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STATE OF ARKANSAS
**Department of Finance
and Administration**

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March 17, 2023

Senator Justin Boyd, Co-Chair
Representative Roger Lynch, Co-Chair
PEER Subcommittee
Joint Budget Committee
State Capitol Building
Little Rock, AR 72201

RE: FY23 Appropriation and/or Fund Transfer Request(s)

Dear Co-Chairs:

I am forwarding for appropriate action as required by law, the attached Appropriation and/or Fund Transfer Request(s) that have received my approval as Chief Fiscal Officer of the State.

Sincerely,


Larry W. Walther
Secretary

Attachment(s)



Division of Elementary and Secondary Education

Transforming Arkansas to lead the nation in student-focused education

Jacob Oliva
Secretary

February 9, 2023

Dr. Ivy Pfeffer
Deputy
Commissioner

Mr. Larry W. Walther, Secretary
Department of Finance and Administration
1509 West 7th Street Room 401
Little Rock, AR 72203

Stacy Smith
Deputy
Commissioner

**State Board of
Education**

Dear Mr. Walther:

Ouida Newton
Poyen
Chair

By authority granted in Section 13 of Act 217 of 2022, I am requesting approval of the following appropriation transfers for Fiscal Year 23:

APPROPRIATION TRANSFER - PUBLIC SCHOOL FUND (JAA)

Dr. Sarah Moore
Stuttgart
Vice Chair

FROM:	
School Funding Contingency (2ZH)	24,712,856

Dr. Fitz Hill
Little Rock

TO:	
98% URT Actual Collection Adjustment (34N)	10,500,000
Student Growth (332)	10,309,856

Kathy McFetridge
Springdale

Declining Enrollment (4HN)	3,000,000
Teacher Retirement Match (437)	500,000
Arkansas Easter Seals (445)	33,000

Steve Sutton
Marion

Professional Development (2HS)	370,000
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Adrienne Woods
Rogers

Randy Henderson
Blytheville

Lisa Hunter
White Hall

Jeff Wood
Little Rock

To ensure every public school district receives the full amount of Foundation Funding, ACA §6-20-2305(a)(4)(A), states by the end of each school year, for a school district whose net revenues are less than the sum of 98% of the uniform rate of tax (URT) multiplied by the property tax assessment of the school district, the Department of Education shall distribute to the school district the difference between the net revenues of the school district and the sum of 98% of the URT multiplied by the property assessment of the school district. Assessment increased 5% statewide, however a cap on individual property taxes restricting a raise of more than 10% per year coupled with disabled and over 65 households being held harmless caused a decrease in collections. Therefore, a transfer is required to meet this obligation.

Student Growth and Declining Enrollment appropriations provide supplemental funding to school districts that have significant changes in student membership. The requested transfer amounts are based on the revised projection of funds to be distributed to public school districts and open enrollment charter schools.

Pursuant to Arkansas §24-7-401, Section E(3), the Department of Education shall pay, from the Public School Fund, the Teacher Retirement employer contributions of any employee of the Cooperative Education Services Areas, Vocational Centers, Model Vocational – Technical Education Resource Center, Arkansas Easter Seals, and the school operated by the Department of Corrections. The request to transfer is required to fully fund the Teacher retirement employer contributions.

The Easter Seals program partially funds the cost of educational services provided by the Easter Seal Society to children who have orthopedic and/or communicative disorders. This funding reduces the amount local school districts must pay for these educational services. This transfer would allow the division to process two additional payments from the previous fiscal year.

Professional Development is a formula driven program that currently provides resources to school districts for professional development activities. Professional development is used to provide activities and materials to improve the knowledge of teachers and administrators to ensure all students demonstrate proficiency in the state academic standards.

Sincerely,



Greg Rogers
Chief Fiscal Officer

GR:kh

cc: Aaron Black, Budget Director