

TIER I ANNUAL UPDATE

Fiscal Year 2022



DIVISION OF ELEMENTARY
& SECONDARY EDUCATION

TIER I TRAINING

- Required in A.C.A. § 6-20-2204 ([access AR Code here](#))
- [See Rules Governing Data Reporting, the Arkansas Public School Computer Network, and Information Systems \(March 1, 2020\)](#)
 - Section 11.0
 - At a minimum, two (2) persons per educational entity are required to attend an initial and annual Tier I training:
 - The school district superintendent or the education service cooperative director or the open-enrollment public charter school director; and
 - A person whose job responsibilities include preparing the budget or overall accounting responsibility.



**DIVISION OF ELEMENTARY
& SECONDARY EDUCATION**

TIER I TRAINING, CONT.

- The two (2) persons per LEA required to attend shall each obtain twelve (12) hours of initial training and instruction necessary to demonstrate basic proficiency as determined by the Department, including but not limited to:
 - School laws of Arkansas;
 - Laws and rules governing expenditures, fiscal accountability, and school finance
 - Ethics; and
 - Financial accounting and reporting of LEAs.
- After obtaining the initial training, the two (2) persons required to attend shall obtain a minimum of two (2) hours of Tier I annual training and instruction in order to maintain basic proficiency in the topics described. Additional annual training may be required by the department based on repetitive or flagrant audit findings or identification of multiple indicators of fiscal distress.



TIER II TRAINING

- Required in A.C.A. § 6-20-2204
- [See Rules Governing Data Reporting, The Arkansas Public School Computer Network, and Information Systems \(March 2020\)](#)
 - Section 11.0
 - At a minimum, two hours of annual training for employees who are involved in the process of recording and/or reporting of financial transactions but:
 - Do not make decisions about selecting codes, or
 - Have a limited number of codes they can use
 - School district trainers are required to attend Tier I training
 - Training materials should be based on Tier I material and focused on the specific needs of school district employees.



**DIVISION OF ELEMENTARY
& SECONDARY EDUCATION**

GENERAL BUSINESS MANAGER QUALIFICATIONS

- Must complete at least 5 CASBO courses per year and must complete the 15 courses required within 3 years.
- Must renew certificate by completing at least 2 upper level CASBO courses per year after the date of certification.
- GBM failing to complete certification cannot function in that role until certification requirements are met. District/Charter/co-op must appoint another person to the position and that person must meet qualifications.
- Must meet qualifications of a Certified Arkansas School Business Official (CASBO) based on the requirements established by the Arkansas Association of School Business Officials (AASBO) or be enrolled in the CASBO required courses of study.
- Failure to comply with rules concerning general business manager qualifications can be an indicator for fiscal distress.



**DIVISION OF ELEMENTARY
& SECONDARY EDUCATION**

GENERAL BUSINESS MANAGER QUALIFICATIONS, CONT.

- Applies to all school districts, open-enrollment public charter schools, and education service cooperatives
- A Chief Financial Officer or Business Manager or however titled:
 - Operates under the direction of the superintendent
 - Meets minimum qualifications in ADE rule
 - Responsible for fiscal operations of entire entity
 - Person other than superintendent or charter/co-op director
- General Business Managers are required to attend the annual Tier I Training, as governed by A.C.A. § 6-20-2204
- The Job Codes for a General Business Manager are:
 - 612 for Business Manager
 - 614 for Chief Financial Officer/CFO
 - 7010 for a licensed Business/Finance Manager



MINIMUM WAGE/TEACHER SALARY INSURANCE & RETIREMENT MATCHING

	Calendar 2021	FY 22	Calendar 2022	FY 23	Calendar 2023
Minimum Teacher Salary Bachelor's		\$34,900		\$36,000	
Minimum Teacher Salary Master's		\$39,550		\$40,650	
Classified Minimum Wage	\$11		\$11		\$11
Insurance Match	\$164.66		\$168.52		\$172.44
Teacher Retirement School District Match		14.75%		15.00%	
Teacher Retirement Employee Match		6.75%		7.00%	
Outsourcing Contribution to ARTRS		4%		4%	

EDUCATOR COMPENSATION REFORM PROGRAM (ECRP)

- Act 877 of 2019 added the Educator Compensation Reform Fund to provide additional funding to school districts below the statutory minimum teacher salary schedule.
- The four-year phase-in for increasing the minimum salary schedules can be found in Act 170 of 2019.
- Years three and four funding to be disbursed in 2021-22 school year. This will close out the program.
- Schedule of funding is posted on the [ADE ECRP website](#).
- For 2021-22, districts are only required to meet minimum teacher salary of \$34,900 for bachelor's and \$39,550 for master's.
- All districts required to be at \$36,000/\$40,650 minimums by 2022-23.

TEACHER SALARY EQUALIZATION FUND – Act 680 of 2021 – A.C.A. § 6-20-2305(b)(6)(A)

- Funding is \$185 multiplied by the prior year ADM for qualifying districts.
- In 2021-22 and 2022-23, districts with average teacher salary less than \$51,822 may qualify.
- A district that receives Educator Compensation Reform funds is ineligible to receive teacher salary equalization funds in the same school year.
- Teacher salary equalization funding shall be expended only for teacher salaries and benefits.

NEW CODE for Teacher Salary Equalization:

- 69314 Transfer to 1000 for Teacher Salary Equalization Program From 2001 to 1000 ONLY - must equal rev 52204.
- 32204 Teacher Salary Equalization Program (receipt to fund 2001 only for Teacher Salary Equalization Program – [FIN-21-043](#))
- 52204 Rev Transfer into fund 1000 from fund 2001 for Teacher Salary Equalization Program. (Transfer out 2001520000000000 69314 must equal transfer into fund 1000 52204)

TEACHER SALARY EQUALIZATION FUND – Act 680 of 2021 – A.C.A. § 6-20-2305(b)(6)(A)

Purpose of Funds



- Dedicated to improving teacher salaries
- Target average is a statewide goal, not an expectation for a district average
- Funding is ongoing – at least the amount received in base year and adjusted upward if ADM increases



State Goals

- Regular increases in state average salary/Improved state ranking of average salaries among SREB states
- Noticeable decrease in gap between highest and lowest average salary and starting salaries
- Lower rates of teacher attrition
- Increase in number of districts with a starting salary above the minimum requirement

TEACHER SALARY EQUALIZATION FUND – [Act 680 of 2021](#) – A.C.A. § 6-20-2305(b)(6)(A)

District Requirements

- At a minimum, districts should use funds to meet or exceed the state minimum salary requirements.
- Annually, districts must use all equalization funding for teacher salary and benefits paid from the TS fund.
- While one-time salary increases are allowable, they are not the preferred method to meet the intent of the funding. One-time increases should be coupled with other strategies or a plan for long-term improvements to teacher compensation.
- Districts should seek input from staff regarding the plans for the equalization funding (more than just PPC).

See DESE guidelines published in Commissioner's Memo [FIN-21-048](#).



TEACHER SALARY EQUALIZATION FUND – Act 680 of 2021 – A.C.A. § 6-20-2305(b)(6)(A)

Below are the items included in average non-federal teacher salary

83	e	Persnl-Non-Fed Licensed Clsrm FTEs	From Page 37 Report, Page 7-10 of 16 - Certified Personnel Only -					
	e		Personnel Paid from the Salary Funds, Excluding Adult Ed Lines 3714-3722,					
	e		Lines 3724-3727, Lines 3731-3736,					
	e		Lines 3749-3754 and 3759-3761, 3768-3779					
83b	e	Total Salaries for Licensed Classrm	1000	1200	1110	1169	61000	61199
	e	Matrix and General	1206	1234	1197	1199	61300	61699
	e		1236	1319	1200	1213	61800	62999
	e		1325	1325	1215	1289		
	e		1331	1999	1291	1299		
	e				1300	1399		
	e				1500	1549		
	e				1551	1599		
	e				1900	2199		
	e				2220	2229		
Line #	Type	Description	Beginning Fund	Ending Fund	Beginning Function	End Function	Beginning Object	Ending Object
84	e	Avg Sal-Non-Fed Licensed Clsrm	Results of Dividing line 83.5 by line 83					

Remember that bonuses* and leave payouts **are included** in the calculation of average teacher salary!

*Except National Board bonuses - they are subtracted

TEACHER SALARY EQUALIZATION FUND – Act 680 of 2021 – A.C.A. § 6-20-2305(b)(6)(A)

Things to Consider Regarding Increases to Certified Salary Schedule

- Enrollment/ADM trend of your district
 - If declining – Reduction of FTEs through attrition and reorganization
 - If growing – Be strategic about adding FTEs to meet minimum standards
- Rules Governing Class Size and Teaching Load
- Sustainability of increased salaries
- Effect on classified staff
- Increases above minimum required by law will trigger increase in school district contribution amount for health insurance

EDUCATIONAL EXCELLENCE TRUST FUND

A.C.A. § 6-5-307

- In determining whether a district has had an increase in EETF funds, any annual increase in the EETF funds must exceed the level of the prior fiscal year to be classified as an increase.
- EETF allocation based on each district's foundation funding (previously it was state foundation funding aid).
- The EETF amount on the final State Aid Notice (funding notification) for the current school year must be expended in the form of salaries, social security, and retirement matching for current non-federal licensed personnel.
- If adjustments are needed after June 30, district must do an underpayment for all employees in the teacher salary fund. Contact Kathleen Crain for more information.
- EETF does not apply to open-enrollment charters or co-ops
- See [Rules Governing the School District Educational Excellence Trust Fund](#)
- See [EETF calculation worksheet](#)

HEALTH INSURANCE

A.C.A. § 6-17-1117

- DESE publishes Commissioner's Memo annually listing the minimum contribution rate under § 6-17-1117(a)(1) and (2). For FY22, the rate is **\$168.52**, which is applicable beginning January 1, 2022.
- School district contribution must increase by same percentage that district increases the base salary for licensed personnel with a minimum of a bachelor's degree, unless:
 - the raise is due to an increase in minimum teacher compensation schedule under § 6-17-2403
 - the district has a participation rate of 75% of all eligible personnel participating in the health insurance program
 - the district has a local contribution rate of 125% or more of the minimum contribution rate required under this section
- Please remember this with regard to increases above the minimum required by law for certified salary schedules!

ATRS – EMPLOYER CONTRIBUTION

A.C.A. § 24-7-411(a)(1) –

[Act 220 of 2021](#)

If an employer fails to remit moneys that are required by law or rule to the Arkansas Teacher Retirement System by the date and at the frequency established by the Board of Trustees of the Arkansas Teacher Retirement System, the system shall impose an interest penalty equal to the actuarially assumed rate of return on investments of the Arkansas Teacher Retirement System Fund in the form of interest applied on an annual basis to the moneys due.

ATRS – EMPLOYER CONTRIBUTION

A.C.A. § 24-7-411(e)(1) – Act 220 of 2021

Beginning on July 1, 2022, the member and employer contributions made by an employer as provided in § 24-7-401 and § 24-7-406 shall be:

- Reported electronically by the employer through the Arkansas Teacher Retirement System portal; and
- Paid by the employer through electronic transfer.

An employer contribution shall be:

- Paid to the Arkansas Teacher Retirement System at the time and at the frequency established by the board; and
- Paid concurrently with contributions made by the employees of the employer to the Arkansas Teacher Retirement System.

See A.C.A. § 24-7-411(f) for information on requesting a waiver if unable to report contributions electronically or pay contributions by electronic transfer.



**DO YOU HAVE QUESTIONS
ABOUT TEACHER SALARY
EQUALIZATION OR ANYTHING
ELSE RELATED TO
SALARIES/BENEFITS?**

SCHOOL ELECTIONS

- DESE publishes a Commissioner's Memo with a timeline for school elections that is updated to reflect any changes in Arkansas code.
- Per article 14 of the Arkansas Constitution, every school district must submit the tax rate at the annual school election or special election. This applies to all districts, even those under state control.
- See A.C.A. §§ 6-13-616, 6-13-622, 6-13-630, 6-13-631, 6-14-102, 6-14-106, 6-14-109, 6-14-111, 6-14-118, 6-14-121, 7-5-202, 7-5-206, 7-5-304, 7-5-407, 7-5-418, 7-7-203, 26-80-102, 26-80-110.
- Please note that [Act 448 of 2021](#) made changes to the timeline of certain election notifications.
- See Commissioner's Memo [FIN-21-030](#).



**DIVISION OF ELEMENTARY
& SECONDARY EDUCATION**

TAX APPEALS

A.C.A. § 26-35-802

- Property owners appealing real estate tax assessments shall pay the least of:
 - Taxes owed not in dispute
 - Taxes due by court order
 - Taxes due on last year's assessment
- After final disposition of an appeal, taxes are due within thirty (30) days



**DIVISION OF ELEMENTARY
& SECONDARY EDUCATION**

COUNTY EQUALIZATION BOARDS

A.C.A. § 26-27-315

- School district superintendents of each school district in a county shall select (by majority vote) a member of the county's equalization board (A.C.A. § 26-27-304).
- Equalization (EQ) boards hear and decide on tax appeals.
- Contact your county assessor to find out who your district's representative(s) are on the County EQ Board.

HOMESTEAD TAX CREDIT AND PROPERTY TAX RELIEF

A.C.A. § § 26-26-310 AND 26-26-1118

- Increased the Homestead Property Tax Credit from \$350.00 to \$375.00
- Provides for transfers to
 - County Voting System Grand Fund (\$8 million)
 - Counties and municipalities (\$2 million)
 - Remaining funds transferred to the Long-Term Reserve Fund
- DESE has been told that districts will receive calendar year disbursement of property tax relief funds by June 30



**DIVISION OF ELEMENTARY
& SECONDARY EDUCATION**

LOCAL TAXES

- Districts' foundation funding amount is comprised of both state funding and local revenue.
- During economic downturn, state funding is used to ensure districts receive the foundation funding amount per student.
- State funding guarantees **the first 25 mills only**.
- Districts must plan for reduction in debt service revenue during economic downturn.
- Go to the [Local Tax by Mill Type Calculator](#) to break out your tax receipts by mill type category (URT, debt service, etc.).



IMPORTANT

SCHOOL FUNDING WEBSITE

- [Allocations](#) – lists of funding amounts for each funding source.
- [Funding Notifications](#) – select your district/charter from dropdown list – provides all funding in a document for each district/charter/co-op.
- [Funding Data](#) – shows data that is used in calculating the various types of funding.
- [Tools & Resources](#) – provides tools designed to help school district and charter staff with funding estimates such as student growth, declining enrollment, ESA, bonded debt assistance, and local taxes by mill type.

ADEQUACY

- Adequacy Reports can be found [here](#).
- Funding matrix can be found [here](#).

Top Part of Matrix:

	FY20	FY21	FY22	FY23
Matrix Calculations				
School Size	500	500	500	500
K = 8% of students	40	40	40	40
Grades 1-3 = 23% of students	115	115	115	115
Grades 4-12 = 69% of students	345	345	345	345
Staffing Ratios				
K P:T ratio = 20:1	2.0	2.0	2.0	2.0
Grades 1-3 P:T ratio = 23:1	5.0	5.0	5.0	5.0
Grades 4-12 P:T ratio = 25:1	13.8	13.8	13.8	13.8
PAM = 20% of classroom	4.14	4.14	4.14	4.14
Total Classroom Teachers	24.94	24.94	24.94	24.94
Special Ed Teachers	2.9	2.9	2.9	2.9
Instructional Facilitators	2.5	2.5	2.5	2.5
Librarian / Media Specialist	0.85	0.85	0.85	0.85
Guidance Counselor & Nurse	2.5	2.5	2.5	2.5
Total Pupil Support Personnel	8.75	8.75	8.75	8.75
SUBTOTAL	33.69	33.69	33.69	33.69
Principal	1.0	1.0	1.0	1.0
Secretary	1.0	1.0	1.0	1.0
Total School-Level Personnel	35.69	35.69	35.69	35.69



**DIVISION OF ELEMENTARY
& SECONDARY EDUCATION**

ADEQUACY MATRIX

(bottom part)

	FY20	FY21	FY22	FY23
School-Level Salaries				
Teacher Salary + Benefits	67,127	68,470	70,010.6	71,585.8
Per Student Matrix Expenditure	4,523.0	4,613.5	4,717.3	4,823.5
Principal Salary + Benefits	99,012	99,012	101,487.0	104,024.2
Per Student Matrix Expenditure	198.1	198.1	203.1	208.0
School-Level Secretary	40,855	40,855	41,876.4	42,923.3
Per Student Matrix Expenditure	81.7	81.7	83.8	85.8
School-Level Salaries Per Student	4,802.8	4,893.3	5,004.2	5,117.3
School-Level Resources				
Technology	250.0	250.0	250.0	250.0
Instructional Materials	184.2	187.9	192.6	197.4
Extra Duty Funds	66.2	66.2	67.9	69.6
Supervisory Aides	50.0	50.0	51.3	52.6
Substitutes	71.8	71.8	73.6	75.4
School-Level Resources Per Student	622.2	625.9	635.4	645.1
Carry-Forward/District-Level Resources				
Operations & Maintenance	697.5	705.7	723.3	741.3
Central Office	438.8	438.8	447.6	456.5
Transportation	321.2	321.2	321.2	321.2
Carry-Forward Per Student	1,457.5	1,465.7	1,492.1	1,519.0
Foundation Per Pupil Expenditures	6,883	6,985	7,131.6	7,281.5
Matrix Foundation per Student (rounded)	6,883	6,985	7,132	7,282
Adjustment (retirement)	16	33	50	67
Total w/Adjustment	6,899	7,018	7,182	7,349
Increase per ADM	\$ 118	119	164	167
	% 1.74%	1.72%	2.33%	2.32%

FY22 STATE FUNDING AMOUNTS

A.C.A. § 6-20-2305

(as amended by Act 614 of 2021)

- 2021-22 Foundation Funding \$7,182 (increase of \$164)
- 2021-22 Alternative learning environment funding \$4,794 (increase of \$94)
- 2021-22 ELL \$359 (increase of \$7)
- Enhanced Student Achievement – ESA (formerly NSL) state categorical funding (yearly transition = rate at former level up or down \$177)
 - \$1,594 if 90% and above
 - \$1,063 if at least 70% and less than 90%
 - \$532 if less than 70%
- Professional development funding rate is calculated in time for publication on first state aid notice each year
 - FY21 rate was \$36
 - FY22 rate will be similar
- Enhanced transportation funding amounts provided in A.C.A. § 6-20-2309 ([access AR Code here](#))

MISCELLANEOUS FUNDS

A.C.A. § 6-20-2308

- Calculated miscellaneous funds count towards a district's foundation funding, thus reducing the amount of state foundation funding aid that a district receives.
- Initial state foundation funding aid is calculated using estimated miscellaneous funds from the prior year.
- In February each year, the initial calculation of state foundation funding aid is updated to replace the initial miscellaneous funds estimate with actual miscellaneous funds received in the calendar year ending December 31.
- Miscellaneous funds include federal forest reserve funds, federal grazing rights, federal mineral rights, federal impact aid, federal flood control, wildlife refuge funds, severance taxes, payment in lieu of taxes (PILOT), and local sales and use taxes dedicated to education.
- Some miscellaneous funds could be affected by economic downturn. Depending on the timing, it could adversely affect school districts.

NET URT REVENUES

A.C.A. § 6-20-2305

- County treasurers submit calendar year ad valorem tax reports by January 31st. Districts should check the report to ensure accuracy.
- Total ad valorem tax is multiplied by the ratio of the school's millage rate and the uniform rate of tax (URT) to arrive at Net Revenues.
- Net Revenues > 98% of the URT multiplied by the property assessment = school district remits amount over 98% to DESE.
- Net Revenues < 98% of the URT multiplied by the property assessment = school district receives payment from DESE to true up to the 98%.



**DIVISION OF ELEMENTARY
& SECONDARY EDUCATION**

OPEN-ENROLLMENT PUBLIC CHARTER SCHOOL STATE FOUNDATION FUNDING & CHARTER FACILITIES FUNDING A.C.A. § § 6-23-501, 6-23-908

For the first year of operation, the first year operating under a new license, the first year adding a new campus, and in any year a grade is added at any campus:

- Foundation funding and charter facilities funding for an open-enrollment public charter school will be based on current year three-quarter ADM from cycle 7. Until this is available:
 - First estimate uses current year July 1 enrollment
 - Second estimate uses current year quarter 1 ADM from cycle 3
 - Third estimate uses current year three-quarter ADM from cycle 6
 - Final adjustments (if necessary) for any ADM corrections submitted in cycle 7 made in July.
 - Charter schools must meet the eligibility requirements listed in A.C.A. § 6-23-908 to receive facilities funding.

For further information on current-year funded charter schools, please see [Rules Governing Public Charter Schools](#) and [Student Special Needs \(Categorical\) Funding](#).

FY22 STUDENT GROWTH FUNDING

A.C.A. § 6-20-2305

Calculation:

- FY22 student growth funding will compare:
 - FY21 quarter 4 ADM to FY20 3-quarter ADM from cycle 7
 - FY22 quarter 1 ADM from cycle 3 to FY21 3-quarter ADM
 - FY22 quarter 2 ADM from cycle 5 to FY21 3-quarter ADM
 - FY22 quarter 3 ADM from cycle 6 to FY21 3-quarter ADM

Comparison:

- An eligible school district will receive the higher funding category after comparing student growth funding to declining enrollment funding

Expenditure:

- Student growth and declining enrollment are unrestricted funding categories, but expenditures are tracked for reporting to the legislature (no transfers out of these codes)

See calculator tool on [the DESE – School Funding website – Tools & Resources](#).

See [Rules for Declining Enrollment and Student Growth Funding](#).

Contact David Allison for more information at david.allison@ade.arkansas.gov

**HOW WERE YOU ENGAGED
WITH THE 2021 LEGISLATIVE
SESSION?**

ESA REQUIRED EXPENDITURES AND BALANCES

A.C.A. § 6-20-2305(B)(4)(F)(I)

- See [Rules Governing the Distribution of Student Special Needs Funding \(July 2, 2020\)](#)
- Districts required to spend 85% of annual ESA funding
- If June 30, 2012 ESA balance exceeded 15% of FY12 ESA funding, district is required to reduce the balance by a minimum of 10% per year until the balance is no more than 15% (SOF 281)
- May request a one-year waiver due to “unusual and limited circumstances”
- Districts under direct or coordinated support must submit ESA budget in Indistar. DESE will approve these budgets based on district needs and support plan.

A.C.A. § 6-20-2305(b)(4)(F)(i) ENHANCED STUDENT ACHIEVEMENT FUNDING (ESA) CONT.

- The list of approved programs established before the passage of Act 322 of 2021 by the state board under subdivision (b)(4)(C)(i)(a) of this section shall expire on June 30, 2022.





NEW ESA APPROVED PROGRAMS

A.C.A. § 6-20-2305 (As amended by [Act 322 of 2021](#))

- If the district meets the teacher compensation requirements according to the minimum salary schedule under § 6-17-2403 for teachers serving in positions required by the Standards for Accreditation of Arkansas Public Schools and School Districts without using ESA funds:
 - Hiring of additional teachers for core academic subject areas not required by the Standards for Accreditation
 - Enhancement of teacher salaries for recruitment/retention
 - Additional compensation for teachers assuming leadership roles or additional responsibilities that support student academic achievement



**DIVISION OF ELEMENTARY
& SECONDARY EDUCATION**



NEW ESA APPROVED PROGRAMS

A.C.A. § 6-20-2305

- Enhancement of staffing that exceeds requirements of Standards for Accreditation
- Academic supports and interventions, including without limitation curriculum specialists, facilitators, tutors, dyslexia interventions, and RTI
- Social emotional and behavioral supports
- Physical and mental health resources, including personnel (SROs)
- Early intervention resources, including Pre-K programs, school tutoring programs that take place before or after school, and early literacy interventions
- Expansion of academic or career education programs
- Access to postsecondary opportunities, including without limitation access to career coaches, concurrent credit courses, college-entrance support, and career-readiness support



**DIVISION OF ELEMENTARY
& SECONDARY EDUCATION**

NEW ESA PLAN REQUIREMENT

A.C.A. § 6-20-2305



- By July 1, 2022, each public school district shall submit a three-year enhanced student achievement plan to the Division of Elementary and Secondary Education describing the school district's intended and implemented strategies to enhance student achievement and how ESA funds will be used to support the strategies of the school district
- District shall review progress on the ESA plan annually
- ESA plan shall be updated as necessary by the district and the district shall submit amendments to DESE with the annual budget.
- A district that does not demonstrate progress toward goals in the ESA plan for three consecutive years may be subject to additional monitoring, and increased level of support as provided in § 6-15-2913, or a corrective action plan to be developed by DESE and the school district.



**DIVISION OF ELEMENTARY
& SECONDARY EDUCATION**

ESA MATCHING GRANT PROGRAM

A.C.A. § 6-20-2305

- ESA Matching Grants – based on prior year ESA (1281 & 2281) expenditures for evidence-based programs such as tutors, before- and after-school academic programs, and prekindergarten programs.
- \$5,300,000 set aside to be distributed on a dollar for dollar pro rata matching basis until funds are exhausted.
- See Commissioner's Memo [FIN-21-018](#) for more information.

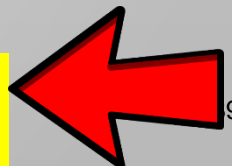


DIVISION OF ELEMENTARY
& SECONDARY EDUCATION

CATEGORICAL BALANCES

A.C.A. § 6-20-2305(E)(2)

- See [Rules Governing the Distribution of Student Special Needs Funding \(July 2, 2020\)](#)
- Requires that the balance of all categorical funds be no more than 20% of annual categorical funding.
- If the balance exceeds 20%, the district is required to reduce the balance by a minimum of 10% per year until the balance is no more than 20%.
- These balance limitations were waived in 2019-20, so districts may have had larger-than-normal balances to spend in 2020-21.
- **No COVID-19 waivers for 2020-21 year-end balances.**



LIMITATION ON FUND BALANCES

A.C.A. § 6-20-2210

- Districts with a year end net legal balance that exceeds 20% of current year net legal balance revenues shall reduce the net legal balance to no more than 20% of current year net legal balance revenues within 5 years
 - Balances required to be transferred to Fund 3200.
 - General building transfers to fund 3000
 - Review monthly on APSCN website at the following link:
 - <http://www.apscn.org/reports/hld/distinfo/distinfo.htm>
- Net legal balance is the combined balance for the teacher salary fund, the operating fund, and the debt service fund; minus the combined balance for categorical funds and escrow balance restricted for the retirement of federal qualified bonds
 - Net legal balance revenues are the revenues placed in the salary fund, the operating fund, and the debt service fund; minus revenues placed in the categorical funds and proceeds derived from federal qualified bonds

LIMITATION ON FUND BALANCES

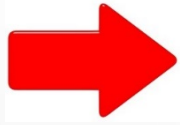
A.C.A. § 6-20-2210, CONT.

- Districts balances may be reduced by transferring funds into the building fund.
- Funds transferred into the building fund must be used for construction, renovation, repair, or other planned expenditures.
- If the building fund expenditures are canceled, and transferring the funds back to the fund from which they came would increase the net legal balance to more than 20%, the district may spend the funds on:
 - Prekindergarten programs
 - Remediation programs
 - Career and technical education or workforce readiness programs, or
 - Any other program or for any other purpose allowed by law.

M&O 9% Balance

- If any amount of the M&O 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 facilities 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.
- The M&O requirement is NOT waived.
- See Commissioner's Memo [FIN-20-055](#)

FEDERAL ESSER I & II (COVID-19) EDUCATION FUNDING



All activities supported with ESSER funds must relate to preventing, preparing for, and responding to COVID-19!

- Expenditures must be reasonable and necessary.
- Non-public school must be consulted on their needs for services – see Commissioner’s Memo [COM-21-029](#) and [FIN-21-027](#).
- Broad categories –
 - Direct Student Support/Continuous Learning
 - Technology
 - Systemic Procedures
 - Facilities
 - Transportation
 - Instructional Materials & Curriculum
 - Professional Development
 - Preventing Learning Loss
 - Additional Pay (note: funds generally not to be used for bonuses, merit pay unless related to disruptions or closures resulting from COVID-19)
 - Maintenance of Equity
- [Further guidance on ESSER I and II](#)

FEDERAL ARP-ESSER (ESSER III) EDUCATION FUNDING

- LEA must reserve at least 20% of these funds to address learning loss.
 - implementation of evidence-based interventions
 - ensure that those interventions respond to students' social, emotional, and academic needs and address the disproportionate impact of COVID-19 on underrepresented student subgroups
 - each major racial and ethnic group
 - children from low-income families
 - children with disabilities
 - English learners
 - gender
 - migrant students
 - students experiencing homelessness
 - children and youth in foster care

FEDERAL ARP-ESSER (ESSER III) EDUCATION FUNDING

- Remaining LEA funds may be used for a wide range of activities to address needs arising from the coronavirus pandemic, including any activity authorized by the ESEA, the Individuals with Disabilities Education Act (IDEA), Adult Education and Family Literacy Act (AEFLA), or Carl D. Perkins Career and Technical Education Act of 2006 (Perkins CTE).
- Capital assets require pre-approval.
- Specifically, ARP-ESSER funds may be used to develop strategies and implement public health protocols including, to the greatest extent practicable, policies in line with guidance from the Centers for Disease Control and Prevention (CDC) on reopening and operating schools to effectively maintain the health and safety of students, educators, and other staff. For further details, see [USDOE ARP-ESSER Fact Sheet](#).



**DIVISION OF ELEMENTARY
& SECONDARY EDUCATION**



ESSER MONITORING

- All ESSER expenditures are reviewed each reimbursement period. If questions arise from the reviews, LEAs are asked to submit detailed information on the expenditures. Reimbursements are not made until clarification is received and they are determined to be allowable. If unallowable, LEA will be asked to remove from fund 6780 or 6781 and reimbursement will occur once that correction is made.
- All improvements to capital assets will be monitored.



**DIVISION OF ELEMENTARY
& SECONDARY EDUCATION**

ESSER RESOURCES

- [Frequently Asked Questions \(FAQ\) for ESSER Funds](#)
- [Timeline for ESSER](#)
- [ADE Commissioner's Memo - ESSER: Eligible Uses of Funds Guidance Document 03/29/2021](#)
- <https://oese.ed.gov/offices/>



DIVISION OF ELEMENTARY
& SECONDARY EDUCATION

ESSER RESOURCES

FIN-20-042	CARES Funding Data
COM-20-119	CARES Act – ESSER Funds Webinar – May 18, 2020
COM-20-120	CARES Act - webpage, LEA application, and webinar
FIN-20-047	2019-20 Preliminary CARES Allocations
FIN-20-054	2019-20 Preliminary CARES Allocations with Equitable Services Set Aside
COM-21-029	CARES Act Equitable Services
FIN-21-020	2020-21 Final CARES Allocations with Equitable Services Set Aside
COM-21-065	CARES Act – Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA – commonly referred to as ESSER II Funds) Webinar
FIN-21-026	2020-21 Preliminary ESSER II Allocations
FIN-21-027	ESSER I Equitable Services Information
COM-21-106	ESSER: Eligible Uses of Funds Guidance Document



**DIVISION OF ELEMENTARY
& SECONDARY EDUCATION**

ESSER OBLIGATION TIMELINE

Funds	Obligation Timeline
ESSER I	September 30, 2022
ESSER II	September 30, 2023
ARP ESSER	September 30, 2024
EANS (CRRSA)	September 20, 2023
EANS (ARP)	To be announced



**DIVISION OF ELEMENTARY
& SECONDARY EDUCATION**

ARKANSAS PUBLIC SCHOOL PROCUREMENT BIDDING – A.C.A. § 6-21-301 *et seq.*

- The board of directors of each school district shall prescribe the method of soliciting bids and may adopt other rules governing the procurement of commodities.
- Districts may adopt state procurement procedures as district policy except where they conflict with Title 6.
- Purchases exceeding the purchase price amount listed in A.C.A. § 6-21-304(a)(1)(A)(i)(a), as adjusted pursuant to A.C.A. § 6-21-304(a)(1)(B), shall be procured by soliciting bids.
- Purchasing official may reject all bids and purchase the commodity by negotiating a contract
 - If purchasing official determines purchase should be made by negotiation, each responsible bidder who submitted a bid shall be notified of the determination and given the opportunity to negotiate.
- Open market purchases may be made when purchase price is less than the purchase price threshold as adjusted in A.C.A. § 6-21-304 (a)(1)(B). ([access AR Code here](#))

ARKANSAS PUBLIC SCHOOL PROCUREMENT BIDDING – A.C.A. § 6-21-301 *et seq.*

- Commodities means all supplies, goods, material, equipment, machinery, facilities, personal property, and services other than personal and professional services purchased for or on behalf of the school district.
- The following commodities may be purchased without soliciting bids:
 - Commodities in instances of an unforeseen and unavoidable emergency (see further requirements in A.C.A. § 6-21-305).
 - Commodities available only from the U.S. government.
 - Utility services.
 - Used school buses, used equipment and machinery (definition of used school bus in A.C.A. § 6-21-306).
 - Commodities available only from a single source.
 - purchasing official must determine in writing that it is not practicable to use other than the required or designated commodity or service, and a copy of this statement shall be attached to the purchase order.

ARKANSAS PUBLIC SCHOOL PROCUREMENT

- State procurement laws can be found on the website of the [Office of State Procurement](#).
- In the document “State of Arkansas Procurement Laws and Rules”, school districts fall under the category of political subdivisions.
- Office of State Procurement has contract administration best practices guide on the website.
- Public schools may purchase off the [statewide contracts](#).
- Public schools may use a purchasing agreement established by another governmental entity (example: [TIPS/TAPS](#)).
- For projects (major repairs/alterations, new buildings/structures) with an estimated cost of \$35,000 or more, there are specific requirements including advertising, sealed bids, timelines for awarding bids, bid bond, performance bonds, contractor licenses, and engineer and architect licenses (A.C.A. § 22-9-203)

ARKANSAS PUBLIC SCHOOL PROCUREMENT

- It is the policy of the State of Arkansas and its political subdivisions that political subdivisions (which includes school districts) shall follow the procedures for professional services stated in A.C.A. § 19-11-801 *et seq.*, except that competitive bidding shall not be used for the procurement of legal, financial advisory, architectural, engineering, construction management, and land surveying professional consultant services.
- A political subdivision (school district) shall not use competitive bidding for the procurement of other professional services with a two-thirds vote of its governing body (school board) – A.C.A. § 19-11-802
- The Office of State Procurement has published a memo on [Cooperative Procurement for School Districts](#).

PROCUREMENT REMINDERS

- A.C.A. § 6-21-307 – School districts may purchase a new motor vehicle from a motor vehicle dealer if the purchase price does not exceed the fleet price awarded by the Office of State Procurement.
- A.C.A. § 6-21-306 – The purchase of used school buses (used means two years after date of issuance of certificate of origin) is not subject to competitive bidding.
- A.C.A. § 6-21-301 et seq. The board of directors of each school district shall prescribe the method of soliciting bids and may adopt other rules governing the procurement of commodities.
- Effective July 1, 2021, the threshold is adjusted to \$21,604, a change of 1.5%. See Commissioner's Memo [FIN-21-050](#).
- A.C.A. § 19-11-801 contains additional requirements regarding procurement of professional services for school districts.

FEDERAL PROCUREMENT PROCEDURES

(2 CFR 200.320)

- All federal expenditures must be allowable, reasonable, and essential to the success of the federal program
- Micro-purchases (under \$10,000) – do not require competitive bid; requires distributing purchases among qualified suppliers to the extent practicable
- Small Purchases (\$10,000 to \$249,999) - require price quotations from at least two qualified sources
- Purchases of \$250,000 and greater – require formal bidding procedures – sealed bids, competitive proposals or single source supplier

STATE VS. FEDERAL PROCUREMENT

- State Purchasing Threshold (2021-2022) = **\$21,604**
- Federal Micro-Purchase Threshold = **\$10,000** (2 CFR 200.67)
- Supplies purchased with non-federal funds are required to use the purchasing threshold of \$21,604 for obtaining bids
- Supplies purchased with federal funds are required to use the micro-purchase threshold of \$10,000 for obtaining bids
- Individual school district policies may set thresholds lower than required by law. **If your district's policy is more restrictive, you must follow your district's policy!**

CODE OF FEDERAL REGULATIONS REFERENCES

- Micro Purchases 2 CFR 200.67
- 10% Variance 2 CFR 200.308
- Equipment 2 CFR 200.213
- Procurement Standards 2 CFR 200.317-326
- Time Certifications 2 CFR 200.430



DIVISION OF ELEMENTARY
& SECONDARY EDUCATION

SALES AND USE TAX

- Districts are only exempt from paying taxes on items that are exempted by law.
- District pays use tax on items purchased from out of state vendor that does not charge tax on the invoice.
- Districts pay use tax for any transaction for which it was invoiced.
- Equipment required to make use of digital materials and software is exempt from sales tax by Act 914 of 2021.
- See A.C.A. § 26-52-401 et seq.



**DIVISION OF ELEMENTARY
& SECONDARY EDUCATION**

SPLIT PROCUREMENT

No purchasing official shall parcel or split any item or items with the intent or purpose to enable the purchase to be made under a less restrictive procedures!



PROCUREMENT SLIDES?

Is it helpful to keep the procurement slides in the Tier I presentation every year?

10% VARIANCE IN FEDERAL FUNDS BUDGETS

- ESSA 10% Variance for Federal Funds Budgets
- The 10% variance will be determined by comparing the difference in the budgeted amount of each line item by function code to the total expenditure amount for that line item.
 - Actual expenditures are not to exceed the total budgeted for that function by more than 10%.
 - If the function line variance is greater than 10% of overall total function budget, then the district is out of compliance.
 - Ten percent (10%) variance does not apply to indirect cost. A district's actual indirect cost charged/taken cannot exceed budget for indirect cost.
- Overall total budget expenditures are never to be greater than amount of funds available regardless of variance policy.
- Ten percent (10%) variance rule currently does not apply to Categorical funds (ESA, PD, ELL, & ALE).
- Ten percent (10%) does not apply to the ESSER I or ESSER II funds
- Commissioner's Memo [COM-21-070](#)

EXAMPLE OF 10% VARIANCE IN FEDERAL FUNDS BUDGETS

Function	Budgeted Amount	Actual Expenditure	10% of Total Function Budget	Variance Budget to Actual	Notes
1591 Title I Schoolwide Instruction	\$126,866.73	\$127,519.90	\$12,686.67	-\$653.17	Over budget but within 10% variance
2170 Parent Involvement	\$3,500.00	\$2,532.75	\$350.00	\$967.25	Not over budget
2210 Improvement of Instruction	\$19,400.00	\$32,855.00	\$1,940.00	-\$13,455.00	Out of compliance - expenditures exceed budget by more than 10%
2213 Instructional Staff Training	\$10,478.39	\$15,097.78	\$1,047.84	-\$4,619.39	Out of compliance - expenditures exceed budget by more than 10%

FEDERAL TIME CERTIFICATION

2CFR 200.430(i)

- Every district employee paid with federal funds must demonstrate a Time Distribution Record by either:
 - Monthly Personnel Attendance Report (PARs) – if paid from more than one federal fund or a federal fund and one other fund
 - Semi-Annually Time Certification – if 100% of salary is charged to a single fund



DIVISION OF ELEMENTARY
& SECONDARY EDUCATION

FY22 BUDGET REVIEWS

ITEMS TO BE REVIEWED

- GT Requirement
- Debt (proper coding)
- Revenues
- Expenditures
 - Fund Balances
(including Act 1105)
 - Categorical Funds
- 9% M&O Requirement
- Food Service
- Capital Expenses
- Taxes
- Employee Benefits
- Transfers
- Will concentrate on expenditures, especially salaries and benefits
- Matrix transfer is budgeted appropriately (Object Code 69321) and (Object 69322)

DISCRETIONARY GRANTS

- All discretionary grants will be processed through the GMS (Grants Management System).
- Must view the [recorded training session](#) and submit completed quiz to access GMS.
- Mid-year and end-of-year financial and performance reporting **required**.
- Any funds remaining after 90 days after the period of performance must be returned to DESE.
- Examples: Computer Science Specialists, Distance Learning, Special Education Specialists, APPEL Site Grants, Novice Teacher Mentoring, School Based Health Centers, Content Specialists, etc.
- Contact Traci Boyd (traci.boyd@ade.arkansas.gov) or Patricia Siribouth (patricia.siribouth@ade.arkansas.gov) for more information.

MANAGEMENT RESPONSE LETTERS – FEDERAL AUDIT FINDING

- [2CFR 200.521](#) requires that the pass-through entity, DESE, provide a management decision for federal audit findings
- Letters will indicate the expected auditee action from the LEA/ESC, which is due to DESE 30 days upon receipt
- If all corrective actions have not been completed, a timetable for completion **must** be included with the response

AUDIT CORRECTIVE ACTION PLANS

- Corrective action plans (CAP) shall include the following elements:
 - Each finding must be individually addressed (use reference numbers assigned by the auditor i.e., 2021-001)
 - Include the contact person responsible for the CAP
 - Provide a detailed planned corrective action
 - Provide an anticipated completion date for the planned corrective action
 - Specific reasons for disagreement with audit findings, if applicable



DIVISION OF ELEMENTARY
& SECONDARY EDUCATION

AUDIT CORRECTIVE ACTION PLANS

- Prompt action is essential. ADE will determine if the corrective action for each finding is clear, specific, and could be reasonably expected to correct the underlying cause of the finding.
- Recurrence of findings may involve significant federal funds that must be returned, programmatic concerns, or significant control weaknesses that could jeopardize receipt of federal funds in the future.
- Uniform guidance requires that the auditee include more detailed reasons for any recurring findings in the CAP
- The corrective action plan must be prepared by the school entity and not the auditor
- The CAP shall be received within thirty (30) days of filing with the Federal Audit Clearinghouse (FAC)
- Commissioner's Memo [FIN-21-014](#) includes further details

SCHOOL AUDITS

A.C.A. § 10-4-413(C)

- Prohibits a school district from selecting an alternative basis of accounting for its annual school audit and instead mandates a regulatory basis of accounting audit.
 - 279 out of 280 school entities currently use the regulatory basis audit
 - Does not prohibit a school district from using a private audit
 - Arkansas Code Annotated can be accessed [here](#).



DIVISION OF ELEMENTARY
& SECONDARY EDUCATION

COMMON AUDIT FINDINGS

- **225 out of 280 school entities – No audit findings**
- Theft/Criminal Activity
- Unallowed Costs
- Lack of bank reconciliations
- Expenditures charged to the program not included in approved budget
- Lack of supporting documentation for expenditures

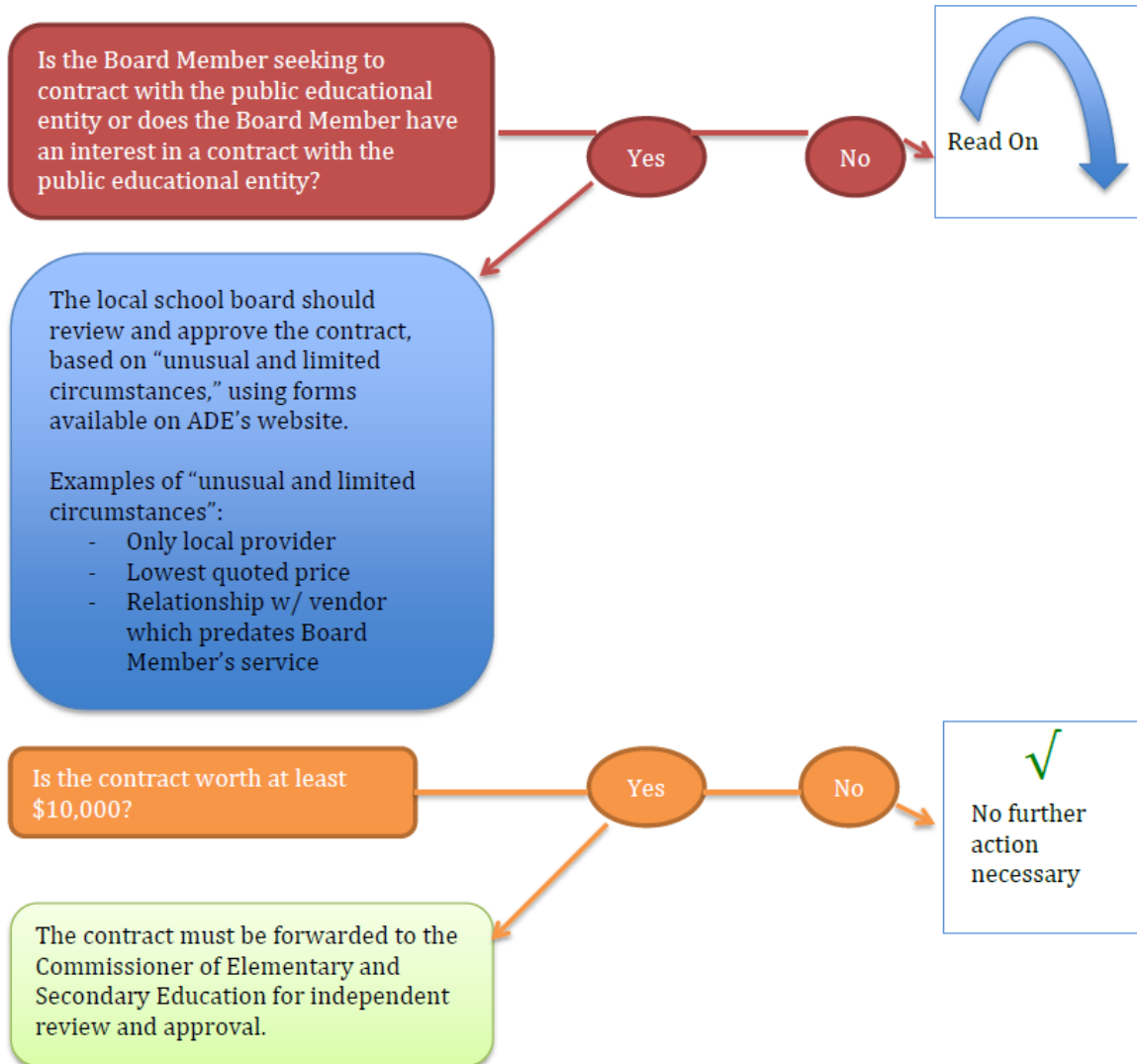
Copyright 2008 by Randy Glasbergen.
www.glasbergen.com



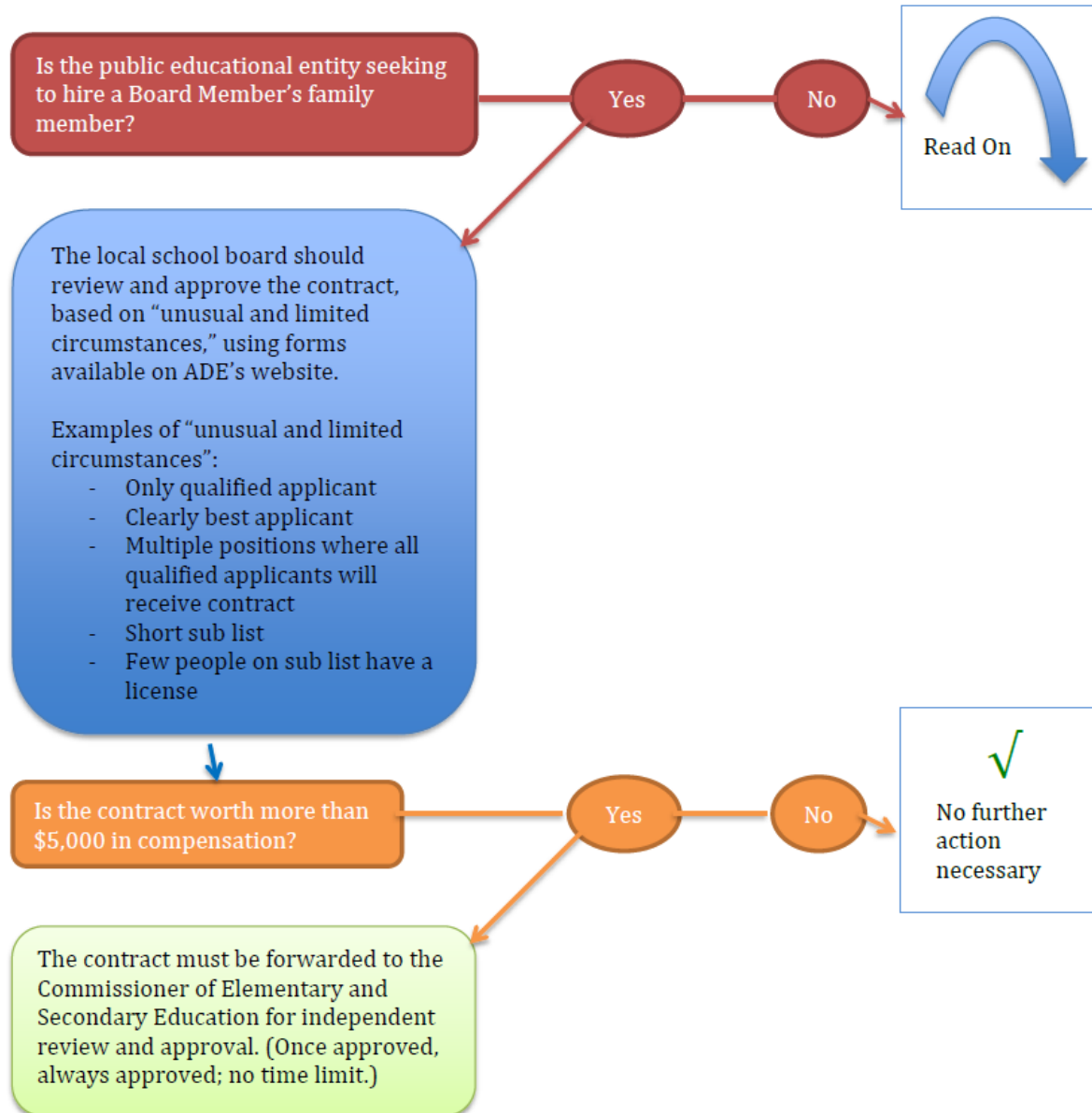
"We found the accounting error. Somebody printed all the zeroes upside down."

RULES GOVERNING ETHICAL GUIDELINES AND PROHIBITIONS FOR EDUCATIONAL ADMINISTRATORS, EMPLOYEES, BOARD MEMBERS AND OTHER PARTIES (MARCH 2016)

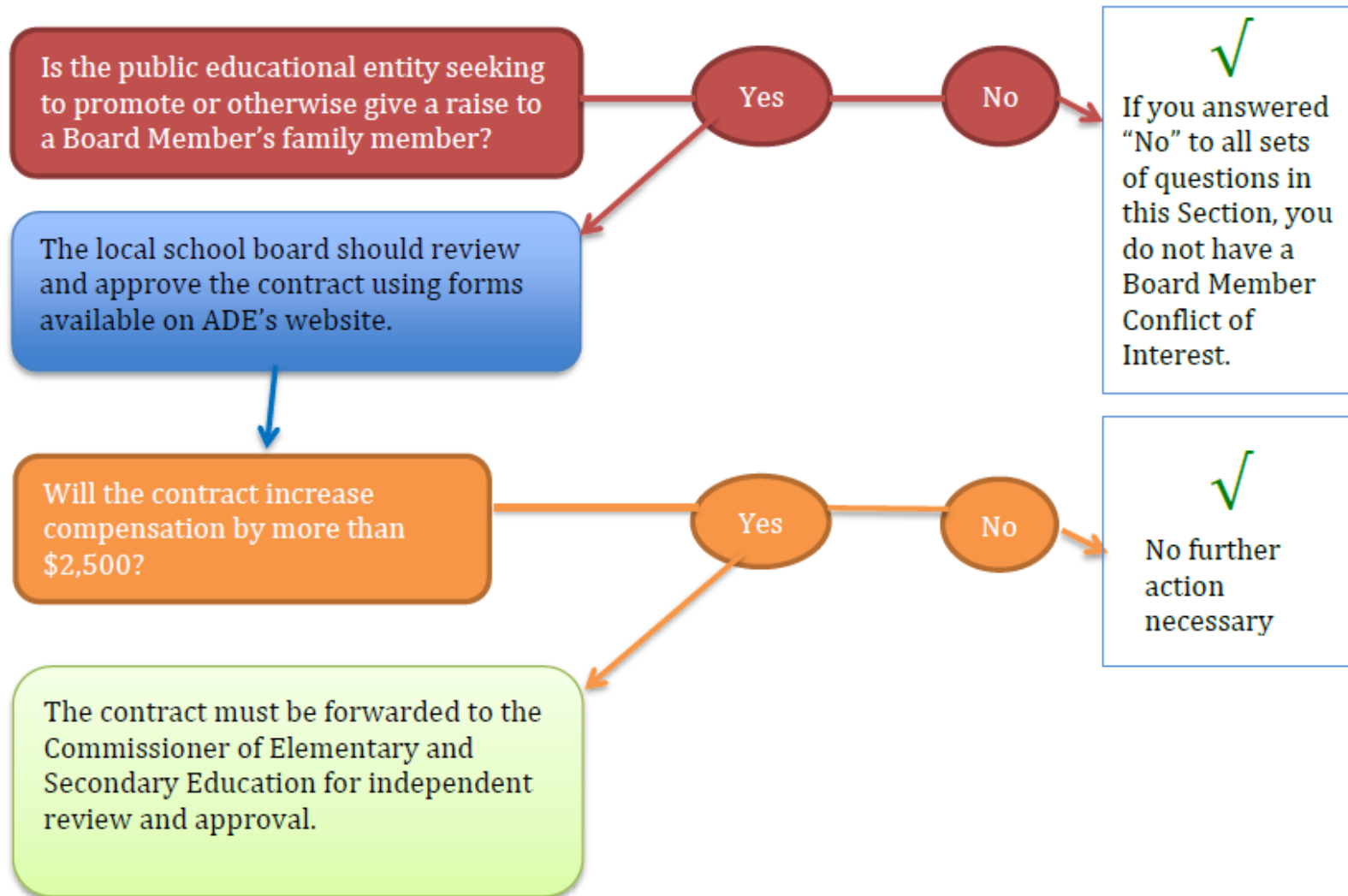
SECTION I - Board Member Conflicts of Interest:



RULES GOVERNING ETHICAL GUIDELINES AND PROHIBITIONS FOR EDUCATIONAL ADMINISTRATORS, EMPLOYEES, BOARD MEMBERS AND OTHER PARTIES (MARCH 2016)

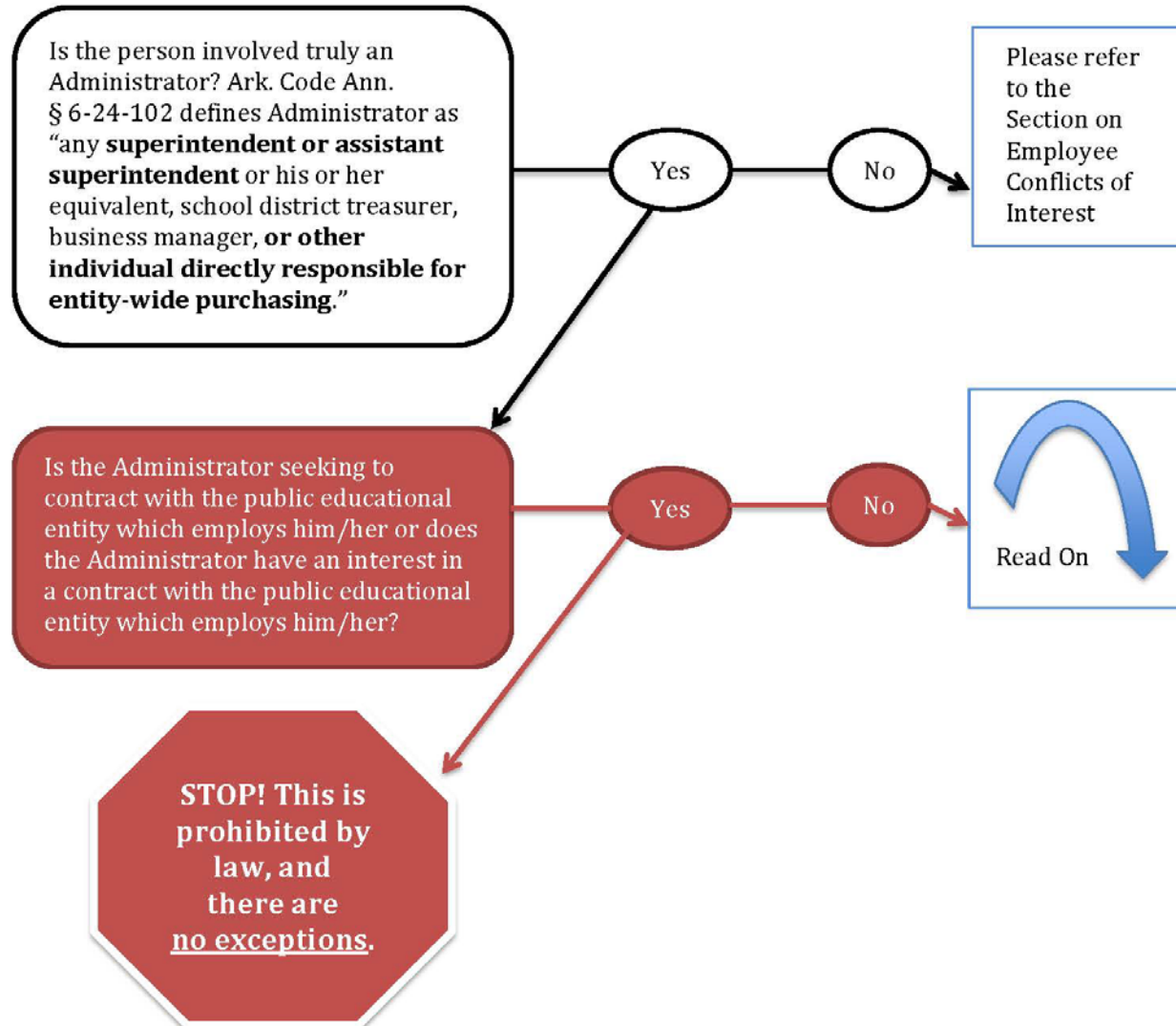


RULES GOVERNING ETHICAL GUIDELINES AND PROHIBITIONS FOR EDUCATIONAL ADMINISTRATORS, EMPLOYEES, BOARD MEMBERS AND OTHER PARTIES (MARCH 2016)

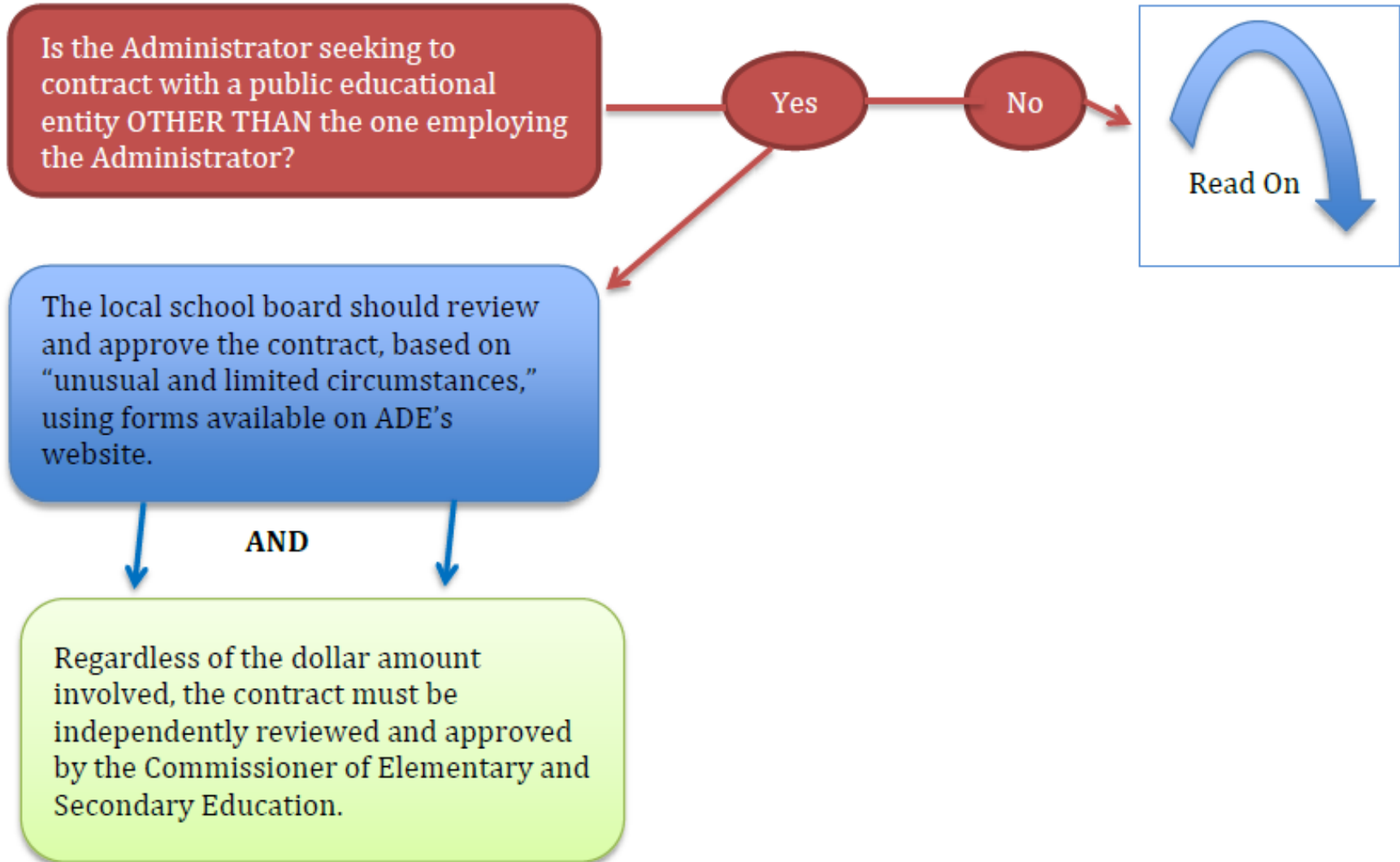


RULES GOVERNING ETHICAL GUIDELINES AND PROHIBITIONS FOR EDUCATIONAL ADMINISTRATORS, EMPLOYEES, BOARD MEMBERS AND OTHER PARTIES (MARCH 2016)

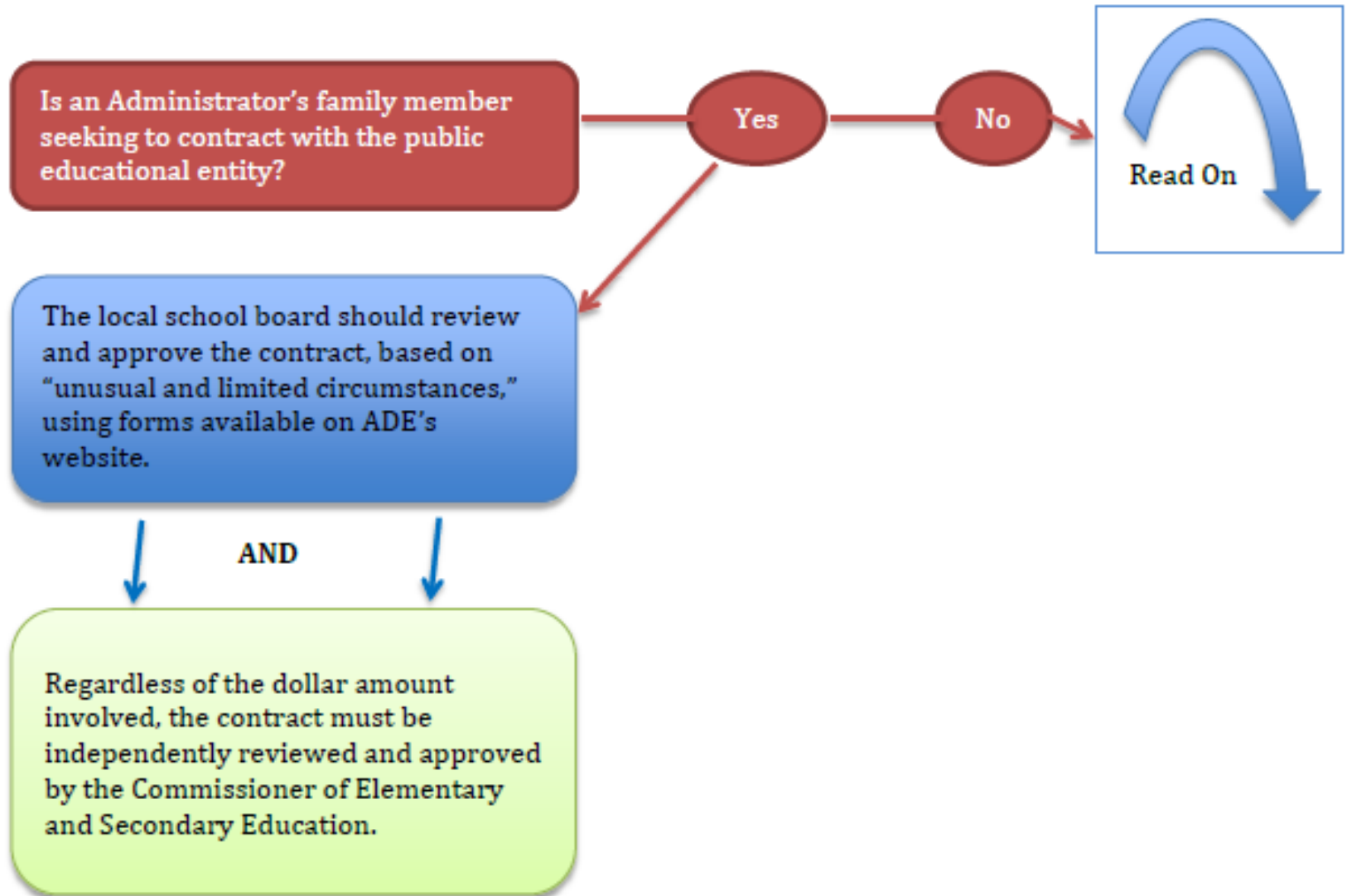
SECTION II - Administrator Conflicts of Interest:



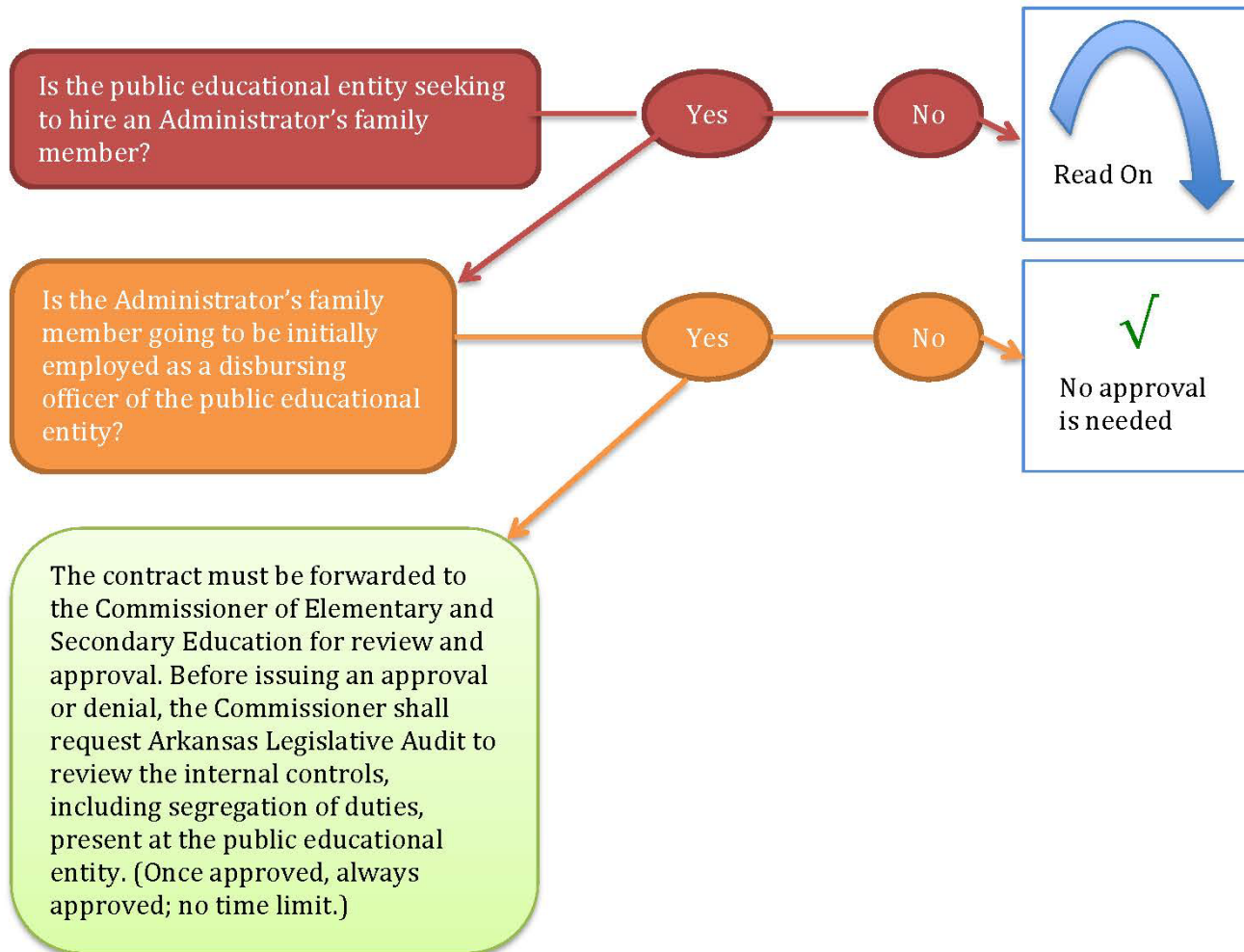
RULES GOVERNING ETHICAL GUIDELINES AND PROHIBITIONS FOR EDUCATIONAL ADMINISTRATORS, EMPLOYEES, BOARD MEMBERS AND OTHER PARTIES (MARCH 2016)



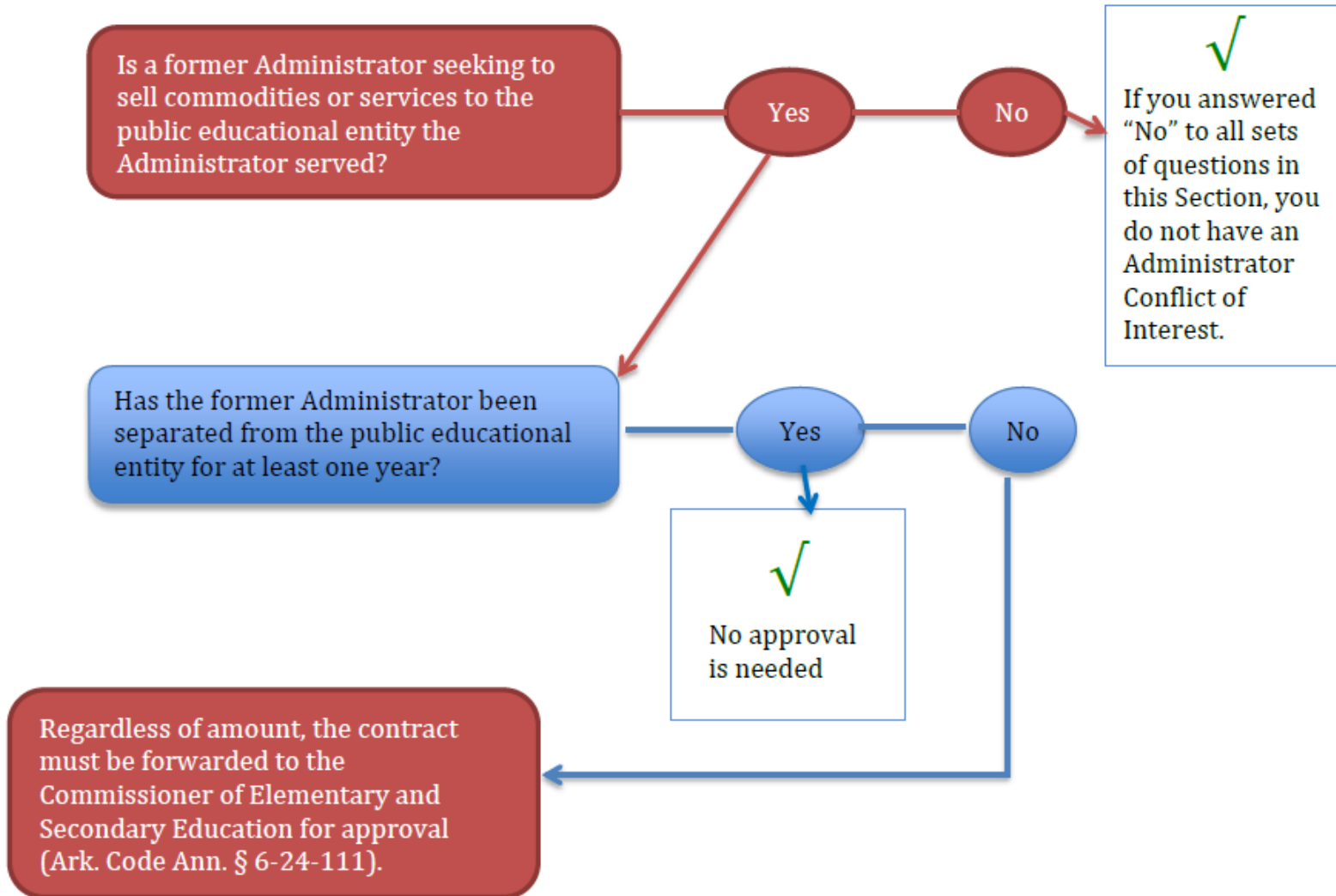
RULES GOVERNING ETHICAL GUIDELINES AND PROHIBITIONS FOR EDUCATIONAL ADMINISTRATORS, EMPLOYEES, BOARD MEMBERS AND OTHER PARTIES (MARCH 2016)



RULES GOVERNING ETHICAL GUIDELINES AND PROHIBITIONS FOR EDUCATIONAL ADMINISTRATORS, EMPLOYEES, BOARD MEMBERS AND OTHER PARTIES (MARCH 2016)

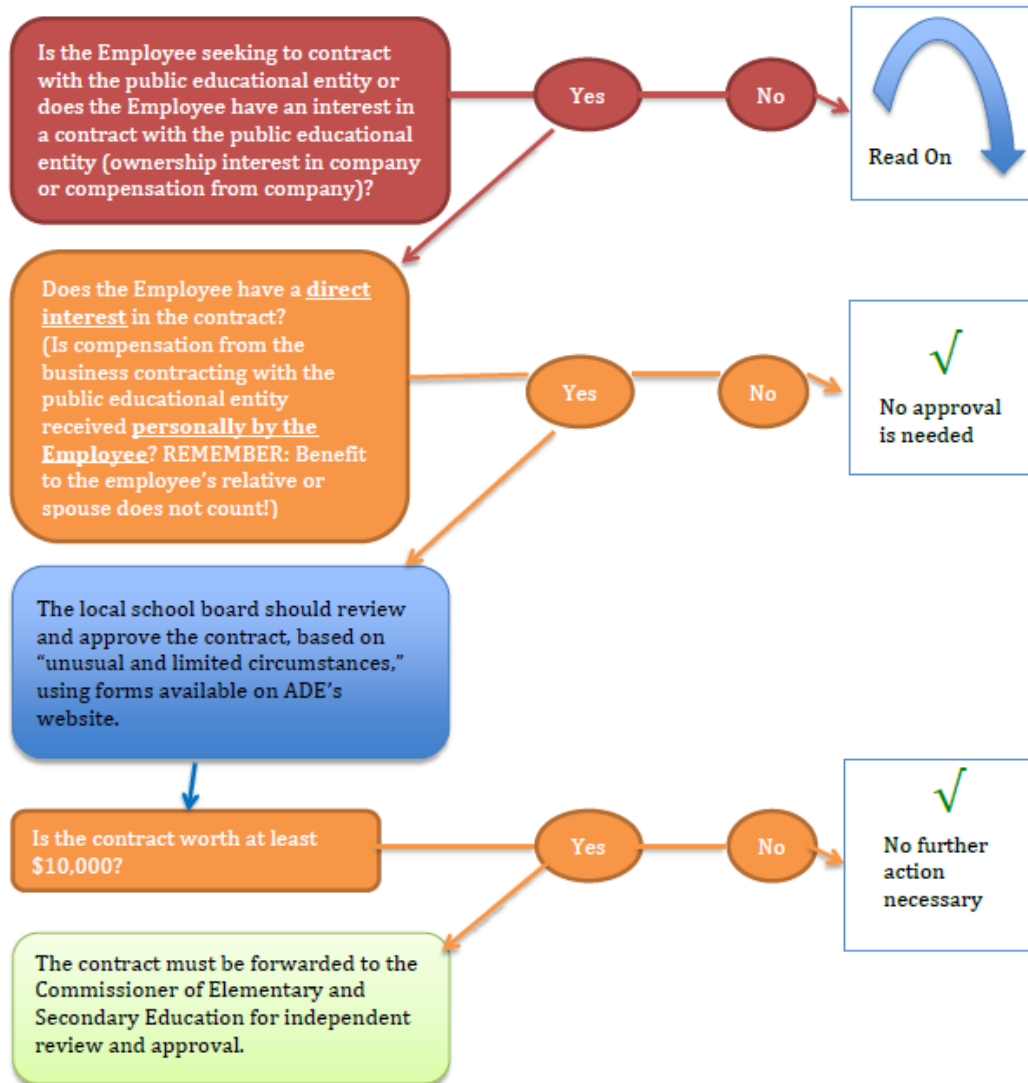


RULES GOVERNING ETHICAL GUIDELINES AND PROHIBITIONS FOR EDUCATIONAL ADMINISTRATORS, EMPLOYEES, BOARD MEMBERS AND OTHER PARTIES (MARCH 2016)

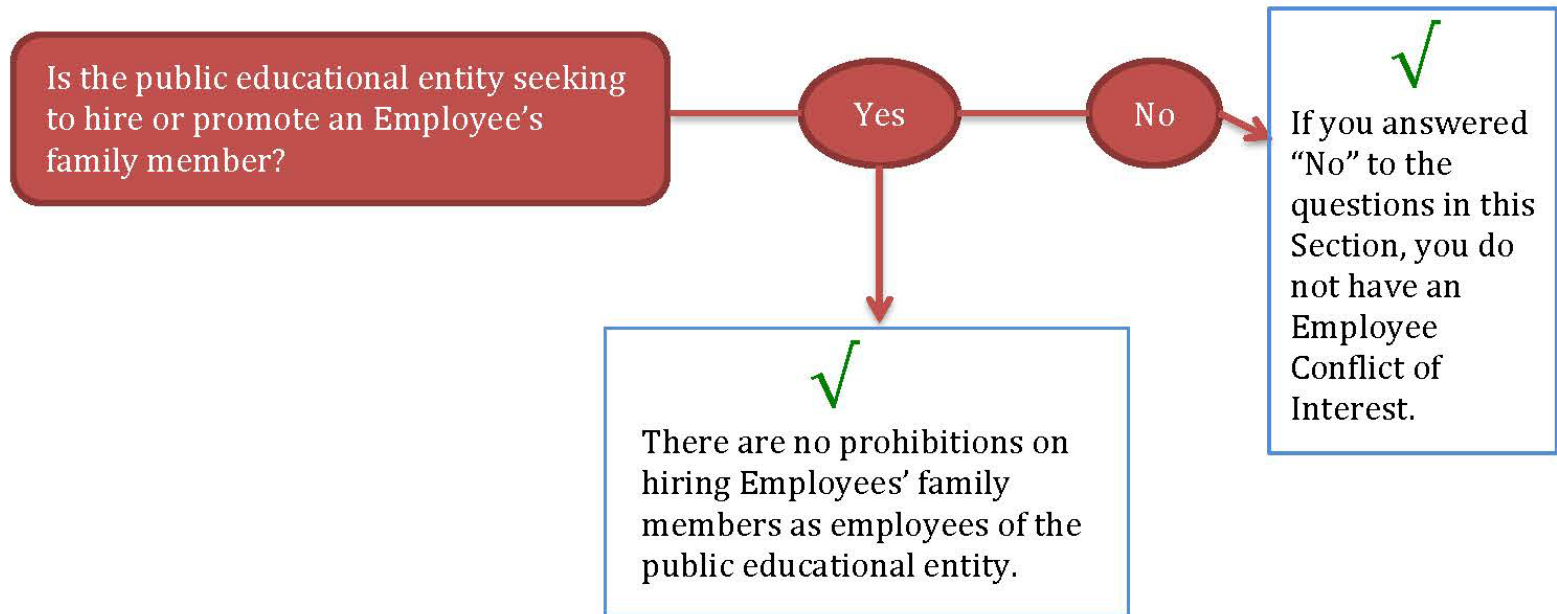


RULES GOVERNING ETHICAL GUIDELINES AND PROHIBITIONS FOR EDUCATIONAL ADMINISTRATORS, EMPLOYEES, BOARD MEMBERS AND OTHER PARTIES (MARCH 2016)

SECTION III - Employee Conflicts of Interest:



RULES GOVERNING ETHICAL GUIDELINES AND PROHIBITIONS FOR EDUCATIONAL ADMINISTRATORS, EMPLOYEES, BOARD MEMBERS AND OTHER PARTIES (MARCH 2016)



FINANCIAL ACCOUNTING HANDBOOK

- Contains all necessary coding information
 - User name – apscn
 - Password - docs



DIVISION OF ELEMENTARY
& SECONDARY EDUCATION

ARKANSAS SCHOOL FINANCE MANUAL

- Funding matrix
- Categorical funding
- Student Growth funding
- Declining Enrollment funding
- Isolated funding
- Bonded Debt Assistance
- Miscellaneous funds
- Federal funds
- E-Rate
- Special Education funding
- Child Nutrition
- Better Chance
- Medicaid



APSCN CODING CHANGES – CM [FIN-21-037](#)

- Revenue Code change for fund 6782: 43182
- ESA new program codes:
 - 038* ESA Additional compensation for teachers who assume identified leadership roles
 - 039* ESA Social, emotional, behavioral supports and physical/mental health resources
 - 040* ESA Access to postsecondary opportunities
 - 238* ESA/Sp Ed Additional compensation for teachers who assume identified leadership roles
 - 239* ESA/Sp Ed Social, emotional, behavioral supports and physical/mental health resources
 - 240* ESA/SP Ed Access to postsecondary opportunities
- 6786* 45986 Title IV Student Support and Academic Enrichment. CFDA # 84.424A
- Other coding updates are in the CM.



APSCN CODING CHANGES FOR CARL PERKINS FUNDS– CM [FIN-21-037](#)

- Coops will report the federal revenue and expenditures.
- Districts will not report revenue or expenditures in Fund 6570
 - Districts will receipt Carl Perkins reimbursements from Coops as a reduction of expenditures.
 - At the school district level, Fund 6570 **must** show \$0 expenditure and \$0 revenue balances.

In summary, Perkins consortium members will reduce expenditure dollar for dollar per the reimbursement received from the Coop to show a \$0 expenditure and revenue balance.

©2010 H. Schwadron. Dist. by Tribune Media Services, Inc.



"I had distance-learning, too. I had to walk 10 miles to school every day."

RESOURCES

- DESE Web Site – <https://dese.ade.arkansas.gov/>
 - Commissioner's Memos
 - Publications and Reports
 - Rules
- APSCN Web Site – <http://www.apscn.org>
- FMS Listserv –
 - <http://lists.state.ar.us/mailman/listinfo/fms>
- SMS Listserv –
 - http://lists.state.ar.us/mailman/listinfo/tac_hac
- APSCN Field Support
 - On-site, phone, email support M-F, 8:00 a.m.-4:30 p.m. or 7:30 a.m.-4:00 p.m.APSCN Help Desk
- 501.682.4357 (682-HELP)

RESOURCES

- ADE Data Center - <https://adedata.arkansas.gov/>
- My School Info - <https://myschoolinfo.arkansas.gov/>
- Child Nutrition - <https://dese.ade.arkansas.gov/Offices/child-nutrition-unit>
- Academic Facilities and Transportation - <https://dpsaft.ade.arkansas.gov/>
- Arkansas Legislative Audit - <http://www.arklegaudit.gov/>
- [Arkansas Code Annotated](#)



DIVISION OF ELEMENTARY
& SECONDARY EDUCATION

ACTS OF 2021 REGULAR SESSION NOT PREVIOUSLY COVERED

- Act 141 – clarifies that public schools and open-enrollment public charter schools may distribute excess food to students for consumption on the school campus or at home.
- Act 89 – suspends the public school rating system for 2020-21 school year only.
- Act 85 – removes requirement to obtain permission from the Commissioner of Educator to hold a special school election.
- Act 182 – requires additional training for school board members and standardizes the training requirements report.
- Act 262 – allows Commissioner to round the percentage change between the purchase price of a commodity and the consumer price index to the nearest \$100.
- Act 511 – amends timing requirements for school board member elections in districts with 10% or greater minority population.
- Act 621 – clarifies that the local contribution rate of a school district shall also increase by the same percentage that a school district increases the base salary for licensed personnel with a minimum of a bachelor's degree under the licensed salary schedule adopted by the school district.
- Act 971 – increases teachers' classroom expense state tax deduction from \$250 to \$500 per teacher.
- Act 400 – changes the amounts of enhanced transportation funding for school districts for the 2021-22 and 2022-23 school years.
- Act 260 – moves first day of school to no earlier than the Monday before Labor Day for the 2021-22 school year and provides for implementation of alternate school calendar for subsequent years.
- Act 688 – authorizes the first day of school to be as early as the Monday two weeks before Labor Day beginning in 2022-23; prohibits waivers; provides for implementation of an alternate school calendar of at least 1,068 hours of instructional time with at least 30 make-up hours.
- Act 261 – provides a school board with an additional 30 days to fill a vacancy in the event that the vacancy is caused by death.
- Act 620 – amends provisions of the 2015 School Safety Act and requires school safety audit every three years.

ACTS OF 2021 REGULAR SESSION NOT PREVIOUSLY COVERED

- Act 909 – allows school districts with a decline in ADM and that qualify for special needs isolated funding to receive both funding streams.
- Act 914 – amends definition of instructional materials to include equipment required to make use of digital materials and software.
- Act 873 – excludes certain school fundraisers from sales tax laws.
- Act 349 – sets beginning of filing period for school board positions at 90 days before a general election.
- Act 933 – permits public schools to provide feminine hygiene products at no charge to students and requires public or charter school to inform students of the availability of these products.
- Act 678 – requires the State Board of Education to notify school districts at least 15 business days before conducting a review of a waiver granted to the school district.
- Act 662 – requires districts that received other district(s) as a result of a voluntary administrative annexation under § 6-13-1601 et seq. to notify all contiguous school districts of its intent to close a public school campus that is part of a district that was consolidated. A contiguous school district may petition the state board to reverse the previous voluntary administrative annexation and consolidate the affected district into the contiguous district.
- Act 775 – Public school buildings constructed or totally renovated must be equipped with water bottle filling stations.
- Act 897 – public schools must adopt policy detailing how a record of pupil attendance shall be kept for public school students attending school virtually or remotely.
- Act 606 – withholds portion of foundation funding for districts that offer certain types of reading practices, interventions, and curriculum.
- All Acts can be accessed [here](#).
- Arkansas Code Annotated can be accessed [here](#).

TEACHER RETIREMENT ACTS OF 2021 REGULAR SESSION & OTHER REMINDERS

- Act 223 – amends law concerning disability retirement under ATRS.
- Act 221 – amends law concerning the final average salary and credited service under ATRS.
- Act 290 – amends definition of “normal retirement age”, and other changes concerning the termination of active membership under ATRS. A member who has reached normal retirement age is able to draw full retirement benefits and remain employed.
- Act 43 – concerns mandatory contributory member designation under ATRS.
- All 2021 Acts can be accessed [here](#).
- Arkansas Code Annotated can be accessed [here](#).

EBD CONTACT INFORMATION AND FOCUS ON CUSTOMER SERVICE

- General phone number 501.682.9656
- Toll free phone number 877.815.1017, #1 for member services
- Email Ask.EBD@dfa.Arkansas.gov
- Updated Benefits Administration Manual available at <https://my.ARBenefits.org> > Forms & Publications> Public Schools>School Insurance Representatives> Forms> Benefits Administration Manual
- New portal for individual members to see information on their plan, to upload documentation, see alerts for communications with EBD. Available at <https://my.ARBenefits.org> >Forms & Publications>Member Portal Guide

DESE CONTACTS

PLEASE NOTE NEW ADE EMAIL ADDRESSES

- Questions regarding financial coding
 - Kathleen Crain - 501.682.4887 Kathleen.Crain@ade.arkansas.gov
- Questions regarding transportation expenditure of funds
 - Mike Simmons, 501.682.4261 Mike.Simmons@ade.arkansas.gov
- Questions regarding state LEA funding, loans and bonds, duplicate enrollments, property assessments and millage:
 - Anita Sacrey at 501.682.4484 Anita.Sacrey@ad.arkansas.gov
 - David Allison at 501.682.4494 David.Allison@ade.arkansas.gov
 - Vivian Roberts at 501.682.4486 Vivian.Roberts@ade.arkansas.gov
 - Patricia Monterroso at 501.682.4485
Patricia.Monterroso@ade.arkansas.gov
 - Amy Woody at 501.682.4465 Amy.Woody@ade.arkansas.gov
 - Tammi Rickert at 501.682.9036 Tammi.Rickert@ade.arkansas.gov

DESE CONTACTS

- Questions regarding fiscal services and support, budgets, ESA allowability, ESA matching grants, balances:
 - **Tracy Webb at 501.683.0737** Tracy.Webb@ade.arkansas.gov
- Questions regarding financial audits & discretionary grants:
 - Traci Boyd at 501.682.3456 Traci.Boyd@ade.arkansas.gov
- Questions regarding federal funding:
 - Amy Thomas at 501.682.3636 Amy.Thomas@ade.arkansas.gov
 - April Cooper at 501.683.5291 April.Cooper@ade.arkansas.gov
 - Mahogany Franklin at 501.682.4482 Mahogany.Franklin@ade.arkansas.gov
- Questions regarding special education
 - Matt Sewell at 501.682.4221 Matt.Sewell@ade.arkansas.gov
- Questions regarding child nutrition:
 - Suzanne Davidson at 501.324.9502 Suzanne.Davidson@ade.arkansas.gov
- Other questions:
 - Greg Rogers at 501.682.4256 Greg.Rogers@ade.arkansas.gov

DESE FEDERAL PROGRAM CONTACTS

Jayne Green, Title I Director - Phone: 501-682-2395, jayne.green@ade.arkansas.gov

Gail Betts, Title II-A & V Program Administrator - Phone: 501-683-5424,
carolyn.betts@ade.arkansas.gov

Donesia Steward, Title IV, Complaint Resolution, Committee of Practitioners, Distinguished Schools -
Phone: 501-683-5423, donesia.steward@ade.arkansas.gov

Chante'le' Williams, School-wide/Targeted, Indistar – Phone: 501-682-1699,
chantele.williams@ade.arkansas.gov

Rachel Hogue, Title I Part D Neglected and Delinquent Services – Rachel.hogue@ade.arkansas.gov

TBD, Homeless, McKinney Vento - Phone: 501-683-5428

Chelsey Moore, Parent & Family Engagement, Foster Care Liaison - Phone: 501-371-8051,
Chelsey.moore@ade.arkansas.gov

Wendy Wilson, 21st CCLC Program Administrator - Phone: 501-683-3442,
wendy.wilson@ade.arkansas.gov

Ginny Stroud, District Support – Phone: 501-682-6620, ginny.stroud@ade.arkansas.gov

Annette Pearson, Federal Programs – Phone: 501-683-1243, Annette.carlton-pearson@ade.arkansas.gov

TOPICS	SLIDE NUMBER
Acts of 2021	<u>89-90</u>
Adequacy	<u>25-26</u>
APSCN Coding Changes	<u>84</u>
Audit Corrective Action Plans	<u>67-68</u>
Audit Findings - Common	<u>70</u>
Budget Reviews - Items to be Reviewed	<u>64</u>
Categorical Balances	<u>39</u>
Charter (open-enrollment) State Foundation Funding & Facilities Funding	<u>30</u>
County Equalization Boards	<u>21</u>

TOPICS	SLIDE NUMBER
Discretionary Grants	<u>65</u>
Educational Excellence Trust Fund	<u>14</u>
Educator Compensation Reform Program	<u>8</u>
ESA Matching Grant Program	<u>36</u>
ESA Required Expenditures and Balances	<u>33-34</u>
ESA New Categories	<u>35-37</u>
ESSER Funds	<u>43-49</u>
Ethical Guidelines	<u>72-81</u>
Finance Manual for Arkansas Schools	<u>83</u>

TOPICS	SLIDE NUMBER
Financial Accounting Handbook	<u>82</u>
General Business Manager	<u>5-6</u>
Health Insurance	<u>15</u>
Homestead Tax Credit/Property Tax Relief	<u>22</u>
Limitation on Fund Balances	<u>40-41</u>
Local Taxes	<u>23</u>
Maintenance & Operations (M&O) 9% Balances	<u>42</u>
Management Response Letters	<u>66</u>
Minimum Wage/Teacher Salary Insurance & Retirement Matching	<u>7</u>

TOPICS	SLIDE NUMBER
Miscellaneous Funds	<u>28</u>
Net URT Revenues	<u>29</u>
Perkins – New Code Requirements	<u>85</u>
Procurement	<u>50-57</u>
Resources	<u>87-88</u>
Sales and Use Tax	<u>58</u>
School Audits	<u>69</u>
School Elections	<u>19</u>
School Funding Website	<u>24</u>
State Funding Amounts	<u>27</u>

TOPICS	SLIDE NUMBER
Student Growth Funding	<u>31</u>
Tax Appeals	<u>20</u>
Teacher Retirement Contributions – Deadlines and Reporting	<u>16-17</u>
Teacher Retirement Acts of 2021	<u>91</u>
Teacher Salary Equalization Fund	<u>9-13</u>
Ten Percent Variance - Federal Budgets	<u>61-62</u>
Tier I Training	<u>2-3</u>
Tier II Training	<u>4</u>
Time Certification	<u>63</u>

THE END

