4,249.59	212.48	921.60	195,821.11
1901	CROSS	CROSS COUNTY	609.58	30.48	921.60	28,089.45
1905	CROSS	WYNNE	2,859.22	142.96	921.60	131,752.86
2002	DALLAS	FORDYCE	937.96	46.90	921.60	43,221.20
2104	DESHA	DUMAS	1,463.82	73.19	921.60	67,452.83
2105	DESHA	MCGEHEE	1,125.09	56.25	921.60	51,844.15
2202	DREW	DREW CENTRAL	972.20	48.61	921.60	44,798.98
2203	DREW	MONTICELLO	2,087.23	104.36	921.60	96,179.56
2301	FAULKNER	CONWAY	9,235.88	461.79	921.60	425,589.35
2303	FAULKNER	GREENBRIER	3,077.80	153.89	921.60	141,825.02
2304	FAULKNER	GUY-PERKINS	437.54	21.88	921.60	20,161.84
2305	FAULKNER	MAYFLOWER	1,059.29	52.96	921.60	48,812.08
2306	FAULKNER	MOUNT VERNON/ENOLA	479.24	23.96	921.60	22,083.38
2307	FAULKNER	VILONIA	3,060.48	153.02	921.60	141,026.92
2402	FRANKLIN	CHARLESTON	873.93	43.70	921.60	40,270.69
2403	FRANKLIN	COUNTY LINE	473.41	23.67	921.60	21,814.73

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		State-Wide Totals	**457,452.48**	**22,872.62**	**921.60**	**21,079,410.28**
			Column # 1 Cycle 7 2010-2011	Column # 2	Column # 3	Column # 4 Column # 2 X # 3
1	2		3	4	5	6
			3-Qtr Total	5% of 2010-2011	921.60 15% of Total	GT Expenditure
LEA NO.	County	School District	ADM	3 QTR ADM	Foundation Aid	Requirement
2404	FRANKLIN	OZARK	1,813.82	90.69	921.60	83,580.83
2501	FULTON	MAMMOTH SPRING	468.94	23.45	921.60	21,608.76
2502	FULTON	SALEM	727.72	36.39	921.60	33,533.34
2503	FULTON	VIOLA	410.44	20.52	921.60	18,913.08
2601	GARLAND	CUTTER-MORNING STAR	625.65	31.28	921.60	28,829.95
2602	GARLAND	FOUNTAIN LAKE	1,217.95	60.90	921.60	56,123.14
2603	GARLAND	HOT SPRINGS	3,638.83	181.94	921.60	167,677.29
2604	GARLAND	JESSIEVILLE	892.22	44.61	921.60	41,113.50
2605	GARLAND	LAKE HAMILTON	4,139.24	206.96	921.60	190,736.18
2606	GARLAND	LAKESIDE	3,015.03	150.75	921.60	138,932.58
2607	GARLAND	MOUNTAIN PINE	600.67	30.03	921.60	27,678.87
2703	GRANT	POYEN	533.33	26.67	921.60	24,575.85
2705	GRANT	SHERIDAN	4,145.69	207.28	921.60	191,033.40
2803	GREENE	MARMADUKE	724.06	36.20	921.60	33,364.68
2807	GREENE	GREENE COUNTY TECH	3,418.94	170.95	921.60	157,544.76
2808	GREENE	PARAGOULD	2,893.32	144.67	921.60	133,324.19
2901	HEMPSTEAD	BLEVINS	555.75	27.79	921.60	25,608.96
2903	HEMPSTEAD	HOPE	2,494.43	124.72	921.60	114,943.33
2906	HEMPSTEAD	SPRING HILL	505.65	25.28	921.60	23,300.35
3001	HOT SPRING	BISMARCK	974.23	48.71	921.60	44,892.52
3002	HOT SPRING	GLEN ROSE	938.97	46.95	921.60	43,267.74
3003	HOT SPRING	MAGNET COVE	656.08	32.80	921.60	30,232.17
3004	HOT SPRING	MALVERN	2,110.94	105.55	921.60	97,272.12
3005	HOT SPRING	OUACHITA	453.92	22.70	921.60	20,916.63
3102	HOWARD	DIERKS	545.07	27.25	921.60	25,116.83

Arkansas Department of Education
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Notes:
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		State-Wide Totals	**457,452.48**	**22,872.62**	**921.60**	**21,079,410.28**

			Column # 1 Cycle 7 2010-2011	Column # 2	Column # 3	Column # 4 Column # 2 X # 3
1	2		3	4	5	6
			3-Qtr Total	5% of 2010-2011	15% of Total Foundation Aid	GT Expenditure Requirement
LEA NO.	County	School District	ADM	3 QTR ADM	921.60	
3104	HOWARD	MINERAL SPRINGS	480.71	24.04	921.60	22,151.12
3105	HOWARD	NASHVILLE	1,943.47	97.17	921.60	89,555.10
3201	INDEPENDENCE	BATESVILLE	2,950.47	147.52	921.60	135,957.66
3209	INDEPENDENCE	SOUTHSIDE	1,517.76	75.89	921.60	69,938.38
3211	INDEPENDENCE	MIDLAND	523.02	26.15	921.60	24,100.76
3212	INDEPENDENCE	CEDAR RIDGE	829.43	41.47	921.60	38,220.13
3301	IZARD	CALICO ROCK	418.62	20.93	921.60	19,290.01
3302	IZARD	MELBOURNE	910.56	45.53	921.60	41,958.60
3306	IZARD	IZARD COUNTY CONSOLIDATED	511.79	25.59	921.60	23,583.28
3403	JACKSON	NEWPORT	1,427.07	71.35	921.60	65,759.39
3405	JACKSON	JACKSON COUNTY	815.06	40.75	921.60	37,557.96
3502	JEFFERSON	DOLLARWAY	1,526.39	76.32	921.60	70,336.05
3505	JEFFERSON	PINE BLUFF	4,734.39	236.72	921.60	218,160.69
3509	JEFFERSON	WATSON CHAPEL	3,101.87	155.09	921.60	142,934.17
3510	JEFFERSON	WHITE HALL	3,015.99	150.80	921.60	138,976.82
3601	JOHNSON	CLARKSVILLE	2,496.88	124.84	921.60	115,056.23
3604	JOHNSON	LAMAR	1,067.03	53.35	921.60	49,168.74
3606	JOHNSON	WESTSIDE	608.94	30.45	921.60	28,059.96
3701	LAFAYETTE	BRADLEY	382.38	19.12	921.60	17,620.07
3704	LAFAYETTE	LAFAYETTE COUNTY	751.08	37.55	921.60	34,609.77
3804	LAWRENCE	HOXIE	949.10	47.46	921.60	43,734.53
3806	LAWRENCE	SLOAN-HENDRIX	655.48	32.77	921.60	30,204.52
3809	LAWRENCE	HILLCREST	409.54	20.48	921.60	18,871.60
3810	LAWRENCE	LAWRENCE COUNTY	1,081.00	54.05	921.60	49,812.48
3904	LEE	LEE COUNTY	986.38	49.32	921.60	45,452.39

Arkansas Department of Education
Arkansas Public School Computer Network
ADM 2010-11 Qtrs. 1-3 Avg. as of 7/28/11
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M to M ADM Excluded

Notes:
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The FY12 foundation funding amount per student is $6,144.00.

	State-Wide Totals		**457,452.48**	**22,872.62**	**921.60**	**21,079,410.28**

			Column # 1 Cycle 7 2010-2011	Column # 2	Column # 3	Column # 4
1	2		3	4	5	6
			3-Qtr Total	5% of 2010-2011	921.60 15% of Total	Column # 2 X # 3 GT Expenditure
LEA NO.	County	School District	ADM	3 QTR ADM	Foundation Aid	Requirement
4003	LINCOLN	STAR CITY	1,655.07	82.75	921.60	76,265.63
4101	LITTLE RIVER	ASHDOWN	1,488.13	74.41	921.60	68,573.03
4102	LITTLE RIVER	FOREMAN	541.74	27.09	921.60	24,963.38
4201	LOGAN	BOONEVILLE	1,364.63	68.23	921.60	62,882.15
4202	LOGAN	MAGAZINE	517.85	25.89	921.60	23,862.53
4203	LOGAN	PARIS	1,117.43	55.87	921.60	51,491.17
4204	LOGAN	SCRANTON	403.94	20.20	921.60	18,613.56
4301	LONOKE	LONOKE	1,832.30	91.62	921.60	84,432.38
4302	LONOKE	ENGLAND	753.19	37.66	921.60	34,707.00
4303	LONOKE	CARLISLE	752.54	37.63	921.60	34,677.04
4304	LONOKE	CABOT	10,006.07	500.30	921.60	461,079.71
4401	MADISON	HUNTSVILLE	2,317.18	115.86	921.60	106,775.65
4501	MARION	FLIPPIN	814.08	40.70	921.60	37,512.81
4502	MARION	YELLVILLE-SUMMIT	813.01	40.65	921.60	37,463.50
4602	MILLER	GENOA CENTRAL	937.85	46.89	921.60	43,216.13
4603	MILLER	FOUKE	1,036.01	51.80	921.60	47,739.34
4605	MILLER	TEXARKANA	4,248.16	212.41	921.60	195,755.21
4701	MISSISSIPPI	ARMOREL	453.82	22.69	921.60	20,912.03
4702	MISSISSIPPI	BLYTHEVILLE	2,915.42	145.77	921.60	134,342.55
4706	MISSISSIPPI	SO MISSISSIPPI COUNTY	1,299.17	64.96	921.60	59,865.75
4708	MISSISSIPPI	GOSNELL	1,412.89	70.64	921.60	65,105.97
4712	MISSISSIPPI	MANILA	984.88	49.24	921.60	45,383.27
4713	MISSISSIPPI	OSCEOLA	1,386.39	69.32	921.60	63,884.85
4801	MONROE	BRINKLEY	632.41	31.62	921.60	29,141.45
4802	MONROE	CLARENDON	537.73	26.89	921.60	24,778.60

Arkansas Department of Education
Arkansas Public School Computer Network
ADM 2010-11 Qtrs. 1-3 Avg. as of 7/28/11
Fiscal Year 12 Gifted/Talented Expenditure Requirement
M to M ADM Excluded

Notes:
From final fiscal year 2010-2011 state aid data file
Magnet ADM included, M to M excluded for LEAs 6001, 6002, and 6003
The FY12 foundation funding amount per student is $6,144.00.

		State-Wide Totals	**457,452.48**	**22,872.62**	**921.60**	**21,079,410.28**
			Column # 1	Column # 2	Column # 3	Column # 4
			Cycle 7 2010-2011			Column # 2 X # 3
1	2		3	4	5	6
			3-Qtr Total	5% of 2010-2011	15% of Total	GT Expenditure
LEA NO.	**County**	**School District**	**ADM**	**3 QTR ADM**	**Foundation Aid**	**Requirement**
4901	MONTGOMERY	CADDO HILLS	568.93	28.45	921.60	26,216.29
4902	MONTGOMERY	MOUNT IDA	503.99	25.20	921.60	23,223.86
5006	NEVADA	PRESCOTT	1,041.59	52.08	921.60	47,996.47
5008	NEVADA	NEVADA	402.49	20.12	921.60	18,546.74
5102	NEWTON	JASPER	894.42	44.72	921.60	41,214.87
5106	NEWTON	DEER/MT. JUDEA	361.61	18.08	921.60	16,662.99
5201	OUACHITA	BEARDEN	564.69	28.23	921.60	26,020.92
5204	OUACHITA	CAMDEN-FAIRVIEW	2,434.05	121.70	921.60	112,161.02
5205	OUACHITA	HARMONY GROVE	1,005.62	50.28	921.60	46,338.97
5206	OUACHITA	STEPHENS	355.04	17.75	921.60	16,360.24
5301	PERRY	EAST END	632.52	31.63	921.60	29,146.52
5303	PERRY	PERRYVILLE	1,021.20	51.06	921.60	47,056.90
5401	PHILLIPS	BARTON-LEXA	771.20	38.56	921.60	35,536.90
5403	PHILLIPS	HELENA-W HELENA	2,241.96	112.10	921.60	103,309.52
5404	PHILLIPS	MARVELL	454.37	22.72	921.60	20,937.37
5502	PIKE	CENTERPOINT	1,013.30	50.67	921.60	46,692.86
5503	PIKE	KIRBY	411.30	20.57	921.60	18,952.70
5504	PIKE	SOUTH PIKE COUNTY - Murfreesbo	750.92	37.55	921.60	34,602.39
5602	POINSETT	HARRISBURG (annexed Weiner)	1,372.99	68.65	921.60	63,267.38
5604	POINSETT	MARKED TREE	600.35	30.02	921.60	27,664.13
5605	POINSETT	TRUMANN	1,517.88	75.89	921.60	69,943.91
5608	POINSETT	EAST POINSETT COUNTY	726.62	36.33	921.60	33,482.65
5703	POLK	MENA	1,882.87	94.14	921.60	86,762.65
5706	POLK	OUACHITA RIVER	706.90	35.35	921.60	32,573.95
5707	POLK	Cossatot River (Wickes/Van Cove)	1,136.78	56.84	921.60	52,382.82

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Notes:
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The FY12 foundation funding amount per student is $6,144.00.

		State-Wide Totals	**457,452.48**	**22,872.62**	**921.60**	**21,079,410.28**
			Column # 1	Column # 2	Column # 3	Column # 4
			Cycle 7 2010-2011			Column # 2 X # 3
1	2		3	4	5	6
			3-Qtr Total		921.60	
LEA NO.	County	School District	ADM	5% of 2010-2011 3 QTR ADM	15% of Total Foundation Aid	GT Expenditure Requirement
5801	POPE	ATKINS	971.77	48.59	921.60	44,779.16
5802	POPE	DOVER	1,363.33	68.17	921.60	62,822.25
5803	POPE	HECTOR	618.62	30.93	921.60	28,506.01
5804	POPE	POTTSVILLE	1,616.91	80.85	921.60	74,507.21
5805	POPE	RUSSELLVILLE	5,136.77	256.84	921.60	236,702.36
5901	PRAIRIE	DES ARC	591.82	29.59	921.60	27,271.07
5903	PRAIRIE	HAZEN	643.67	32.18	921.60	29,660.31
6001	PULASKI	LITTLE ROCK	22,763.11	1,138.16	921.60	1,048,924.11
6002	PULASKI	N LITTLE ROCK	8,564.90	428.25	921.60	394,670.59
6003	PULASKI	PULASKI COUNTY	16,413.60	820.68	921.60	756,338.69
6102	RANDOLPH	MAYNARD	520.26	26.01	921.60	23,973.58
6103	RANDOLPH	POCAHONTAS	1,819.15	90.96	921.60	83,826.43
6201	ST FRANCIS	FORREST CITY	3,146.50	157.33	921.60	144,990.72
6202	ST FRANCIS	HUGHES	413.88	20.69	921.60	19,071.59
6205	ST FRANCIS	PALESTINE-WHEATLEY	671.15	33.56	921.60	30,926.59
6301	SALINE	BAUXITE	1,489.88	74.49	921.60	68,653.67
6302	SALINE	BENTON	4,650.33	232.52	921.60	214,287.21
6303	SALINE	BRYANT	7,928.51	396.43	921.60	365,345.74
6304	SALINE	HARMONY GROVE	1,103.05	55.15	921.60	50,828.54
6401	SCOTT	WALDRON	1,623.99	81.20	921.60	74,833.46
6502	SEARCY	SEARCY COUNTY	930.96	46.55	921.60	42,898.64
6505	SEARCY	OZARK MOUNTAIN	649.44	32.47	921.60	29,926.20
6601	SEBASTIAN	FORT SMITH	13,738.94	686.95	921.60	633,090.36
6602	SEBASTIAN	GREENWOOD	3,572.67	178.63	921.60	164,628.63
6603	SEBASTIAN	HACKETT	619.52	30.98	921.60	28,547.48

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			457,452.48	22,872.62	921.60	21,079,410.28
		State-Wide Totals				
			Column # 1	Column # 2	Column # 3	Column # 4
			Cycle 7			
			2010-2011			Column # 2 X # 3
1	2		3	4	5	6
			3-Qtr		921.60	
			Total	5% of 2010-2011	15% of Total	GT Expenditure
LEA NO.	County	School District	ADM	3 QTR ADM	Foundation Aid	Requirement
6604	SEBASTIAN	HARTFORD	338.70	16.94	921.60	15,607.30
6605	SEBASTIAN	LAVACA	848.07	42.40	921.60	39,079.07
6606	SEBASTIAN	MANSFIELD	958.50	47.93	921.60	44,167.68
6701	SEVIER	DEQUEEN	2,383.79	119.19	921.60	109,845.04
6703	SEVIER	HORATIO	859.90	43.00	921.60	39,624.19
6802	SHARP	CAVE CITY	1,349.05	67.45	921.60	62,164.22
6804	SHARP	HIGHLAND	1,601.16	80.06	921.60	73,781.45
6901	STONE	MOUNTAIN VIEW	1,711.94	85.60	921.60	78,886.20
7001	UNION	EL DORADO	4,613.96	230.70	921.60	212,611.28
7003	UNION	JUNCTION CITY	541.46	27.07	921.60	24,950.48
7006	UNION	NORPHLET	411.13	20.56	921.60	18,944.87
7007	UNION	PARKERS CHAPEL	657.85	32.89	921.60	30,313.73
7008	UNION	SMACKOVER	851.26	42.56	921.60	39,226.06
7009	UNION	STRONG-HUTTIG	448.09	22.40	921.60	20,647.99
7102	VAN BUREN	CLINTON	1,336.74	66.84	921.60	61,596.93
7104	VAN BUREN	SHIRLEY	443.51	22.18	921.60	20,436.94
7105	VAN BUREN	SOUTH SIDE	512.30	25.62	921.60	23,606.78
7201	WASHINGTON	ELKINS	1,152.56	57.63	921.60	53,109.96
7202	WASHINGTON	FARMINGTON	2,178.52	108.93	921.60	100,386.20
7203	WASHINGTON	FAYETTEVILLE	8,844.23	442.21	921.60	407,542.12
7204	WASHINGTON	GREENLAND	790.17	39.51	921.60	36,411.03
7205	WASHINGTON	LINCOLN CONSOLIDATED	1,288.86	64.44	921.60	59,390.67
7206	WASHINGTON	PRAIRIE GROVE	1,746.45	87.32	921.60	80,476.42
7207	WASHINGTON	SPRINGDALE	18,716.83	935.84	921.60	862,471.53
7208	WASHINGTON	WEST FORK	1,226.37	61.32	921.60	56,511.13

Arkansas Department of Education
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Notes:
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Magnet ADM included, M to M excluded for LEAs 6001, 6002, and 6003
The FY12 foundation funding amount per student is $6,144.00.

		State-Wide Totals	**457,452.48**	**22,872.62**	**921.60**	**21,079,410.28**
			Column # 1	Column # 2	Column # 3	Column # 4
			Cycle 7			
			2010-2011			Column # 2 X # 3
1	2		3	4	5	6
			3-Qtr		921.60	
			Total	5% of 2010-2011	15% of Total	GT Expenditure
LEA NO.	**County**	**School District**	**ADM**	**3 QTR ADM**	**Foundation Aid**	**Requirement**
7301	WHITE	BALD KNOB	1,295.58	64.78	921.60	59,700.33
7302	WHITE	BEEBE	3,198.83	159.94	921.60	147,402.09
7303	WHITE	BRADFORD	490.68	24.53	921.60	22,610.53
7304	WHITE	WHITE COUNTY CENTRAL	672.58	33.63	921.60	30,992.49
7307	WHITE	RIVERVIEW	1,298.75	64.94	921.60	59,846.40
7309	WHITE	PANGBURN	745.37	37.27	921.60	34,346.65
7310	WHITE	ROSE BUD	817.08	40.85	921.60	37,651.05
7311	WHITE	SEARCY SPECIAL	4,004.75	200.24	921.60	184,538.88
7401	WOODRUFF	AUGUSTA	475.99	23.80	921.60	21,933.62
7403	WOODRUFF	MCCRORY	673.90	33.70	921.60	31,053.31
7503	YELL	DANVILLE	875.59	43.78	921.60	40,347.19
7504	YELL	DARDANELLE	1,939.92	97.00	921.60	89,391.51
7509	YELL	WESTERN YELL COUNTY	475.95	23.80	921.60	21,931.78
7510	YELL	TWO RIVERS	892.88	44.64	921.60	41,143.91

October 20, 2011

Approved Memos: Act 1075 of 2011 - Supplemental Transportation Funds

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ARKANSAS DEPARTMENT OF EDUCATION

Version History

Title	Act 1075 of 2011 - Supplemental Transportation Funds
Memo Number	FIN-12-086
Memo Date	3/16/2012
Attention	Superintendents; General Business Managers
Memo Type	Informational
Response Required	No
Section	Fiscal & Administrative Services
Regulatory Authority	Act 1075 of 2011
Contact Person	Cindy Hedrick
Phone Number	(501) 682-4484
E-Mail	cindy.hedrick@arkansas.gov
Memo Text	Pursuant to Act 1075 of 2011, the Arkansas Department of Education is allocating $500,000 during the 2011-2012 school year to address extraordinary transportation needs of public school districts. The calculation methodology is described in the Arkansas Department of Education Rules Governing the Distribution of Supplemental Transportation Funds attached to this memo, along with a spreadsheet providing applicable data and calculations. This revenue should be coded to source of fund 222 and revenue code 31400. Note that the expenditure of this revenue is restricted to transportation needs of the school district. Also, note that this is one-time funding for the 2011-2012 school year. Contact Cindy Hollowell at (501) 682-4484 or Cindy.Hedrick@Arkansas.gov with questions concerning the calculation of funding. Contact Mike Simmons at (501) 682-4261 or Mike.Simmons@Arkansas.gov with questions concerning the expenditure of these funds.
Attachments	Supplemental Transportation Rule.pdf Supplemental Transportation.pdf

Version: 10.0
Created at 3/16/2012 9:00 AM by Lynn Kinsey (ADE)
Last modified at 3/16/2012 2:58 PM by Seth Blomeley (ADE)

Arkansas Department of Education
Rules Governing the Distribution of
Supplemental Transportation Funds

15

1.0 Regulatory Authority

1.01 These rules are promulgated pursuant to Ark. Code Ann.§ 6-11-105 and Act 1075 of 2011.

2.0 Purpose

2.01 These rules shall be applied to all public school districts for the purpose of distributing $500,000 of Supplemental Transportation Funds during the 2011-2012 school year as authorized under Act 1075 of 2011.

3.0 Definitions

3.01 Adequacy Funding Matrix – The formula used by the Arkansas General Assembly for arriving at the per-student foundation funding amount.

3.02 Components of Adequacy Funding Matrix – The individual cost categories listed in the Adequacy Funding Matrix.

3.03 Current Expenditures – Expenditures paid from Fund 1000 and/or Fund 2000 that occur during a single school fiscal year excluding expenditures for acquiring capital assets, such as land, existing buildings, existing infrastructure assets, equipment and debt service.

3.04 Current Transportation Expenditures – The average of current expenditures related solely to transporting students between home and school for the 2009-2010 and 2010-2011 school years.

3.05 Current Transportation Expenditures Per Student – Current Transportation Expenditures divided by the Three-Quarter Average Daily Membership for 2010-2011.

3.06 Expenditures – The cash payments and/or recorded liabilities for goods and services received.

3.07 Foundation Funding – The 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. The annual foundation funding per-student is specified in Ark. Code Ann. § 6-20-2305(2).

3.08 Fund 1000 – The group of designated accounts used to pay the salaries of licensed personnel from foundation funding.

3.09 Fund 2000 – The group of designated accounts used to pay expenditures, other than the salaries of licensed personnel, from foundation funding.

3.10 Transportation Component of the Adequacy Funding Matrix – The Adequacy Funding Matrix Component described as "transportation". The dollar amount specified for this component is $303.80 for the 2011-2012 school year.

3.11 Transportation Component Percentage – Current Transportation Expenditures Per Student divided by the Transportation Component of the Adequacy Funding Matrix for the 2011-2012 school year ($303.80). The result will be stated as a percentage.

3.12 Transportation Costs in Excess of Foundation Funding – The Transportation Component of the Adequacy Funding Matrix for the 2011-2012 school year ($303.80) multiplied by each school district's 2010-2011Three-Quarter ADM. The result is subtracted from Current Transportation Expenditures.

4.0 Distribution of Funds

4.01 The Arkansas Department of Education (ADE) will distribute a total of $500,000 of Supplemental Transportation Funding during the 2011-2012 school year only.

4.01.1 Funds will be distributed to each school district that has a Transportation Component Percentage of 120% or more.

4.01.2 Each school district eligible for funding per 4.01.1 will receive an amount equal to its Transportation Costs in Excess of Foundation Funding divided by the total Transportation Costs in Excess of Foundation Funding for all eligible school districts multiplied by $500,000.

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Arkansas Department of Education
Rules Governing the Calculation of Miscellaneous Funds
November 14, 2011

1.00 Authority

1.01 The Arkansas State Board of Education's authority for promulgating these Rules is pursuant to Ark. Code Ann. §§ 6-20-2301 et seq., 6-20-2503, and Act 266 of 2011.

1.02 These Rules shall be known as the Arkansas Department of Education Rules Governing the Calculations of Miscellaneous Funds (Rules).

2.00 Purpose

2.01 The purpose of these Rules is to define the procedures for the calculation of miscellaneous funds to be used in calculating both state foundation funding aid and bonded debt assistance.

3.00 Definitions

For purposes of these Rules, the following terms mean:

3.01 "Miscellaneous funds" as used in calculating state foundation funding and bonded debt assistance for public school districts is the average of funds collected in the five (5) school years immediately preceding the previous school year, that were 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 from local sales and use taxes for capital improvements 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., and multiplied by the ratio of the uniform rate of tax to the school district's total millage rate in effect as of January 1 of the fiscal year prior to the current funding year.

3.02 "School year" is the year beginning July 1 of one calendar year and ending June 30 of the next calendar year.

3.03 "State foundation funding aid" is the amount of state financial aid provided to each school district and computed as the difference between the foundation funding amount established by the General Assembly and the sum of ninety-eight percent (98%) of the uniform rate of tax multiplied by the property assessment of the school district plus the miscellaneous funds of the school district.

4.00 Procedures for the Calculation of Miscellaneous Funds

4.01 The calculation of state foundation funding aid for public school districts uses miscellaneous funds listed in 3.021of these Rules calculated pursuant to § 6-20-2303 (11.

4.02 The calculation of bonded debt assistance for public school districts uses miscellaneous funds listed in 3.01 of these Rules calculated pursuant to § 6-20-2503(4) as amended by Act 266 of 2011.

4. 03 If a school district did not receive funds from a category of miscellaneous funds listed in 3.01 of these Rules during the most recent school year used to calculate the five-year average, then previous collections from that category of miscellaneous funds shall not be included in the five-year average calculation of miscellaneous funds used in the calculation of state foundation funding aid and bonded debt assistance.

4. 04 The calculation of miscellaneous funds shall be an annual calculation.

Approved Memos: Indirect Cost Rates for 2011-2012

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ARKANSAS DEPARTMENT OF EDUCATION

Version History

Title	Indirect Cost Rates for 2011-2012
Memo Number	FIN-12-060
Memo Date	4/24/2012
Attention	Co-op Directors; Superintendents; General Business Managers
Memo Type	Informational
Response Required	No
Section	Fiscal & Administrative Services
Regulatory Authority	OMB Circular A-87
Contact Person	Cindy Hollowell or Amy Thomas
Phone Number	501-682-4484
E-Mail	Cindy.Hedrick@Arkansas.gov or Amy.Thomas@Arkansas.gov
Memo Text	Attached are the restricted indirect cost rates for fiscal year 2011-2012 for Arkansas school districts, education service cooperatives, and open-enrollment charter schools. This information is attached as a separate listing for each group. Also attached to this memo is a description of the approved methodology used to calculate these rates. In addition, a file detailing the calculations and source data is posted to the ADE website (http://arkansased.org/about/reports.html) in the "Other Reports" section at the bottom of the page. This file is listed there as "Indirect Cost Rate Detail 2011-2012." Once the file is open, select the appropriate LEA number from the drop-down list at the top of the page to view the specific details of the 2011-12 indirect cost rate. For information regarding the federal regulations, refer to the "Cost Allocation Guide for State and Local Governments" published by the U.S. Department of Education available at http://www2.ed.gov/about/offices/list/ocfo/fipao/guideigcwebsite.pdf as well as the Office of Management and Budget (OMB) Circular A-87 available at http://www.whitehouse.gov/omb/circulars_a087_2004/. The fiscal year 2011-2012 rates have been calculated using fiscal year 2009-2010 data. Open-enrollment charter schools that were not in operation in fiscal year 2009-2010 have been assigned the statewide average indirect cost rates for fiscal year 2011-2012. Indirect cost rates are calculated using a carryforward method that adjusts individual rates according to actual data. The carryforward compares the rates calculated for the second preceding year to the actual indirect costs realized in that year's expenditure data. Any differences between these figures are then accounted for by adjusting the current year's indirect cost rates. This adjustment will lower indirect cost rates when an "over recovery" has occurred and will raise the indirect cost rates when an "under recovery" has occurred. Indirect cost rates that have a negative value after the carryforward adjustment are assigned a rate of zero.

The methodology for calculating the restricted indirect cost rate requires reclassification of indirect expenditures in some 2300, 2500, and 2600 function codes. Also, the methodology allows only the first $25,000 of purchased service contracts are to be included in the amount to which the indirect cost rate is applied. Therefore, the federal program's total direct expenditures, less capital outlay and purchased service contracts, will be provided on the federal Cognos report. LEAs will be able to add to this total the first $25,000 of each purchased service contract to arrive at the total direct cost of the program. The indirect cost rate will be applied to that total. LEAs must retain supporting documentation relating to the first $25,000 of each purchased service contract. Please refer to the "Methodology" attachment for complete details of the current methodology approved by the federal indirect cost group of the U.S. Department of Education.

Please print this Commissioner's Communication along with the attached list of indirect cost rates and place both in the audit file. The FY12 Indirect Cost Rates (with carryforward adjustments) are to be used for expenditures in the 2011-2012 school year. Questions concerning the calculation of the rates may be directed to Cindy Hedrick Hollowell at 501-682-4484 or Amy Thomas at 501-682-4494. Questions concerning the application of the rates may be directed to Annette Pearson at 501-683-1243.

Attachments

Charter Schools Indirect Cost Rates 2011-2012.pdf
Education Cooperatives Indirect Cost Rates 2011-2012.pdf
FY12 Indirect Cost Rate Methodology.pdf
School Districts Indirect Cost Rates 2011-2012.pdf

Version: 12.0
Created at 4/24/2012 12:43 PM by Amy Thomas (ADE)
Last modified at 4/25/2012 3:46 PM by Seth Blomeley (ADE)

Arkansas Department of Education

Assessment and 36% Pullback Report

Calendar Year 2011 Total Valuations for Taxes Payable in 2012

26-Apr-12

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Notes:

* The assessment data is submitted by each county official on or before March 15 each year in compliance with A.C.A. §6-20-2202(g)(1).
* This data will be used in the state funding calculations for 2012-2013.
* The millage data is from the annual millage election held during calendar year 2011, for taxes payable in calendar year 2012.
* The millage rates have been adjusted for rollback provisions. Rollback data is provided by the Assessment Coordination Department.
* The 36% Pullback is calculated in compliance with A.C.A. §6-20-401(4)(C)(i).
* If amount collected is less than 36% of the proceeds of the local taxes that are not pledged to secure bonded indebtedness, the amount necessary to equal 36% may be accrued.
* Districts that were consolidated or annexed and have not voted a unified millage rate are indicated with a "+" (plus sign). For the 36% Pullback of these districts, the two calculations are added together.
* M&O is an acronym for maintenance and operations. LEA is an acronym for local education agency.

Updated 26-Apr-12
30-Apr-12

LEA NO.	County	School District	2011 Real Estate Valuations	2011 Personal Property Valuations	2011 Utilities Valuations	2011 Total Valuations	2010 Total Valuations	% Change 2011 v. 2010 Valuations	2011 M&O Mills	2011 Dedicated M&O Mills	2011 Debt Service Mills	2011 Total Mills	36% Pullback
101	ARKANSAS	DEWITT	82,627,643	33,327,490	12,924,665	128,879,798	125,817,937	2%	25.00	0.00	9.50	34.50	1,159,918
104	ARKANSAS	STUTTGART	106,728,566	65,905,760	9,594,960	182,229,286	177,909,015	2%	25.00	0.00	6.90	31.90	1,640,064
201	ASHLEY	CROSSETT	94,002,163	132,949,510	7,418,140	234,369,813	228,029,748	3%	25.00	1.27	9.70	35.97	2,216,482
203	ASHLEY	HAMBURG	64,591,430	21,265,890	13,100,250	98,957,570	96,021,915	3%	25.00	0.00	10.50	35.50	890,618
302	BAXTER	COTTER	44,266,167	6,795,610	1,992,820	53,054,597	51,056,755	4%	25.00	0.00	7.67	32.67	477,491
303	BAXTER	MOUNTAIN HOME	449,457,026	99,531,780	24,329,600	573,318,406	552,953,863	4%	25.29	0.00	6.87	32.16	5,219,720
304	BAXTER	NORFORK	50,705,985	6,871,760	3,367,090	60,944,835	58,942,722	3%	27.00	0.00	7.39	34.39	592,384
401	BENTON	BENTONVILLE	1,225,809,350	297,575,600	37,317,930	1,560,702,880	1,612,132,510	-3%	25.00	2.00	16.70	43.70	15,170,032
402	BENTON	DECATUR	31,056,690	12,333,495	4,355,575	47,745,760	46,396,370	3%	25.00	0.00	14.90	39.90	429,712
403	BENTON	GENTRY	75,126,640	30,531,200	36,027,720	141,685,560	146,063,950	-3%	28.00	0.00	14.90	42.90	1,428,190
404	BENTON	GRAVETTE	217,362,760	34,329,165	9,017,165	260,709,090	267,875,810	-3%	25.80	0.00	11.40	37.20	2,421,466
405	BENTON	ROGERS	1,321,586,570	298,609,020	41,850,725	1,662,046,315	1,732,144,990	-4%	25.00	2.50	10.90	38.40	16,454,259
406	BENTON	SILOAM SPRINGS	212,449,163	65,369,159	11,367,558	289,185,880	306,811,031	-6%	25.00	0.00	20.00	45.00	2,602,673
407	BENTON	PEA RIDGE	66,751,460	13,648,215	2,930,405	83,330,080	92,498,110	-10%	25.00	0.00	19.80	44.80	749,971
501	BOONE	ALPENA	21,467,553	4,904,545	1,567,385	27,939,483	26,852,310	4%	25.60	0.00	8.00	33.60	257,490
502	BOONE	BERGMAN	39,229,157	7,789,180	1,496,110	48,514,447	47,818,131	1%	25.00	0.00	7.00	32.00	436,630
503	BOONE	HARRISON	235,601,589	61,320,915	17,859,055	314,781,559	324,769,058	-3%	25.00	0.00	9.30	34.30	2,833,034

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504	BOONE	OMAHA	23,737,135	4,682,830	1,035,710	29,455,675	28,893,080	2%	25.00	0.00	13.10	38.10	265,101
505	BOONE	VALLEY SPRINGS	37,042,913	8,998,075	2,609,045	48,650,033	48,788,908	0%	25.00	0.00	7.80	32.80	437,850
506	BOONE	LEAD HILL	27,000,310	4,714,070	1,332,265	33,046,645	31,722,894	4%	25.90	0.00	13.10	39.00	308,127
601	BRADLEY	HERMITAGE	22,812,213	6,415,565	3,051,675	32,279,453	31,013,712	4%	25.00	0.00	16.50	41.50	290,515
602	BRADLEY	WARREN	52,448,665	24,689,820	5,690,915	82,829,400	78,804,106	5%	25.00	0.00	11.50	36.50	745,465
701	CALHOUN	HAMPTON	45,573,395	23,877,895	8,078,330	77,529,620	75,341,621	3%	30.00	0.00	6.70	36.70	837,320
801	CARROLL	BERRYVILLE	92,319,687	27,414,160	12,350,340	132,084,187	128,099,294	3%	25.00	0.00	13.05	38.05	1,188,758
802	CARROLL	EUREKA SPRINGS	178,617,593	20,850,450	7,130,970	206,599,013	200,052,616	3%	25.00	0.00	11.13	36.13	1,859,391
803	CARROLL	GREEN FOREST	52,960,775	19,166,390	5,061,780	77,188,945	73,828,426	5%	25.00	0.00	11.00	36.00	694,701
901	CHICOT	DERMOTT	21,898,935	5,926,295	4,942,750	32,767,980	30,211,193	8%	25.00	0.00	16.81	41.81	294,912
903	CHICOT	+ LAKESIDE - Lakeside M	49,958,210	14,895,060	14,361,600	79,214,870	70,074,678	13%	25.00	0.00	14.80	39.80	712,934
903	CHICOT	+ LAKESIDE - Eudora M	23,700,169	7,054,510	491,340	31,246,019	37,652,724	-17%	27.00	2.00	7.00	36.00	326,208
1002	CLARK	ARKADELPHIA	130,152,495	46,457,930	15,671,415	192,281,840	186,657,358	3%	25.00	0.00	13.90	38.90	1,730,537
1003	CLARK	GURDON	29,951,203	20,173,265	11,869,680	61,994,148	58,642,245	6%	25.00	0.00	11.00	36.00	557,947
1101	CLAY	CORNING	53,964,855	22,820,127	15,514,731	92,299,713	88,968,822	4%	25.00	0.00	6.50	31.50	830,697
1104	CLAY	PIGGOTT	42,285,460	14,473,650	4,375,650	61,134,760	60,040,052	2%	25.00	0.00	10.44	35.44	550,213
1106	CLAY	RECTOR	26,828,533	8,826,620	4,285,905	39,941,058	39,406,153	1%	25.00	0.00	13.49	38.49	359,470
1201	CLEBURNE	CONCORD	49,371,392	19,865,770	2,996,540	72,233,702	51,362,365	41%	25.00	0.00	11.60	36.60	650,103
1202	CLEBURNE	HEBER SPRINGS	198,228,951	39,789,231	8,013,117	246,031,299	235,471,967	4%	25.00	0.00	4.40	29.40	2,214,282
1203	CLEBURNE	QUITMAN	119,078,214	46,696,766	9,270,330	175,045,310	134,227,849	30%	26.24	0.00	7.26	33.50	1,653,548
1204	CLEBURNE	WEST SIDE	123,365,395	14,818,651	4,959,710	143,143,756	133,683,258	7%	25.04	0.00	3.66	28.70	1,290,355
1304	CLEVELAND	WOODLAWN	22,019,440	5,579,880	1,181,645	28,780,965	25,654,954	12%	25.00	0.00	12.00	37.00	259,029
1305	CLEVELAND	CLEVELAND COUNTY	37,904,700	10,840,465	7,864,385	56,609,550	53,565,172	6%	28.00	0.00	10.10	38.10	570,624
1402	COLUMBIA	MAGNOLIA	181,279,579	62,078,580	14,535,720	257,893,879	245,726,881	5%	25.00	0.00	4.60	29.60	2,321,045
1408	COLUMBIA	EMERSON-TAYLOR	31,694,328	30,697,785	8,385,375	70,777,488	69,247,514	2%	29.90	0.00	7.50	37.40	761,849
1503	CONWAY	NEMO VISTA	128,819,090	41,947,153	12,345,640	183,111,883	139,456,568	31%	26.60	0.00	11.70	38.30	1,753,479
1505	CONWAY	WONDERVIEW	79,098,168	31,513,503	3,009,980	113,621,651	70,606,416	61%	25.00	0.00	11.20	36.20	1,022,595
1507	CONWAY	SO CONWAY COUNTY	130,049,144	64,273,711	23,869,150	218,192,005	197,354,704	11%	25.00	0.00	10.40	35.40	1,963,728
1601	CRAIGHEAD	BAY	18,933,037	7,920,299	4,049,988	30,903,324	29,732,090	4%	25.00	0.00	16.70	41.70	278,130
1602	CRAIGHEAD	WESTSIDE CONSOLIDA	69,031,059	23,910,050	7,687,222	100,628,331	97,151,883	4%	26.00	0.00	9.42	35.42	941,881
1603	CRAIGHEAD	BROOKLAND	79,945,894	19,350,610	4,103,999	103,400,503	97,971,832	6%	25.00	0.00	12.01	37.01	930,605
1605	CRAIGHEAD	BUFFALO ISLAND CENT	31,330,921	17,614,818	3,855,075	52,800,814	51,082,096	3%	25.00	0.00	8.00	33.00	475,207
1608	CRAIGHEAD	JONESBORO	391,856,349	108,206,809	16,795,449	516,858,607	505,829,513	2%	25.40	0.00	7.70	33.10	4,726,155
1611	CRAIGHEAD	NETTLETON	280,507,792	109,886,428	8,961,841	399,356,061	375,717,359	6%	26.00	0.00	9.00	35.00	3,737,973

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1612	CRAIGHEAD	VALLEY VIEW	136,193,561	28,584,692	4,920,489	169,698,742	159,845,670	6%	25.00	0.00	17.50	42.50	1,527,289
1613	CRAIGHEAD	RIVERSIDE	25,065,371	11,109,305	3,294,742	39,469,418	37,673,394	5%	25.00	0.00	16.06	41.06	355,225
1701	CRAWFORD	ALMA	124,567,235	33,690,280	8,872,586	167,130,101	164,383,418	2%	25.00	0.00	18.40	43.40	1,504,171
1702	CRAWFORD	CEDARVILLE	30,415,310	7,693,247	2,380,375	40,488,932	38,831,631	4%	25.00	0.00	11.00	36.00	364,400
1703	CRAWFORD	MOUNTAINBURG	24,684,547	7,396,051	4,266,315	36,346,913	34,401,881	6%	25.00	0.00	14.10	39.10	327,122
1704	CRAWFORD	MULBERRY/PLEASANT	26,652,437	8,984,136	5,756,681	41,393,254	43,246,128	-4%	25.00	0.00	11.40	36.40	372,539
1705	CRAWFORD	VAN BUREN	282,920,940	97,777,193	30,696,168	411,394,301	405,182,443	2%	25.00	0.00	14.60	39.60	3,702,549
1802	CRITTENDEN	EARLE	17,836,576	3,884,620	2,934,925	24,656,121	24,330,476	1%	25.00	0.00	19.80	44.80	221,905
1803	CRITTENDEN	WEST MEMPHIS	197,270,980	79,579,660	15,773,005	292,623,645	283,741,081	3%	27.00	0.00	2.00	29.00	2,844,302
1804	CRITTENDEN	MARION	234,625,557	54,422,645	37,971,465	327,019,667	315,196,506	4%	25.00	0.00	15.70	40.70	2,943,177
1901	CROSS	CROSS COUNTY	30,754,802	9,050,725	6,548,795	46,354,322	45,146,763	3%	26.30	0.00	13.60	39.90	438,883
1905	CROSS	WYNNE	113,853,281	39,342,610	13,807,980	167,003,871	160,861,050	4%	25.00	0.00	10.00	35.00	1,503,035
2002	DALLAS	FORDYCE	35,412,145	12,986,210	4,759,045	53,157,400	52,278,710	2%	25.00	0.00	8.50	33.50	478,417
2104	DESHA	DUMAS	57,334,743	25,012,146	9,225,852	91,572,741	86,360,112	6%	25.00	0.00	14.00	39.00	824,155
2105	DESHA	MCGEHEE	53,648,342	35,164,265	30,959,593	119,772,200	117,733,324	2%	31.00	0.00	9.46	40.46	1,336,658
2202	DREW	DREW CENTRAL	44,670,178	13,385,907	6,421,205	64,477,290	61,014,556	6%	25.00	0.00	14.90	39.90	580,296
2203	DREW	MONTICELLO	83,565,732	28,491,470	6,841,585	118,898,787	116,492,243	2%	25.00	0.00	14.90	39.90	1,070,089
2301	FAULKNER	CONWAY	802,298,859	240,797,810	19,908,879	1,063,005,548	995,462,472	7%	25.00	0.00	13.10	38.10	9,567,050
2303	FAULKNER	GREENBRIER	156,020,176	44,286,052	10,359,255	210,665,483	194,955,687	8%	25.00	0.00	13.00	38.00	1,895,989
2304	FAULKNER	GUY-PERKINS	30,895,290	13,697,700	10,890,058	55,483,048	40,710,769	36%	25.00	0.00	14.50	39.50	499,347
2305	FAULKNER	MAYFLOWER	51,819,422	11,747,480	5,249,786	68,816,688	66,306,966	4%	25.00	0.00	15.50	40.50	619,350
2306	FAULKNER	MOUNT VERNON/ENO	25,126,786	8,919,560	1,916,051	35,962,397	32,880,360	9%	25.49	0.00	16.01	41.50	330,005
2307	FAULKNER	VILONIA	115,061,006	34,701,440	3,753,910	153,516,356	148,521,453	3%	25.00	0.00	13.90	38.90	1,381,647
2402	FRANKLIN	CHARLESTON	34,912,334	10,443,470	2,726,435	48,082,239	49,795,284	-3%	25.00	0.00	12.50	37.50	432,740
2403	FRANKLIN	COUNTY LINE	24,758,234	9,108,535	6,026,230	39,892,999	45,808,844	-13%	25.00	0.00	11.10	36.10	359,037
2404	FRANKLIN	OZARK	72,377,403	40,294,135	29,333,724	142,005,262	146,498,193	-3%	25.00	0.00	8.00	33.00	1,278,047
2501	FULTON	MAMMOTH SPRING	25,858,224	5,000,134	4,963,508	35,821,866	34,275,570	5%	30.00	0.00	5.00	35.00	386,876
2502	FULTON	SALEM	30,677,721	8,496,520	4,610,505	43,784,746	41,747,303	5%	25.00	0.00	6.50	31.50	394,063
2503	FULTON	VIOLA	27,730,507	5,657,060	2,756,585	36,144,152	34,590,129	4%	25.00	0.00	15.62	40.62	325,297
2601	GARLAND	CUTTER-MORNING STA	30,159,095	8,020,510	2,015,101	40,194,706	38,902,378	3%	25.00	0.00	14.50	39.50	361,752
2602	GARLAND	FOUNTAIN LAKE	328,131,489	40,693,444	7,182,566	376,007,499	366,418,778	3%	27.05	0.00	7.75	34.80	3,661,561
2603	GARLAND	HOT SPRINGS	451,213,716	87,621,610	16,909,616	555,744,942	538,380,820	3%	25.00	1.90	10.80	37.70	5,381,834
2604	GARLAND	JESSIEVILLE	110,407,823	16,560,288	4,147,902	131,116,013	127,860,947	3%	29.70	0.00	9.00	38.70	1,401,892
2605	GARLAND	LAKE HAMILTON	311,248,211	56,371,365	5,266,335	372,885,911	356,300,954	5%	25.00	0.00	11.70	36.70	3,355,973

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2606	GARLAND	LAKESIDE	348,082,987	50,598,948	8,055,817	406,737,752	389,554,640	4%	25.00	0.00	12.70	37.70	3,660,640
2607	GARLAND	MOUNTAIN PINE	32,420,480	15,682,492	1,532,451	49,635,423	47,456,537	5%	25.00	0.00	12.90	37.90	446,719
2703	GRANT	POYEN	7,523,374	2,112,627	1,773,219	11,409,220	11,391,000	0%	25.00	0.00	21.70	46.70	102,683
2705	GRANT	SHERIDAN	196,607,632	63,262,635	13,328,270	273,198,537	266,192,603	3%	25.00	0.00	7.20	32.20	2,458,787
2803	GREENE	MARMADUKE	26,338,768	11,854,295	4,257,965	42,451,028	41,628,385	2%	25.00	0.00	4.10	29.10	382,059
2807	GREENE	GREENE COUNTY TECH	168,759,807	51,162,884	11,157,559	231,080,250	234,706,623	-2%	25.00	0.00	12.49	37.49	2,079,722
2808	GREENE	PARAGOULD	151,901,442	65,250,305	5,419,140	222,570,887	213,350,590	4%	25.00	0.00	12.62	37.62	2,003,138
2901	HEMPSTEAD	BLEVINS	19,717,286	5,734,170	4,430,930	29,882,386	28,632,375	4%	25.00	0.00	6.30	31.30	268,941
2903	HEMPSTEAD	HOPE	98,731,829	43,399,410	25,737,220	167,868,459	171,840,821	-2%	25.00	0.00	9.70	34.70	1,510,816
2906	HEMPSTEAD	SPRING HILL	8,139,118	2,729,470	2,084,220	12,952,808	12,581,385	3%	25.00	0.00	16.80	41.80	116,575
3001	HOT SPRING	BISMARCK	41,658,421	10,902,507	4,475,391	57,036,319	55,487,791	3%	25.00	0.00	16.00	41.00	513,327
3002	HOT SPRING	GLEN ROSE	30,711,454	11,770,179	4,843,219	47,324,852	45,674,885	4%	25.00	0.00	13.20	38.20	425,924
3003	HOT SPRING	MAGNET COVE	28,967,722	19,968,934	15,179,488	64,116,144	62,716,367	2%	25.00	0.00	14.18	39.18	577,045
3004	HOT SPRING	MALVERN	122,569,999	40,389,063	23,317,646	186,276,708	182,909,161	2%	25.00	0.00	12.65	37.65	1,676,490
3005	HOT SPRING	OUACHITA	13,196,182	3,654,902	4,605,802	21,456,886	21,556,823	0%	25.00	0.00	15.80	40.80	193,112
3102	HOWARD	DIERKS	21,924,842	12,352,625	3,591,480	37,868,947	36,102,616	5%	32.00	0.00	11.00	43.00	436,250
3104	HOWARD	MINERAL SPRINGS	24,004,649	9,341,945	39,109,190	72,455,784	57,843,469	25%	25.00	0.00	9.00	34.00	652,102
3105	HOWARD	NASHVILLE	73,370,978	51,148,145	8,892,635	133,411,758	126,391,513	6%	25.00	0.00	6.70	31.70	1,200,706
3201	INDEPENDENCE	BATESVILLE	166,683,242	70,201,157	10,416,046	247,300,445	240,921,103	3%	28.90	0.00	9.85	38.75	2,572,914
3209	INDEPENDENCE	SOUTHSIDE	41,589,521	13,516,071	1,335,847	56,441,439	52,712,627	7%	25.00	0.00	15.20	40.20	507,973
3211	INDEPENDENCE	MIDLAND	40,471,652	13,492,312	1,896,742	55,860,706	49,693,644	12%	28.00	0.00	10.30	38.30	563,076
3212	INDEPENDENCE	CEDAR RIDGE	34,756,020	20,165,826	87,752,919	142,674,765	141,616,799	1%	34.90	0.00	3.30	38.20	1,792,566
3301	IZARD	CALICO ROCK	22,353,893	5,145,990	3,195,760	30,695,643	30,336,500	1%	25.00	0.00	17.30	42.30	276,261
3302	IZARD	MELBOURNE	44,860,549	14,253,805	8,897,670	68,012,024	64,308,002	6%	25.12	0.00	13.10	38.22	615,046
3306	IZARD	IZARD COUNTY CONSO	39,641,851	7,730,370	3,767,340	51,139,561	51,230,561	0%	25.00	0.00	11.00	36.00	460,256
3403	JACKSON	NEWPORT	74,203,720	42,513,530	14,338,320	131,055,570	125,817,299	4%	25.00	0.00	12.00	37.00	1,179,500
3405	JACKSON	JACKSON COUNTY	32,079,824	10,065,435	8,872,105	51,017,364	50,619,433	1%	25.00	0.00	8.00	33.00	459,156
3502	JEFFERSON	DOLLARWAY	60,788,001	26,245,280	10,355,200	97,388,481	95,080,989	2%	25.00	0.00	15.80	40.80	876,496
3505	JEFFERSON	PINE BLUFF	212,663,400	115,429,750	33,574,450	361,667,600	352,463,781	3%	25.00	2.00	14.70	41.70	3,515,409
3509	JEFFERSON	WATSON CHAPEL	79,770,529	24,908,720	5,225,390	109,904,639	107,371,912	2%	26.10	0.00	5.70	31.80	1,032,664
3510	JEFFERSON	WHITE HALL	118,432,135	49,704,300	90,818,410	258,954,845	252,552,274	3%	25.00	0.00	14.20	39.20	2,330,594
3601	JOHNSON	CLARKSVILLE	106,332,091	39,356,120	7,866,653	153,554,864	147,781,428	4%	25.00	0.00	9.50	34.50	1,381,994
3604	JOHNSON	LAMAR	44,186,489	12,719,285	7,240,001	64,145,775	60,983,982	5%	25.00	0.00	10.33	35.33	577,312
3606	JOHNSON	WESTSIDE	18,885,818	4,895,720	5,805,264	29,586,802	27,491,068	8%	25.00	0.00	12.00	37.00	266,281

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3701	LAFAYETTE	BRADLEY	24,795,050	4,417,925	2,750,808	31,963,783	29,885,682	7%	29.00	0.00	3.00	32.00	333,702
3704	LAFAYETTE	LAFAYETTE COUNTY	47,779,124	10,585,468	11,130,013	69,494,605	66,377,341	5%	26.70	0.00	6.10	32.80	667,982
3804	LAWRENCE	HOXIE	21,873,025	9,510,290	7,964,197	39,347,512	38,032,915	3%	25.00	0.00	9.00	34.00	354,128
3806	LAWRENCE	SLOAN-HENDRIX	23,070,619	7,023,811	5,031,695	35,126,125	33,858,081	4%	25.00	0.00	11.93	36.93	316,135
3809	LAWRENCE	HILLCREST	25,166,115	7,020,390	4,473,254	36,659,759	35,524,263	3%	25.00	0.00	10.90	35.90	329,938
3810	LAWRENCE	LAWRENCE COUNTY	49,805,072	18,576,530	11,643,539	80,025,141	78,320,178	2%	27.50	0.00	4.90	32.40	792,249
3904	LEE	LEE COUNTY	58,697,735	19,246,220	33,042,220	110,986,175	95,361,565	16%	25.00	0.00	1.30	26.30	998,876
4003	LINCOLN	STAR CITY	56,104,048	22,115,508	9,311,433	87,530,989	85,472,186	2%	25.00	0.00	12.00	37.00	787,779
4101	LITTLE RIVER	ASHDOWN	68,341,919	109,482,710	10,972,810	188,797,439	186,211,457	1%	25.00	0.00	10.70	35.70	1,699,177
4102	LITTLE RIVER	FOREMAN	19,600,569	12,167,665	2,810,135	34,578,369	37,584,402	-8%	28.00	0.00	7.50	35.50	348,550
4201	LOGAN	BOONEVILLE	64,048,304	17,727,645	5,584,695	87,360,644	89,913,893	-3%	25.00	0.00	15.20	40.20	786,246
4202	LOGAN	MAGAZINE	20,626,870	5,003,090	7,778,930	33,408,890	33,982,515	-2%	25.00	0.00	14.00	39.00	300,680
4203	LOGAN	PARIS	53,708,398	16,821,180	7,924,845	78,454,423	75,110,940	4%	25.00	0.00	13.00	38.00	706,090
4204	LOGAN	SCRANTON	19,912,526	11,872,890	2,750,835	34,536,251	33,804,816	2%	25.00	0.00	13.00	38.00	310,826
4301	LONOKE	LONOKE	79,440,573	28,262,320	7,692,305	115,395,198	113,538,998	2%	25.16	0.00	18.19	43.35	1,045,204
4302	LONOKE	ENGLAND	33,169,320	11,093,390	5,213,540	49,476,250	48,347,620	2%	27.00	0.00	14.00	41.00	480,909
4303	LONOKE	CARLISLE	39,248,888	13,062,710	5,531,440	57,843,038	55,974,893	3%	25.00	0.00	17.00	42.00	520,587
4304	LONOKE	CABOT	478,384,856	95,917,350	23,706,310	598,008,516	587,509,160	2%	25.00	0.00	14.50	39.50	5,382,077
4401	MADISON	HUNTSVILLE	114,359,645	31,302,410	15,146,495	160,808,550	157,248,944	2%	25.00	0.00	7.10	32.10	1,447,277
4501	MARION	FLIPPIN	77,292,843	19,422,570	3,119,300	99,834,713	96,654,994	3%	30.80	0.00	3.10	33.90	1,106,967
4502	MARION	YELLVILLE-SUMMIT	46,257,338	10,840,730	3,867,580	60,965,648	59,440,083	3%	25.00	0.00	11.98	36.98	548,691
4602	MILLER	GENOA CENTRAL	27,065,466	7,705,540	3,678,650	38,449,656	35,884,728	7%	25.00	0.00	22.00	47.00	346,047
4603	MILLER	FOUKE	31,476,929	9,991,470	6,638,040	48,106,439	45,472,906	6%	25.10	0.00	23.90	49.00	434,690
4605	MILLER	TEXARKANA	243,742,749	74,969,370	28,679,330	347,391,449	337,982,982	3%	25.00	0.00	13.90	38.90	3,126,523
4701	MISSISSIPPI	ARMOREL	22,628,739	86,322,930	4,348,518	113,300,187	117,911,864	-4%	27.00	0.00	12.00	39.00	1,101,278
4702	MISSISSIPPI	BLYTHEVILLE	100,188,481	40,271,114	16,605,760	157,065,355	151,709,149	4%	25.00	0.00	8.39	33.39	1,413,588
4706	MISSISSIPPI	SO MISSISSIPPI COUNT	41,130,247	20,222,943	8,992,444	70,345,634	65,355,406	8%	26.60	0.00	9.40	36.00	673,630
4708	MISSISSIPPI	GOSNELL	24,197,310	10,276,383	8,723,741	43,197,434	40,959,407	5%	30.00	0.00	0.00	30.00	466,532
4712	MISSISSIPPI	MANILA	30,295,353	11,010,871	3,664,762	44,970,986	41,118,813	9%	25.00	0.00	11.70	36.70	404,739
4713	MISSISSIPPI	OSCEOLA	40,663,113	30,901,044	23,230,633	94,794,790	74,512,991	27%	25.00	0.00	13.20	38.20	853,153
4801	MONROE	BRINKLEY	33,659,268	14,355,705	15,300,410	63,315,383	56,271,493	13%	25.00	0.00	10.90	35.90	569,838
4802	MONROE	CLARENDON	30,415,913	11,638,305	5,706,180	47,760,398	46,479,871	3%	25.00	0.00	10.90	35.90	429,844
4901	MONTGOMERY	CADDO HILLS	20,915,005	8,326,445	1,752,150	30,993,600	30,651,069	1%	25.00	0.00	8.70	33.70	278,942
4902	MONTGOMERY	MOUNT IDA	52,098,687	12,588,015	2,439,190	67,125,892	64,148,827	5%	25.00	0.00	9.00	34.00	604,133

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5006	NEVADA	PRESCOTT	30,467,052	11,567,170	6,959,160	48,993,382	50,146,739	-2%	25.00	0.00	10.10	35.10	440,940
5008	NEVADA	NEVADA	22,268,108	4,523,110	6,228,789	33,020,007	32,319,872	2%	25.00	0.00	9.80	34.80	297,180
5102	NEWTON	JASPER	40,208,087	8,460,870	7,168,233	55,837,190	55,972,640	0%	25.00	0.00	11.80	36.80	502,535
5106	NEWTON	DEER/MT. JUDEA	16,551,076	4,150,235	2,446,779	23,148,090	22,489,589	3%	25.00	0.00	8.00	33.00	208,333
5201	OUACHITA	BEARDEN	19,738,751	8,365,731	4,727,091	32,831,573	31,660,701	4%	25.00	0.00	9.90	34.90	295,484
5204	OUACHITA	CAMDEN-FAIRVIEW	104,247,348	33,357,758	13,881,372	151,486,478	146,046,597	4%	25.00	0.00	9.00	34.00	1,363,378
5205	OUACHITA	HARMONY GROVE	31,053,975	10,810,514	3,565,209	45,429,698	43,274,386	5%	25.00	0.00	15.20	40.20	408,867
5206	OUACHITA	STEPHENS	23,984,736	5,233,161	7,659,727	36,877,624	35,099,344	5%	25.00	0.00	9.00	34.00	331,899
5301	PERRY	EAST END	26,010,074	7,695,855	2,693,430	36,399,359	34,514,597	5%	25.00	0.00	15.40	40.40	327,594
5303	PERRY	PERRYVILLE	36,396,615	9,841,420	4,415,500	50,653,535	48,549,228	4%	25.00	0.00	9.98	34.98	455,882
5401	PHILLIPS	BARTON-LEXA	21,570,896	6,464,680	5,754,885	33,790,461	33,076,985	2%	25.00	0.00	3.60	28.60	304,114
5403	PHILLIPS	HELENA-W HELENA	62,435,492	31,370,955	32,024,590	125,831,037	113,701,999	11%	25.00	0.00	9.10	34.10	1,132,479
5404	PHILLIPS	MARVELL	39,052,503	12,023,015	4,479,224	55,554,742	54,520,774	2%	25.00	0.00	8.00	33.00	499,993
5502	PIKE	CENTERPOINT	36,825,244	15,243,350	5,512,643	57,581,237	56,839,021	1%	25.00	0.00	13.60	38.60	518,231
5503	PIKE	KIRBY	21,062,890	6,428,145	3,229,385	30,720,420	29,416,425	4%	25.00	0.00	10.00	35.00	276,484
5504	PIKE	SOUTH PIKE COUNTY	43,679,522	11,916,785	4,002,810	59,599,117	58,478,384	2%	31.50	0.00	9.50	41.00	675,854
5602	POINSETT	+ HARRISBURG - HARRI	38,012,542	10,707,180	3,906,555	52,626,277	51,137,006	3%	25.00	0.00	10.50	35.50	473,636
5602	POINSETT	+ HARRISBURG - WEINI	26,154,880	8,450,225	6,002,090	40,607,195	38,479,565	6%	36.40	0.00	3.50	39.90	532,117
5604	POINSETT	MARKED TREE	22,999,150	7,778,210	4,122,445	34,899,805	34,382,725	2%	25.00	0.00	8.50	33.50	314,098
5605	POINSETT	TRUMANN	58,501,682	22,313,870	5,580,390	86,395,942	84,939,037	2%	25.00	0.00	10.80	35.80	777,563
5608	POINSETT	EAST POINSETT COUNT	20,968,506	7,177,116	4,183,031	32,328,653	31,314,901	3%	25.00	0.00	10.20	35.20	290,958
5703	POLK	MENA	97,601,241	30,805,860	9,209,810	137,616,911	133,614,191	3%	25.00	0.00	10.90	35.90	1,238,552
5706	POLK	OUACHITA RIVER	31,993,253	13,694,755	3,815,355	49,503,363	42,370,392	17%	25.00	0.00	6.30	31.30	445,530
5707	POLK	COSSATOT RIVER	33,629,009	14,052,650	11,324,850	59,006,509	56,450,860	5%	25.00	0.00	19.00	44.00	531,059
5801	POPE	ATKINS	40,561,858	12,560,785	5,570,910	58,693,553	55,624,735	6%	25.00	0.00	18.40	43.40	528,242
5802	POPE	DOVER	56,664,778	14,727,685	3,628,993	75,021,456	73,600,141	2%	25.00	0.00	15.30	40.30	675,193
5803	POPE	HECTOR	22,988,845	9,596,915	1,233,630	33,819,390	32,440,435	4%	25.00	0.00	19.50	44.50	304,375
5804	POPE	POTTSVILLE	52,888,827	18,197,730	2,627,640	73,714,197	71,124,757	4%	25.00	0.00	20.20	45.20	663,428
5805	POPE	RUSSELLVILLE	378,200,232	133,908,560	278,661,260	790,770,052	764,348,382	3%	26.80	1.40	12.60	40.80	8,027,898
5901	PRAIRIE	DES ARC	28,717,019	10,467,505	2,920,910	42,105,434	41,408,581	2%	25.00	0.00	5.00	30.00	378,949
5903	PRAIRIE	HAZEN	43,926,323	15,689,570	5,845,600	65,461,493	63,948,816	2%	26.43	0.00	3.60	30.03	622,853
6001	PULASKI	LITTLE ROCK	2,456,380,809	671,701,000	243,839,760	3,371,921,569	3,176,216,510	6%	32.00	2.00	12.40	46.40	41,272,320
6002	PULASKI	N LITTLE ROCK	550,821,082	143,014,460	47,597,645	741,433,187	719,817,762	3%	28.70	2.90	9.30	40.90	8,434,544
6003	PULASKI	PULASKI COUNTY	1,990,192,182	454,223,360	97,696,469	2,542,112,011	2,352,330,997	8%	25.00	0.90	14.80	40.70	23,702,652

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6102	RANDOLPH	MAYNARD	17,717,077	5,967,559	2,076,958	25,761,594	25,409,564	1%	25.20	3.00	2.50	30.70	261,532
6103	RANDOLPH	POCAHONTAS	84,298,683	28,029,179	8,714,561	121,042,423	118,666,424	2%	25.00	0.00	4.37	29.37	1,089,382
6201	ST FRANCIS	FORREST CITY	115,418,140	36,687,240	24,893,670	176,999,050	164,698,965	7%	25.00	0.00	7.60	32.60	1,592,991
6202	ST FRANCIS	HUGHES	42,509,309	6,226,585	2,843,110	51,579,004	50,397,589	2%	37.00	0.00	2.40	39.40	687,032
6205	ST FRANCIS	PALESTINE-WHEATLEY	19,382,836	6,258,150	8,322,290	33,963,276	32,545,581	4%	25.00	0.00	11.80	36.80	305,669
6301	SALINE	BAUXITE	48,177,230	13,310,155	3,965,970	65,453,355	65,210,430	0%	25.00	0.00	13.60	38.60	589,080
6302	SALINE	BENTON	296,684,540	68,398,107	11,084,519	376,167,166	367,117,777	2%	25.00	0.00	16.90	41.90	3,385,504
6303	SALINE	BRYANT	512,140,414	115,680,905	19,098,630	646,919,949	617,572,433	5%	25.00	0.00	12.20	37.20	5,822,280
6304	SALINE	HARMONY GROVE	39,038,596	13,946,415	2,401,570	55,386,581	52,662,456	5%	25.00	0.00	16.80	41.80	498,479
6401	SCOTT	WALDRON	50,881,773	17,143,055	6,965,110	74,989,938	74,220,677	1%	25.00	0.00	10.60	35.60	674,909
6502	SEARCY	SEARCY COUNTY	36,718,182	9,083,260	4,539,785	50,341,227	63,410,806	-21%	25.00	0.00	7.75	32.75	453,071
6505	SEARCY	OZARK MOUNTAIN	36,736,847	7,743,410	4,329,830	48,810,087	46,574,777	5%	25.00	0.00	11.50	36.50	439,291
6601	SEBASTIAN	FORT SMITH	951,141,435	363,123,040	93,371,330	1,407,635,805	1,372,844,802	3%	25.00	0.00	11.50	36.50	12,668,722
6602	SEBASTIAN	GREENWOOD	235,041,285	63,173,720	10,418,765	308,633,770	289,184,439	7%	25.00	0.00	13.70	38.70	2,777,704
6603	SEBASTIAN	HACKETT	20,313,045	4,920,375	5,638,825	30,872,245	29,385,407	5%	25.00	0.00	13.00	38.00	277,850
6604	SEBASTIAN	HARTFORD	17,550,719	4,852,430	2,340,160	24,743,309	27,920,036	-11%	25.00	0.00	14.30	39.30	222,690
6605	SEBASTIAN	LAVACA	40,480,160	11,447,710	4,232,805	56,160,675	54,346,830	3%	25.00	0.00	16.90	41.90	505,446
6606	SEBASTIAN	MANSFIELD	43,852,125	14,462,730	3,837,105	62,151,960	57,421,445	8%	25.00	0.00	15.01	40.01	559,368
6701	SEVIER	DEQUEEN	76,807,863	28,789,385	13,631,895	119,229,143	112,572,139	6%	25.00	0.00	2.30	27.30	1,073,062
6703	SEVIER	HORATIO	20,489,511	6,482,300	3,682,435	30,654,246	28,881,818	6%	25.00	0.00	19.00	44.00	275,888
6802	SHARP	CAVE CITY	45,939,734	11,798,435	4,094,519	61,832,688	60,211,458	3%	25.00	0.00	14.00	39.00	556,494
6804	SHARP	HIGHLAND	119,632,968	20,633,825	12,986,630	153,253,423	149,377,231	3%	25.00	0.00	5.00	30.00	1,379,281
6901	STONE	MOUNTAIN VIEW	108,290,682	23,404,665	10,596,825	142,292,172	133,473,816	7%	25.00	0.00	3.91	28.91	1,280,630
7001	UNION	EL DORADO	259,525,920	105,758,181	23,709,393	388,993,494	387,032,696	1%	26.90	0.00	6.60	33.50	3,767,013
7003	UNION	JUNCTION CITY	27,264,987	22,213,223	4,725,190	54,203,400	56,772,300	-5%	25.00	0.00	10.00	35.00	487,831
7006	UNION	NORPHLET	32,826,340	7,188,112	2,233,163	42,247,615	40,574,276	4%	25.00	0.00	17.00	42.00	380,229
7007	UNION	PARKERS CHAPEL	24,829,562	23,725,477	1,424,886	49,979,925	52,270,384	-4%	25.00	0.00	7.80	32.80	449,819
7008	UNION	SMACKOVER	48,319,584	24,494,025	4,867,117	77,680,726	76,580,465	1%	25.00	0.00	16.00	41.00	699,127
7009	UNION	STRONG-HUTTIG	25,657,395	10,813,379	3,466,121	39,936,895	39,603,262	1%	25.70	0.00	13.30	39.00	369,496
7102	VAN BUREN	CLINTON	153,760,159	54,594,010	7,379,980	215,734,149	199,480,532	8%	25.00	0.00	11.80	36.80	1,941,607
7104	VAN BUREN	SHIRLEY	71,800,168	13,622,665	2,269,555	87,692,388	78,488,959	12%	25.00	0.00	10.50	35.50	789,231
7105	VAN BUREN	SOUTH SIDE	154,815,703	66,428,635	6,694,796	227,939,134	178,275,538	28%	26.70	0.00	11.90	38.60	2,190,951
7201	WASHINGTON	ELKINS	42,589,814	8,643,637	5,859,216	57,092,667	55,493,640	3%	25.00	0.00	19.20	44.20	513,834
7202	WASHINGTON	FARMINGTON	119,783,451	19,628,726	3,674,221	143,086,398	139,951,326	2%	25.00	0.00	17.60	42.60	1,287,778

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7203	WASHINGTON	FAYETTEVILLE	1,081,008,552	187,753,586	51,484,835	1,320,246,973	1,284,990,394	3%	25.00	0.00	20.65	45.65	11,882,223
7204	WASHINGTON	GREENLAND	54,539,882	20,264,396	5,511,889	80,316,167	79,663,115	1%	25.00	0.00	14.50	39.50	722,846
7205	WASHINGTON	LINCOLN CONSOLIDAT	51,868,544	12,190,432	4,024,807	68,083,783	66,959,903	2%	25.00	0.00	17.70	42.70	612,754
7206	WASHINGTON	PRAIRIE GROVE	95,843,033	17,848,906	5,769,263	119,461,202	114,808,488	4%	25.00	0.00	11.90	36.90	1,075,151
7207	WASHINGTON	SPRINGDALE	1,090,062,487	275,137,016	56,226,994	1,421,426,497	1,415,539,243	0%	25.00	0.00	13.60	38.60	12,792,838
7208	WASHINGTON	WEST FORK	41,146,143	9,606,215	4,267,664	55,020,022	53,802,463	2%	25.00	0.00	13.60	38.60	495,180
7301	WHITE	BALD KNOB	62,541,407	23,570,180	32,506,940	118,618,527	81,849,243	45%	25.00	0.00	13.50	38.50	1,067,567
7302	WHITE	BEEBE	132,945,391	44,963,880	12,305,960	190,215,231	175,867,012	8%	25.00	0.00	11.60	36.60	1,711,937
7303	WHITE	BRADFORD	14,899,727	5,681,680	4,821,870	25,403,277	23,038,236	10%	25.00	0.00	12.00	37.00	228,629
7304	WHITE	WHITE COUNTY CENTR	53,421,980	17,745,650	6,398,760	77,566,390	66,874,221	16%	25.00	0.00	13.10	38.10	698,098
7307	WHITE	RIVERVIEW	60,162,594	24,893,050	10,258,930	95,314,574	89,592,853	6%	27.22	0.00	8.78	36.00	934,007
7309	WHITE	PANGBURN	67,887,571	27,583,152	5,881,971	101,352,694	78,716,660	29%	25.00	0.00	16.40	41.40	912,174
7310	WHITE	ROSE BUD	54,637,578	16,727,380	20,733,812	92,098,770	64,501,096	43%	25.00	0.00	14.30	39.30	828,889
7311	WHITE	SEARCY SPECIAL	379,251,742	124,210,816	39,270,904	542,733,462	518,047,883	5%	25.00	0.00	10.70	35.70	4,884,601
7401	WOODRUFF	AUGUSTA	29,974,703	12,949,570	10,764,460	53,688,733	46,502,330	15%	25.00	0.00	7.50	32.50	483,199
7403	WOODRUFF	MCCRORY	24,434,782	20,575,420	11,817,400	56,827,602	43,318,560	31%	25.00	0.00	10.70	35.70	511,448
7503	YELL	DANVILLE	25,865,544	8,677,900	3,958,675	38,502,119	38,752,358	-1%	25.00	0.00	6.00	31.00	346,519
7504	YELL	DARDANELLE	70,084,238	20,711,434	4,364,665	95,160,337	90,849,513	5%	25.00	0.00	15.20	40.20	856,443
7509	YELL	WESTERN YELL COUNT	22,484,491	6,738,885	2,841,740	32,065,116	34,790,166	-8%	25.00	0.00	13.80	38.80	288,586
7510	YELL	TWO RIVERS	41,129,209	14,688,325	5,634,980	61,452,514	60,883,738	1%	25.00	0.00	10.60	35.60	553,073
		Worksheet Totals	29,964,600,168	8,947,880,702	3,111,793,242	42,024,274,112	40,483,519,066	4%					401,019,729

Approved Memos: Preliminary URT Calculations for FY2011-12

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ARKANSAS DEPARTMENT OF EDUCATION

Alert Me | Version History

Title	Preliminary URT Calculations for FY2011-12
Memo Number	FIN-12-082
Memo Date	3/9/2012
Attention	Co-op Directors; Superintendents; Business Managers
Memo Type	Informational
Response Required	No
Section	Fiscal & Administrative Services
Regulatory Authority	(4), A.C.A § 26-80-101 (b) (4) (A); A.C.A. § 6-20-2305 (a)
Contact Person	Amy Thomas
Phone Number	(501) 682-4494
E-Mail	Amy.Thomas@arkansas.gov

Memo Text

The Arkansas Department of Education (ADE) has received the "County Treasurer's Ad Valorem Tax Report – 2011 Summary" (2011 County Treasurer's Report). As required by A.C.A § 26-80-101 (b) (4) (A) (ii), by January 31 of each year, 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 Treasurer of State, ADE, and the superintendent of the school district to which the proceeds from the uniform rate of tax are distributed by the county. The ad valorem tax revenues disbursed by Arkansas counties during calendar year 2011 and additional data reported by the county treasurers is available for review on the ADE website at http://arkansased.org/about/reports.html under the "Other Reports" section as "Net Revenues Received by School Districts during Calendar Year 2011."

Each school district should verify that the data submitted by the counties agrees with school district records. If discrepancies exist, further investigation should be done in conjunction with the appropriate county officials. If the data originally submitted on the 2011 County Treasurer's Report is incorrect, the county may submit a revised report to ADE. The deadline for the county to provide a

revised report to ADE is March 30, 2012. The ADE will assist as needed.

If the district finds that revenue has been reported on both the "2010 County Template" and the 2011 Treasurer's Report, the district may provide appropriate documentation of the duplicated revenue to ADE on or before March 30, 2012. The ADE will adjust the current year total as needed to account for any such duplication.

According to A.C.A. § 6-20-2305 (a) (4), the ADE shall recoup or distribute the net revenues in excess of or less than 98% of the 25 mills uniform rate of tax (URT), respectively. Furthermore, Attorney General's Opinion No. 2010-094 states that total foundation funding received by each school district from all sources (net revenue, miscellaneous funds, state foundation funding aid, URT adjustment) should equal the per student foundation funding amount ($6,144 for fiscal year 2011-2012) multiplied by the prior year three-quarter average daily membership. Please note with regard to certain school districts that collected URT revenues in excess of the foundation funding amount, the issue of recoupment is currently before the Arkansas Supreme Court for review. This Commissioner's Memo and its accompanying data are not to be construed as a demand for the repayment of any monies from those school districts. The only action requested at this time is that each of those school districts verifies that the data submitted by the counties agrees with school district records.

Based on the data provided on the 2011 County Treasurer's Report, the ADE has calculated preliminary URT funding adjustments to bring each district's total foundation funding to $6,144 per student multiplied by the fiscal year 2010-2011 three-quarter average daily membership. Please see the attached file, "Preliminary URT Calculations," for this computation. Each district's URT adjustment is listed in Column K on this file. These adjustments are the result of subtracting the Total Revenue Received (Column J) from the FY12 Foundation Funding Amount due to District (Column D). Negative adjustment amounts indicate the required repayment of funds in excess of the per student foundation funding amount. These repayments must be mailed on or before June 15, 2012 to the Arkansas Department of Education, Four Capitol Mall, Room 105-C, Little Rock, Arkansas 72201.

Attachments Preliminary URT Calculations2.pdf

Version: 11.0
Created at 3/6/2012 1:40 PM by Lynn Kinsey (ADE)
Last modified at 3/12/2012 3:33 PM by Seth Blomeley (ADE)

Approved Memos: Amended Rules Governing Athletic Expenditures

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ARKANSAS DEPARTMENT OF EDUCATION

Version History

Title	Amended Rules Governing Athletic Expenditures
Memo Number	FIN-12-073
Memo Date	2/7/2012
Attention	Co-op Directors; Superintendents; General Business Managers
Memo Type	Informational
Response Required	No
Section	Fiscal & Administrative Services
Regulatory Authority	Ark. Code Ann. §§ 6-11-105, 6-16-137, 6-20-417, and 6-20-2001 et seq.
Contact Person	Lynn Kinsey
Phone Number	(501) 682-1297
E-Mail	lynn.kinsey@arkansas.gov

Memo Text

The Amended Rules Governing Athletic Expenditures by Public Schools (Rule) was given final approval by the Arkansas State Board of Education on July 11, 2011. The amended Rule incorporates changes to the procedures required by public school districts for coding and reporting financial expenditures.

Section 4.03 of the Rule explains the new method for allocating a portion of the cost of facilities, facilities maintenance, property insurance, utilities, and salary and benefits for employees providing janitorial or maintenance services to athletics (program code 115). Beginning fiscal year 2012, athletic expenditure allocations must be based upon the adjusted square footage of athletic buildings as a percentage of total square footage of all buildings.

The *adjusted square footage* is calculated by taking the *total square footage* of all buildings from the most current property insurance statement of values and subtracting the square footage that is required for PE. The *required square footage* for PE is obtained from the School Facility Manual located at the Arkansas Division of Public School Academic Facilities and Transportation website at http://arkansasfacilities.arkansas.gov.

On the left side of the page, click on School Facility Manual, scroll down to Section 2, chapter 5, and click on "Program of Requirements." On the page that opens, enter the prior three-quarter average for each grade level and then scroll to lines 64 through 68 to get the square footage required. Subtract the *required square footage* from the *total square footage* to obtain the *adjusted square footage*.

The *adjusted square footage* of athletic buildings shall be divided by the *total square footage* of all buildings to determine the *percentage of square footage* used for athletics. The percentage, carried to five decimal places, shall be applied to the total cost of property insurance, utilities, and all other maintenance costs to determine the amount applicable to athletics. These amounts must be recorded by journal entry into the financial system prior to each year-end final close and be included in the submission of the annual Financial Report to the ADE (Cycle 9). Maintain documentation for the journal entry for review by the Division of Legislative Audit.

Also new in the Rule is the requirement that expenditures for the construction or renovation of athletic buildings shall be charged to athletics (program code 115), MINUS the construction and

renovation costs of square footage required for physical education courses by the most recent Program of Requirements published by the Division of Public School Academic Facilities and Transportation.

In Section 5:0 a reminder that coaching stipends and related benefits must be charged to athletics and that preparation periods in excess of one period must be allocated to athletics unless the additional preparation period is clearly documented to pertain to non-athletic duties.

Section 6.0 requires the district to obtain approval of the annual report of prior year athletic expenditures by the local school board of directors at a legally held meeting prior to submitting it to the ADE by September 15 each year. It also requires posting the report on the districts website for a minimum of three years.

Section 7.02 provides requirements for setting up a separate fund for athletic event gate receipts.

The Rule contains other information vital to recording athletics expenditures and receipts; therefore, it is attached to this memo for your convenience.

Attachments ade_266_athletic_expenditures101311_current.pdf

Version: 18.0
Created at 2/3/2012 1:25 PM by Lynn Kinsey (ADE)
Last modified at 2/17/2012 10:03 AM by Seth Blomeley (ADE)

Athletic Coding Basic Steps

Created by Kathy Hanlon

Rogers School District

Step 1
Code coaches salaries correctly

- See form on www.apscn.org
- Cost of athletic period, stipends and related benefits.
- Any planning period in excess of 1 (unless it is clearly documented that it belongs to non-athletic duties)

XYZ SCHOOL DISTRICT
FY 2007-2008

Complete Highlighted Areas

EMPLOYEE NAME			Regular	Coaching	Total
# /Periods			5	2	7
%			0.714	0.286	1.000
Base Pay	40000.00		28571	11429	40000
Base Days	190				
Rate per Day		210.53			
Extra Days	10		0	2105	2105
Stipends					
Base Pay x %		0.22		8800	8800
Total Salary			28571	22334	50905
% of Duties			0.56	0.44	1.00

EXAMPLE

Step 2
Code Transportation correctly

- Actual Miles x state-wide cost per mile (see Commissioner's Memo FIN-12-077)
- Keep documentation of mileage!!
- Include spirit & band busses

NEW for 2011-12!

Districts can no longer directly charge expenses to athletics in the following categories:

- Maintenance and Operations
- Property Insurance
- Utilities

INSTEAD, these expenses must be allocated (via a journal entry) based on square footage calculations.

Step 3
Adjusted square footage calculations

Total Square footage of all athletic buildings
(from property insurance statement of values)

Minus

Square footage required for PE
(from Facility Manual and prior year ¾ average ADM)

How Do I Find the Facility Manual?

http://arkansasfacilities.arkansas.gov

*Left side of page - Click on Facilities Manual

*Section 2 Chapter 5

*Program of Requirements

*Put in ADM for each building by grade

*Look at lines 64,65,66,67, & 68 for square footage required

Step 3.5
Get Allocation Number

Adjusted Athletic Square footage/ total square footage of ALL buildings = .?????

Must be carried out to 5 decimal places!!!

Apply to M&O, Property Insurance, Utilities by journal entry

Step 4

Allocations (#'s for example only)

Adjusted Athletic Square footage 9,999

Divided By

total square footage of ALL buildings 250,000

= .03999

Total M&O x .03999 = amount to JE

Property insurance x .03999 = amount to JE

Utilities x .03999 = amount to JE

Step 5
Reporting

- Prior year's athletic expenditures must be reported to school board by Sept. 15th
- Submit to ADE by Sept. 15th
- Each report posted on district website for 3 years.

More Info

- ADE Commissioner's memo FIN-12-073
- Rules on ADE website
- PowerPoint on AAEA's website

Approved Memos: FY12 Transportation Rates for Athletics

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ARKANSAS DEPARTMENT OF EDUCATION

Version History

Title	FY12 Transportation Rates for Athletics
Memo Number	FIN-12-077
Memo Date	2/3/2012
Attention	Co-op Directors; Superintendents; General Business Managers
Memo Type	Informational
Response Required	No
Section	Fiscal & Administrative Services
Regulatory Authority	Ark. Code Ann. §6-20-2002
Contact Person	Kathleen Crain
Phone Number	(501) 682-1297
E-Mail	kathleen.crain@arkansas.gov
Memo Text	The Arkansas Department of Education (ADE) requires a uniform method for districts to employ for allocating and reporting all athletic expenditures. Some district expenditures relate to multiple programs and/or functions, and the amount pertaining to each program and/or function must be estimated by the use of an allocation method. The following allocation method pertains to calculating athletic transportation expenses. Transportation - Multiply bus miles pertaining to athletics by the statewide average cost per mile. The rate for the 2011-2012 school year is based on 2010-2011 expenditures and route miles and equals $3.45 per mile. Ark. Code Ann. § 6-20-2002 defines athletic transportation as "Travel, including bus-related operation and maintenance, to and from any Interschool Athletic Program event for students, faculty, spirit groups, band, or patrons of the school district." This amount includes the salaries and benefits of bus drivers. In some cases, a bus for an athletic event may be driven by a volunteer or by a coach who receives a coaching stipend that includes driving buses for athletic events. If a bus driver is not compensated for athletic trips, or if the compensation is included in a stipend already charged to athletics, the rate of $1.92 per mile should be applied. The method of calculating the rate excludes program codes 115 and 116 and includes Funds 1,2,3, and 5.

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Created at 2/3/2012 12:39 PM by Lynn Kinsey (ADE)
Last modified at 2/8/2012 4:29 PM by Gayle Morris (ADE)

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Arkansas Department of Education Rules Governing
Athletic Revenues and Expenditures for Public School Districts
October 13, 2011

1:00 Regulatory Authority

1.01 These rules are enacted pursuant to the authority of the Arkansas State Board of Education under Ark. Code Ann. §§ 6-11-105, 6-16-137, 6-20-417, and 6-20-2001 *et seq.*

1.02 These rules shall be known as the Arkansas Department of Education Rules Governing Athletic Revenues and Expenditures for Public School Districts (districts).

2:00 Purpose

2.01 The purpose of these rules is to establish the procedures to be followed by public school districts in coding and implementing financial reporting of athletic expenditures.

3:00 Definitions

For the purposes of this rule, the following terms shall mean:

3.01 "Adjusted square footage of athletic buildings" means the total square footage of all athletic buildings per the most current property insurance statement of values, less any square footage required for physical education by the most recent Program of Requirements of the Arkansas School Facility Manual, as published by the Division of Public School Academic Facilities and Transportation.

3.01.1 Square footage required for physical education courses shall be calculated by applying the prior-year three-quarter average daily membership of the public school or school district to the physical education spaces prescribed by the appropriate spacing calculators of the Program of Requirements.

3.01.2 If only a portion of a multi-function building is used for an interschool athletic program, only the square footage of the portion of the building used for or by an interschool athletic

program shall be included in the calculation of "adjusted square footage of athletic buildings".

3.02 "Arkansas Activities Association" means the organization which serves as the centralized governing agency for all interschool athletic competitions.

3.03 "Athletic Building" means an enclosed facility, or a portion of an enclosed facility, built for, renovated for, or used or intended to be used by an interschool athletic program.

3.03.1 An Athletic Building includes without limitation: gymnasiums, whether in use or not; field houses; indoor practice facilities; offices for athletic directors and coaches; concession stands; press boxes; playing field dressing rooms/restrooms; and athletic equipment storage buildings.

3.03.2 An Athletic Building does not include an Outdoor Playing Field.

3.03.3 An Athletic Building does not include a building no longer used by or for interschool athletic programs and located on a campus annexed or consolidated into a public school district.

3.04 "Athletic Coach" means an employee of a district who is assigned direct responsibility for guiding a team engaged in an athletic program and competing with other schools subject to the regulations of the Arkansas Activities Association.

3.05 "Athletic Expenditures" means all direct and indirect expenses related to interschool athletic programs, prorated if necessary, including without limitation:

3.05.1 The proportion of salaries or supplemental pay for staff for or related to interschool athletic programs;

3.05.2 The proportion of fringe benefits, including without limitation medical and dental insurance, workers' compensation, pension plans, and any other costs associated with employment of staff for interschool athletic programs;

3.05.3 Travel, including bus-related operation and maintenance, to and from any interschool athletic program event for students, faculty, spirit groups, band, or patrons of the school district;

3.05.4 Equipment;

3.05.5 Meals;

3.05.6 Supplies;

3.05.7 Property and medical insurance;

3.05.8 Medical expenses;

3.05.9 Utilities;

3.05.10 Maintenance of facilities related to interschool athletic teams and spirit groups, excluding bands; and

3.05.11 Construction and renovation of athletic buildings and outdoor playing fields.

3.06 "Interschool Athletic Program" means any athletic program which is organized primarily for the purpose of competing with other schools, public and/or private, or any athletic program subject to regulation by the Arkansas Activities Association, including organized physical activity courses as defined by Ark. Code Ann. §6-16-137 and designed or implemented for participation in interschool athletics.

3.07 "Net athletic event gate receipts" means the amount remaining from fees collected for admission to a school district athletic event less any expenses paid by the school district from those gate receipts.

3.07.1 "Net athletic event gate receipts" include revenues generated from the sale of reserved seating and the amount collected for admission to a school district athletic event, less any expenses, including any rental fee for a facility used for an athletic event.

3.07.2 "Net athletic event gate receipts" do not include any portion of admission fees charged by a school district, for an athletic event held at the school district or at a facility leased or rented by the school district, and remitted or passed through to another entity outside the district.

3.08 "Outdoor Playing Field" means a non-enclosed area used for an interschool athletic program.

3.08.1 An Outdoor Playing Field includes without limitation: football fields, baseball fields, softball fields, soccer fields, and track and field areas.

3.09 "Public School District" includes, for purposes of this rule, all open-enrollment public charter schools.

3.010 "State Funds" means all money derived from state revenues, specifically including without limitation distributions from the Arkansas Department of Education (ADE) Public School Fund Account and ad valorem property taxes distributed to a public school or school district.

4:00 Financial Coding Requirements

4.01 All athletic expenditures must be charged to a budget unit containing the appropriate fund, source of fund, function, and location codes.

4.02 The program code 115 must be used for all athletic expenditures.

4.03 Expenditures for property insurance, utilities, and maintenance, including salary and benefits for employees providing janitorial or maintenance services, must be charged to athletics based upon the adjusted square footage of athletic buildings as a percentage of total square footage of all buildings.

4.03.1 The square footage of all buildings shall be obtained from the most current property insurance statement of values.

4.03.2 The adjusted square footage of athletic buildings shall be divided by the total square footage of all buildings to

determine the percentage of square footage used for athletics.

4.03.3 The percentage determined in 4.03.2, carried to five decimal places, shall be applied to the total cost of property insurance, utilities and all other maintenance costs to determine the amount applicable to athletics.

4.03.4 The amounts determined in 4.03.3 shall be recorded by posting a journal entry prior to each year-end final close and prior to submitting the Annual Financial Report to the ADE. Documentation supporting the journal entry shall be retained for review by the Division of Legislative Audit.

4.03.5 Expenditures for property insurance, utilities, and maintenance shall not be directly coded as athletic expenditures so that the allocation method does not overstate athletic expenditures.

4.04 When district owned vehicles are used for transporting students, faculty, spirit groups, band or patrons of the school district to any interschool athletic program event, the district shall use the state-wide average student transportation cost per mile as determined by ADE. Districts must maintain all documentation supporting all athletic transportation miles.

4.05 Expenditures for the construction or renovation of athletic buildings shall be charged to athletics, minus the construction and renovation costs of square footage required for physical education courses by the most recent Program of Requirements contained in the Arkansas School Facility Manual published by the Division of Public School Academic Facilities and Transportation.

For example, if a school district already has the physical education square footage required and builds a new gymnasium, the entire construction cost of the new gymnasium shall be charged to athletics.

4.06 Expenditures for the construction or renovation of outdoor playing fields shall be charged to athletics.

5.0 Salaries and Benefits for Coaches

5.01 Coaching stipends and related benefits must be charged to athletics.

5.02 All pay for extended contract days pertaining to athletics and the related benefits to those days of pay must be charged to athletics.

5.03 The base salary contract and related benefits for athletic coaches as indicated by the district's base teacher's salary schedule must be allocated between athletics and nonathletics if during the school day, the athletic coach is assigned to classes for students participating in an interschool athletic program.

5.04 For purposes of allocating salaries and benefits of athletic coaches, preparation periods in excess of one period must be allocated to athletics unless the additional preparation period is clearly documented to pertain to non-athletic duties.

5.05 Salaries paid to interschool athletic program personnel in positions requiring a teaching license must be paid from the teacher salary fund and will, therefore, always be considered paid from state funds.

6.00 Required Reporting

6.01 School districts must provide to the Department of Education an annual report of prior year athletic expenditures and current year budgets by September 15 of each year.

6.01.1 Prior to submitting the report to the Arkansas Department of Education, the school district's board of directors shall review and approve the report at a legally held meeting of the board.

6.01.2 Following approval by the school district's board of directors, the report shall be posted on the school district's web site in a format approved by the Arkansas Department of Education, and electronically submitted to the Department in a format approved by the Department. The report shall remain posted on the school district's web site

for a minimum of three years following the year approved by the school district's board of directors.

6.02 The content for the required athletic expenditure report shall be obtained from information districts submit to the Arkansas Department of Education in cycle 1 for the current year budget and cycle 9 for the prior year actual expenditures.

6.03 The report shall include athletic expenditures from state funds only and budgets from state funds only.

6.04 The athletic expenditure report shall include the total number of coaches employed by the district during the previous school year and the athletic Full-Time Equivalency (FTE) of each as submitted to the Arkansas Department of Education in cycle 8.

7.0 Revenues

7.01 Gate receipts, private donations made directly to the school district, revenues from fund raisers, and any other non-state revenue pertaining to the athletic programs shall be deposited in the activity fund (Fund 7).

7.02 School districts shall establish a separate fund for athletic event gate receipts.

7.02.1 Revenues and expenditures from the athletic event gate receipt funds shall be tracked and reported.

7.02.2 The local school board of directors must approve the use of net athletic event gate receipts to purchase athletic awards for students participating in school-sponsored activities.

7.02.3 The school district shall not expend from net athletic event gate receipts, for the purchase of athletic awards, more than an average of $100 per student per activity.

7.02.4 School districts may access private funds to purchase athletic awards.

8.00 Required Reviews

8.01 The Division of Legislative Audit (Legislative Audit) shall conduct a review of athletic expenditure reports and Department of Education rules.

8.02 Legislative Audit shall conduct an annual review of the reports required by these Rules on a rotating basis so that each public school district is evaluated at least one (1) time every five (5) years.

8.03 If Legislative Audit determines that for any given year the Division has insufficient staff to conduct the reviews as required by Ark. Code Ann. § 6-20-2003, then the Division may establish the number of districts that will be reviewed for that year.

9.00 Sanctions

9.01 Any school district failing to comply with the provisions of Ark. Code Ann. § 6-20-2001 et seq. and the rules adopted by the state board for the implementation of required reporting of athletic expenditures shall be identified by the Department of Education to be in fiscal distress in accordance with Ark. Code Ann. § 6-20-1901 et seq.

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Arkansas Department of Education
Rules Governing the Arkansas Financial Accounting and Reporting System and Annual Training Requirements

January 16, 2012

1.00 Regulatory Authority

1.01 These rules are promulgated pursuant to Ark. Code Ann. §§ 6-11-105, 6-11-128, 6-17-410, 6-20-1805, 6-20-2004, 6-20-2104, 6-20-2202, 6-20-2203 and 6-20-2207.

2.00 Purpose

2.01 These rules shall be applied to all school districts, open enrollment 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:

3.01 Annual Financial Budget (AFB) – the annual budget of expenditures and receipts required in Ark. Const. Art. 14, § 3, and Ark. Code Ann. §§ 6-11-128, 6-13-620 and 6-20-2202.

3.02 Annual Financial Report (AFR) – the annual report of financial information for the prior fiscal year as required by Ark. Code Ann. §6-20-2202.

3.03 Approved Budget (AFB) – a budget (AFB) that has received the required written notification from the Department that the budget presented was not identified as deficient as of February 15 of the current year.

3.04 APSCN – Arkansas Public School Computer Network

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 (AFB) 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 a 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 Department – the Arkansas Department of Education.

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 SBE – the Arkansas State Board of Education.

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 § 7 of this rule.

3.21 Tier I & Tier II Training – that training described as Tier I or Tier II training in § 7 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 APSCN shall have the programs necessary to collect the AFR data available to the LEAs at least fifteen (15) calendar days before the date required to submit the AFR.

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 APSCN shall have the programs necessary to collect the AFB data available to the LEAs at least fifteen(15) calendar days before the date required to submit the AFB.

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 shall suspend distribution of all state funded grants and aids for which an LEA is eligible until the reporting requirements of these rules are met in full compliance.

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 APSCN shall have the programs necessary to collect the FTEs and Average Salaries data available to the LEAs at least fifteen(15) calendar days before the date required for submission to the Department.

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 Commissioners 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 an 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 Financial Accountability Unit, the Department shall file copies of the approved budget with the LEA and the county 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 and withholding of reappraisal funding is authorized by 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 four (4) 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.

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.

10.03.6.4 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 four (4) 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.

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.

Drafts - Division: 10% Variance on spending Federal Funds

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Title	10% Variance on spending Federal Funds
Memo Number	FIN-12-107
Memo Date	5/9/2012
Attention	Co-op Directors; Superintendents; Business Managers & Federal Coordinators
Memo Type	Informational
Response Required	No
Section	Fiscal & Administrative Services
Regulatory Authority	§EDGAR, 34 CFR, Part 80, Subpart C, § 80.30(c)(ii)
Contact Person	Annette Pearson
Phone Number	501/683-1243
E-Mail	Annette.Carlton-Pearson@arkansas.gov

Memo Text

During the audit year ending June 30, 2011, there were an inordinate amount of "Reporting" audit findings where districts had expended funds over the allowed ten percent (10%) variance from a single function or object that was not budgeted or was under budgeted in the district's ACSIP plan. Therefore, the Arkansas Department of Education (ADE) is revising its policy on determining the ten percent variance between the ACSIP budget and the district's expenditure amount.

Section 80.30(ii) of Education Department General Administrative Regulations (EDGAR) states the following allowing the ten percent variance.

(c) *Budget changes* — (1) *Nonconstruction projects.* Except as stated in other regulations or an award document, grantees or subgrantees shall obtain the prior approval of the awarding agency whenever any of the following changes is anticipated under a nonconstruction award:
(i) Any revision which would result in the need for additional funding.
(ii) Unless waived by the awarding agency, cumulative transfers among direct cost categories, or, if applicable, among separately budgeted programs, projects, functions, or activities which exceed or are expected to exceed ten percent of the current total approved budget, whenever the awarding agency's share exceeds $100,000.

The Arkansas Department of Education is the awarding agency of subgrants to local educational agencies and has the authority to set the policies. For the audits performed for the year ending June 30, 2012, the 10% variance will be based on the **total** budget, NOT by line item. This means that budget changes ARE ALLOWED up to

10% of the total approved budget WITHOUT ADE approval or receiving an audit exception. However, expenditures may not exceed the cumulative total of an approved program by more than 10%.

Example:
Only a budget variance (by function and object) that exceeds 10% of "total approved budget" will be a problem.

IF, for example, the
Total budget = $500,000
Salary budget = $300,000
and
The actual salary expenditures = $340,000
Salary budget variance is $40,000 or 13.33% of the salary budget (40,000/300,000)
However, $40,000 is only 8% of the total budget (40,000/500,000).

The Arkansas Comprehensive School Improvement Handbook will include an addendum regarding this revised policy on the School Improvement website. Please keep a copy of this memo with the 2011-2012 school district audit file for the auditors.

This information is also included on the agenda for Tier I training during the summer of 2012.

Approval Status Pending

Notes No existing entries.

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Created at 5/9/2012 11:02 AM by Glenda Cupples (ADE)
Last modified at 5/9/2012 11:26 AM by Kathleen Crain (ADE)

Approved Memos: Maintenance of Effort Comparing 09-10 to 10-11

ARKANSAS DEPARTMENT OF EDUCATION

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Version History

Title	Maintenance of Effort Comparing 09-10 to 10-11
Memo Number	FIN-12-078
Memo Date	2/8/2012
Attention	Superintendents; Business Managers & Federal Coordinators
Memo Type	Administrative
Response Required	No
Section	Fiscal & Administrative Services
Regulatory Authority	Elementary & Secondary Education Act of 1965 Section 9521
Contact Person	Annette Pearson
Phone Number	501/683-1243
E-Mail	Annette.Carlton-Pearson@arkansas.gov

Memo Text

In accordance with Section 9521 of the Elementary & Secondary Education Act, a local education agency must meet Fiscal and Maintenance of Effort requirements. Attached to this memo is the Maintenance of Effort spreadsheet comparing 2009-10 data to 2010-11 data. The Arkansas Department of Education Federal Grants Management Unit has calculated Maintenance of Effort for districts. A district failing to meet Maintenance of Effort requirements will have two "false" indicators per the calculation on the spreadsheet.

Districts that did not meet Maintenance of Effort will either have the allotment balances from 2010-11 or the 2011-2012 allocations from the Elementary and Secondary Education Act Programs reduced per Section 9521 (b) or a waiver will be requested on behalf of the district. The Federal Grants Management Unit will contact districts to inform them if a waiver has been applied for or if the allocations will be reduced. If the allocations are reduced, the district must amend the 2011-2012 Arkansas Comprehensive School Improvement Plan to reflect the revised amount before the May 1, 2012 deadline.

The following is quoted from the Elementary and Secondary Education Act:

Section 9521. MAINTENANCE OF EFFORT.

(a) IN GENERAL.—A local educational agency may receive funds under a covered program for any fiscal year only if the state educational agency finds that either the combined fiscal effort per student or the aggregate expenditures of the agency and the state with respect to the provision of

free public education by the agency for the preceding fiscal year was not less than 90 percent of the combined fiscal effort or aggregate expenditures for the second preceding fiscal year.

(b) REDUCTION IN CASE OF FAILURE TO MEET.—
(1) IN GENERAL.—The state educational agency shall reduce the amount of the allocation of funds under a covered program in any fiscal year in the exact proportion by which a local educational agency fails to meet the requirement of subsection (a) of this section by falling below 90 percent of both the combined fiscal effort per student and aggregate expenditures (using the measure most favorable to the local agency).
(2) SPECIAL RULE.—No such lesser amount shall be used for computing the effort required under subsection (a) of this section for subsequent years.

(c) WAIVER.—The Secretary may waive the requirements of this section if the Secretary determines that a waiver would be equitable due to—
(1) exceptional or uncontrollable circumstances, such as a natural disaster; or
(2) a precipitous decline in the financial resources of the local educational agency.

Attachments MOE - Comparing 09-10 to 10-11.pdf

Version: 10.0
Created at 2/8/2012 12:14 PM by Annette Carlton-Pearson (ADE)
Last modified at 2/8/2012 4:31 PM by Gayle Morris (ADE)

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GR-35. EXEMPTIONS FROM TAX – SCHOOLS:

A. There is no general exemption that applies to all sales to school districts or public schools. There is no general exemption that applies to sales by school districts or public schools. However, there are certain specific exemptions that apply to schools and school districts that are addressed or referenced in this rule.
B. TEXTBOOKS AND INSTRUCTIONAL MATERIALS. For sales of textbooks and instructional materials see GR-69.
C. SALES OF FOOD. Sales of food or food ingredients or prepared food in public, common, high school, or college cafeterias and lunchrooms that are operated primarily for teachers and pupils and not operated for profit or for the general public are exempt from sales tax. Any kindergarten, middle school, junior high school, high school, or college that operates a cafeteria or lunchroom primarily for teachers and pupils and not for the general public and that is not operated for profit is not required to collect tax on its sales of food or food ingredients or prepared food.
D. PTA/PTO FUNDRAISING. For special rules pertaining to fundraising see GR-24.
E. SCHOOL BUSES AND MOTOR VEHICLES. For sales of school buses or motor vehicles see GR-34.
Source: Ark. Code Ann. §§ 26-52-401(3); 26-52-410; 26-52-437

GR-34. EXEMPTIONS FROM TAX - MOTOR VEHICLES PURCHASED BY SPECIFIC INDIVIDUALS AND ORGANIZATIONS:
A. The gross receipts or gross proceeds derived from sales of motor vehicles licensed for use on the highway and motor vehicle adaptive equipment to disabled veterans who have purchased the vehicles or the equipment with the financial aid of the United States Department of Veterans Affairs pursuant to the provisions of 38 U.S.C. §§ 1901-1905 are exempt from the tax. An official letter from the United States Department of Veterans Affairs verifying this fact will be accepted as proof of entitlement to this exemption.
B. Gross receipts and gross proceeds derived from the sale of new automobiles to a veteran of the United States Armed Services who is blind as the result of a service connected injury shall be exempt from the Arkansas Gross Receipts Tax. This exemption shall apply only to those persons who furnish the Department with a statement from the United States Department of Veterans Affairs certifying that such individual is a veteran of the United States Armed Services and has been blinded as the result of a service connected injury. This statement shall be supplied to the Department upon application for a vehicle license. This exemption shall be available only on the gross receipts or gross proceeds derived from the sale of one (1) new or used automobile every two (2) years to a veteran who complies with the requirements of this Section. As used herein, "automobile" means a passenger automobile or pickup truck but does not include trucks with a maximum gross load in excess of three-quarters of a ton and does not include any trailer.
C. The gross receipts or gross proceeds derived from the sale of school buses to school districts in Arkansas are exempt from the tax. Similarly, the gross receipts or gross proceeds derived from the sale of school buses to private school bus operators are exempt from the tax if all of the following criteria are satisfied:
1. At the time of the bus purchase, the private school bus operator has already contracted with an Arkansas school district to provide school bus services to students within the district;

2. The school buses purchased by the private school bus operator will be used solely and exclusively to transport the school district's students as required under the contract;
3. The school district is obligated under the terms of the contract to pay any taxes related to the school buses; and
4. The buses must be equipped with flashing white strobe lights and bus mounted "crossing gates" as required under Ark. Code Ann. § 6-19-117.

D. The gross receipts or gross proceeds derived from the sale of motor vehicles licensed for use on the highways for use exclusively by volunteer crews or squads for life saving, first aid or other rescue activities, including volunteer fire departments, are exempt from tax if the following conditions are satisfied:
1. The person, firm, or corporation desiring to claim this exemption shall obtain an application for registration and license from the Office of Motor Vehicle Registration, Division of Revenue, Arkansas Department of Finance and Administration. The application must be completed and submitted to that office along with the filing fee.
2. The vehicle must be painted a distinguishing color and must have conspicuously displayed thereon in letters and figures not less than three inches tall the identity of the volunteer life saving or first aid crew or rescue squad using such vehicle.

E. The gross receipts or gross proceeds derived from the sale of motor vehicles to municipalities, public school districts, and state supported colleges and universities within Arkansas are exempt from the tax, whether the vehicles are required to be licensed for highway use or not. The gross receipts or gross proceeds derived from the sale of a motor vehicle to a state supported vocational-technical school, technical college or community college located within Arkansas shall be exempt from the tax if such motor vehicle is to be used solely and exclusively for "training purposes" by the school or college. The term "training purposes" means that the motor vehicle must be used as an instructional or educational tool rather than for the school or college's transportation needs. For example, a motor vehicle purchased by a vocational-technical school exclusively for use in its automobile repair courses would qualify for the exemption. However, if the motor vehicle is used by the same school to transport students, staff, faculty or administrators, the tax exemption would not apply.

F. The gross receipts or gross proceeds derived from the sale of new motor vehicles which are purchased by non-profit organizations and used for the performance of contracts with the Department of Human Services ("DHS") or purchased with Urban Mass Transit Funds, are exempt from gross receipts tax if the following conditions are met:
1. Ten (10) or more vehicles are purchased at the same time for a fleet price;
2. The vehicles meet or exceed applicable state purchasing law specifications; and
3. The vehicles are used for transportation under DHS programs for the aging, disabled, mentally ill, or children and family services.

G. 1. Vehicles that must be licensed for use on the highway include: passenger cars, trucks, semi-trucks, buses, motorcycles as defined in Ark. Code Ann. § 27-20-101, school buses, ambulances, hearses, and motor homes.
2. Vehicles that do not have to be licensed include: special mobile equipment as defined in Ark. Code Ann. Ann. § 27-14-211 (farm tractors, road construction and maintenance equipment, ditch-digging and well-boring equipment, etc.), implements of husbandry as defined in Ark. Code Ann. § 27-14-212 (farm tractors, combines, etc.),

motorized bicycles, golf carts, riding lawn mowers, and all-terrain vehicles as defined in Ark. Code Ann. § 27-21-102.
Source: Ark. Code Ann. §§ 26-52-401(6); 26-52-410; 26-52-415; 26-52-420; 26-52-510

GR-24.SPECIAL RULES FOR FUNDRAISING AND OTHER INFREQUENT SALES:

A. PTA/PTOs or OTHER SCHOOL ORGANIZATIONS. A PTA/PTO or other school organization that conducts fundraising activities must pay tax on purchases for resale but does not have to collect tax on the sales of the items. However, if the vendor provides order forms that are distributed to the students and the students take orders for the vendor, the vendor is responsible for sales tax on the sales made by the students. The students are permitted to collect tax on the vendor's behalf. However, if the students do not collect the tax for the vendor, the vendor must remit the total tax due to the state. Tax is due on the gross receipts received by the students from the purchaser.

GR-69. EXEMPTIONS FROM TAX – TEXTBOOKS AND OTHER INSTRUCTIONAL MATERIALS:

A. The gross receipts or gross proceeds derived from the sale of textbooks, library books, and other instructional materials are exempt from tax if purchased by:
1. An Arkansas school district or Arkansas public school that receives state funding; or
2. The State of Arkansas for free distribution to Arkansas school districts or Arkansas public schools.
B. The exemption will not apply unless the instructional materials are to be provided to the students free of charge. Private schools and public libraries are not entitled to the exemption.
C. For purposes of the exemption, "instructional materials" means and includes the following:
1. Traditional books, sheet music, and trade books in printed and bound forms;
2. Activity-oriented educational programs that may include manipulatives;
a. "Activity-oriented educational programs" are academic programs that incorporate hands-on learning strategies to enhance learning.
b. "Manipulatives" are tools used in conjunction with an educational activity that allow the student to explore and learn through direct manipulation of physical objects.
3. Hand-held calculators;
4. Technology-based educational materials and electronic software that require the use of electronic equipment in order to be used in the learning process, e.g. software and software licenses;
a. "Technology-based educational materials" does not include the equipment required to make use of these materials, e.g. computer hardware. Computer hardware is taxable.
b. Only software actually used in the learning process qualifies for the exemption. Other software, such as software used for class preparation or administrative purposes, does not qualify for the exemption.
5. Maps, globes, art supplies, workbooks, flash cards, educational blocks, educational models, manipulatives, and charts for classroom use; and

6. Video tapes, DVDs, films, or cassettes containing instructional information designed to be presented to students as part of a course of study.
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D. "Instructional materials" does not include the following:
1. Items purchased for use in interscholastic extracurricular activities;
2. Items purchased for use in administration or maintenance of the school including, but not limited to, computer supplies; record keeping, evaluation, or testing supplies; general use furnishings, equipment, and supplies, including photographic or audio visual equipment; or other administrative or maintenance supplies even if these supplies are distributed free of charge to the students; and
3. Construction materials or supplies.
E. This exemption does not apply to colleges, universities, or other post-secondary education facilities.
Source: Ark. Code Ann. § 26-52-437