



## **Fiscal and Administrative Services**

### **Finance News**

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## State Finance Unit

### State Aid Notices

State aid notices for 2022-23 (final) and 2023-24 (preliminary) have been posted at

<https://dese.ade.arkansas.gov/Offices/fiscal-and-administrative-services/publication-and-reports/state-aid-notices-for-school-districts> (traditional school districts)

<https://dese.ade.arkansas.gov/Offices/fiscal-and-administrative-services/publication-and-reports/state-aid-notices-for-open-enrollment-public-charter-schools> (open-enrollment charters)

Please remember the following:

- All data supporting the funding calculations are subject to review.
- Net revenues and 98% of URT X assessment less net revenues are provided for traditional school districts on the final state aid notice for traditional school districts.
- Miscellaneous funds are defined and are calculated as per Arkansas Code Annotated §§ 6-20-2303 (13), 6-20-2308, and 6-20-2503 (a) (3). Prior calendar year calculated miscellaneous funds and district total millage rate effective January 1 of the prior calendar year are used in the initial calculation of state foundation funding aid and in the calculation of bonded debt assistance. pt calendar year calculated miscellaneous funds and district total millage rate effective January 1 of the current calendar year are used to update the calculation of state foundation funding aid for the current fiscal year. This update usually occurs in February and includes data from the most recent calendar year (January-December) collections.
- The average daily membership data reflects data submitted during the most recent submission cycle of the corresponding school year.
- For traditional school districts only - District square miles as calculated by ArcGIS 10 software are provided and may affect eligibility for special needs isolated funding pursuant to Arkansas Code Annotated § 6-20-604 (c) and (d), and small district funding pursuant to Arkansas Code Annotated § 6-20-604 (f). School district density ratio is one of several determining factors for qualification for some funding categories pursuant to Arkansas Code Annotated § 6-20-604.
- For traditional school districts only - The calculated portion of foundation funding that is educational excellence trust funds is provided. Changes to the total educational excellence trust fund available for distribution may result in revised educational excellence trust fund amounts. Refer to Arkansas Code Annotated § 6-5-307 and the Arkansas Division of Elementary and Secondary [Education Rules Governing the School District Educational Excellence Trust Fund](#) for information regarding the determination of an increase in educational excellence trust funds allocated for teacher salaries.
- Open-enrollment (OE) charter schools in the first year of operation or operating under a new license, adding a new campus or adding a grade at any campus, will be funded on current year data for State Foundation Funding Aid, Professional Development, Enhanced Student Achievement, Charter Facilities, and Teacher Salary Equalization. Initial funding



estimates for current-year-funded OE charters are based on estimated July 1 enrollment. These estimates are revised when quarter 1 ADM is available in Cycle 3. The funding amounts are finalized once three-quarter average ADM is available in Cycle 6.

- Traditional school districts and open-enrollment charter schools that do not meet the qualifications to be current-year-funded are funded on prior year data.
- Alternative learning environment funding is based on prior year full-time equivalent data. Contact Jared Hogue at 501-324-9660, Jared.Hogue@ade.arkansas.gov, or C.W. Gardenhire at 501-580-5660, C.W. Gardneshire@ade.arkansas.gov, for further information.
- English language learners funding is based on students identified in the current school year as not proficient in the English language. Contact Tricia Kerr at 479-267-7450, Tricia.Kerr@ade.arkansas.gov, for further information.
- Enhanced student achievement funding is based on prior year October 1 national school lunch data (current year Oct. 1 for current-year-funded OE charters). If applicable, enhanced student achievement transition funding is included in enhanced student achievement funding. The amount of enhanced student achievement funding withholding pursuant to Arkansas Code Annotated § 6-20-2305 (b) and (e) is provided, when available, and if applicable. Refer to Commissioner's Memos FIN-23-014, FIN-23-019, and FIN-23-039 for information on enhanced student achievement matching grant funds set aside for eligible school districts. Information regarding enhanced student achievement matching grant funds is not provided on the state aid notice.
- Preliminary declining enrollment funding and partial student growth funding are provided on the initial and mid-year state aid notices and are finalized with the final state aid notice in July. Pursuant to state law, a district cannot receive both declining enrollment funding and student growth funding. A district that is eligible to receive declining enrollment and student growth funding will receive the category that yields the most funding.
- Isolated funding and charter facilities funding (if applicable) are provided on the mid-year state aid notice. These numbers are subject to change and are finalized on the final state aid notices in July.
- Pursuant to Arkansas Code Annotated § 6-20-2305 (b) (6), school districts identified as having an average annual teacher salary below the statewide target average annual salary (\$51,822), may be eligible for teacher salary equalization funding equal to \$185 per prior year average daily membership. Just a reminder that, if your district's prior year allocation of TSEF was higher, the district receives the higher amount. Refer to Commissioner's Memos FIN-23-015 and FIN-23-040 for additional information.

The following DESE Rules are found under [Current Rules](#):

[Charter Schools](#)

[Declining Enrollment \(includes student growth funding\)](#)

[Educational Excellence Trust Fund](#)

[Miscellaneous Funds Calculation](#)

[Student Special Needs Funding \(categoricals\)](#)

Please review the state aid notice carefully. A comparison of the most recent state aid notice to prior state aid notices may prove helpful in detecting errors and variances.



DIVISION OF ELEMENTARY  
& SECONDARY EDUCATION

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## Website Posting Requirements

Remember that certain items were required to be posted on school districts' websites by August 1. By state law, a school district not in compliance with the website posting requirements shall not receive state funding until the district has cured the deficiency. Please see Commissioner's Memo [FIN-24-004](#) and DESE Rules for [Website Posting Requirements](#).

Primary Contact: Patricia Monterroso

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## Tier I

Tier I training is a requirement for superintendents, co-op and charter directors, as well as business managers or others who are in charge of the accounting and financial management of the district. There are a couple of sessions being offered this fall, so please attend one if you are a required attendee and have not done so for the 2023-24 school year. The [Tier I Presentation and Resource Guide](#) are available on the DESE website for your reference.

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## **Federal Finance Unit**

### **Warehouse Upload**

#### **REMINDER - Finance Warehouse Load This Weekend**

Please be sure to receipt all federal revenues received before this weekend. The Cognos Warehouse will be loaded September 16, 2023. Everything must be inputted before Saturday. Without accurate data, upcoming federal reimbursements could be interrupted.

If you have deposits into your account that are not identified, you can find a list of all payments sent to each school district from ADE on the APSCN website. Go to [www.apscn.org](http://www.apscn.org), click the Reports tab, select District Informational Reports, then Monthly Funds Disbursed to School Districts. From there, a list of Excel files will appear. Open the most recent file (i.e. FY2024August2023MonthlyFunds). This file will be cumulative for the entire fiscal year through the end of the month indicated in the filename.

Primary Contact: Bianca Porter

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## Website Updates

Preliminary Allocations and Indirect Cost rates for the current fiscal year have been added to our website.

## Preliminary Allocations

Preliminary 2023-24 allocations available for use in the 2023-24 school year under provisions of the Elementary and Secondary Education Act of 1965, as amended by the Every Student Succeeds Act (ESSA), Title VI, Part B Section 611 and 619 of the Individuals with Disabilities Education Improvement Act of 2004 and Arkansas Code Ann. §§ 6-41-307 and § 6-20-2301. Preliminary allocation amounts are available on DESE's Federal Funding website: <https://dese.ade.arkansas.gov/Offices/fiscal-and-administrative-services/school-funding/allocations>.

These allocation amounts should be viewed as preliminary. Open-enrollment charter schools newly opening or experiencing significant expansion in the 2023-24 school year have been included using estimates of current year student counts. Adjustments will be made midyear based on actual student data as of October 1, 2023 and December 1, 2023 for these open-enrollment charter schools. Any changes to the overall state grant at the federal level could also result in district level changes.

In general, the 2023-24 allocations have an obligation deadline of September 30, 2025, and a liquidation deadline of December 12, 2025. Some prior year funds included in these allocations carry earlier obligation and liquidation deadlines. Funds authorized by the American Rescue Plan Act also have differing deadlines.

For 2023-24 allocations, please note the following:

- Title I, Part A: source code 6501, revenue code 45110
- Title I, Part C Migrant: source code 6502, revenue code 45111
- Title I, Part D: source code 6510, revenue code 45120
- Title II: source code 6756, revenue code 45925
- Title III: source code 6761, revenue code 45935
- Title IV: source code 6786, revenue code 45986
- Title V: source code 6784, revenue code 45977
- Title VI-B School Age: source code 6702, revenue code 45613
- Title VI-B Federal Preschool: source code 6710, revenue code 45630
- Homeless: source code 6530, revenue code 45140
- Carl Perkins: source code 6570, revenue code 45310
- State Special Education Preschool: source code 2260, revenue code 32350
- State Special Education EIDT: source code 2262, revenue code 32352

The Title I, Part A notice lists allocations for school districts and open-enrollment charter schools.





The Title I, Part D-2 Local Institution notice lists funding allocated by school district for specified local delinquent institutions by district and location code.

The Title I, Part A Neglected Institution notice lists school districts whose Title I, Part A allocation includes funding for a local institution for neglected children. These funds are to be used to provide Title I services to children residing in these institutions. Please keep a record of services provided and funds expended. This list indicates institution by location code and school district and the amount of money the eligible students in the institution generated. The funds generated by the neglected eligible students have already been included in the total Title I, Part A allocation for the district. The indicated amounts should be set-aside from the total Title I, Part A allocation for services to children within the indicated institution. These amounts will need to be budgeted on line item 1594 Title I, Part A Neglected Institution at the district level.

Please note updated procedures require LEAs to use a prescribed location code for each facility when recording expenditures within APSCN for delinquent institutions (SOF 6510) and for neglected institutions (SOF 6501 set-aside). This will allow ADE Finance to monitor fund balances at the facility level in the event that a facility relocates or closes during the year. These assigned codes will replace existing coding in some cases, including use of general location code 699. These locations codes are included in the allocations lists.

For questions regarding:

Title I, Part A Programs, contact Jayne Green at 501-682-2395

Title I, Part C Programs, contact Damaris Tomlison at 501-324-9664

Title I, Part D Programs, contact Rachel Hogue at 501-682-4373

Title II – Part A Programs, contact Jayne Green at 501-682-2395

Title III – English Language Acquisition, contact Alan Lytle at 501-682-4468 or Tricia Kerr at 479-267-7450

Title IV – Student Support and Academic Enrichment, contact Jayne Green at 501-682-2395

Title V – RLIS, contact Jayne Green at 501-682-2395

Title VI-B Programs, State Preschool, EIDT, contact Special Education unit at 501-682-4221

Carl Perkins-CTE, contact Lydia McDonald at 501-682-1616

Primary Contact: John Bradley

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## Indirect Cost Rates

Please visit ADE DESE's School Funding Website (<https://dese.ade.arkansas.gov/Offices/fiscal-and-administrative-services/school-funding/indirect-cost>) for current and prior year indirect cost rates, subaward material, and an indirect cost calculation tool. The indirect cost calculation tool is not required and does not require any additional data submissions to ADE DESE, however it may be helpful in determining the indirect costs that may be charged against federal grant programs.

The fiscal year 2023-24 rates have been calculated using fiscal year 2021-22 data. The fiscal year 2023-24 indirect cost rates are to be used for expenditures in the fiscal year 2023-24. Please note that these are the final 2023-24 rates, and no rate adjustments are required at the end of 2023-24 for budgeting purposes.

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## Sam.gov

In accordance with 2 CFR 25.200, any entity receiving federal funds must be registered in the System for Award Management (SAM) and continue to maintain an active SAM registration at all times while receiving federal funds through the sam.gov system. The Arkansas Department of Education monitors these registrations to ensure federal funds are only disbursed to entities with an active SAM registration.

The Sam.gov registration list is updated once a month in an effort to let districts know their status prior to monthly district payments. Sam.gov registration information can be found here: [https://dese.ade.arkansas.gov/admin/Files/SEPTEMBER\\_2023\\_Sam\\_update\\_FAS.pdf](https://dese.ade.arkansas.gov/admin/Files/SEPTEMBER_2023_Sam_update_FAS.pdf).

Currently Expired:  
Rector School District

Expiring in October:  
Marmaduke School District  
Lavaca School District  
Lee County School District  
East Poinsett County School District  
Watson Chapel School District  
Hampton School District  
Arkadelphia School District  
Wynne School District  
Nashville School District  
Academics Plus Charter Schools  
Mena School District  
Corning School District  
Dumas School District

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### Prior Year Perkins Subgrant

In order to ensure both proper accounting and that your LEA is reimbursed out of the appropriate grant year, please provide proof of obligation/liquidation for prior year expenses related to your Perkins subgrant. Prior year funds must be obligated by June 15<sup>th</sup>, 2023, and must be liquidated (paid in eFinance) by August 15<sup>th</sup>, 2023. The LEA must prove these funds were committed and expended by these deadlines before they will be released. Obligation proof will consist of purchase orders, invoices, etc. dated prior to the aforementioned deadline. Liquidation proof will consist of a copy of the check issued in association with these obligations. **Once all documentation is received, and the actual expenditure is entered into eFinance, the federal finance unit will release these funds from your prior year Perkins subgrant.**

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