



Arkansas School Funding Guide 2025-2026 Fiscal Services and Support



**ARKANSAS
DEPARTMENT OF EDUCATION**



Welcome

Welcome to the Arkansas School Funding Guide, a comprehensive and invaluable resource that aims to demystify the intricacies of school funding in the state of Arkansas. This guide is designed to provide educators, administrators, policymakers, and the community with a clear understanding of how public education is funded, distributed, and managed in Arkansas.

As one of the fundamental pillars of a thriving society, education plays a pivotal role in shaping the future of our state and nation. Ensuring adequate and equitable funding for schools is essential to provide students with the necessary tools and opportunities to succeed academically, socially, and personally.

In this comprehensive guide, we will explore the following key aspects of school funding in Arkansas:

1. **Funding Sources:** A detailed overview of the various revenue streams that contribute to the funding of Arkansas's public schools. We will examine the roles of state funding, local property taxes, federal grants, and other sources of revenue in supporting our educational institutions.
2. **Funding Formulas and Allocations:** Understanding the complex funding formulas and allocation mechanisms utilized in Arkansas to distribute resources among school districts. We will explore the factors considered in these formulas and how they seek to address the diverse needs of schools throughout the state.
3. **Adequacy:** An in-depth discussion on the concepts of funding adequacy in education. We will analyze the efforts made by the state to ensure that all students, regardless of their geographic location or background, have access to a quality education.
4. **Categorical Funding and Special Programs:** Exploring specific categorical funding and grants available for various special programs, including those supporting students with special needs, English language learners, and economically disadvantaged students.
5. **Budgeting and Financial Planning:** Providing practical guidance on budgeting procedures, fiscal planning, and responsible financial management for school districts, empowering them to make informed decisions about resource allocation.

Throughout this guide, we will strive to present complex information in a clear and accessible manner.

Our mission is to empower educators, administrators, policymakers, and the public with the knowledge they need to advocate for fair and sustainable funding policies that best serve the interests of our students and schools. By understanding the intricacies of school funding in Arkansas, we can work together to build a stronger and more equitable education system, where every child has the opportunity to thrive and reach their full potential.

Let this Arkansas School Funding Guide be your companion in navigating the landscape of school finance, fostering informed dialogue, and inspiring positive change in our educational communities. Together, we can create a brighter future for the young minds of Arkansas.

Dr. Eric Saunders

Associate Deputy Commissioner

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Assessment and Local Taxes

Real, Personal and Utility taxes comprise three main categories. Real, Personal and Utility Assessments are added together to create the Total Assessment for a school district. $\text{Real} + \text{Personal} + \text{Utility} = \text{Total Assessment}$

Through Article 14 of the Arkansas Constitution, a school district is required to have a minimum of 25 mills, known as the Uniform Rate of Tax (URT), dedicated to maintenance and operation. The local district has the option to increase its millage rate by having voters within the district vote on additional mills. To estimate the amount of taxes a district could receive, the amount of Total Assessment is multiplied by the millage rate. For example:

School District X has the following assessment information: Total Millage = 40mills

| | |
|-------------------------|----------------------|
| Real Assessment | \$ 50,000,000 |
| Personal Assessment | \$ 20,000,000 |
| Utility Assessment | <u>\$ 75,000,000</u> |
| Total Assessment | \$145,000,000 |

To estimate the amount of taxes a district could receive, multiply the Total Assessment by .001 and then by the total mills: $\$145,000,000 \times .001 \times 40 = \$5,800,000$

The actual assessment and collection rate is unique to each individual school district. For good financial forecasting, it is recommended to look at **historical data** (past assessments, past collection rates, etc....), **current trends** (new building, abandoned homes, new or moving industry and businesses, etc....), and **other pertinent information** to make more informed financial decisions.

Local taxes are collected through the following sources:

- Property Taxes-Current (Received July-December) (2001-11110)
- Property Relief Sales Tax (2001-11115)
- Property Tax-by 6/30 (Received January-June) (2001-11120)
- Property Relief Tax - 6/30 (2001-11125)
- Property Tax-Delinquent (2001-11140)
- Excess Commission (2001-11160)
- Land Redemption- In State Sales (2001-11160)
- Penalties/Interest on Tax (2001-11400)

The amount of local funds including miscellaneous funds collected is divided by the number of students to arrive at the amount of local money collected per student. The State guarantees each district will receive 98% collection rate up to the per-student foundation funding amount. Collections over 98% are subject to remittance of the amount above 98% to the State.

Funding Matrix

Arkansas uses a specific formula to arrive at the per-student funding amount. This formula is known as the matrix. The matrix calculates the per-student funding rate based on the cost of personnel and other resources for operating a prototypical school of 500 students.

Each year legislators involved in the adequacy study determine the dollar amount needed to fund each line item of the matrix based on the money needed to adequately fund school districts. Unlike the foundation funding amount (\$8,162 for 2025-2026), the matrix is not established in statute. Instead, it is used as a tool to set the foundation funding rate.

The matrix is divided into three parts:

1. School-level salaries of teachers and other pupil support staff, a principal, and a secretary. The matrix also determines how many of which type of teachers and other personnel are needed.
2. School-level resources including instructional materials and technology-related expenses.
3. District-level resources, which include funding for operations & maintenance, districts' central offices and transportation expenses.”¹

Adequacy Funding Worksheet (Matrix)

| Combined Legislative Recommendations | | | | | | | |
|--|--------------------------------------|--------------|--------------|-------------------------|--------------------------|-------------------------|--------------------------|
| School-Level Salaries and Benefits | FY25 | FY26 | FY27 | FY26 Increase over FY25 | Estimated State Portion* | FY27 Increase over FY25 | Estimated State Portion* |
| Teacher Base Salary | \$59,519 | \$60,995 | \$62,508 | \$93,989,957 | \$52,079,655 | \$143,180,609 | \$79,336,101 |
| Teacher Health Insurance | \$2,814 | \$3,819 | \$0 | \$34,851,931 | \$19,311,388 | -\$89,333,817 | -\$49,499,697 |
| Teacher Other Benefits | \$13,689 | \$14,029 | \$14,377 | \$21,617,690 | \$11,978,321 | \$32,931,540 | \$18,247,303 |
| Total Teacher Salary & Benefits | \$76,022 | \$78,843 | \$76,885 | \$150,459,578 | \$83,369,364 | \$86,778,333 | \$48,083,708 |
| Per Student Total Teacher S&B | \$5,122 | \$5,442 | \$5,307 | \$150,459,578 | \$83,369,364 | \$86,778,333 | \$48,083,708 |
| Principal Base Salary | \$83,577 | \$85,650 | \$87,774 | \$1,953,121 | \$1,082,221 | \$3,954,680 | \$2,191,281 |
| Principal Health Insurance | \$2,814 | \$3,819 | \$0 | \$946,902 | \$524,677 | -\$2,651,642 | -\$1,469,270 |
| Principal Other Benefits | \$19,223 | \$19,699 | \$20,188 | \$449,218 | \$248,911 | \$909,576 | \$503,999 |
| Total Principal Salary & Benefits | \$105,614 | \$109,168 | \$107,962 | \$3,349,241 | \$1,855,808 | \$2,212,615 | \$1,226,006 |
| Per Student Total Principal S&B | \$211 | \$218 | \$216 | \$3,349,241 | \$1,855,808 | \$2,212,615 | \$1,226,006 |
| Secretary Base Salary | \$35,276 | \$36,151 | \$37,047 | \$824,363 | \$456,778 | \$1,669,169 | \$924,884 |
| Secretary Health Insurance | \$2,814 | \$3,819 | \$0 | \$946,902 | \$524,677 | -\$2,651,642 | -\$1,469,270 |
| Secretary Other Benefits | \$8,113 | \$8,315 | \$8,521 | \$189,603 | \$105,059 | \$383,909 | \$212,722 |
| Total Secretary Salary and Benefits | \$46,203 | \$48,284 | \$45,568 | \$1,960,868 | \$1,086,513 | -\$598,563 | -\$331,663 |
| Per Student Total Secretary S&B | \$92 | \$97 | \$91 | \$1,960,868 | \$1,086,513 | -\$598,563 | -\$331,663 |
| Total School Level Salaries | \$5,426 | \$5,757 | \$5,614 | \$155,769,687 | \$86,311,685 | \$88,392,384 | \$48,978,050 |
| School-Level Resources | | | | | | | |
| Technology Per Student | \$250 | \$235 | \$235 | -\$7,067,276 | -\$3,915,964 | -\$7,067,276 | -\$3,915,964 |
| Salary Enhancement Other Employees | \$44 | \$50 | \$52 | \$2,826,910 | \$1,566,386 | \$3,769,214 | \$2,088,514 |
| All Other Personnel Health Insurance | \$30 | \$41 | \$0 | \$5,297,585 | \$2,935,382 | -\$14,134,552 | -\$7,831,928 |
| Instructional Materials Per Student | \$205 | \$210 | \$216 | \$2,399,711 | \$1,329,675 | \$4,858,934 | \$2,692,326 |
| Extra Duty Funds Per Student | \$72 | \$74 | \$76 | \$846,099 | \$468,822 | \$1,713,180 | \$949,270 |
| Supervisory Aides Per Student | \$58 | \$59 | \$61 | \$678,216 | \$375,798 | \$1,373,252 | \$760,916 |
| Substitutes Per Student | \$78 | \$85 | \$90 | \$3,087,944 | \$1,711,024 | \$5,443,703 | \$3,016,345 |
| School-Level Resources Increases | \$739 | \$755 | \$730 | \$8,069,189 | \$4,471,122 | -\$4,043,545 | -\$2,240,520 |
| District-Level Resources (Carry-Forward) | | | | | | | |
| Operations & Maintenance | \$786 | \$809 | \$833 | \$11,103,115 | \$6,152,214 | \$22,539,323 | \$12,488,999 |
| Central Office | \$483 | \$495 | \$507 | \$5,642,481 | \$3,126,488 | \$11,424,895 | \$6,330,513 |
| Transportation | \$337 | \$345 | \$354 | \$3,937,698 | \$2,181,871 | \$7,973,050 | \$4,417,852 |
| District-Level Resources Increases | \$1,605 | \$1,649 | \$1,694 | \$20,683,293 | \$11,460,573 | \$41,937,268 | \$23,237,360 |
| Total Foundation** | \$7,771 | \$8,162 | \$8,037 | \$184,522,169 | \$102,243,380 | \$126,286,108 | \$69,974,890 |
| **\$330 is deducted from the FY2027 foundation funding rate due to the \$0 amounts for all health insurance lines. The corresponding amount of total funding will be added to the DESE Public School Employee (PSE) Insurance line item to allow DESE to pay for PSE health insurance directly to EBD. | | | | | | | |
| CATEGORICAL PROGRAM FUNDING | | | | | | | |
| | Combined Legislative Recommendations | | | | | | |
| Categorical*** | FY25 | FY26 | FY27 | FY26 Increase over FY25 | Estimated State Portion* | FY27 Increase over FY25 | Estimated State Portion* |
| ALE | \$5,086 | \$5,212 | \$5,341 | \$688,714 | \$688,714 | \$1,394,508 | \$1,394,508 |
| ELL | \$366 | \$375 | \$384 | \$371,940 | \$371,940 | \$753,104 | \$753,104 |
| ESA <70% | \$538 | \$551 | \$565 | \$1,702,090 | \$1,702,090 | \$3,446,392 | \$3,446,392 |
| 70%-90% | \$1,076 | \$1,103 | \$1,130 | \$3,919,357 | \$3,919,357 | \$7,935,913 | \$7,935,913 |
| >90% | \$1,613 | \$1,653 | \$1,694 | \$142,489 | \$142,489 | \$288,511 | \$288,511 |
| PD | \$41 | \$41 | \$41 | \$0 | \$0 | \$0 | \$0 |
| Total Categorical | | | | \$6,824,589 | \$6,824,589 | \$13,818,428 | \$13,818,428 |
| ***Alternative Learning Environment (ALE), English Language Learner (ELL), Enhanced Student Achievement (ESA), Professional Development (PD) | | | | | | | |
| SUPPLEMENTAL FUNDS | | | | | | | |
| | Combined Legislative Recommendations | | | | | | |
| Supplemental | FY25 | FY26 | FY27 | FY26 Increase over FY25 | Estimated State Portion* | FY27 Increase over FY25 | Estimated State Portion* |
| Additional ESA | \$5,500,000 | \$5,636,400 | \$5,776,183 | \$136,400 | \$136,400 | \$276,183 | \$276,183 |
| Additional Professional Development**** | \$16,500,000 | \$0 | \$0 | -\$16,500,000 | -\$16,500,000 | -\$16,500,000 | -\$16,500,000 |
| Enhanced Transportation | \$8,000,000 | \$8,000,000 | \$8,000,000 | \$0 | \$0 | \$0 | \$0 |
| Special Education High-Cost Occurrences | \$17,500,000 | \$17,934,000 | \$18,378,763 | \$434,000 | \$434,000 | \$878,763 | \$878,763 |
| Teacher Salary Equalization | \$60,000,000 | \$60,000,000 | \$60,000,000 | \$0 | \$0 | \$0 | \$0 |
| **** This funding is reallocated per Act 795 of 2025. | | | | | | | |
| Total Supplemental | \$107,500,000 | \$91,570,400 | \$92,154,946 | -\$15,929,600 | -\$15,929,600 | -\$15,345,054 | -\$15,345,054 |
| Total Increased Costs for Foundation Matrix, Categoricals, and Supplementals | | | | \$175,417,159 | \$93,138,369 | \$124,759,482 | \$68,448,264 |
| Total dollar estimates in this spreadsheet are based on the following student counts: | | | | | | | |
| Funding Program | Districts | Charters | Total | | | | |
| Estimated 2023-24 1-3Q Avg ADM for Foundation Funding and PD | \$445,162 | \$25,989 | \$471,152 | | | | |
| 2023-24 ALE FTEs | \$5,450 | \$10 | \$5,460 | | | | |
| Districts w/ <70% FRL Students 2023-24 FRL Students | \$123,216 | \$4,354 | \$127,570 | | | | |
| Districts w/ 70%-90% FRL Students 2023-24 FRL Students | \$141,490 | \$5,386 | \$146,876 | | | | |
| Districts w/ 90%+ FRPL Students 2023-24 FRL Students | \$3,240 | \$322 | \$3,562 | | | | |
| 2023-24 ELL students (2025 student counts not yet available) | \$38,600 | \$2,377 | \$40,977 | | | | |
| *Estimated state portion is 55%, based on the percentage URT comprised of total Foundation Funding in FY2024 | | | | | | | |

| FOUNDATION MATRIX | | | | |
|--------------------------------------|-------|-------|-------|------|
| Combined Legislative Recommendations | FY25 | FY26 | FY27 | |
| Matrix Calculations | | | | |
| School Size | 500 | 500 | 500 | |
| K = 8% of students | 40 | 40 | 40 | |
| Grades 1-3 = 23% of students | 115 | 115 | 115 | |
| Grades 4-12 = 69% of students | 345 | 345 | 345 | |
| Staffing Ratios | | | | |
| Kindergarten | 20 :1 | 2 | 2 | 2 |
| Grades 1-3 | 23 :1 | 5 | 5 | 5 |
| Grades 4-12 | 25 :1 | 13.8 | 13.8 | 13.8 |
| PAM = 20% of classroom | 4.14 | 4.16 | 4.16 | |
| Total Classroom Teachers | 24.94 | 24.96 | 24.96 | |
| Special Ed Teachers | 2.9 | 3.2 | 3.2 | |
| Instructional Facilitators | 2.5 | 2.5 | 2.5 | |
| Librarian / Media Specialist | 0.85 | 0.85 | 0.85 | |
| Guidance Counselor & Nurse | 2.5 | 3 | 3 | |
| Total Pupil Support Personnel | 8.75 | 9.55 | 9.55 | |
| SUBTOTAL | 33.69 | 34.51 | 34.51 | |
| Principal | 1 | 1 | 1 | |
| Secretary | 1 | 1 | 1 | |
| Total School-Level Personnel | 35.69 | 36.51 | 36.51 | |

Special Needs (Categorical) Funding

Special Needs or Categorical Funding is ***pursuant in A.C.A. § 6-20-2301*** et seq. and the Arkansas Division of Elementary and Secondary Education Rules Governing Student Special Needs Funding, effective June 2022³. Alternative Learning Environment (ALE), English Language Learners (ELL), Enhanced Student Achievement (ESA), and Professional Development (PD) are considered State Categorical Funds. The expenditure of funds from each of these categories is restricted. Allowable expenditures for each category are specified in law and/or rules. A school district may transfer funds received from any categorical fund source to another categorical fund source. Per-student state categorical funding is provided in addition to per-student foundation funding.

There is a limit to the amount of categorical funds a district can carry over in a fiscal year. Districts that carry over balances larger than allowed may be required to surrender those unspent excess funds. Districts must expend a minimum of 85% of the current year ESA funding. The total aggregate balance of categorical funds at year-end shall not exceed 20% of the current year's allocation.

Alternative Learning Environment (ALE)

An ALE program must comply with laws including A.C.A § 6-48-101 et seq. and with DESE rules. It is important to note that for ALE funding eligibility, a student must be enrolled in an eligible ALE program for a minimum of 20 consecutive days per school year. In fiscal year 2025-2026, ALE funding is \$5,212 multiplied by the district's eligible ALE students' full-time equivalents (FTE) in the previous year as defined in 4.06 of the DESE Rules Governing Student Special Needs Funding, effective June 2022. For example:

| Student | Number of Days Enrolled in ALE in Prior Year | Twenty Consecutive Days? | ALE Course Minutes | Number of Minutes Per Day |
|---------|--|--------------------------|--------------------|---------------------------|
| A | 49 | No | 110 | 360 |
| B | 89 | Yes | 216 | 360 |
| C | 178 | Yes | 360 | 360 |
| D | 12 | No | 360 | 360 |

Students' "A" and "D", enrolled fewer than 20 consecutive days in the prior school year, are ineligible for ALE funding. The full-time equivalent (FTE) per student is calculated by dividing the number of days each student was enrolled in the ALE by the total number of days in the school year (typically 178) and multiplying the result by the number of enrolled course minutes divided by the number of minutes in a day.

Student "B" FTE = $(89/178) \times (216/360) = .30$ Student FTE

Student "C" FTE = $(178/178) \times (360/360) = 1.0$ Student FTE

To calculate ALE funding, multiply the total FTE (1.3) by the per-student ALE funding amount (\$5,212).

$$1.3 \times \$5,212 = \$6,775.60$$

Each student participating in an ALE hybrid program for the required time specified in 4.04.4.2.1 shall be counted as .5 FTE for funding purposes. In the example above if the students were hybrid students the FTE would be divided by 2 before calculating funding amount.

$$1.3/2 = .65 \quad .65 \times \$5,212 = \$3,387.80$$

English Language Learners (ELL)

From DESE Rules Governing Student Special Needs Funding, effective July 2022:

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

5.02 The ELL funding amount shall be the amount authorized by law multiplied by the district's identified ELL students in the current school year.

5.02.1 The number of identified ELL students shall be a total of all students identified as not proficient in the English language based upon the statewide Entrance and Exit Procedures criteria, including an approved English proficiency assessment instrument.

5.02.3 An ELL student shall be counted as no more than one (1) student for ELL funding purposes.

In fiscal year 2025-2026, ELL funding is \$375 multiplied by the number of identified ELL students. DESE utilizes certified data submitted in Cycle 2 to determine the total ELL count for every district. If the DESE finds errors on the COGNOS Language Minority Student Error Report, staff work with the district to get the data corrected and will utilize corrected data.

District "A" reported 247 ELL identified students in cycle 2 enrolled as of October 1 of the current fiscal year with the count verified as accurate.

$$247 \times \$375 = \$92,625$$

Professional Development (PD)

Per DESE Rules Governing Student Special Needs Funding, effective July 2022:

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

In fiscal year 2025-2026, the professional development funding per-student is an amount up to \$41 multiplied by the school district's prior-year three-quarter average daily membership. A portion of the \$41 is used to fund statewide professional development programs each year. The funding amount per-student provided directly to a school district is calculated each year after removing the portion corresponding to statewide programs. For fiscal year 2025-2026, the amount of per-student professional development funding excluding statewide programs is \$37.50. This amount will be provided on the preliminary state aid notice and funding notification each year.

To calculate PD funding, multiply prior-year three-quarter average daily membership by the per-student PD funding amount. For example, for a school district with fiscal year 2025-2026 three-quarter average daily membership of 629.17 and a per-student PD funding rate for fiscal year 2025-2026 of \$37.50, the PD funding would be calculated as follows:

$$629.17 \times \$37.50 = \$23,594$$

Enhanced Student Achievement State Categorical (ESA)

For fiscal year 2025-2026, ESA state categorical funding for each identified free and reduced (F&R) student is as follows:

- For a school district in which 90% or more of the previous school year's enrolled students (from Cycle 2 as of October 1) are F&R students, the amount of per-student enhanced student achievement state categorical funding is \$1,653.
- For a school district in which at least 70% but less than 90% of the previous school year's enrolled students (from Cycle 2 as of October 1) are F&R students, the amount of per-student enhanced student achievement state categorical funding is \$1,103.
- For a school district in which less than 70% of the previous school year's enrolled students (from Cycle 2 as of October 1) are F&R students, the amount of per-student enhanced student achievement state categorical funding is \$551.
- If a school district would receive, in the current school year, ESA state categorical funding that is based on a different per student rate of ESA state categorical funding than the school district received in the immediately preceding school year, due to a percentage change in F&R students, the DESE shall adjust the rate per-student to the school district in a transitional 3-year period.

From 6.01 of the DESE Rules Governing Student Special Needs Funding, effective June 2022:

- For determination of the per-student amount of enhanced student achievement state categorical funding, the percentage shall be calculated to one tenth of one percent (0.10%) and rounded up to the nearest whole number from five-tenths of one percent (0.5%).
- If the school district is a Provision 2 district, this funding is based on the school district's percentage of F&R students submitted in the base year, multiplied by the number of enrolled students for the immediately preceding school year.
- If the school district is a Community Eligibility Provision (CEP) district, this funding is based on the school district's percentage of F&R submitted in the year

prior to implementing CEP, multiplied by the number of enrolled students for the immediately preceding school year.

For example, a school district with October 1, 2023, enrollment of 2,576 students and 1,753 free and reduced-price lunch students, the ESA free and reduced-price lunch percentage and ESA funding amount would be calculated as follows:

$$1753/2576 = 68\%$$

$$1,753 \times \$551 = \$965,903$$

If a district has grown at least 1% in enrollment (using Cycle 2 enrollment date) for each of the 3 previous years, it shall qualify for the Enhanced Student Achievement State Categorical Growth Funding. The funding shall be calculated as the 3-year average growth in enrollment multiplied by the district's previous year's percentage of F&R students multiplied by the applicable per-student funding amount.

ESA Matching Grant

Act 146 of 2024 allocated \$5,300,000 for ESA Matching Grant program plus an additional \$200,000 upon adequacy recommendation for a total of \$5,500,000 expenditures for evidence-based programs to improve the academic achievement of identified National School Lunch students. ESA expenditures incurred from July 1, 2024, to June 30, 2025, with the following codes will be eligible for matching funds:

Expenditures in ESA

- Before and after-school academic programs, including transportation to and from the programs
- Pre-Kindergarten programs
- Tutors

Funding will be distributed to school districts on a dollar-for-dollar matching basis unless the total of statewide expenditures exceeds the amount of funding allocated, at which point, funding will be paid on a pro rata matching basis to the districts. For a pro rata basis, a matching percentage will be calculated by dividing each LEAs allowable expenditures by the statewide total of allowable expenditures and applying that percentage to the amount of funding available to determine the funds reimbursed to the district.

Matching ESA Grant funds may be used only for the expenses allowed under this program and are meant to supplement, not replace, the district's enhanced student achievement spending.

LEARNS Teacher Minimum Salary and Raise Fund

The Arkansas LEARNS Act (237 of 2023) increased the minimum teacher salary requirement to \$50,000 beginning in the 2023-2024 school year.

To be eligible for all of the funds, a public school district shall:

- Require that each teacher in the public school district is employed at least one hundred ninety (190) school days each year,
- Not adopt a personnel policy or incorporate terms into a personnel contract that provide more rights to personnel than those provided under state law in effect during the term of the personnel contract,
- Not have a waiver of teacher salary requirements,
- Adopt an employee salary schedule,
- Shall be open for on-site, in-person instruction for at least:
 - One hundred seventy-eight (178) days; or
 - One thousand sixty-eight (1,068) hours, and
- Utilize an amount of state funds equal to eighty percent (80%) or more of the amount allocated for school-level personnel salaries, according to the adequacy funding matrix recommended by the Senate Committee on Education and the House Committee on Education for the previous school year, for teacher salaries and teacher raises.

If meeting the requirement of this section would impact student safety or potentially cause a school district to go into fiscal distress under the Arkansas Fiscal Assessment and Accountability Program, § 6-20-1901 et seq., the public school district may apply to the State Board of Education for a waiver from this requirement.

Districts can monitor their progress towards the 80% requirements by going to the APSCN District Informational Reports page.

References: A.C.A § 6-17-2403, [APSCN District Information Reports](#)

The amount that each district is funded is based upon the cost to bring each employee to the new requirement based upon the Cycle 1 submission data from 2022-2023. For a list of the funding amounts per district, please click [here](#).

Student Growth Funding

To help ease the potential financial burden resulting from rapid increase in students, a school district with growth in quarterly average daily membership compared to prior-year three-quarter average daily membership may be eligible for student growth funding. Act 741 of 2017 changed the student growth funding calculation, necessitating a revision to the DESE Rules Governing Declining Enrollment and Student Growth Funding for Public School Districts, effective June 2022⁴.

For example, to calculate student growth funding for fiscal year 2025-2026:

| | | | | | |
|--------------------------|--------|--------------------------|--------|---------------------|-----------|
| FY24 3-Quarter ADM | 528.16 | FY25 Quarter 4 ADM | 541.11 | Growth in Quarter 4 | 12.95 |
| FY25 3-Quarter ADM | 540.19 | FY26 Quarter 1 ADM | 552.33 | Growth in Quarter 1 | 12.14 |
| FY25 3-Quarter ADM | 540.19 | FY26 Quarter 2 ADM | 549.08 | Growth in Quarter 2 | 8.89 |
| FY25 3-Quarter ADM | 540.19 | FY26 Quarter 3 ADM | 539.02 | Growth in Quarter 3 | No Growth |

$(12.95 \times \$2,040.50) + (12.14 \times \$2,040.50) + (8.89 \times \$2,040.50) + (0 \times \$2,040.50) =$
\$69,336

Pursuant to A.C.A. § 10-3-2101, the State of Arkansas is required to know how school districts expend state revenue, including student growth funding. To preserve the ability to track how each district expends student growth funding for adequacy studies, the source of fund code applicable to student growth funding is restricted and transfers from the fund are not allowed. However, student growth funding is unrestricted funding. School districts may expend student growth funding on any eligible school purpose while maintaining the student growth revenue code. No district can receive both declining enrollment and student growth funding. Therefore, a district will receive the larger amount of Declining Enrollment Funding or Student Growth Funding.

Pursuant to A.C.A. § 6-20-2305(c)(2)(C), if net revenues minus any recoupment under subdivision (a)(4)(B) of this section plus miscellaneous funds calculated under § 6-20-2308(b)(1)(A) exceed the foundation funding amount, a school district shall be eligible to receive the amount of calculated student growth funding that exceeds net revenues minus any recoupment under subdivision (a)(4)(B) of this section plus miscellaneous funds calculated under § 6-20-2308(b)(1)(A).

Declining Enrollment Funding

Pursuant to A.C.A. § 6-20-2303(5), “declining enrollment funding” means the amount of state financial aid provided to an eligible school district from funds made available for the decline in the average daily membership of the school district in the preceding school year compared to the school year before the preceding school year.

Declining enrollment funding is equal to the three-quarter ADM of the prior year, subtracted from the average of the three-quarter ADMs of the prior fiscal year and the fiscal year prior to the prior fiscal year, multiplied by the current per-student foundation funding amount.

For example, to calculate declining enrollment funding for fiscal year 2025-2026:

| FY24 3-Quarter ADM | FY25 3-Quarter ADM |
|--------------------|--------------------|
| 870.28 | 851.34 |

$$(870.28+851.34)/2 - 851.34 = 9.47$$

$$9.47 \times \text{FY 26 per-student foundation funding}$$

$$9.47 \times \$8,162 = \$77,294 \text{ declining enrollment funding}$$

Pursuant to A.C.A. § 10-3-2101, the State of Arkansas is required to know how school districts expend state revenue, including declining enrollment funding. To preserve the ability to track how each district expends declining enrollment for adequacy studies, the source of fund code applicable to declining enrollment funding is restricted and transfers from the fund are not allowed. However, the declining enrollment funding is unrestricted funding. School districts may expend declining enrollment funding on any eligible school purpose while maintaining the declining enrollment revenue code.

Isolated Funding

Pursuant to A.C.A. § 6-20-601, “isolated school district” means a school district that meets any four (4) of the following five (5) criteria:

- (1) There is a distance of twelve (12) miles or more by hard-surfaced highway from the high school of the district to the nearest adjacent high school in an adjoining district.
- (2) The density ratio of transported students is less than three (3) students per square mile of area.
- (3) The total area of the district is ninety-five square miles (95 sq. mi.) or greater.
- (4) Less than fifty percent (50%) of bus route miles is on hard-surfaced roads; and
- (5) There are geographic barriers such as lakes, rivers, and mountain ranges that would impede travel to schools that otherwise would be appropriate for consolidation, cooperative programs, and shared services.

An isolated school district shall be eligible to receive isolated funding under this section if:

- (1) The school district's budget is prepared by the school district with Division of Elementary and Secondary Education approval.
- (2) The school district has a prior-year three-quarter average daily membership of fewer than three hundred fifty (350); and
- (3) The school district and each school within the school district meets the minimum standards for accreditation of public schools prescribed by law and rule.

Any school district designated as an isolated school district for the 1996-1997 fiscal year that used geographic barriers as one (1) of the four (4) criteria necessary to receive isolated funding shall be allowed to continue to use geographic barriers as a criterion for future allocations of isolated funding.

State financial aid in the form of isolated funding shall be provided to school districts qualifying under this section.

There are two (2) categories of isolated funding:

Category I isolated funding shall be provided to all school districts that qualify under this section and shall be calculated as:

- (i) Three hundred fifty (350) minus the prior-year three-quarter average daily membership; divided by
- (ii) Eight hundred fifty (850); multiplied by
- (iii) The prior-year three-quarter average daily membership; and multiplied by

(iv) The per-student foundation funding amount under § 6-20-2305(a)(2); and

Category II isolated funding shall be additionally provided to those school districts that qualify under this section and have a prior-year three-quarter average daily membership density ratio of less than one and two-tenths (1.2) students per square mile and shall be calculated at fifty percent (50%) of Category I funding.

An isolated school district whose per-student revenue exceeds the per-student foundation funding amount shall receive isolated funding calculated as follows:

- (i) The sum of Category I plus Category II; minus
- (ii) The per-student foundation funding amount; minus
- (iii) The school district's per-student revenue; and multiplied by
- (iv) The prior year three-quarter average daily membership.

As used in this subdivision (d)(3), "revenue" has the same meaning as defined in § 6-20-2303.

A school district that qualifies under § 6-20-601 to receive additional state aid because its prior-year three- quarter average daily membership is less than three hundred fifty (350) is not eligible to receive funding under this section; however, a school district may elect to receive funding under this section in lieu of funding under § 6-20-601 if the school district qualifies for funding under § 6-20-2303 and for funding under this section.

A school district may elect to receive funding under this section in lieu of funding under § 6-20-603 if the school district qualifies for funding under § 6-20-603 and for funding under this section.

Pursuant to A.C.A. § 6-20-603, upon the effective date of consolidation, annexation, or reorganization, the following school districts that received isolated funding in the 2003-2004 school year shall become isolated school areas for the sole purpose of receiving isolated funding and shall have a per student isolated funding amount as provided in the following chart.

Each school year, state financial aid in the form of isolated funding shall be provided to school districts containing an isolated school area in an amount equal to the prior-year three-quarter average daily membership of the isolated school area multiplied by the per student isolated funding amount.

Except as provided under subdivision (c)(2) of this section, a school district may not receive isolated funding under this section for an isolated school area if the prior-year three-quarter average daily membership of the isolated school area exceeds three hundred fifty (350).

A school district is entitled to receive the funding under this section for an isolated school area received by the school district in:

- a. A consolidation under § 6-13-1401 et seq. or the Public Education Reorganization Act, § 6-13-1601 et seq.; or
- b. An annexation under § 6-13-1401 et seq. or the Public Education Reorganization Act, § 6-13-1601 et seq.

A school district receiving isolated funding for an isolated school area shall expend the funds solely for the operation, maintenance, and support of the isolated school area.

Except as provided under subdivision (e)(2) of this section, a school district that qualifies under § 6-20-601 to receive additional state aid because its prior-year three-quarter average daily membership is less than three hundred fifty (350) is not eligible to receive funding under this section.

For the purposes of this section, school districts with isolated school areas shall account for the average daily membership of all schools located in the isolated school areas as required by the Division of Elementary and Secondary Education and shall submit reports as required by the division.

The division shall distribute isolated funding under this section in two (2) payments per school year.

This section does not determine a school district's qualification as an isolated school district under § 6-20-601 as required to prohibit the closing of an isolated school in § 6-20-602.

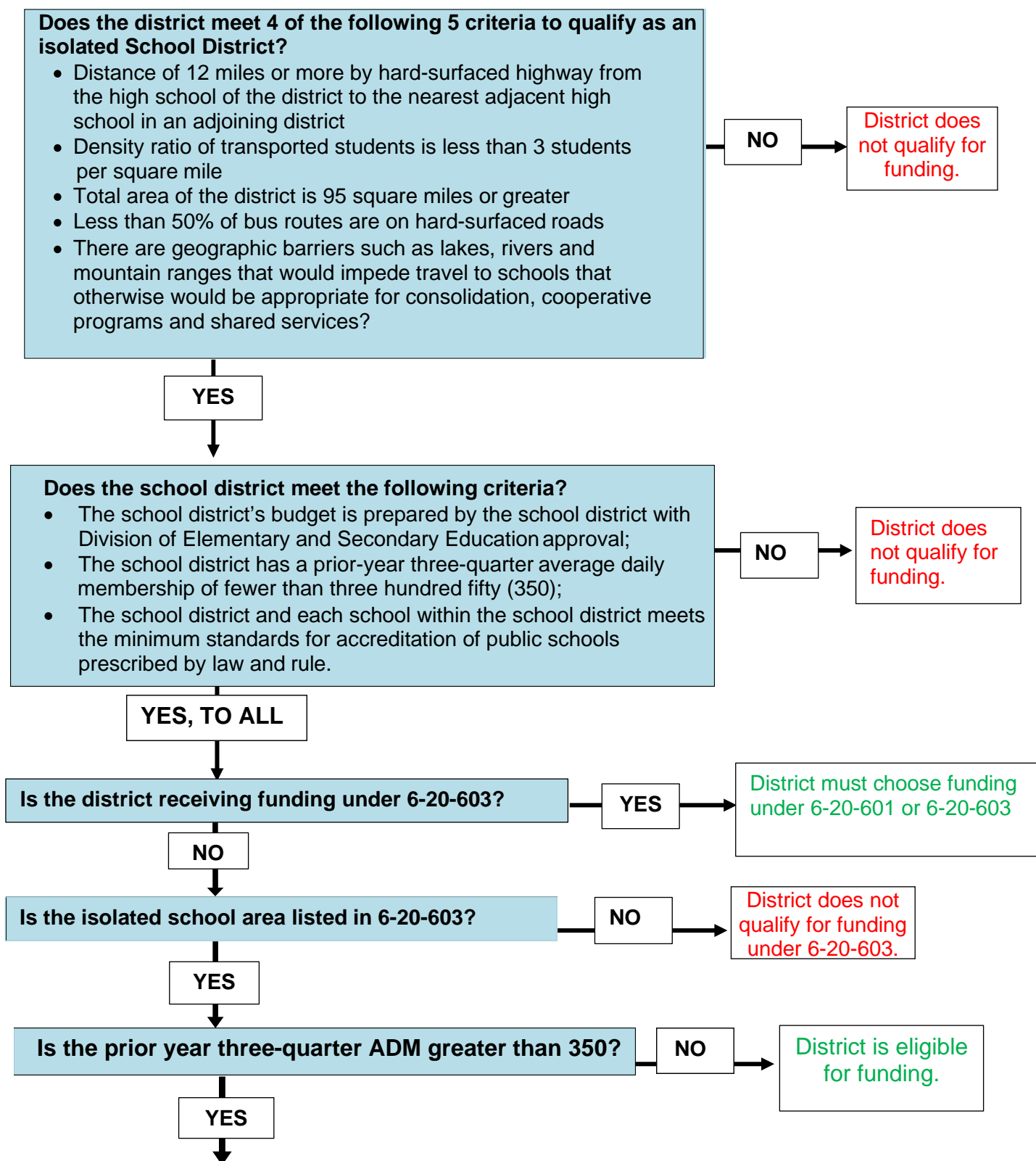
If all of an isolated school area in a school district is closed, the school district shall receive funding based on the prior-year three-quarter average daily membership of the isolated school area.

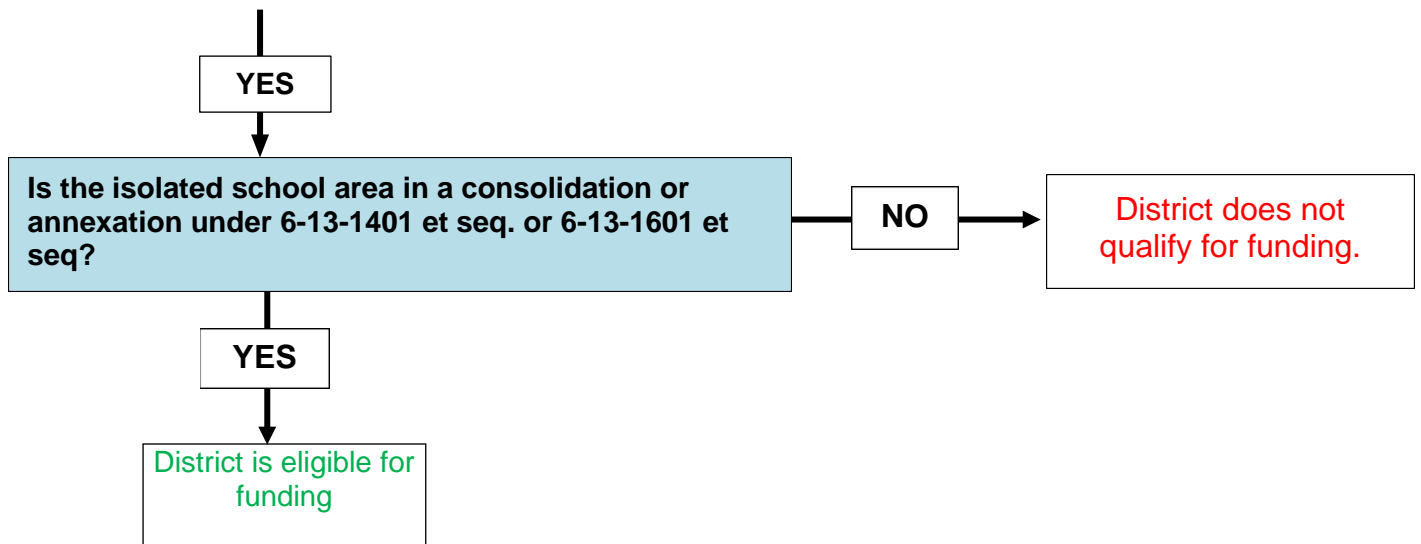
If part of an isolated school area in a school district is closed, the school district funding is based on the prior-year three-quarter average daily membership of the part of the isolated school area that remains open.

Funding received by a school district under this subsection is restricted for use at the closed isolated school area or for transporting students of the closed isolated school area to another school in the district.

If a closed isolated school area is subsequently used by the school district for an alternative learning environment program or other regular classroom teaching, the school district using the now closed isolated school area may submit prior-year three-quarter average daily membership to the state to request funding under this section.

Isolated Funding Flow Chart

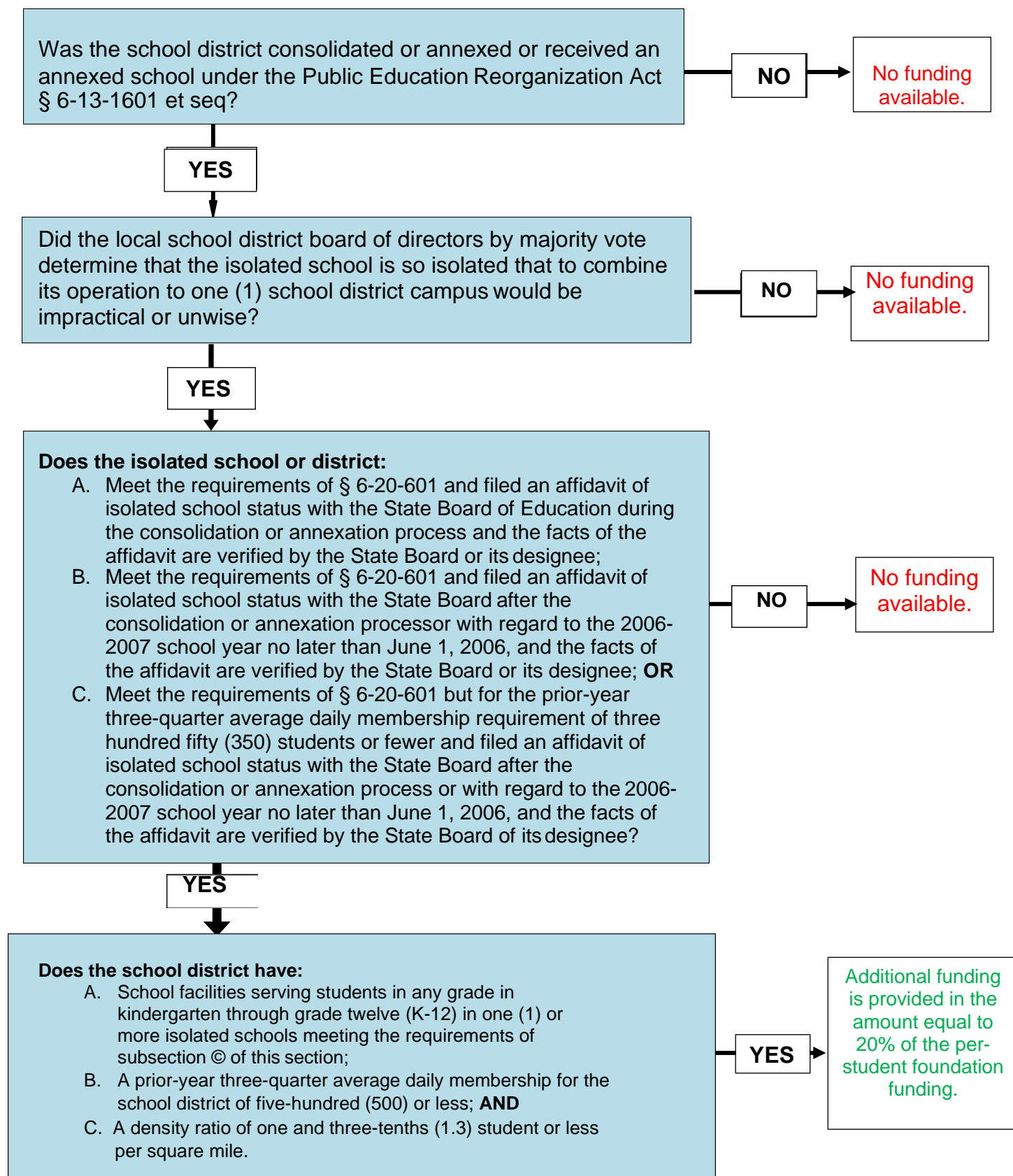


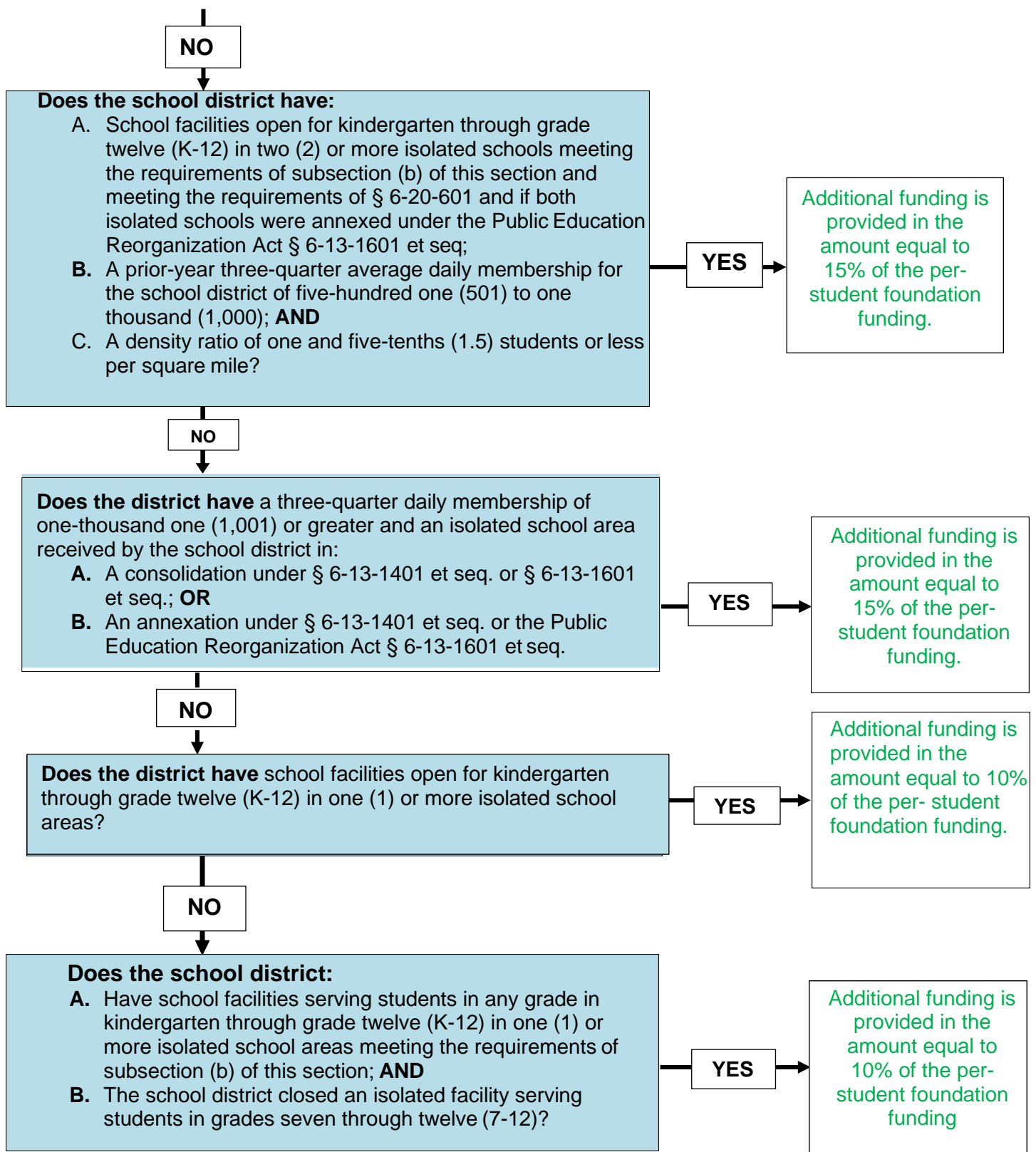


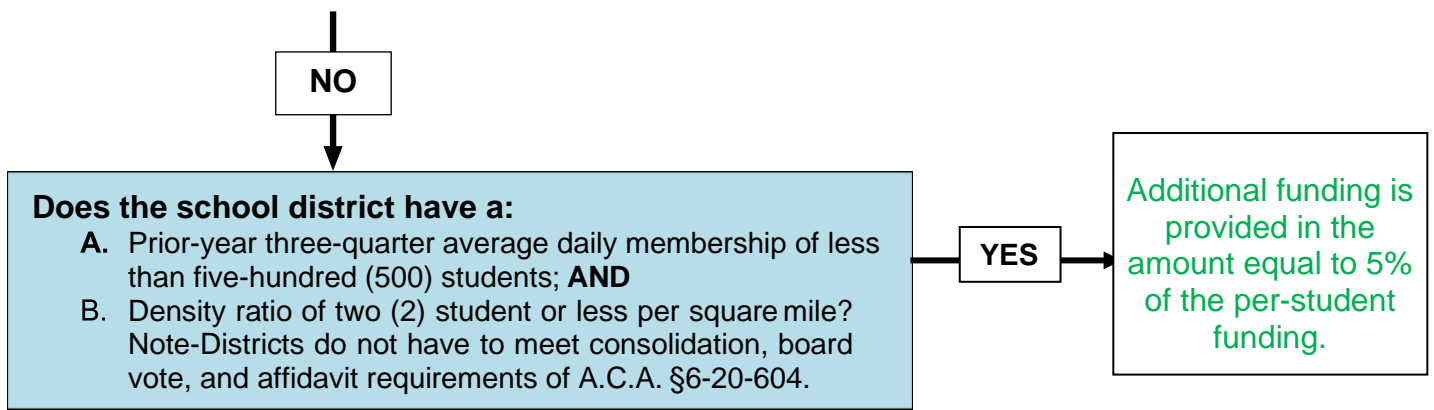
Per-Student Isolated Funding per A.C.A. §6-20-603

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

Special Needs Isolated Funding 6-20-604







Bonded Debt Assistance

Bonded debt assistance is restricted funding to be used solely for the payment of bonded debt. ***Pursuant to A.C.A. § 6-20-2503***, the calculation of bonded debt assistance is based on a school district's principal and interest payment schedule, in effect, and on file with the Division of Elementary and Secondary Education (DESE) on January 1, 2005. This list is available on the DESE website at the following link:

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

Under A.C.A. § 6-20-2503, these funds must be paid on or before August 1 and February 1 each year. Typically, a disbursement of 50% is made in July with the remaining balance disbursed in January. For more information, see the *Commission for Arkansas Public School Academic Facilities and Transportation Rules Governing Bonded Debt Assistance*, effective December 31, 2018, at the following link:

[Bonded Debt Assistance Program](#)

Educational Excellence Trust Fund

The Educational Excellence Trust Fund (EETF), established in 1991, is defined and explained in A.C.A. § 6-5-301 et seq., and in the DESE Rules Governing the School District Educational Excellence Trust Fund, effective January 1, 2020. The portion of foundation funding that represents the Educational Excellence Trust Fund obligation is provided on the state aid notice and allocations section of the DESE website. Open-enrollment public charters do not have an EETF allocation.

Under A.C.A. § 6-5-307 any increase in EETF allocation for teacher salaries shall be used by school districts to provide salary increases for current licensed personnel positions and for no other purpose, except that required social security and teacher retirement matching required to be paid by the school districts may be paid from the funds.

The Trust Fund amount on the final State Aid Notice for the current school year must be expended in the form of salaries, social security, and retirement matching for current licensed personnel positions.

The DESE has developed a [tool](#) to assist school districts in determining whether they are required to give salary increases to meet the EETF requirement.

| | |
|---|----|
| A. Trust fund for current year as reported on allocations page of DESE website | |
| B. Trust fund amount divided by 1.2265 = amount to be distributed to licensed personnel salaries (not as a bonus or nonrecurring payment)* | \$ |
| C. Amount (projected or actual) spent on non-federal licensed salaries** | |
| D. Amount exceeding/(shortage) of salary expenditure vs. EETF allotment (Line C minus Line B) If line D is positive, the EETF requirements have been met. If line D is negative, non-federal licensed salaries must be increased. | \$ |
| E. Total number of licensed non-federal FTEs | |
| F. Amount of salary increase needed per FTE (take the amount from line D and make it a positive number and divide by line E) | \$ |

*22.65% is comprised of 7.65% FICA and 15% ATRS employer contribution

**Applies to non-federal licensed staff, including those paid with state categorical funds

Miscellaneous Funds

Miscellaneous Funds are defined in A.C.A. § 6-20-2303(12) as funds received by a school district from federal forest reserves, federal grazing rights, federal mineral rights, federal impact aid, federal flood control, wildlife refuge funds, severance taxes, in lieu of taxes and local sales and use taxes dedicated to education under § 26-74-201 et seq., § 26-74-301 et seq., § 26-75-301 et seq., and the Local Government Bond Act of 1985, § 14-164-301 et seq.

Miscellaneous funds are used in the calculations of bonded debt assistance (under A.C.A. § 6-20-2503) and state foundation funding aid (under A.C.A. § 6-20-2305 and § 6-20-2308). The DESE Rules Governing the Calculation of Miscellaneous Funds, effective November 2014 provides information regarding the use of miscellaneous funds in both funding calculations.

In the calculation of bonded debt assistance and in the initial calculation of state foundation funding aid, the DESE calculates the miscellaneous funds of a school district as the aggregate amount of miscellaneous funds received in the calendar year immediately preceding the beginning of the current school fiscal year multiplied by the ratio of the uniform rate of tax to the district's total millage rate as of January 1 of the calendar year in which the school district received the miscellaneous funds.

In February, the initial calculation of state foundation funding aid is updated to replace the initial miscellaneous funds with miscellaneous funds from the calendar year that includes the beginning of the school fiscal year. If the current calendar year miscellaneous funds received are less than the previous calendar year miscellaneous funds, for those school districts that receive state foundation funding aid the DESE will adjust the state foundation funding aid.

If the current calendar year miscellaneous funds are more than the previous calendar year, the DESE will reduce the state foundation funding aid by the difference in calculated miscellaneous funds.

If the current calendar year miscellaneous funds are less than the previous calendar year, the DESE will increase the state foundation funding aid by the difference in calculated miscellaneous funds.

State Aid Notices – Charter and District Payment Notifications

State Aid Notices provide state funding information to school districts and open-enrollment public charter schools are published periodically throughout the fiscal year on the DESE website at the following link: [Publications and Reports](#)

Additionally, funding information is provided at the following links under the School Funding menu.

- [Allocations](#)
- [Funding Data](#)

Monthly disbursements of certain categories of state funding (typically the funding shown on the state aid notices) to open enrollment public charters and school districts are posted to APSCN at the following link: [APSCN payment listing](#)

Limitation on Fund Balances

Pursuant to Ark. Code Ann. § 6-20-2210, established by Act 1105 of 2017, if at the close of the fiscal year a public school district has a net legal balance that exceeds twenty percent (20%) of the public school district's current year net legal balance revenues, the public school district shall within five (5) years reduce its net legal balance to no more than twenty percent (20%) of the public school district's current year net legal balance revenue.

A public-school district may reduce its excess net legal balance by:

- (1) Transferring funds into the public-school district's building fund to be used for construction, renovation, repair or other planned building fund expenditure or project;
or
- (2) Spending funds on pre-kindergarten programs, remediation programs, career and technical education or workforce readiness programs or any other program or for any other purpose authorized by law.

The Division shall monitor on a yearly basis each public school district's compliance with the net legal balance requirements and withhold subsequent state funding from a public school district for each year the district fails to make required reductions.

Required Expenditures

Gifted and Talented Program

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 (15%) of the Foundation Funding amount multiplied by five percent (5%) of the school district's prior year three quarter average daily membership (3 QTR ADM).

Utilities and Facilities Maintenance

Ark. Code Ann. § 6-21-808(d)(1), concerning the annual expenditure requirement for utilities and facilities maintenance, requires school districts to dedicate nine percent (9%) 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**:

(4) Custodial Activities means routine and renovation cleaning activities related to the daily operations and upkeep of a public school facility, including related supervisory and management activities.

(10) Maintenance, Repair, and Renovation means any activity or improvement to a public school facility that maintains, conserves, or protects the state, condition, or efficiency of the public school facility.

(13) Public School Facility means 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**.

School districts should code expenditures eligible to meet the nine percent (9%)

requirement as follows: Fund = 2000 or 2100-2199, 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 nine percent (9%) 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 facility escrow account. Fund Source of Fund code 2391 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 for new construction, the school district shall apply to the Division of Public-School Academic Facilities and Transportation for approval.

Federal Title Funds

Definitions were taken from Elementary & Secondary Education Act (ESEA) as amended by Every Student Succeeds Act (ESSA)

TITLE I – IMPROVING THE ACADEMIC ACHIEVEMENT OF THE DISADVANTAGED

The purpose of this title is to provide all children significant opportunity to receive fair, equitable, and high-quality education, and to close educational achievement gaps. (ESSA Section 1001)

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

It is the purpose of this part to:

1. Improve educational services for children and youth in local, tribal, and State institutions for neglected or delinquent children and youth so that such children and youth have the opportunity to meet the same challenging State academic standards that all children in the State are expected to meet.
2. Provide such children and youth with the services needed to make a successful transition from institutionalization to further schooling or employment; and
3. Prevent at-risk youth from dropping out of school, and to provide dropouts, and children and youth returning from correctional facilities or institutions for neglected or delinquent children and youth, with a support system to ensure their continued education and the involvement of their families and communities. (ESSA Section 1401)

TITLE II, PART A—PREPARING, TRAINING, AND RECRUITING HIGH-QUALITY TEACHERS, PRINCIPALS, OR OTHER SCHOOL LEADERS

The purpose of this title is to provide grants to State educational agencies and sub-grants to local educational agencies to:

1. Increase student achievement consistent with the challenging state academic standards.
2. Improve the quality and effectiveness of teachers, principals, and other school leaders.
3. Increase the number of teachers, principals, and other school leaders who are effective in improving student academic achievement in schools; and provide low-income and minority students greater access to effective teachers, principals, and other school leaders. (ESSA Section 2001)

TITLE III, PART A- LANGUAGE INSTRUCTION FOR ENGLISH LEARNERS AND IMMIGRANT STUDENTS

The purposes of this part are to:

1. Help ensure that English learners, including immigrant children and youth, attain English proficiency and develop high levels of academic achievement in English.
2. Assist all English learners, including immigrant children and youth, to achieve at high levels in academic subjects so that all English learners can meet the same challenging State academic standards that all children are expected to meet.
3. Assist teachers (including preschool teachers), principals and other school leaders, State educational agencies, local educational agencies, and schools in establishing, implementing, and sustaining effective language instruction educational programs designed to assist in teaching English learners, including immigrant children and youth.
4. Assist teachers (including preschool teachers), principals and other school leaders, State educational agencies, and local educational agencies to develop and enhance their capacity to provide effective instructional programs designed to prepare English learners, including immigrant children and youth, to enter all-English instructional settings; and
5. Promote the parental, family, and community participation in language instruction educational programs for the parents, families, and communities of English learners. (ESSA Section 3102)

There are two types of Title III subgrants: Title III EL Formula subgrant (ESSA Section 3114(a)) and the Title III Recent Immigrant subgrant (ESSA Section 3114(d)). The Title III EL Formula subgrant is determined using the number of English Language Learners, while the Title III Recent Immigrant subgrant is determined using the number of Recent Immigrants.

TITLE IV, PART A – Student Support and Academic Enrichment (SSAE)

The purpose of this sub-part is to improve students' academic achievement by increasing the capacity of States, local educational agencies, schools, and local communities to:

1. Provide all students with access to a well-rounded education.
 2. Improve school conditions for student learning; and
 3. Improve the use of technology in order to improve the academic achievement and digital literacy of all students.
- (ESSA Section 4101)

TITLE IV, PART B- NitaM. Lowey 21st Century Community Learning Centers (This is a competitive grant)

The purpose of this part is to provide opportunities for communities to establish or expand activities in community learning centers that:

1. Provide opportunities for academic enrichment, including providing tutorial services to help students, particularly students who attend low-performing schools, to meet the challenging State academic standards.
2. Offer students a broad array of additional services, programs, and activities, such as youth development activities, service learning, nutrition and health education, drug and violence prevention programs, counseling programs, arts, music, physical fitness and wellness programs, technology education programs, financial literacy programs, environmental literacy programs, mathematics, science, career and technical programs, internship or apprenticeship programs, and other ties to an in-demand industry sector or occupation for high school students that are designed to reinforce and complement the regular academic program of participating students; and
3. Offer families of students served by community learning centers opportunities for active and meaningful engagement in their children's education, including opportunities for literacy and related educational development. (ESSA Sec. 4201)

TITLE V—RURAL EDUCATION INITIATIVE

This part may be cited as the “Rural Education Achievement Program”. (ESSA Section 5201)

Subpart 1—Small, Rural School Achievement Program

A local educational agency shall be eligible to use the applicable funding in accordance with subsection if:

1. The total number of students in average daily attendance at all of the schools served by the local educational agency is fewer than 600; or each county in which a school served by the local educational agency is located has a total population density of fewer than 10 persons per square mile; and (ii) all of the schools served by the local educational agency are designated with a locale code of 41, 42, or 43, as determined by the Secretary;
2. The agency meets the criteria established in subparagraph (A)(i) and the Secretary, in accordance with paragraph (2), grants the local educational agency’s request to waive the criteria described in subparagraph (A)(ii); or (C) the local educational agency is a member of an educational service agency that does not receive funds under this subpart and the local educational agency meets the requirements of this part. (ESSA Section 5211(b))

Subpart 2—Rural and Low-Income School Program

A local educational agency shall be eligible to receive a grant under this subpart if:

1. 20 percent or more of the children ages 5 through 17 years served by the local educational agency are from families with incomes below the poverty line and all of the schools served by the agency are designated with a locale code of 32, 33, 41, 42, or 43, as determined by the Secretary; or
2. The agency meets the criteria established in clause (i) of subparagraph (A) and the Secretary, in accordance with paragraph (2), grants the local educational agency’s request to waive the criteria described in clause (ii) of such subparagraph. (ESSA Section 5221(b))

Maintenance of Effort – Federal Funds (ESSA)

- 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, subject to the requirements of subsection (b).
- 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), if such local educational agency has also failed to meet such requirement (as determined using the measure most favorable to the local agency) for 1 or more of the 5 immediately preceding fiscal years.
 - 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 a change in the organizational structure of the local educational agency; or
 - 2) a precipitous decline in the financial resources of the local educational agency.

(ESSA Section 8521)

NOTE: The federal fund Maintenance of Effort requirements are different than IDEA Maintenance of Effort. IDEA maintenance of effort calculation is conducted by the DESE Special Education Unit. See Special Education Fiscal Procedures Manual at: [Procedures Manual](#)

DESE Federal Funding Website

[DESE Funding Page](#)

There are several reports available on the DESE Website for funding.

- Allocations
- Carryover (Allotment balances)
- Federal Funds Statements
- Federal Grants Management Procedures
- Funding Notifications (aka Grant Award Letters)
- Indirect Cost
- Maintenance of Effort
- Maintenance of Equity
- SAM.gov registration information
- Funding Data
- Title I Comparability

The DESE Federal Grants Management Unit calculates funding for the following federal programs: Title I Part A, Title I Part D Subpart 1 and Subpart 2, Title I School Improvement 1003a, Title II-A, Title III, Title V REAP- RLIS, Title IV-B Special Education (School Age), and Federal Preschool Special Education. The unit also verifies obligation and expenditure of those funds according to federal laws and regulations.

E-Rate

The E-Rate program is a discount program designed to help schools (and public libraries) pay for technological infrastructure and broadband services. It is funded by the Federal Universal Service Fee, a fee (33.4% for 3Q2021) added to every wireline phone bill in the U.S. and is administered by the Universal Service Administration Company (USAC) on behalf of the FCC.

In order to qualify for the program, applicants must solicit bids over a 28-day minimum period from service providers that meet their tech needs through an open and competitive bidding process. Then, upon awarding a bid, applicants must file with USAC, during the filing window, to show detailed costs to be incurred. There are a number of online FCC Forms and Applications that accompany every step in the process. Successful school applicants will be eligible for a discount on their actual costs and their poverty level as measured by the National School Lunch Program (NSLP) qualifying students and whether the school is considered in an urban or rural location.

Payment to schools from USAC can come in two forms:

1. **The Billed Entity Applicant Reimbursement, or BEAR method** – A direct reimbursement based on the provider costs incurred. In this method, a school district will work into its budget a payment, in full, for a project or service to be provided. After the service has been provided, the invoice paid, and the notice of funding received from USAC, the district will file with USAC for reimbursement of their discounted percentage of the costs. USAC sends these funds directly to the school district. These payments can be received as a lump sum or may be structured into scheduled payments (e.g. quarterly payments), depending upon the frequency of BEAR Form submissions by the applicant.
2. **The Service Provider Invoice, or SPI (pronounced like “spy”) method** – A discount of costs incurred from a provider reflected on a school district’s bill. In this method, the provider will apply the USAC approved discount directly to the applicant’s invoices, billing the applicant only for their discounted portion. USAC, after the application is funded, and the provider has submitted the proper payment paperwork, will issue payment for the amount discounted, directly to the provider.

There are several important changes to the E-Rate program:

1. Category 1 services have a 20 – 90% discount level and provide for internet and telecommunications data services. Category 2 services have a 20 – 85% discount level and provides for connections and Wi-Fi. They are basically a block grant and are subject to a 5-year funding cap per site.
2. Beginning in Funding Year 2021 (July 2021 – June 2022), the FCC made

permanent the budget system for infrastructure purchases and related services. Additionally, to simplify the budget system and to provide greater flexibility and opportunity for applicants, the FCC set budgets to be district/system-wide and lifted outdated equipment transfers requirements. Thus, allowing more flexibility for the applicant.

3. With the E-Rate Modernization Orders, the funds previously designated for voice services were shifted toward broadband, and eligible infrastructure. This means schools should pay particular attention to opportunities to expand their broadband infrastructure in the years ahead, as the demand has not increased and is not projected to exceed the available funds, allowing the USAC to fund all workable E-Rate applications/funding requests.

For questions relating to E-Rate, districts should contact Funds for Learning.

Special Education Services-Extended School Year

This program provides extended year summer programs for students with disabilities ages 3-21. State funding for special education is based on how many days/hours and weeks each student participated and DESE reimburses the school districts on a per- student basis. These funds are dispersed based on availability and during FY25 the amount was \$74 per day. This state funding source also provides for the partial reimbursement of salaries and benefits for special education supervisors.

Special Education – High-Cost Occurrences

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

Residential Centers/Juvenile Detention

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

IDEA Part B Special Education Programs for Early Childhood

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

IDEA Part B School Age Special Education Programs

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

Maintenance of Effort (Special Education)

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

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

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

Local plus State is usually the first test districts run. Districts use the following process to determine MOE (2024-25 school year used as an example below). This is available to districts electronically on MySped: School Age AFR Maintenance of Effort Data Form.

- 1) FY 2024-25 Annual Financial Report (AFR) amount
- 2) FY 2023-24 Previous year Annual Financial Report (AFR)
- 3) AFR MOE STATUS (subtract #2 from #1 to determine MOE status) If the amount in #3 is a positive number, MOE has been met.

If amount in #3 is a negative number, MOE has not been met. The district can attempt to reduce their current year (25-26 in this example) state and local AFR by meeting one or more of the following four exceptions:

A1. Departure of Personnel: 1) If the person who departed was replaced by another person at a lower salary, both salaries and benefits must be reported. The difference can be used to reduce MOE; 2) If a person departed and was not replaced, the total salary and benefits can be used to reduce MOE.

A2. Decrease in enrollment of children with disabilities: (this would be for the current year) If the district has shown a decrease in child count from the previous year, the difference can be calculated to reduce MOE (see following example):

State/Local Special Ed. MOE Expenditures divided by the 12-1-25 child count to determine the per-child expenditures. The per-child expenditure is multiplied by the

difference in the number of students to determine the amount of reduction allowed.

| | |
|--|--------------|
| 1. Child Count from 12/1/24 | 126 |
| 2. Child Count from 12/1/25 | 123 |
| 3. Difference | 3 |
| 4. 2024-25 State/Local Special Ed MOE Expenditures | \$548,262.79 |
| 5. Per-Child Expenditures (#4 / #1) | \$4,351.29 |
| 6. Amount of Reduction (#5 / #3) | \$13,053.88 |

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

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

Purchases must be made across multiple fiscal years to meet the long-term requirement. Only the final fiscal years expenditures towards the purchase may be utilized as a possible exception. DESE-OSE uses the Federal micro-purchase threshold, set by OMB 2 C.F.R. Part 200 Uniform Guidance of \$10,000 to define a costly expenditure.

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

Child Nutrition

The Division of Elementary and Secondary Education/Child Nutrition Unit (DESE/CNU) administers the National School Lunch Program, the School Breakfast Program, the Special Milk Program, the Afterschool Snack Program, the Seamless Summer Program and the Fresh Fruits and Vegetables Grants in the public, private and Charter Schools in Arkansas. The United States Department of Agriculture (USDA), Food and Nutrition Service administers these programs at the Federal level.

According to the USDA regulations, the DESE/CNU provides technical assistance, training, monitoring, and processes claims for reimbursement of federal funds used in the operation of local school nutrition programs. The DESE/CNU serves as the pass-through agency for approximately \$250 million federal dollars to school districts for reimbursable meals served to students. USDA requires approximately \$2 million in state funds be paid as state matching. State match is determined by an equitable distribution of funds based on the total lunches served by school districts in the previous year or as a direct payment to USDA Food for the delivery of commodities.

Reimbursement rates are established by USDA and released at the beginning of each school year. There are higher funding rates that School Food Authorities (SFAs) may receive such as severe need breakfast and safety net lunch. Severe need breakfast rates are additional funds above the regular reimbursement rate available to SFAs in which forty percent (40%) or more of the lunches served to students in the school in the second preceding year were served free or at a reduced price. SFAs must apply and be approved to receive additional severe need funds for breakfast, during the following school year. The severe need breakfast funds are by school not district. Safety net lunch funds are additional funds provided to SFAs based on the district having served 60% of the previous year's lunches to free and reduced eligible students. SFAs also receive additional performance-based funds for all lunches served that meet the required USDA meal pattern and nutrient standards, once the menus have been certified by the State Agency.

Meal Applications may be distributed to all students at the beginning of each school year, after July 1. The household applications returned are used to determine student's correct eligibility. Students who are not included on a household application are not eligible for free or reduced-price meal benefits unless they are on a categorically eligible list. Categorically eligible lists include Direct Certification with SNAP and Medicaid, Homeless, Runaway, Migrant, Head Start, Even Start, and Foster. Students on the categorically

eligible lists are considered free, except Medicaid. Medicaid Direct Certification may list either free or reduced categorical eligibility. The district does not have to get an application from those student's households. A Child Nutrition master roster/point of sale roster is developed with free, reduced, and paid student eligibility from all source documents (approved meal applications and categorically eligible lists).

Meals are planned and served to meet the meal pattern and nutrient standards set by USDA regulations. Meals served are claimed in correct eligibility category (free, reduced, and paid) and recorded on a daily record sheet. At the end of each month, the daily record sheet for each site is consolidated and submitted on the monthly claim for reimbursement to DESE/CNU. Internal audit controls are built into the CN On-line Claim System to ensure the correct number of meals are claimed. The internal controls include a three-step process, requiring three different people, to enter, and submit the supporting documentation before the claim is approved by the district/SFA. DESE/CNU reviews and processes the claim and requests payment be issued to the district/SFA.

Arkansas Better Chance Program (ABC)

The Arkansas Better Chance Program Grant funds innovative and developmentally appropriate early childhood programs for educationally deprived children.

Arkansas Better Chance Grants are administered by the Office of Early Childhood within the Arkansas Department of Education (ADE) - Division of Elementary and Secondary Education (DESE) for the purpose of serving children birth to five years old exhibiting developmental and socio-economic risk factors, excluding kindergarten. The Arkansas Better Chance Grant Program funds support high quality early childhood programs for children at risk of school failure. For the 2025-2026 school year, the distribution of funds is based on \$5,105 per child for classroom-based programs and \$1,894 per child for home visiting programs.

All Arkansas Better Chance Grant funds are required to be utilized in accordance with the rules of the grant during the current grant program year to maximize early childhood education access for children supporting high quality programing and experiences for families.

Medicaid

Medicaid is a federally funded program. As described in the “*Review of Arkansas Medicaid Program School Services and Reimbursements*” produced by the Arkansas Division of Legislative Audit (now the Arkansas Legislative Audit).

Federal law, namely IDEA and the Medicare Catastrophic Coverage Act of 1988, established a system of Medicaid-related reimbursement for schools that offer medical services to students. Qualifying school-based services must also meet all required provider guidelines established in the Arkansas Medicaid Provider Manuals. Participating Arkansas school districts are eligible to receive Medicaid reimbursements for the following direct services:

- Occupational Therapy Services
- Physical Therapy Services
- Speech Language Services
- Personal Care Services
- Private Duty Nursing Services
- School-based Mental Health Services
- Targeted Case Management
- Vision and Hearing Screening
- Audiology Services

Arkansas Medicaid Administrative Claiming (ARMAC)

The Arkansas Medicaid Administrative Claiming (ARMAC) is a federally funded program administered by the Centers for Medicare and Medicaid Services (CMS). This program provides school districts with the ability to receive Medicaid reimbursement for certain administrative services, which address student health needs.

ARMAC is administered using an online Random Moment Time Study (RMTS) system used to identify and categorize Medicaid administrative activities performed by Arkansas public school employees. The time study serves as the basis for developing quarterly claims based on the costs of administrative activities that may be reimbursed by Medicaid.

According to Arkansas' federal approved Medicaid Administrative Claiming Plan, the revenue generated by the ARMAC program is dedicated to the provision of health services and may be used to facilitate, improve and/or expand the level and quality of health/medical services provided to all students within the district.

Annual Statistical Report (ASR)

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

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

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

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

The Annual Statistical Report can be found at: [Annual Statistical Reports](#).

Or through <https://myschoolinfo.arkansas.gov/>

Best Financial Practices

Decisions should be made to maximize funding for student resources. A school should review many things to properly use funding in the best interest of all students. A financially sound school should have policies and procedures in various areas. Through consistent application of those policies and procedures, schools practice long-term management of their resources. Through sound fiscal management, schools should have careful tracking of resources and understand their cash flow. Without sound fiscal management, information can be wrong or absent, decision making can be flawed, and immaterial issues can become serious problems. In education, financial resources are used to achieve positive changes in student attitudes or academic behaviors. It is the responsibility of schools and management to have practices to use resources as efficiently as possible in many areas including the following:

- Management structures
- Performance accountability
- Efficient delivery of educational services, including instructional materials
- Administrative and instructional technology
- Personnel systems and benefits management
- Facilities construction
- Facilities maintenance
- Student transportation
- Food service operations
- Cost control systems, including asset management, risk management, financial management, purchasing, internal auditing, and financial auditing
- Athletics
- Other extracurricular activities
- Revenue and expenditure sources
- Breakdown of administrative, instructional, support, and operations expenditures
- Type of technology needed; how to maintain and update
- Review old programs and sustain new ones
- Student teacher ratio; staffing needs, tutors
- What expenditures relate to student instruction?
- What are revenue sources and if you lose one, how to prepare?
- Are facilities safe, warm, and dry and what are the needs long-term?

Schools should establish procedures that include:

- Purchase orders (P.O.) process
- Receipts
- Reimbursements
- Travel reimbursement procedure
- Frequent monitoring and reporting

Accounting is the system of recording and summarizing business and financial transactions and analyzing, verifying, and reporting the results. The basis of accounting establishes the point-in-time when revenues or expenditures and related assets and liabilities are recognized in district accounts and reported in financial statements.

- Cash basis – Recognized when cash is received or disbursed
- Accrual Basis – Revenues are recognized when they are earned and expenses are matched with related revenues and/or are reported when the expense occurs, not when cash is paid.

Things to consider for school revenue:

- The legal authority for school district revenue in The Arkansas Constitution (1874 as amended)
 - Article 14²
 - § 1. Free School System
 - § 2. School Fund – use – purposes
 - § 3. School tax – budget – approval of tax rate, Amendments 11, 40 & 74
 - § 4. Supervision of schools
- Constitutional Amendments
 - Amendment 40 – Budget – publication/restricted use of school funds
 - Amendment 59 – Tax rate rollbacks after reappraisals
 - Amendment 74 – 25 mill uniform rate of tax
 - Amendment 79 – Property tax relief
- What effect does Legislative action or changes in local economic conditions have on resources for the coming year?
- ADM increased or decreased
- Assessed valuation changed – Real Property – Personal Property – Utility Property (consider estimating future). Verify assessed valuation as certified by county assessor and clerk to DESE. What is the trend?
- Millage rate – Verify tax rate as certified by the Quorum court in accordance with ballot language approved at annual school election. Verify millage allocation as approved by voters. What is the collection rate? Amendment 74 – 25 mills for maintenance and operation, additional maintenance and operation mills (approved by voters), debt service mills to pay debt (approved by voters), dedicated maintenance and operation mills

(approved by voters)

- Publication of budget of expenditures for annual election – required by Amendment 40 and § 6-13-622, based on year to be supported by school property tax voted in future school election, will not correspond with school budget submitted in Cycle I.
 1. Collection rate – look at trends (keep up with change in industry – develop relationship with county assessor) current tax rate
 2. Delinquent Tax
 3. Amendment 79 – Homestead Credit
 4. Excess Commissions
 5. Pullback if applicable
- Interest on taxes held by Collector
- Timing of receipts
- Miscellaneous revenue
- Use systematic techniques to develop reasonable estimates of school revenue
- Consider all sources of revenue – local, state, and federal. What happens if you lose a source, how to prepare
- State Foundation Funding Aid – The amount a school receives from the state to establish adequacy per student. The amount funded by the state is less the local wealth per student. The total of the two numbers is the state foundation funding amount determined by the Legislature.

Accurate projections are important because they provide a stable fiscal environment and provide confidence to staff, community, and the DESE.

Things to consider for school expenditures:

A school budget should be developed that aligns resources with student achievement goals. Finance personnel should collaborate with instructional leaders to determine the current academic achievement level and determine where the school wants to be in the future. What are the academic goals? This will help determine the financial resources and how they should be prioritized. It is important to be able to quantify instructional priorities to determine how much money is needed to implement them. A strategic plan should be developed to determine the long-term plans and goals of the school. Major categories of expenditures in most schools:

- Salaries and Benefits – consider contracted wages, time sheet pay, substitute pay, and summer help. Salaries and benefits make up the largest expenditure of most schools. When budgeting these expenditures consider:
 - Federal and state minimum wage,
 - State minimum teacher salary schedule (§ 6-17-801) (§ 6-17-2401) (§ 6-17-2403) and salary schedules per personnel policies. Policies and contracts must be approved and entered in a timely fashion. Consider how increase from year to year will affect the fund balance of the school.

- Schools should consider the benefits offered and these will vary by school.
- Schools shall pay health insurance rate beginning January 1, 2023, of \$300 per month for each eligible employee. This rate shall increase annually by the same percentage as foundation funding is increased by the Legislature.
- Supplies/Equipment – it is important to determine the difference as it relates to accounting and recording of fixed assets.
- Services
- Professional Services & Consulting Services are exempt from bidding.

Examples are accounting, engineers, architects, legal, medical, information/technology and appraisal.

- Property Services – Utilities, construction services, lawn care, cleaning services and rental
- Other Services – Transportation, insurance, and advertising
- Capital Outlay – Purchases/construction of a fixed asset
- Debt Service – Principal, Interest, and fees

It is important to review each piece and monitor the cash flow requirements each year.

Schools should have great internal controls to ensure that theft or fraud are minimized. They should have segregation of duties, to ensure that one individual does not perform more than one key operational function.

Other Best Practices:

- Keep accurate records in Arkansas Public School Computer Network (APSCN)
- Record ALL receipts in APSCN – keep backup copies, verify coding from the Financial Accounting Handbook, reconcile posted revenue to bank statement deposits.
- Record ALL expenditures - keep backup copies.
- Reconcile cancelled checks in APSCN to the bank statement monthly.
- Establish separation of duties to avoid conflicts and any misappropriation.
- Print journal entries and explanation for file.
- Follow contract purchasing rules and guidelines.
- Always record receivables and payables.
- Keep fixed assets inventories up to date.
- Make sure EVERY full-time employee has a contract and falls within a salary schedule and additional duty pay schedule, if required.
- Update personnel policies and salary schedules and post to the district website after each board approved change.
- Check APSCN website once a month for updates to coding Handbook.
- Monitor financial related Commissioner's Memos.

DESE Website

There are numerous reports available on the DESE website. Through the [Fiscal and Administrative Services](#) section of the website, the following reports can be accessed:

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

Additionally, the [ADE Data Center](#) has information available such as cycle report data, student enrollment, Standards for Accreditation, school performance, etc.

Resources

1. Arkansas Constitution Article14 [Article](#)
2. Arkansas Division of Elementary and Secondary Education Rules Governing Student Special Needs Funding , effective June 2022 [Student Special Needs Funding](#)
3. Arkansas Department of Education Rules Governing Declining Enrollment and Student Growth Funding for Public School Districts , effective January 1, 2019 [Declining and Student Growth Funding](#)
4. [DESE Spending Handbook for ESEA/ESSA funds 2022-2023](#)
5. Arkansas Legislative Audit June 6, 2014, Review of Arkansas Medicaid Program School Services and Reimbursements: SPSR00113
[6 2 14 ARMITs with ADE DHS responses.pub \(Read-Only\) \(arklegaudit.gov\)](#)