

## RESOURCE ALLOCATION PART I

March 10, 2026



2026 EDUCATIONAL ADEQUACY STUDY

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### Adequacy Study Statute

Continuing Adequacy Evaluation Act of 2004

(a)(7) Review and continue to evaluate the **amount of per-student expenditure necessary** to provide an equal educational opportunity and **the amount of state funds to be provided to school districts**, based **upon the cost of an adequate education** and monitor the expenditures and distribution of state funds and recommend any necessary changes;

(i)(1) Accomplished by:

(1) Completing an **expenditure analysis** and **resource allocation review** each biennium

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## ROADMAP

### Public School District & Charter System Expenditures

- Methodology
- Quick Terminology
- Spending on Matrix Items
  - School-Level Personnel
  - School-Level Resources
  - District-Level Resources
- Non-Matrix Spending
- Total Spending

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## ➤ Methodology

### Matrix v. Non-Matrix



- Expenditures for matrix and non-matrix items are calculated using data from the Arkansas Public School Computer Network (APSCN).
- BLR staff worked with consultants to map the resource lines identified in the matrix to codes in the *Arkansas Financial Accounting Handbook* for the purpose of providing an expenditure analysis and resource allocation review each biennium as required in law.
- Any expenditure that has not been mapped to a matrix line is considered “non-matrix” spending.

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## ➤ Methodology



### Fund Source Terminology

- **“Foundation funding”** refers to the amount distributed to school districts for that school year from the Public School Fund (PSF)
- **“Other funds”** means any fund source other than foundation funding
- **“All fund sources”** includes all state, local, and federal fund sources

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## ➤ Quick Terminology



### Per-Student Analysis by District Type

#### District Type

Regular district or charter district

#### District Size

Size of the regular or charter district

#### District Letter Grade

District letter grades as assigned by the DESE

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## ➤ Quick Terminology

Per-Student Analysis  
by District Type

District Type	District Count	Current Year ADM
Regular District	234	441,043
Charter District	25	28,745

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## ➤ Quick Terminology

Per-Student Analysis  
by District Type

Size Category	District Count	School Count	Current Year ADM
1-350	20	29	4,065
351-500	35	74	14,847
501-750	53	124	33,111
751-1,000	34	92	28,511
1,001-1,500	38	132	45,809
1,501-2,500	32	138	59,807
2,501-5,000	31	185	107,696
5,001-25,000	16	274	175,941

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➤ Quick Terminology

Per-Student Analysis by DESE Letter Grades

District Letter Grade	District Count	Current Year ADM
<b>A</b>	22	62,901
<b>B</b>	95	199,852
<b>C</b>	99	137,838
<b>D</b>	27	50,751
<b>F</b>	13	16,934

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➤ Quick Terminology

Per-Student Analysis by School Type



Location Type	FRL Level	Minority Level	School Letter Grade
Whether the school is located in an urban or rural area as classified by the NCES	Percentage of students in the public school that receive Free and Reduced-Price Lunch (FRL) divided into quintiles	Percentage of students in the public school that identify as other than white divided into quintiles	School letter grades as assigned by the DESE

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## ➤ Quick Terminology

Per-Student Analysis  
by School Type

Location Type	School Count	Current Year ADM
Rural	672	249,770
Urban	391	220,018

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## ➤ Quick Terminology

Per-Student Analysis by  
School Type

FRL Level	Population % Range	School Count	Current Year ADM
Quintile 1	1.0% - 47.4%	209	122,489
Quintile 2	47.5% - 62.3%	210	112,334
Quintile 3	62.4% - 71.02%	209	82,095
Quintile 4	71.1% - 79.1%	210	74,933
Quintile 5	79.2% - 100%	210	77,937

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➤ Quick Terminology

Per-Student Analysis by School Type

Minority	Population % Range	School Count	Current Year ADM
Quintile 1	0.0% - 11.1%	209	67,007
Quintile 2	11.2% - 23.8%	210	87,793
Quintile 3	24.0% - 45.1%	209	111,529
Quintile 4	45.2% - 70.1%	210	108,690
Quintile 5	70.2% - 100%	210	94,769

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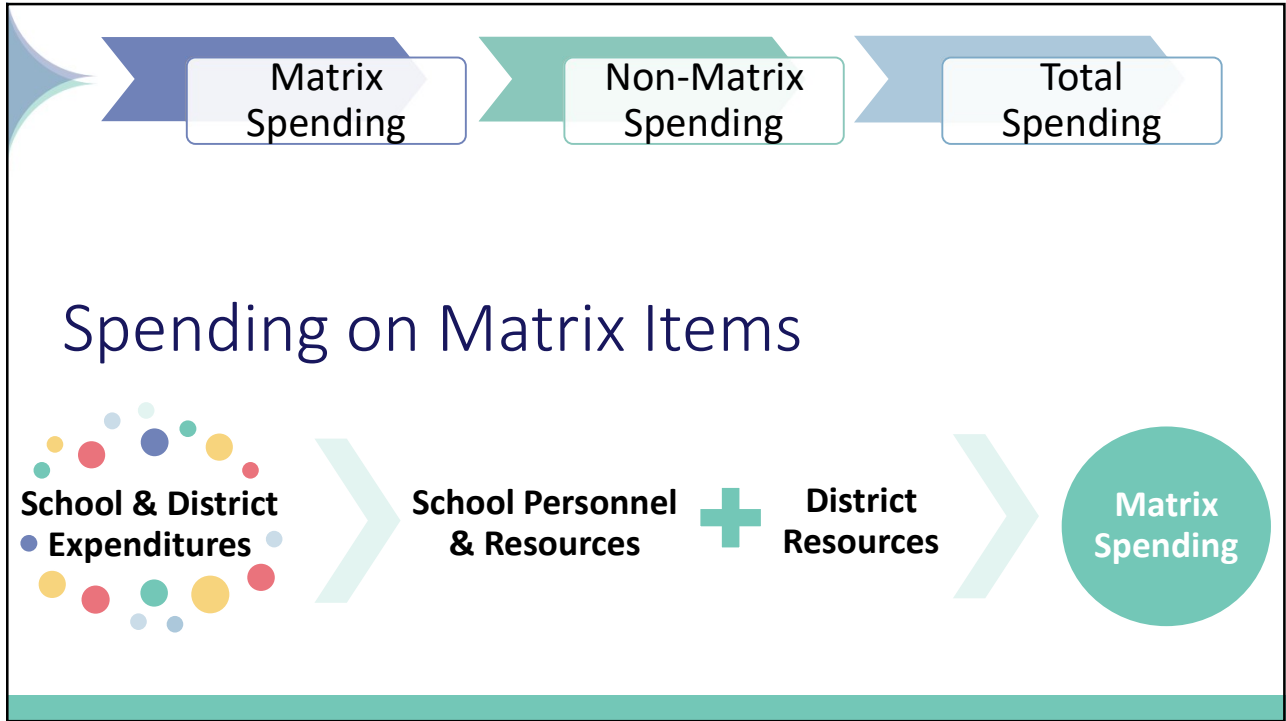
➤ Quick Terminology

Per-Student Analysis by DESE Letter Grades

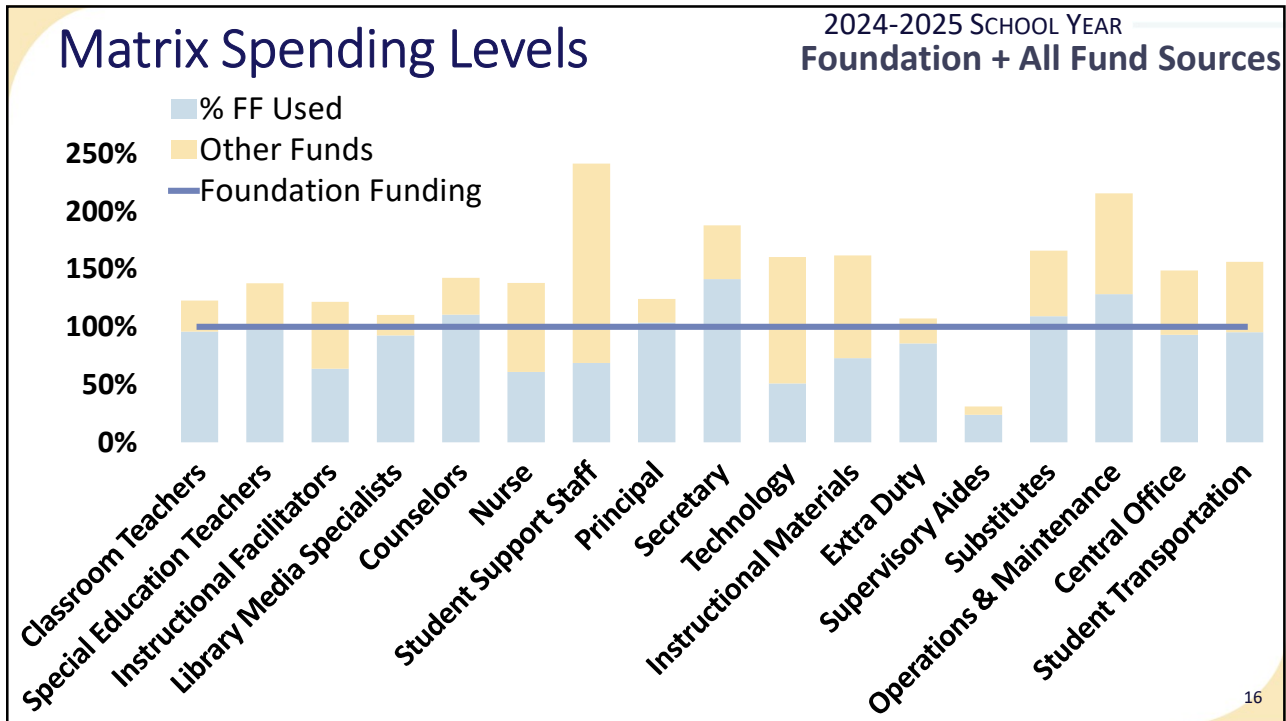
School Letter Grade	School Count	Current Year ADM
<b>A</b>	133	68,655
<b>B</b>	308	144,666
<b>C</b>	345	152,736
<b>D</b>	137	59,144
<b>F</b>	108	42,112

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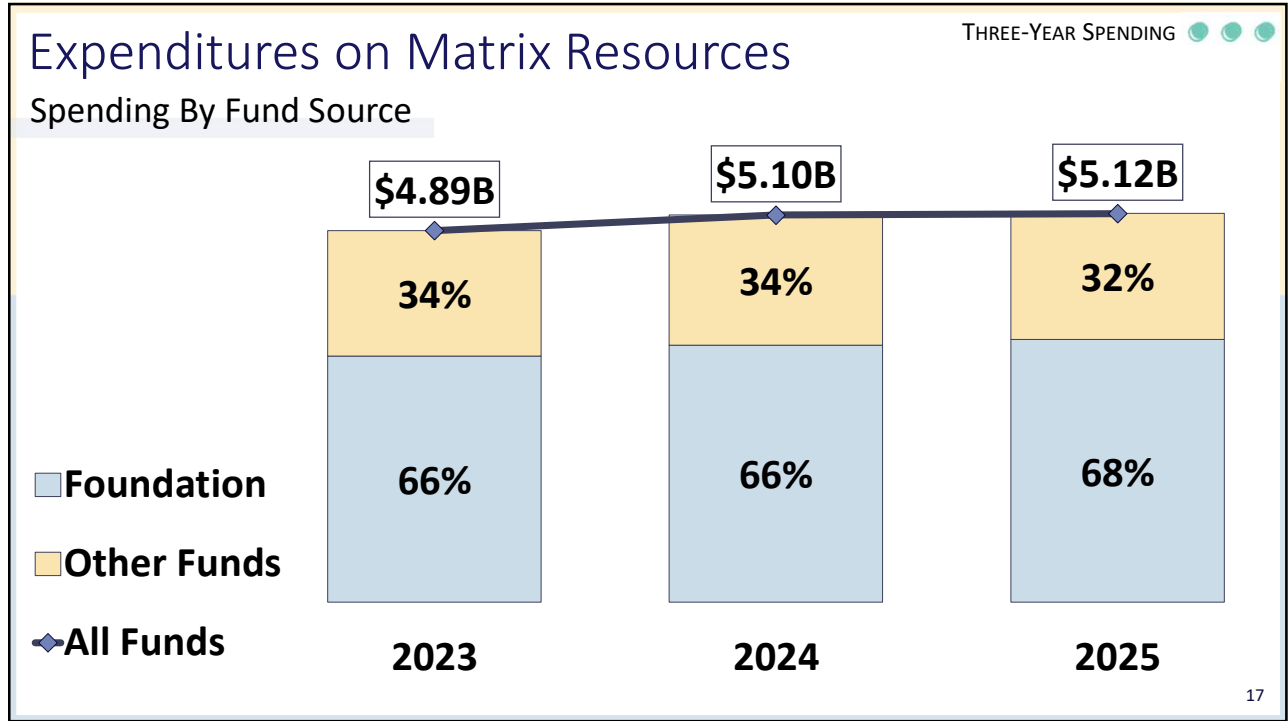
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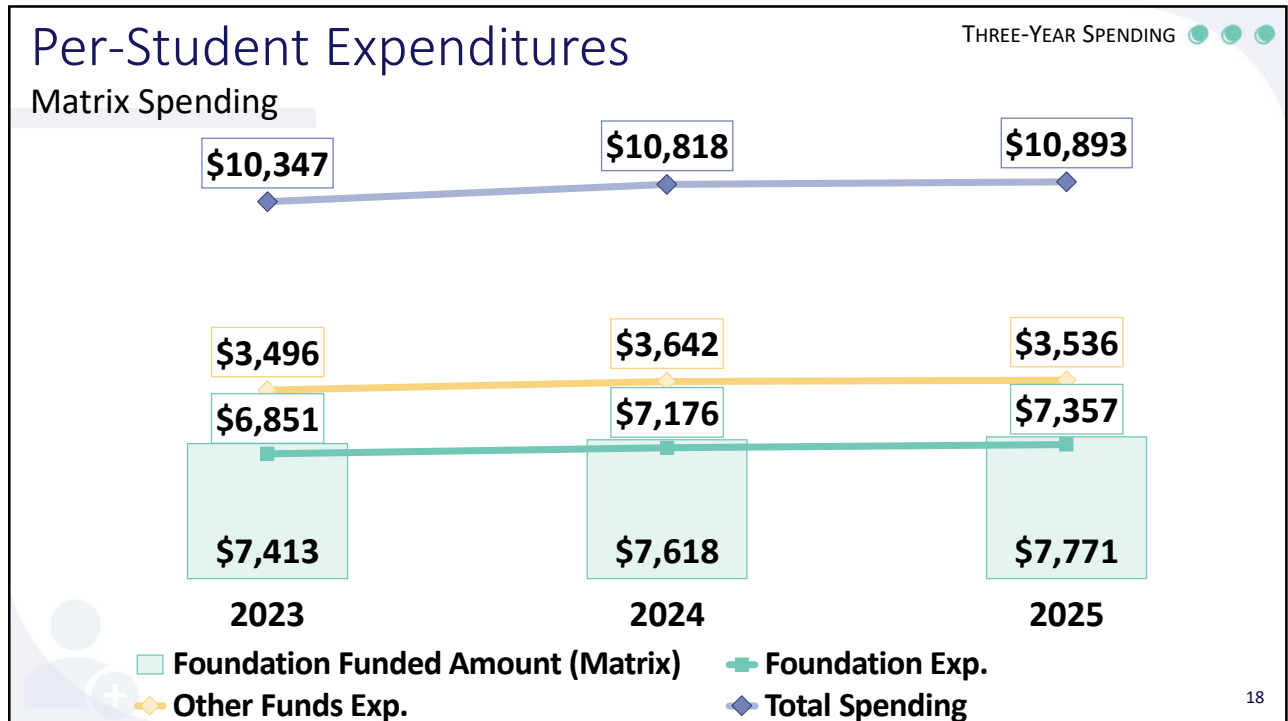
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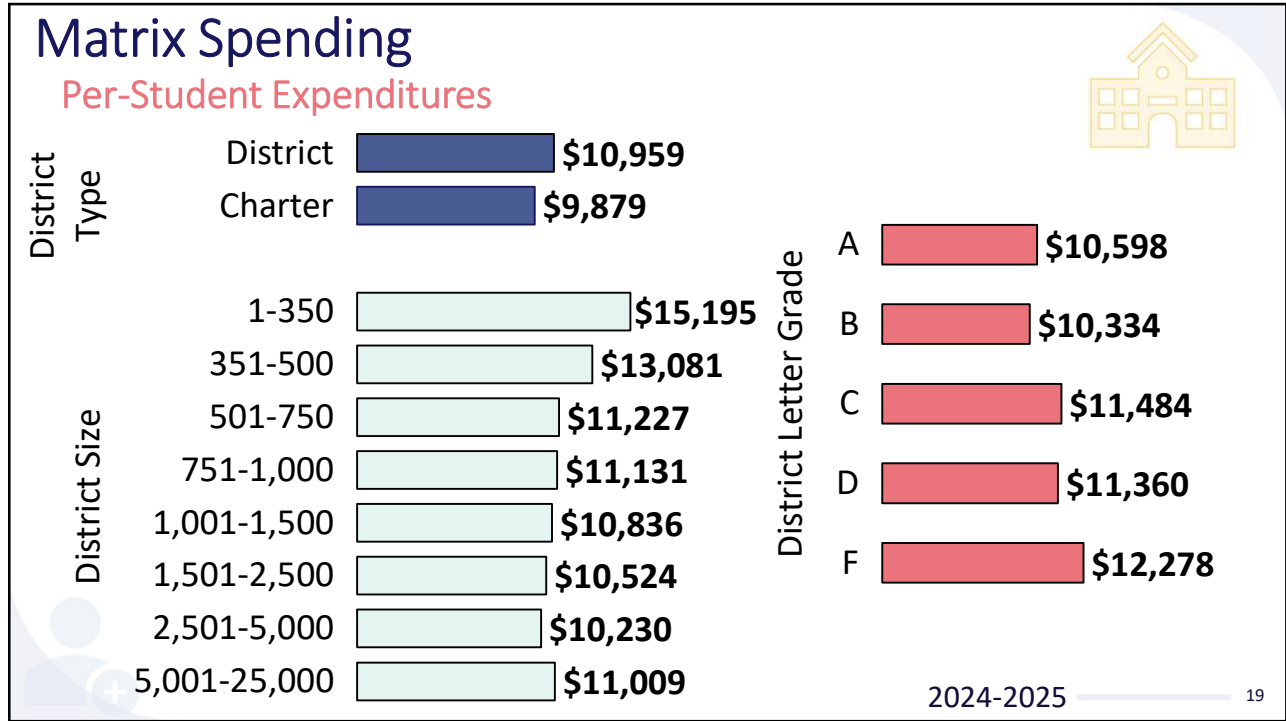
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## KEY FINDINGS

# Matrix

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SPENDING ON MATRIX ITEMS

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## KEY FINDINGS

## Matrix

## 3-Year Trends

- Districts spent between 40-42% more per-student on matrix resources from all fund sources than what is received in foundation funding per-student.
- Expenditures on **classroom teachers** accounted for almost one-half of total matrix expenditures from foundation funding.
- **Operations and maintenance** were the second highest expenditures.
- Expenditures on **all other** matrix line resources accounted for 6% or less of total spending.

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## KEY FINDINGS

## Matrix

## 2025

Over half of superintendents reported being “extensively in need” of additional funding for **special education teachers (67%)**, **operations and maintenance (60%)**, **student transportation (59%)**, **salary enhancement** for other (noncertified, classified) employees (55%), and **substitutes (51%)**.

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## KEY FINDINGS

Matrix

2025

Districts with 500 or fewer students spend the **most** per-student on almost every matrix resource line and spend close to \$4,000 more per-student than districts with over 500 students.

- 21% of the 259 regular and charter school districts had an ADM below 500
- 18% of the 234 regular districts had an ADM below 500
- 48% of the 25 charter districts had an ADM below 500

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## KEY FINDINGS

## School-Level Personnel

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SPENDING ON MATRIX ITEMS

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## Matrix Line Expenditure Analysis ●●●

### Three-Year Matrix Funded FTEs Per 500 Students

Matrix Line	2023	2024	2025
Classroom Teachers	24.94	24.94	24.94
Special Education Teachers	2.9	3.2	3.2
Instructional Facilitators	2.5	2.5	2.5
Library Media Specialists	0.85	0.85	0.85
Counselors	1.11	1.11	1.11
Nurses	0.67	0.67	0.67
Student Support Staff	0.72	0.72	0.72
Principals	1.0	1.0	1.0
Secretary	1.0	1.0	1.0

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## KEY FINDINGS ●●●

## School-level Personnel

### 3-Year Trends

- Every school-level personnel line showed an increase in spending except **instructional facilitators**, which showed no change in spending.
- The largest increase in spending was for **student support staff** (10%), followed by **nurses** (8%).
- Expenditures from all fund sources were more than **2x** the amount funded in the matrix for **student support staff**.

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## KEY FINDINGS

## School-level Personnel

## 2025

- The matrix resource line with the highest percentage of spending from all fund sources was **classroom teachers** at 43%.
- Spending from foundation funding was highest on **principal** and **library media specialist** matrix resource lines, both 84%.
- Spending from foundation funding was lowest on **student support staff** (28%) and **nurses** (44%).
- Conversely, spending from other fund sources was highest on **student support staff** (72%) and **nurses** (56%).

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## 2025 KEY FINDINGS

## School-level Personnel

## Districts

- Regular districts spent more per-student than charter districts on all positions except **nurses** and **secretaries**.
- Regular districts spent over **12x** more per-student on **library media specialists** than charters.
- The smallest districts spent more per-student on all positions excluding **special education teachers, instructional facilitators, and library media specialists**.
- The only resource line that showed a difference in spending by district letter grade was **student support staff** where districts with “F” grades spent almost **2x** more per-student.

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## 2025 KEY FINDINGS

## School-level Personnel

## Schools

- The lowest FRL quintile spent the **most** per-student on **special education teachers**—more than **2x** the lowest per-student amount.
- The highest minority quintile spent the **most** per-student on **instructional facilitators**—more than **2x** the lowest per-student amount.
- Rural schools spent the **most** per-student on **classroom teachers, library media specialists, counselors, student support staff, and principals.**
- Urban schools spent the **most** per-student on **special education teachers, instructional facilitators, nurses, and secretaries.**

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## KEY FINDINGS

## School-Level Resources

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SPENDING ON MATRIX ITEMS

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## KEY FINDINGS ●●●

## School-level Resources

## 3-Year Trends

- Every school-level resource line showed a decrease in spending except **extra duty** and **substitutes**, which showed no change in spending.
- The largest decrease in spending was **technology** (11%).

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## KEY FINDINGS

## School-level Resources

## 2025

- Each matrix resource line accounted for 2% or less of spending from foundation funding and 3% or less of spending from all fund sources.
- Spending from foundation funds was highest on **extra duty** (80%) and the least on **technology** (32%).
- Conversely, spending from other fund sources was highest on **technology** (68%) and the least on **extra duty** (20%).

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## KEY FINDINGS

## School-level Resources

## Districts

- Charters spent close to **4x more** per-student than regular districts on **instructional materials**; two charters accounted for 16% of expenditures.
- Charters spent over \$150 **more** per-student than regular districts on **technology**.
- Regular districts spent **more** than charters on **extra duty, supervisory aides, and substitutes**.
- The smallest district size category spent the **most** per-student on **all** school-level resources **except supervisory aides and extra duty**.
- “D” and “F” districts spent the **most** per-student across **all** school-level resources except **extra duty**.

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## KEY FINDINGS

## School-level Resources

## Schools

- Rural schools spent the **most** per-student on **substitutes and extra duty**.
- Urban schools spent the **most** per-student on **instructional materials and supervisory aides**.
- The **highest** minority quintile spent the **most** per-student on **supervisory aides and substitutes**.
- “D” and “F” schools spent the **most** per-student across **all** school-level resources except **extra duty**.

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KEY FINDINGS

## District-Level Resources

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SPENDING ON MATRIX ITEMS

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KEY FINDINGS ●●● District-level Resources

### 3-Year Trends

- District-level expenditures for **operations and maintenance** and **central office** showed an increase in spending, while **student transportation** showed no change.
- The largest increase in spending was for **operations and maintenance (12%)**.

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KEY FINDINGS
District-level Resources

2025

- Spending from foundation funding was between 60-63% for all district-level resources.
- Districts with 500 or fewer students spent the **most** per-student on all district-level resources.
- Districts with “F” grades spent the **most** per-student on all district-level resources.

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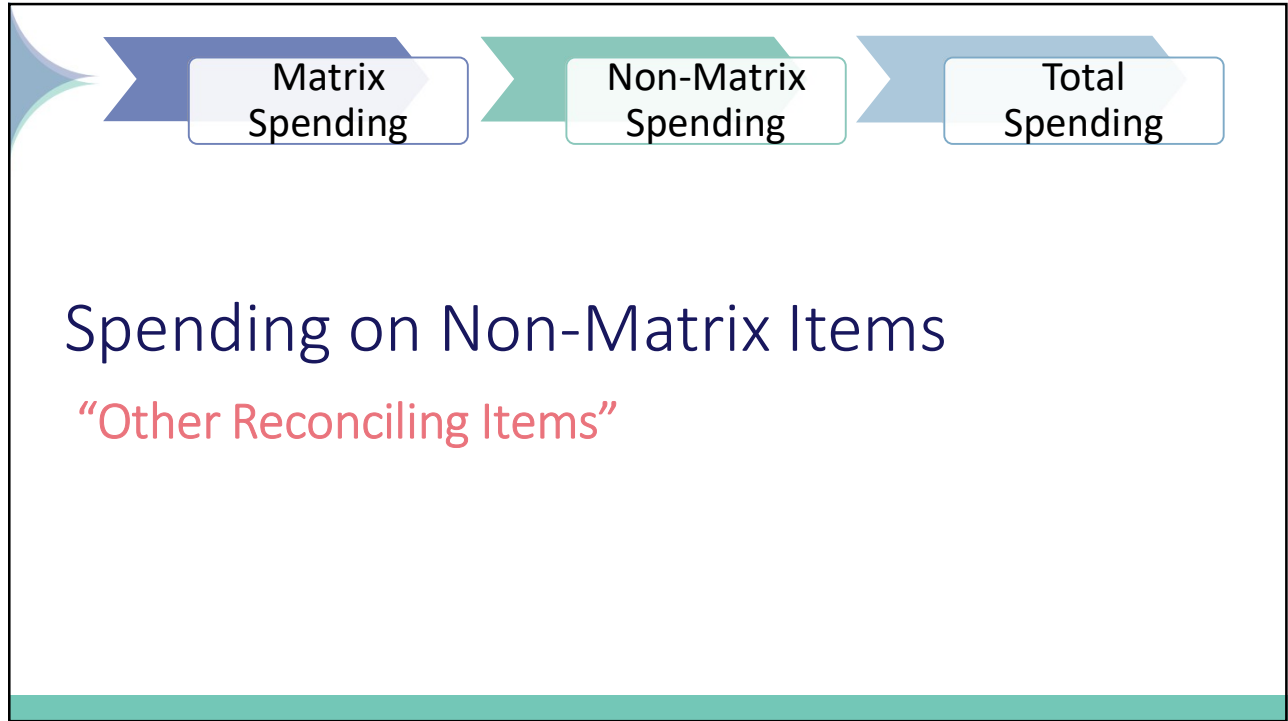
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2025 KEY FINDINGS
District-level Resources

Central Office	Student Transportation	Operations and Maintenance
<ul style="list-style-type: none"> <li>• Charters spent <b>2x more</b> per-student than regular districts.</li> <li>• Districts with fewer than 351 students spent almost <b>3x more</b> per-student than the lowest per-student amount.</li> </ul>	<ul style="list-style-type: none"> <li>• Regular districts spent <b>more than 4x</b> per-student than charters.</li> <li>• Smallest district size categories spent the <b>most</b> per-student.</li> </ul>	<ul style="list-style-type: none"> <li>• Smallest district size category spent over <b>\$1k more</b> per-student than the <u>lowest</u> per-student amount.</li> </ul>

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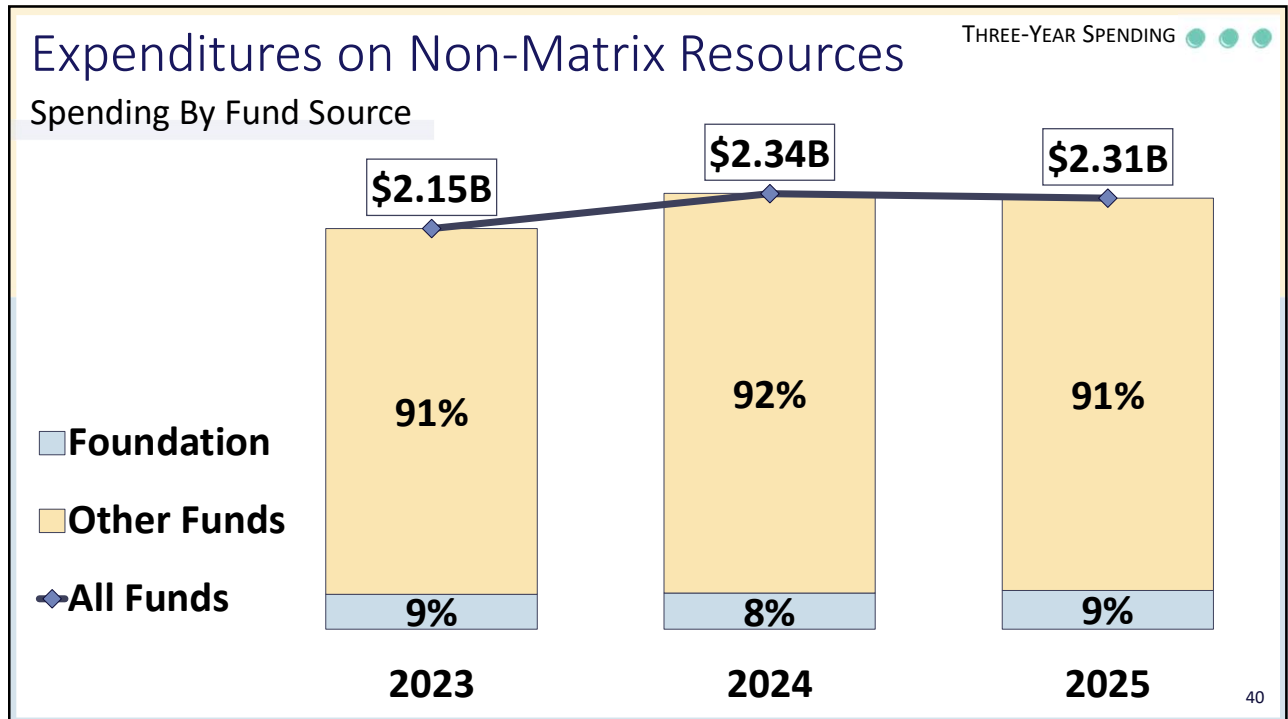
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## Spending on Non-Matrix Items

“Other Reconciling Items”

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## Expenditures on Non-Matrix Resources

### Spending By Fund Source

<b>Fund Source</b>	<b>Total</b>
<b>Activity Fund</b>	\$99.4M
<b>Building Fund</b>	\$695.3M
<b>Capital Outlay Fund</b>	\$3.0M
<b>Debt Service Fund</b>	\$359.7M
<b>Food Service Fund</b>	\$349.3M
<b>Other State Funds</b>	\$252.0M
<b>Total</b>	<b>\$1,758,683,071</b>

2024-2025

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## Expenditures from Foundation Funding

### Non-Matrix

<b>Top 5 Expenditure Categories – Non-Matrix Items</b>	<b>Foundation Expenditures</b>
<b>1. Instructional Aides</b>	\$76.8M
<b>2. Instructional Supplies and Objects</b>	\$38.6M
<b>3. Athletic Supplies and Transportation</b>	\$27.7M
<b>4. Miscellaneous Reconciling Items</b>	\$16.5M
<b>5. Other Classified Instructional Support</b>	\$14.9M
<b>Total Non-Matrix Expenditures from Foundation Funds</b>	<b>\$207,245,660</b>

2024-2025

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## Expenditures from All Fund Sources

Non-Matrix

Top 5 Expenditure Categories – Non-Matrix Items	Total Expenditures
1. Non-Technology Related Facilities	\$745.7M
2. LEA Indebtedness	\$372.3M
3. Food Service	\$357.2M
4. Instructional Aides	\$237.5M
5. Instructional Supplies and Objects	\$149.3M
<b>Total Non-Matrix Expenditures from All Funds</b>	<b>\$2,314,322,037</b>

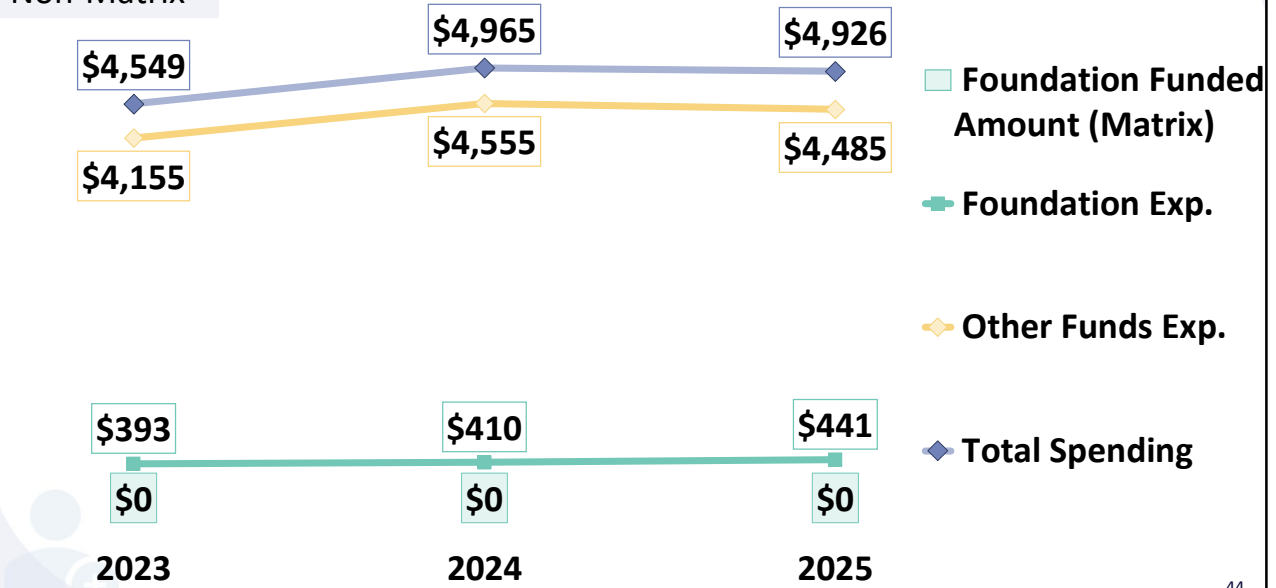
2024-2025

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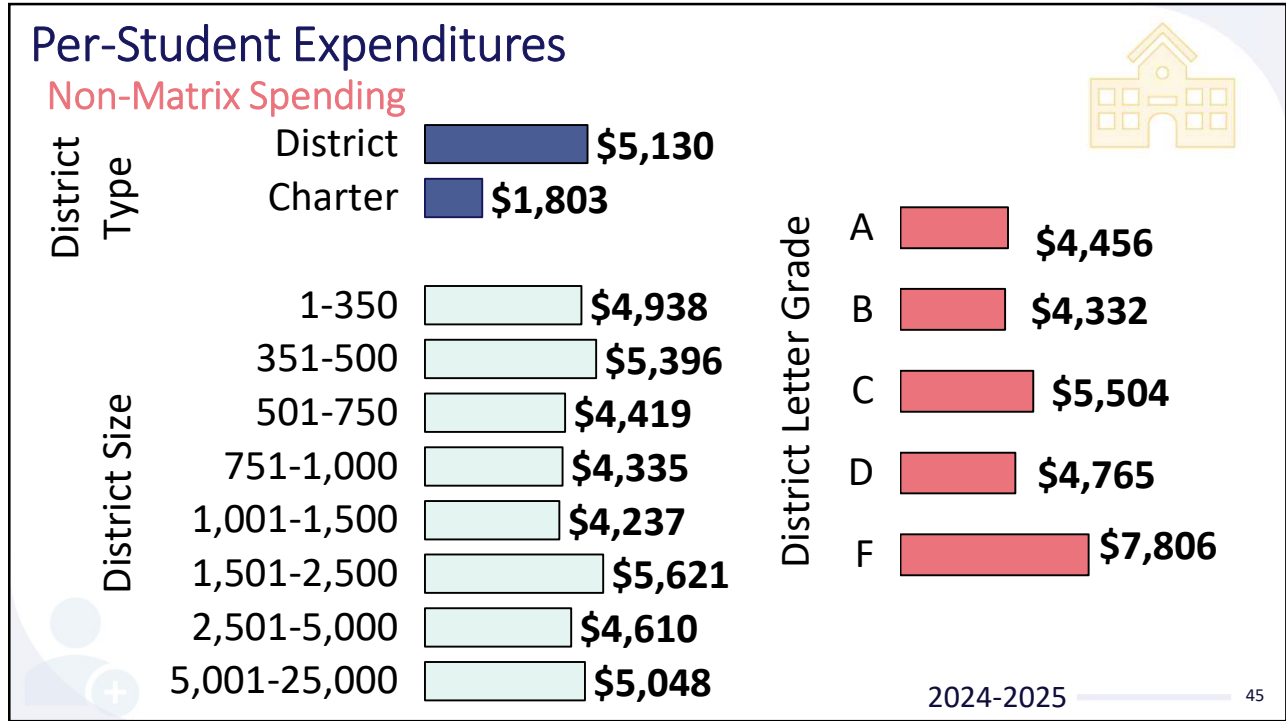
## Per-Student Expenditures

Non-Matrix



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### Educator Feedback

BLR SURVEY DATA ●●●  
Non-Matrix Resources

**Adequacy Survey – Superintendent Question: Please share if there is anything NOT included in the MATRIX that you believe is an important part of providing an adequate education:**

	2022	2024	2026
1.	Mental Health services	Safety/ School Resource Officers	Safety/ Safety Resource Officers
2.	School Safety/ School Resource Officers	Mental Health	Social/ Mental Health Workers
3.	Dyslexia Support services	Additional Staff	Dyslexia services

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## School-Safety

### 2025 Expenditures

NON-MATRIX SPENDING

Total Expenditures: **\$100M**

Per-Student Expenditures: **\$213**

Most common sources of funds used:

- Other state and local funding (41%)
- Foundation funds (25%)


Most common expenditure type:

- School Resource Officers (23%)

2020 Arkansas School Finance Study conducted by APA recommended the education committees consider adding resources for school security/school resource officers to the matrix.

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## Mental Health

### 2025 Expenditures

NON-MATRIX SPENDING

Total Expenditures: **\$44M**

Per-Student Expenditures: **\$93**

Most common sources of funds used:

- Federal funds (42%)
- Foundation funds (33%)


Most common expenditure types:

- Social work activities (30%)
- Psychological testing (29%)
- Other psychological services and counseling (21%)

2020 Arkansas School Finance Study conducted by APA recommended the education committees consider adding resources for mental health to the matrix.

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## Mental Health

### Districts with Mental Health Therapists Providing Mental Health Therapy Services Directly to Students


NON-MATRIX SPENDING

Mental Health Therapists Employed By:				
	Directly by Districts	Agency or Other Org.	Both by District and Agency/Other Org.	Total Districts
<b>Number of Districts</b>	<b>73</b>	<b>155</b>	<b>54</b>	<b>183</b>
<b>Average FTEs</b>	<b>2.1</b>	<b>4.2</b>		

*Note: Districts can have both directly employed therapists and other organizations' therapists on their campuses at the same time.*

Source: 2026 Adequacy Superintendent Survey, Questions 8-10 49

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## Dyslexia

### 2025 Expenditures

NON-MATRIX SPENDING

Total Expenditures: **\$32M**

Per-Student Expenditures: **\$68**

**Most common sources of funds used:**

- Enhanced Student Achievement (ESA) Categorical funds (64%)
- Foundation funds (18%)

**Most common expenditure type:**

- Dyslexia Therapist and/or Dyslexia Interventionist (96%)

2020 Arkansas School Finance Study conducted by APA recommended an increase to the per student funding amount for instructional materials, which could be used “to meet any current or forthcoming needs, such as dyslexia screeners or measure career readiness skills.”

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## Additional Resources

NON-MATRIX SPENDING

### Research

Other resources not currently funded in Arkansas's matrix but identified in Odden and Picus' evidence-based model (2019):

- Core Instructional Tutors
- Per-student funding for:
  - Gifted and Talented Education
  - Career and Technical Education
- Resources for at-risk students:
  - Staffing for additional tutors and pupil support staff
  - Extended-day, summer school, and English as a second language ("ESL") programs based on the number of poverty and ESL students

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## KEY FINDINGS

# Non-Matrix Resources

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SPENDING OUTSIDE THE MATRIX

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## KEY FINDINGS ●●●

## Non-Matrix Items

## 3-Year Trends

- Spending on non-matrix resources has been over \$2B.
- Spending from foundation funding on non-matrix resources has consistently been highest for **instructional aides (37%)**.
- Spending from all fund sources on non-matrix resources was highest for **non-technology related facilities (32%)**.

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## KEY FINDINGS

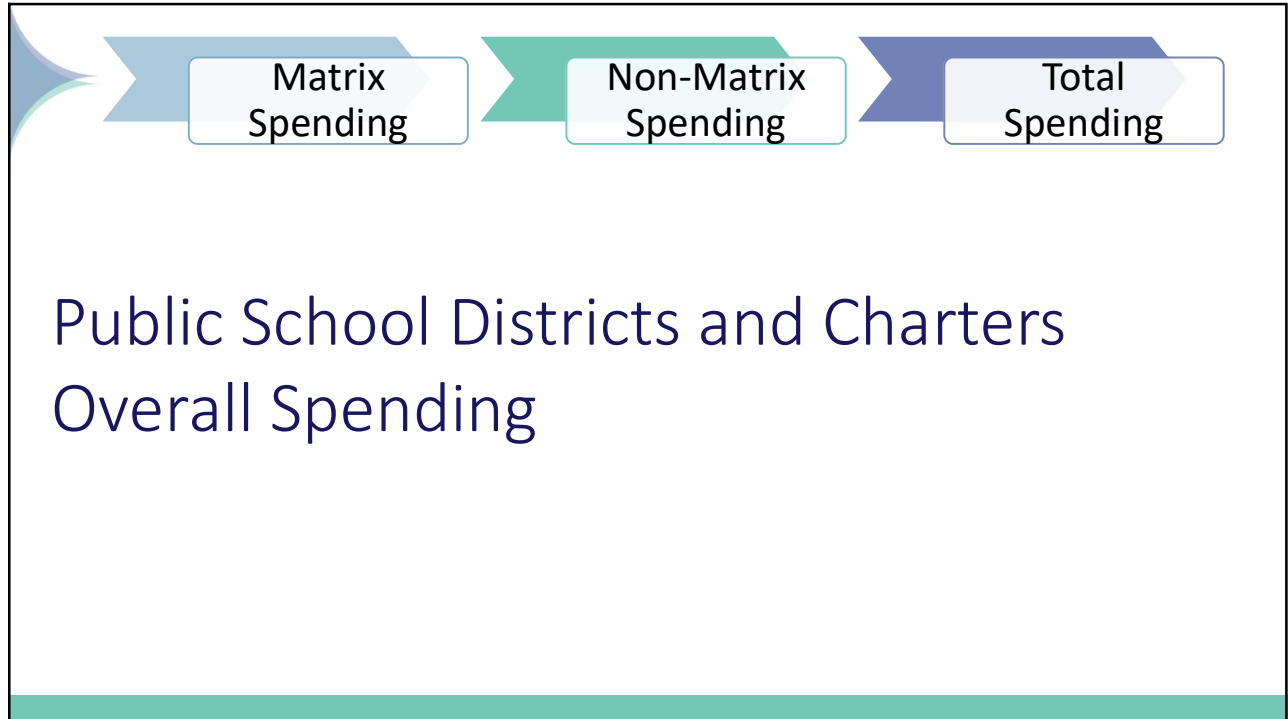
## Non-Matrix Items

## 2025

- Regular districts spent almost **3X** more than charter districts per-student on non-matrix items.
- Districts in the 351-500 size category had the highest per-student spending.
- “F” districts spent the **most** per-student on non-matrix items.
- Superintendents identified **Mental Health Services, School Safety, and Dyslexia Support** as the top three resources not in the matrix that are an important part of providing an adequate education for the 2022, 2024, and 2026 Adequacy Study Surveys.

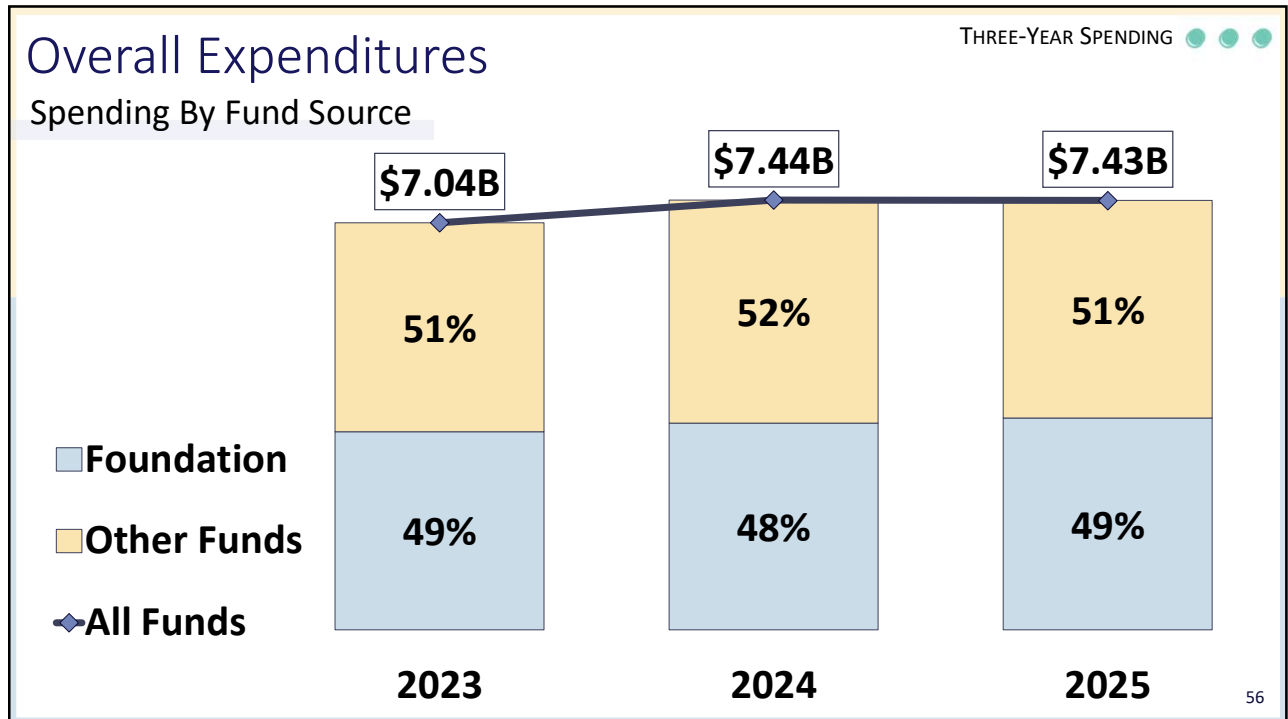
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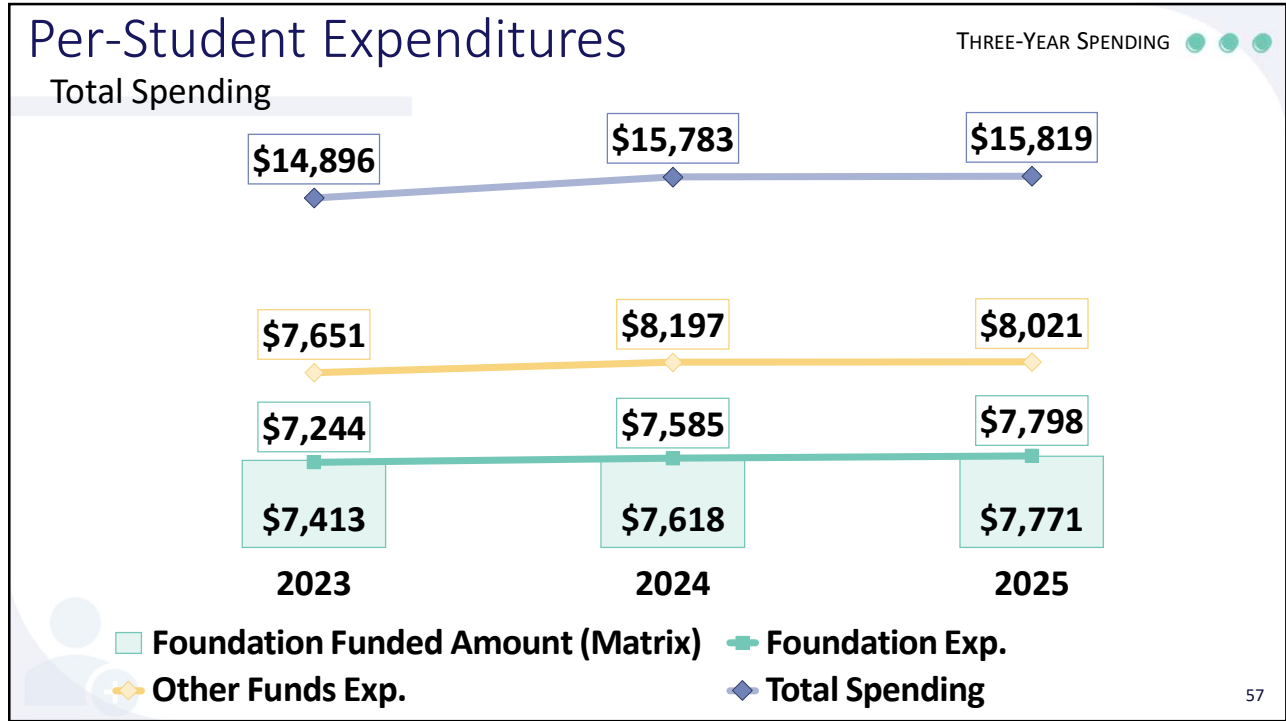


# Public School Districts and Charters Overall Spending

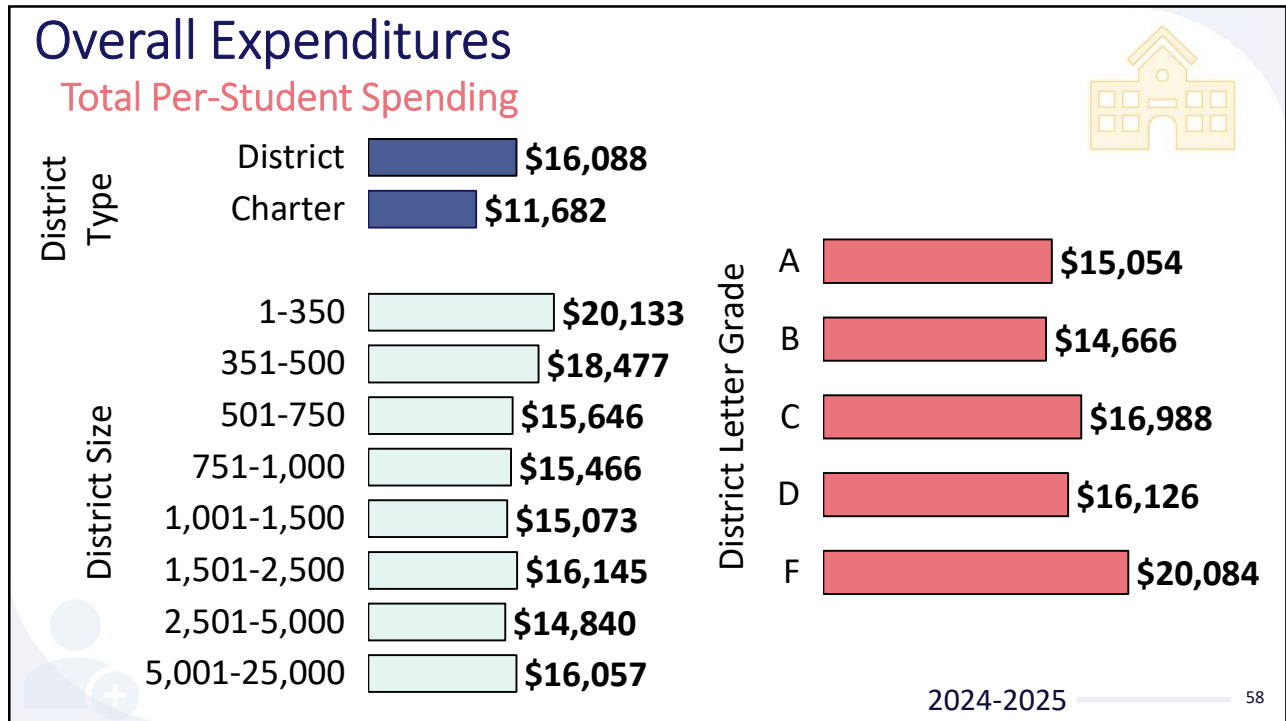
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KEY FINDINGS

# Total Spending

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OVERALL SPENDING

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# Total Spending

## 2025 KEY FINDINGS

- Spending on matrix resources was 69% of total expenditures. The other 31% was spent on non-matrix resources.
- **Classroom teachers** accounted for the highest percentage of total expenditures at 30%, followed by **operations and maintenance** (11%), **central office** (5%), and **special education teachers** (4%).
- All remaining matrix resources each accounted for 3% or less of total spending.

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## KEY FINDINGS ●●●

## Total Spending

## 3-Year Trends

- Districts spent over 50% more per-student from all fund sources than what is received in foundation funding per-student.
- By fund source, 95% of spending from foundation funds was spent on the resources identified in the matrix, and non-matrix spending accounted for about 5% of all foundation spending.

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## Total Per-Student Spending

## 2025 KEY FINDINGS

- More than \$10k per student across all district types
- Highest (more than \$20k)
  - Districts with 350 and fewer students
  - “F” districts
- Lowest (less than \$15k)
  - Districts with 2,501 – 5,000 students (\$14k)
  - “B” districts (\$14k)
  - Charter districts (\$11k)

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## Data Limitations to BLR Analysis

### KEY FINDINGS

- BLR Staff are unable to conduct an expenditure analysis on two matrix line resources:
  - **Classified Employee Salary Enhancement & Other Employee Health Insurance** (created in 2022 adequacy)
- Without definitions for each matrix line, the BLR staff is limited to the fund source and expenditure classifications outlined in the *Arkansas Financial Accounting Handbook*.
- It is difficult for the BLR staff to identify with certainty which classifications should be used for an accurate comparison to the funding tool (the matrix) used by the education committees.
- Comingling of multiple funds prevents the BLR Staff from disaggregating expenditure data by federal, local, or state fund sources in some instances.

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## THANK YOU

### QUESTIONS ON RESOURCE ALLOCATION PART I?

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