EXHIBIT B2

2026 Educational Adequacy Study

RESOURCE ALLOCATION

PART I

Prepared for the Senate and House Interim Committees on Education

March 10, 2026

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INTRODUCTION

This report is presented in partial fulfillment of the requirements of the Continuing Adequacy Evaluation Act of 2004.[1] Arkansas Code Annotated § 10-3-2102(a)(7) requires the committees to "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". Arkansas Code Annotated § 10-3-2102(i) states that the study for subdivision (a)(7) shall be accomplished, in part, by "[c]ompleting an expenditure analysis and resource allocation review each biennium".

In addition, the working definition of educational adequacy, as currently defined by the General Assembly, that serves as a basis for identifying the resources required for adequate funding includes "[s]ufficient funding to provide adequate resources as identified by the General Assembly."[2]

This report examines three-year public education expenditures, at both the district and school level, including the most recently available expenditure data from the 2024-2025 school year. Arkansas uses a specific formula to arrive at a per-student foundation funding amount, which is calculated using the "matrix."[3] The matrix includes specific staff and resources deemed necessary for an adequate education as defined by the General Assembly.[4] The report provides an analysis of total expenditure data as well as expenditures for each resource line item identified in the matrix. Because foundation and other education funding can be spent on resources not identified in the matrix, an analysis of expenditures on non-matrix items is also included. Any expenditure that has not been mapped to a matrix line is considered "non-matrix" spending.

In addition to the expenditure data, this report will provide, where available, comparisons to other states, best practices identified in education research, and survey responses from Arkansas educators.

Throughout the report, references to "foundation funding" means the amount distributed t school districts for that school year from the Public School Fund. References to "other funds" means any fund source other than foundation funding. "All fund sources" includes foundation funding, categorical, supplemental, other state and local, and federal funds.

A more detailed description of the methodology used throughout the report along with definitions can be found in the Appendix.

[1] Ark. Code Ann. §§ 10-3-2101 – 10-3-2104.

[2] https://www.arkleg.state.ar.us/Home/FTPDocument?path=%2FEducation%2FAdequacyReports%2F2026%2F2025-11-03%2FHANDOUT+1C+-+Definition+of+Adequacy.pdf

[3] The matrix is not in statute.

[4] An Evidenced-Based Approach to School Finance Adequacy in Arkansas. Final Report. September 1, 2003, page 21, available at https://www.arkleg.state.ar.us/Home/FTPDocument?path=%2Feducation%2FAdequacyReports%2FYearlyFinalReports%2F2003%2F2003+Final+Arkansas+Report+09_01_2003.pdf

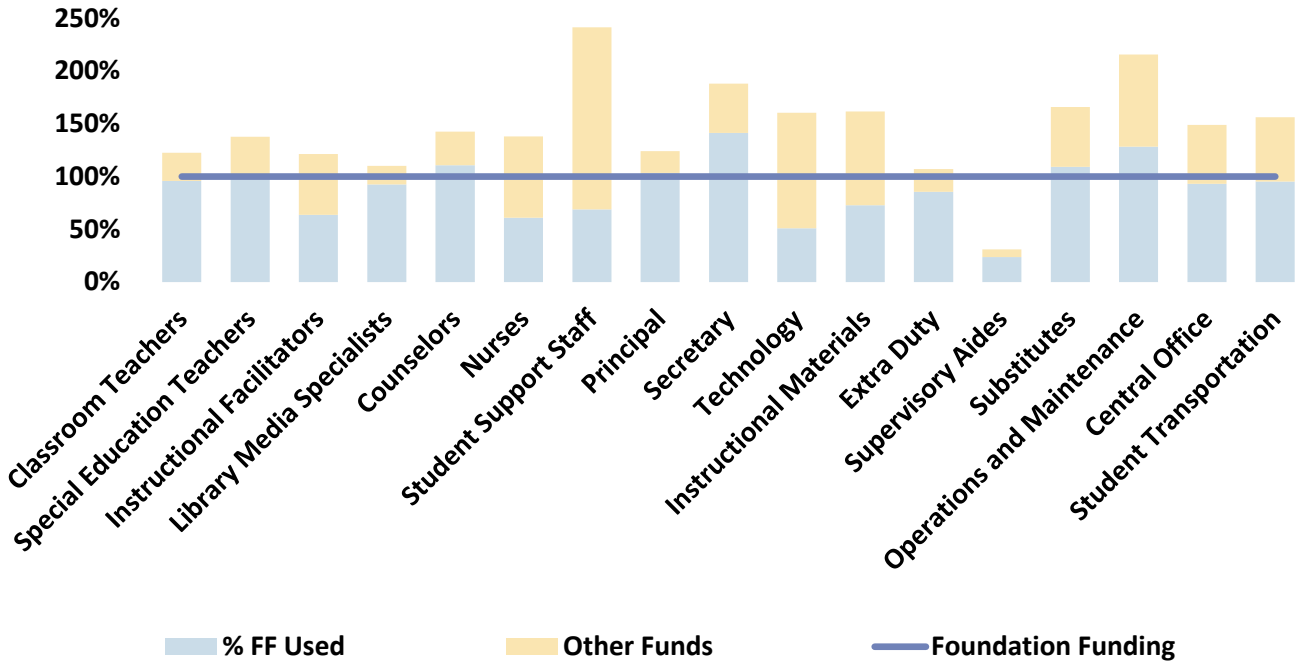
CHAPTER 1: SPENDING ON MATRIX ITEMS

This chapter of the report looks at spending on the resources identified in the matrix. First, data are provided showing total spending on all matrix resources, including three-year total expenditures, the percentage of expenditures on matrix resources by fund source, a comparison of per-student foundation funding to per-student spending from foundation funds and all fund sources. Subsequent sections of this chapter will examine in greater detail the expenditures for the three categories in the matrix: school-level personnel, school-level resources, and district-level resources along with the detailed matrix lines that fall under each of those three categories.

Exhibit 1.1 reflects the 2025 spending levels on each matrix resource from foundation funding and "other" fund sources.[5] When looking at spending on the resources identified in the matrix, spending of foundation dollars exceeded the amount of foundation funding (per the matrix) for counselors, principals, secretaries, substitutes, and operations and maintenance. However, when spending on these items from all fund sources is considered, spending surpasses the foundation funding level on all matrix items but supervisory aides.

Though public school districts and open-enrollment public charter schools may apply for waivers from certain Arkansas rules related to the resources identified in the matrix, receiving such waivers does not affect the amount of funding received.

Exhibit 1.1. Matrix Spending Levels: Foundation + All Fund Sources



[5] Exhibit 1.1 does not include the two matrix lines for Salary Enhancement or Other Employee Health Insurance as these expenditures cannot be analyzed by BLR staff.

Arkansas Educator Feedback on Matrix Resources

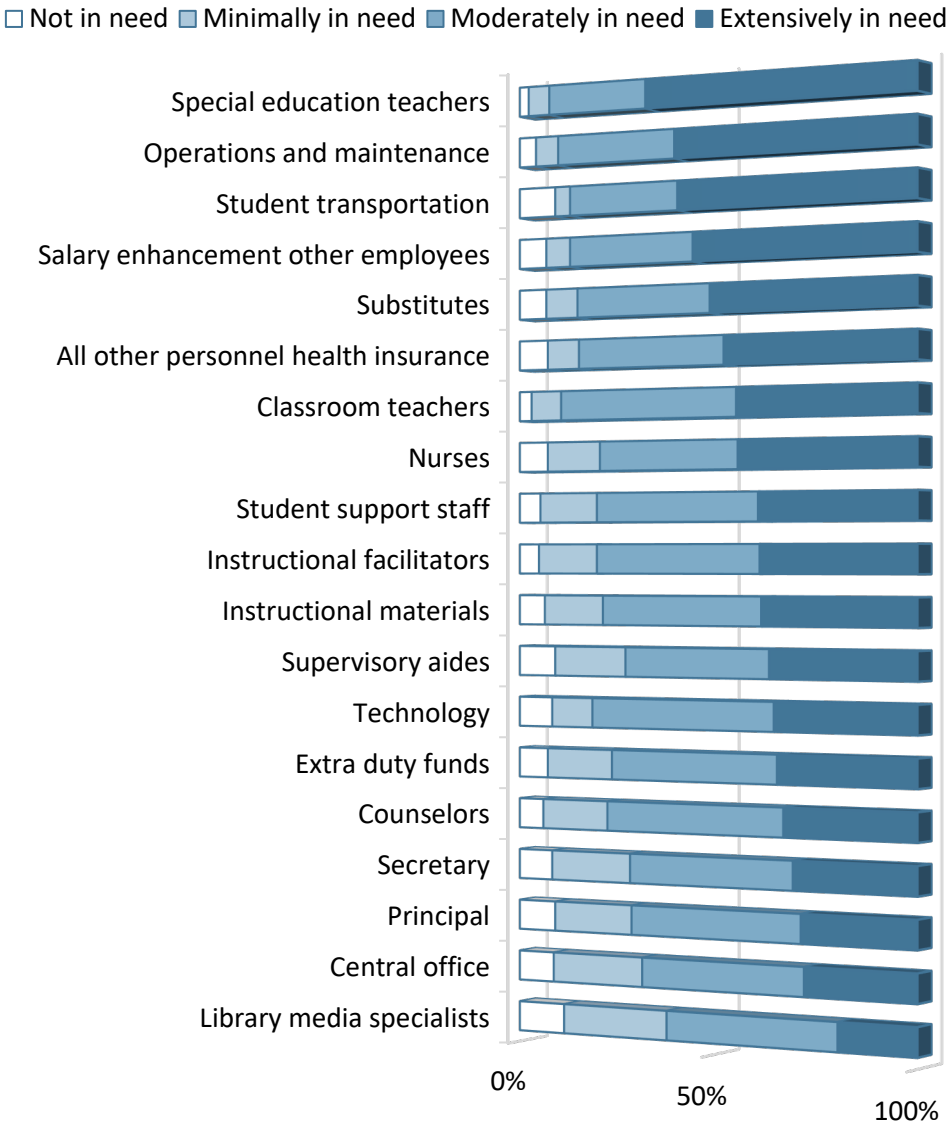
The BLR surveyed all superintendents and asked each to answer the following question: "**For each of the following resources in the Matrix, please indicate if your school district/charter school system needs additional funding during the 2024-2025 school year."**

Data in Exhibit 1.2. reflects that no more than 12% of superintendents reported they were "not in need" of additional funding for any of the matrix items.

Most were "moderately" or "extensively in need" for each of the matrix resource lines. More than half of superintendents reported being "extensively in need" of additional funding for special education teachers, salary enhancement for other (noncertified, classified) employees, substitutes, operations and maintenance, and student transportation.

Special education teachers received the largest proportion of superintendents (67%) indicating to be "extensively in need" of additional funding, followed by operations and maintenance (60%) and student transportation (59%).

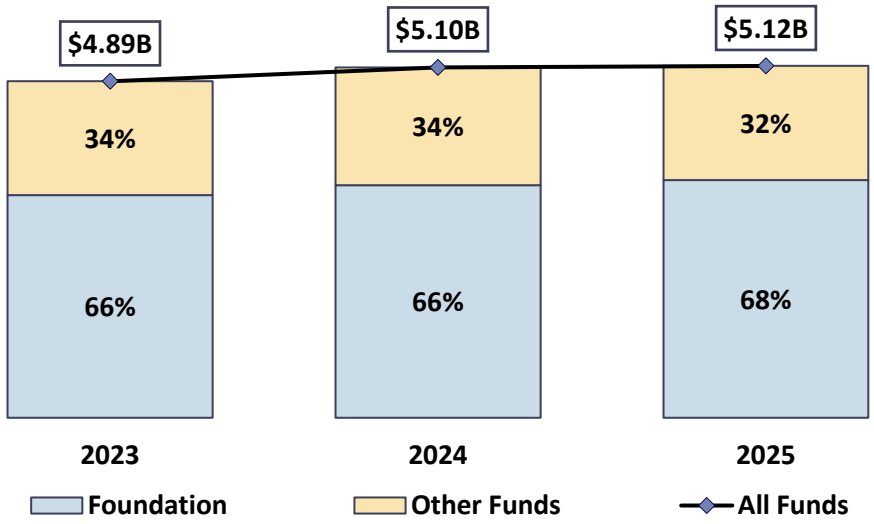
Exhibit 1.2



Matrix Expenditures by Fund Source

As shown in Exhibit 1.3, foundation funds accounted for between 66% and 68% of expenditures on matrix resources over the last three school years. The total spending on matrix lines increased by more than 4% from 2023 to 2024, and less than 1% from 2024 to 2025.

Exhibit 1.3 Matrix Expenditures

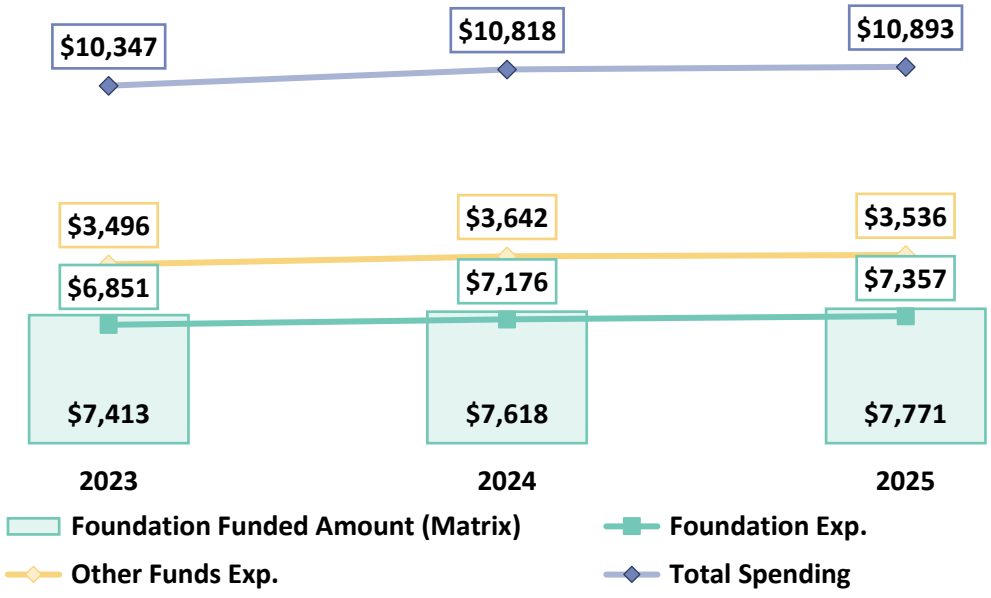


Spending on matrix resources from foundation and categorical fund sources has remained steady over the last three school years, while expenditures from federal funds have declined. Spending on matrix sources using supplemental and other state and local funding has increased between 2023 and 2025.

Per-Student Foundation Funding to Spending: Matrix Items

Exhibit 1.4 shows the per-student foundation funding amount, per-student spending on matrix resources from foundation funds, per-student spending amount from "other" fund sources, and the per-student spending amount from "all" fund sources over the past three school years. Data shows that schools spent between 40-42% more per-student on matrix resources from all fund sources than what is received in foundation funding per-student between 2023 and 2025 school years.

Exhibit 1.4

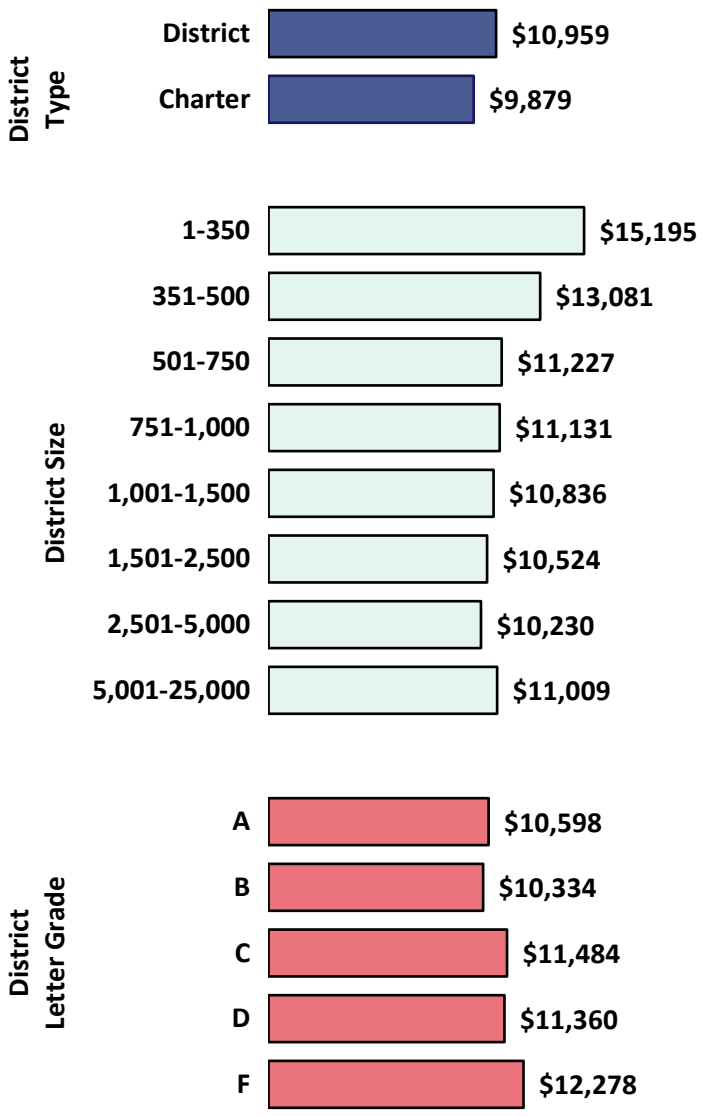


Per-Student Spending: Matrix Items

Exhibit 1.5 shows that in 2025, regular districts spent more than $1,000 more per-student than charter districts on matrix lines. Districts with 350 or fewer students spent the most per student on matrix lines, almost $5,000 more than schools in districts with 2,501 to 5,000 students, which spent the least per student.

Looking at district letter grades, districts with "F" letter grade spent the most per student on matrix lines, while districts with a "B" letter spent the least per student. The difference between "A" and "F" districts was almost $1,700.

Exhibit 1.5



School-Level Personnel

The school-level personnel section of the matrix includes calculated per-student ratios for the number of staff required for an assumed school district or school size of 500 students in grades K-12. Within the school-level personnel resources, most of the matrix resource lines are provided as partial full-time equivalent ("FTE") calculations and funded according to the per-student amount for the "Teacher"[6] salary and benefits line of the matrix.

It's important to note that the staff funded at this amount does include other student support staff and employees, including some classified employees. Most of the spending on matrix resources for FTE staff positions in the matrix are spent on classroom teachers, but it's important to note that the staff funded at this amount does include other student support staff and employees, including some classified employees.

Exhibit 1.6 shows the school-level personnel included in the matrix and the corresponding salary and benefits used to calculate the per-student funding amount as of fiscal year 2025.

Exhibit 1.6

Matrix Line	**Resource Allocation Description**	**Matrix Salary and Benefits**
Grades K-12 Classroom Teachers *Special Education Teachers*	Instruction	Teacher: $76,022
Instructional Facilitators *Library Media Specialists* *Counselors* *Nurses* *Student Support Staff*	Support Services	
Principal		Principal: $105,614
Secretary		Secretary: $46,203

CLASSROOM TEACHERS

While foundation funding for classroom teachers is broken out by grade spans, spending totals cannot be reported the same way because expenditures are not coded in the Arkansas Public School Computer Network (APSCN) system to individual grade levels. In 2025, the per-student foundation funding amount for classroom teachers[7] was $3,792. Exhibit 1.7 shows three-year trends on per-student expenditure amounts for classroom teachers.

[6] There are multiple definitions for "teacher" in Arkansas Code.
[7] "Classroom teachers" includes K-12 regular instruction.

Per-student spending from all fund sources on classroom teachers exceeded the per-student funding amount by about 28% in 2025. As shown in Exhibit 1.8, schools spent $1.72B on classroom teachers in 2025 from foundation funds, or 47% of foundation funding spending and $2.19B from all fund sources, or 78% of total spending on classroom teachers.

In the last three school years, schools have spent more per student from supplemental fund sources each year, with a significant increase between the 2023 and 2024 school years.

Exhibit 1.7 Classroom Teachers: Per-Student Expenditures

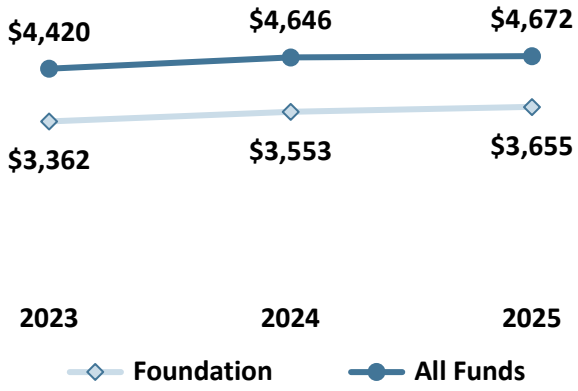
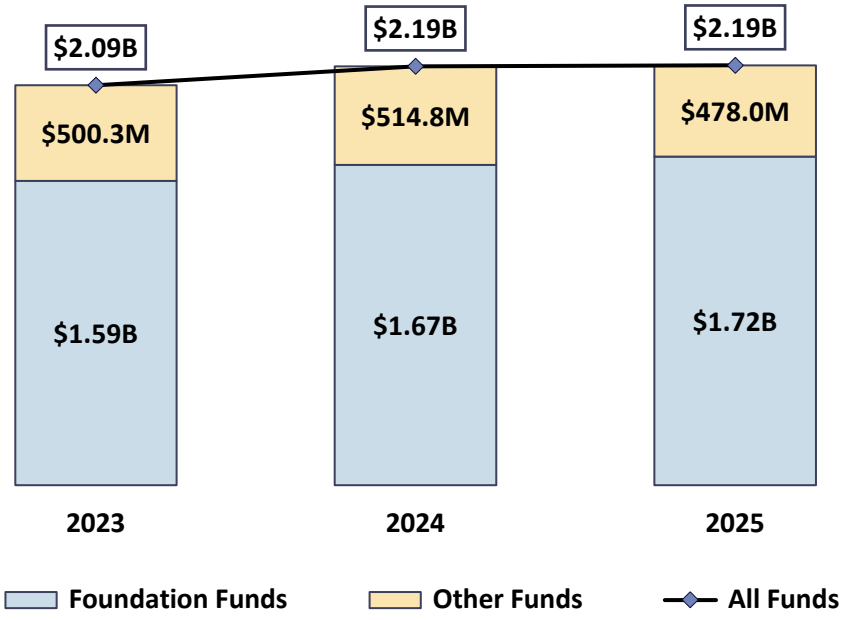


Exhibit 1.8 Classroom Teachers: Expenditures by Fund Source



Per-Student Spending

Exhibit 1.9 shows that when comparing per-student spending levels on classroom teachers by category, few patterns emerged.

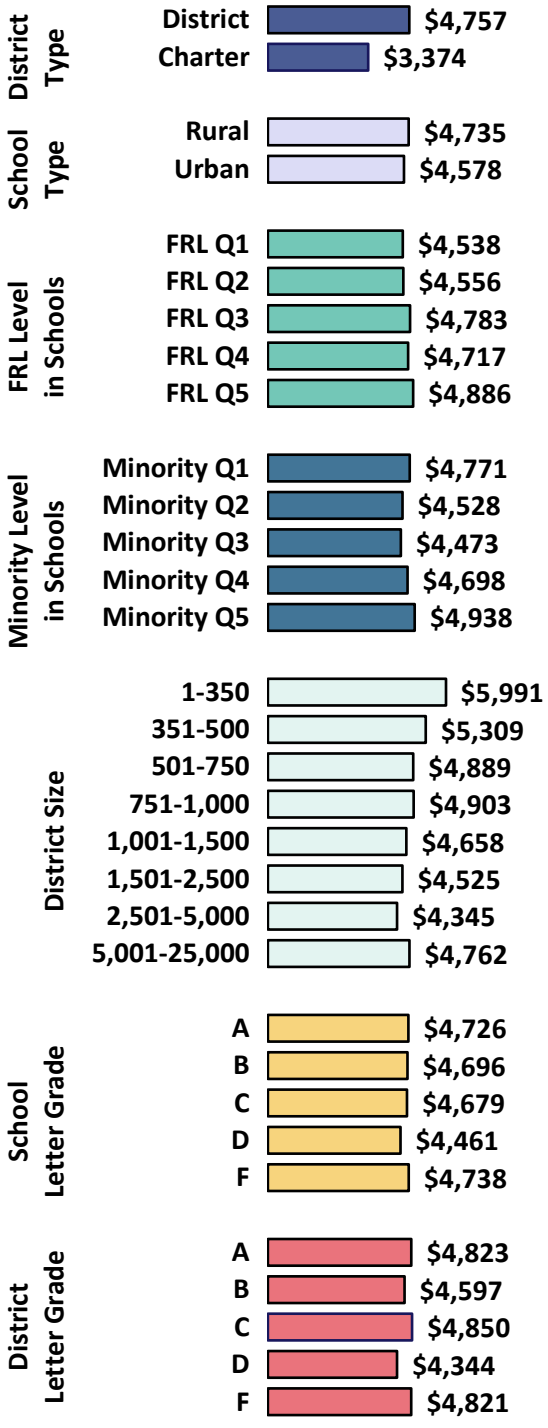
Regular school districts spent more on average than charter districts. Schools in rural areas spent a little more than schools in urban areas. Per-student spending is also higher in schools with higher percentages of free and reduced-price lunch ("FRL") students. Per-student spending is highest in schools with highest percentage of minority students, followed by schools with the lowest percentage.

Per-student spending was highest in the smallest district size category, more than $5,000 per student, on average, in districts with 500 students or fewer, and nearly $6,000 per student, on average, in districts with fewer than 350 students.

As district size increases to over 1,000 students, per-student spending generally decreases, except for the largest districts where the per-student expenditure was more than $100 higher.

Schools receiving an "F" letter grade in 2025 spent $277 more per student that the lowest per-student expenditure in "D" schools. However, for both letter grade categories, between "A" and "F" grades show the smallest margin of difference in per-student expenditures. "F" schools spent $30 more than "A" schools. "C" districts show the highest per-student expenditure, at $4,850, followed by "A" and "F" districts where schools in "A" districts spent $2 more than schools in "F" districts, but over $200 more per student than "B" and "D" districts.

Exhibit 1.9



Special Education Teachers

According to the Arkansas Division of Elementary and Secondary Education Rules Governing Act 1240 Waivers, districts and open-enrollment public charter schools may not apply for waivers from laws and rules regulating special education programs[8]; however, teacher salary waivers could apply to these special education personnel.

The matrix funds 2.9 special education teachers for the prototypical K-12 district or school of 500 students, meaning that the state funds special education based on each district's or charter's total number of students, rather than on the total number of students with disabilities. DESE rules[9] set maximum teacher-to-student caseloads ranging from 1:6 to

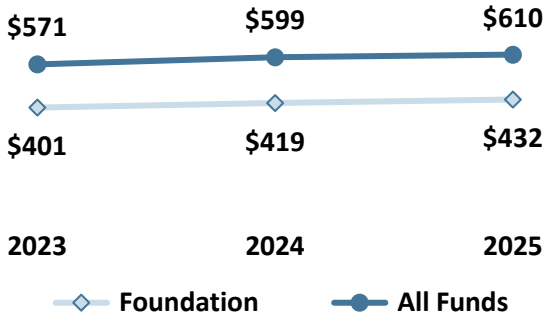
[8] 6 CAR § 230-102(e)(4)

[9] 6 CAR § 130-1703. Maximum teacher–pupil caseload.

1:45, depending on the type of classroom or services (e.g. regular classroom, resource services[10], or special class services[11]) and other staff assistance (e.g. paraprofessional[12], speech/language pathologist, or co-teacher).

In 2025, 71,831 K-12 students with disabilities[13] attended public schools in Arkansas, totaling 15.2% of all K-12 public education students.[14] Per recommendations from the 2025 adequacy study, that number will increase to 3.2 special education teacher full-time equivalents (FTEs) per 500 students.

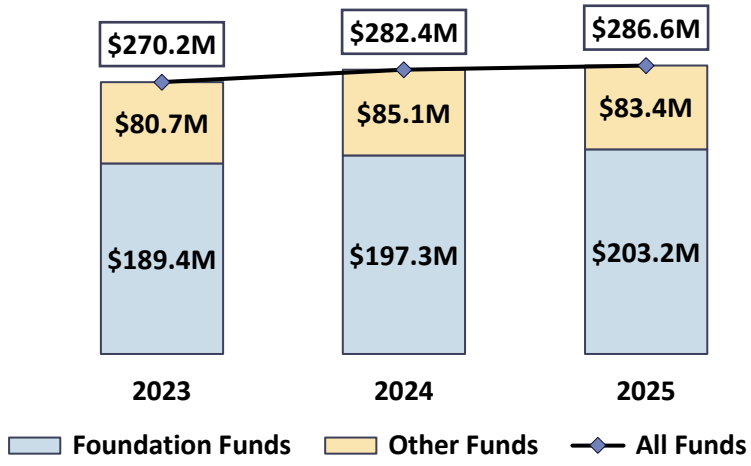
Exhibit 1.10 Special Education Teachers: Per-Student Expenditures



The 2025 per-student foundation funding amount for special education teachers was $441. As shown in Exhibit 1.10, the per-student expenditure amount using all funds exceeded the per-student foundation funding amount by around 41%. Per-student expenditures from foundation funding and all fund sources have increased by approximately 7% since 2023. Spending on special education teachers does not include special education spending on other related expenses like speech language or physical therapy.

Exhibit 1.11 shows spending from foundation funding made up approximately 70% of total special education teacher spending for all three years. Federal funds accounted for approximately 17% of spending. The use of supplemental fund sources has increased significantly over the last three years.

Exhibit 1.11 Special Education Teachers: Expenditures by Fund Source



[10] 6 CAR § 130-257. Resource services.
[11] 6 CAR § 130-265. Special class services.
[12] 6 CAR § 130-247. Paraprofessional.
[13] Students with disabilities refers to students with an Individual Education Program (IEP), available at https://dese.ade.arkansas.gov/Offices/special-education/data-research/public-reporting
[14] DESE, Public Report, available at https://dese.ade.arkansas.gov/Offices/special-education/data-research/public-reporting

Per-Student Spending

As shown in Exhibit 1.12, during the 2025 school year, regular districts spent almost twice as much per student on special education teachers than schools in charter districts.

Per-student spending on special education teachers in schools with the lowest concentration of FRL students ($1,063) was more than twice the per-student spending amount in schools with the fourth highest concentration of FRL students.

Conversely, schools with the lowest concentration of minority students spent the least per-student at $293 per-student compared to $916 per-student in schools with the fourth highest concentration of minority students. Special education teacher spending was highest in the largest district size category at $717 per-student.

Research and Best Practices

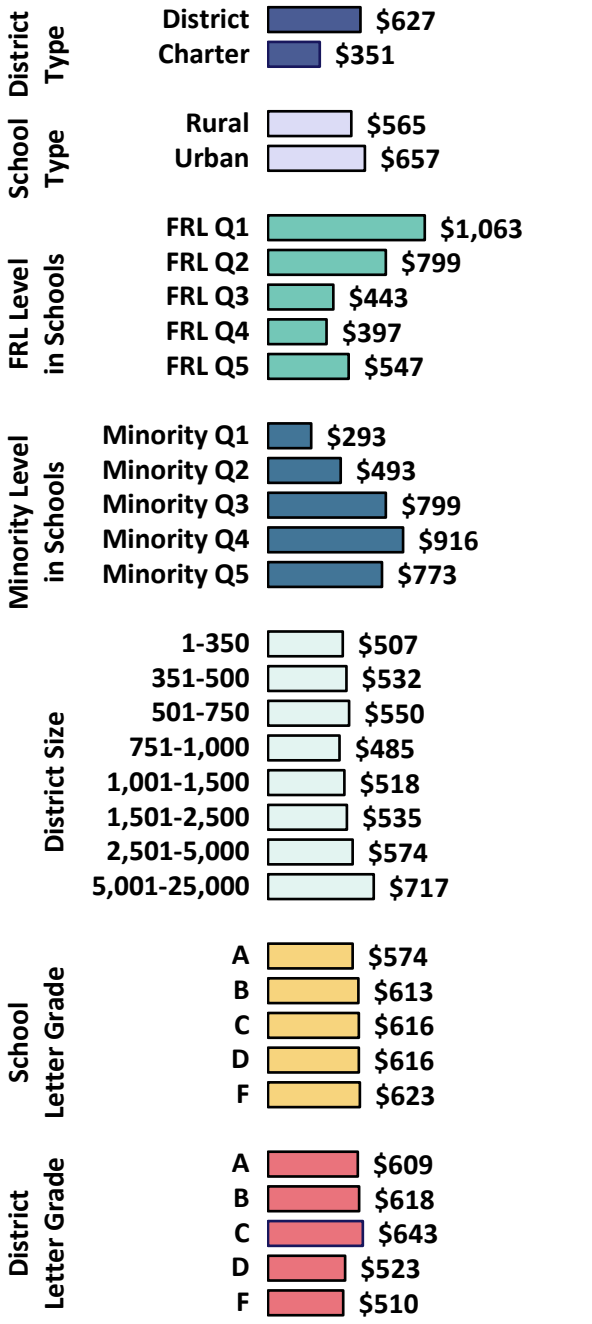
The 2019 Odden and Picus[15] evidence-based model special education recommendations, shown in the following table, propose a census approach, which would provide additional teacher resources at a fixed level.

This is to be used for high-incidence, lower-cost students with disabilities and combined with funds to cover 100% of costs for low-incidence, high-cost students with disabilities (capped at 2% of students in the district). [16] Their total special education staffing recommendation includes 8.1 positions for every 1,000 students or 4.05 for every 500 students.

The breakdown for these positions is included in Exhibit 1.13. Odden and Picus also recommend reduced usage of paraprofessionals, except with some students with severe and profound disabilities.

In its 2020 report to the House and Senate Education Committees, APA17 recommended removing special education from Arkansas's funding matrix and instead providing support based on actual special education students served.

Exhibit 1.12



[15] Odden, Allan, & Picus, Lawrence O. (2019). "*School finance: A policy perspective*." 6th ed. New York: McGraw-Hill
[16] Odden, Allan, & Picus, Lawrence O. (2019). "*School finance: A policy perspective*." 6th ed. New York: McGraw-Hill
[17] Arkansas School Finance Study, APA. (2020). https://www.arkleg.state.ar.us/Bureau/Document?type=pdf&source=education%2FK12%2FAdequacyReportYears&filename=2020+Volume+III+APA+Adequacy+Report

This could be done using either a single weight for all special education students or multiple weights based on student need. The weight(s) would be applied to the special education student enrollment count and provide differentiated funding based on the distribution of students with special education needs across the states. APA further added that a multi-weight system would also align resources to the levels of services students need in each district.

Exhibit 1.13 Odden and Picus Special Education Evidence-Based Model	
Funding Mechanisms	**Census Approach and High-Cost**
Staffing for students with mild and moderate disabilities	5 special education teachers and 1 teacher behaviorist (or 6 total teacher positions) per 1,000 students
Staffing for students with severe and profound, and high cost-to-serve disabilities	Fund 100% of extra costs for students with severe and profound disabilities (minus federal Title VI-B); AND Limit students covered here to 2% of students in the district
Staffing for related services	1.1 per 1,000 students
Staffing for costs associated with developing and continually reviewing individualized education plans (Psychologists)	1 psychologist per 1,000 students
Total Special Education Staffing	**8.1 positions for every 1,000 students**

Instructional Facilitators

There are no state Standards for Accreditation that require the use of instructional facilitators; however, schools with more than 500 students are required to have a half-time "assistant principal, instructional supervisor, or curriculum specialist" in addition to a principal.[18] In 2025, the per-student foundation funding amount for instructional facilitators was $380. As shown in Exhibit 1.14, the per-student expenditure amount using foundation funds for instructional facilitators was $244, while the per-student expenditure amount from all fund sources was $464. Since the 2023 school year, the per-student spending amount from foundation funding increased by almost 19%.

Exhibit 1.15 shows that schools spent around 3% of total foundation dollars on instructional facilitators. Spending on instructional facilitators from foundation funds has averaged around 48% over the last three school years. Total spending on instructional facilitators has varied by fund source between the 2023 and 2025 school years.

Exhibit 1.14 Instructional Facilitators: Per-Student Expenditures

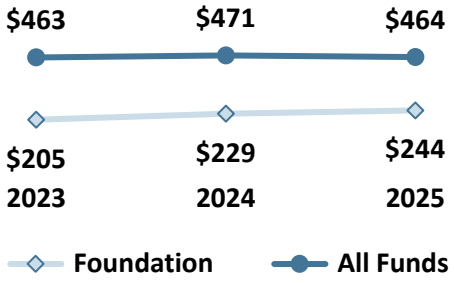
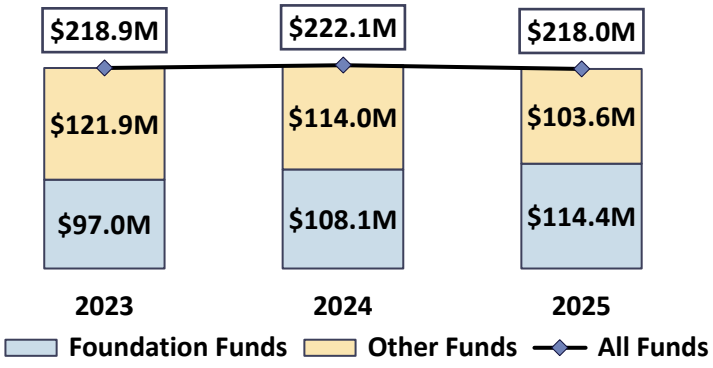


Exhibit 1.15 Instructional Facilitators: Expenditures by Fund Source



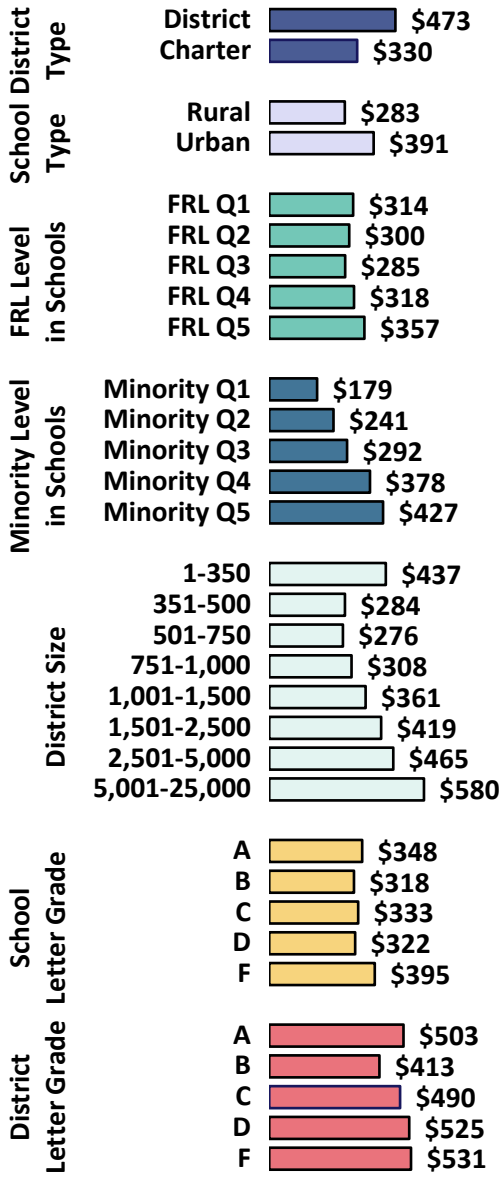
[18] DESE. (December 2024). Rules Governing Standards for Accreditation 6 CAR § 61-504 et seq.

Per-Student Spending

As shown in Exhibit 1.16, regular districts spent more than $100 per student than charter districts on instructional facilitators. Per-student instructional facilitator spending was lowest in schools with the lowest concentration of minority students, at $179 per-student compared to $427 per-student in schools with the highest concentration of minority students.

Per-student spending on instructional facilitators was lowest in the second smallest district size category ($284) but was over 53% higher per-student when district size was below 351. The largest district size category spent the most per-student on instructional facilitators.

Exhibit 1.16



Research and Best Practices

Literature indicates instructional facilitators, also referred to as instructional coaches or curriculum specialists, are critical to making professional development effective. Research cited by Odden and Picus[19] shows nearly all improving schools provide resources to fund instructional coaches to not only design the instructional program, but also to work with school-based data teams and provide the ongoing coaching and mentoring necessary for teachers to improve their practice at scale. The evidence-based model recommends a staffing formula for such positions of one instructional coach for every 200 students which translates into 2.25 FTEs for the 450-student prototypical elementary and middle schools, and 3.0 FTEs for the 600-student high school.

Library Media Specialists

The Rules Governing the Standards for Accreditation of Arkansas Public Schools and Public School Districts ("Standards") call for public schools to employ a minimum number of library media specialists that increases according to student enrollment in a public school, requiring at least one library media specialist to be employed half-time in the smallest of public schools (defined in the Standards as a public school with fewer than 300 students).[20]

Based on school sizes in 2025, most schools were required to employ one full-time library media specialist according to Standards. Waivers for this accreditation requirement were most requested by open-enrollment public charter schools in each of the last three school years.

Fewer than 300 students

1 half-time library media specialist

300 students or more

1 full-time library media specialist

1,500 students or more

Two full-time library media specialists

[19] Odden, Allan, & Picus, Lawrence O. (2019). "*School finance: A policy* perspective." 6th ed. New York: McGraw-Hill

[20] 6 CAR § 61-507(b).

In 2025, the per-student foundation funding amount for library media specialists was $129. Exhibit 1.17 shows the per-student expenditure amount using foundation funds was $120, while the per-student expenditure amount from all fund sources was $143. Per-student spending from all fund sources on library media specialists exceeded the per-student funding amount by about 11% in 2025.

Exhibit 1.18 reflects that schools spent close to $57M on library media specialists in 2025 from foundation funds, or 2% of total foundation funding spending and $67M from all fund sources, or 1% of total expenditures. Most of the spending on library media specialists was from foundation funding, averaging 84% for all three school years.

Exhibit 1.17 Library Media Specialists: Per-Student Expenditures

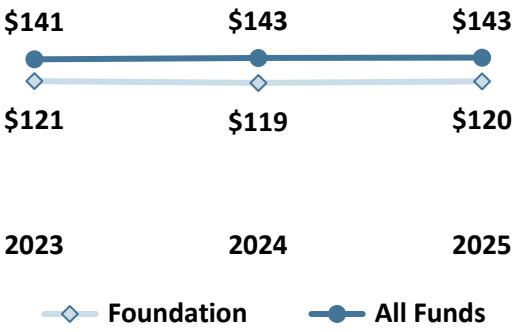
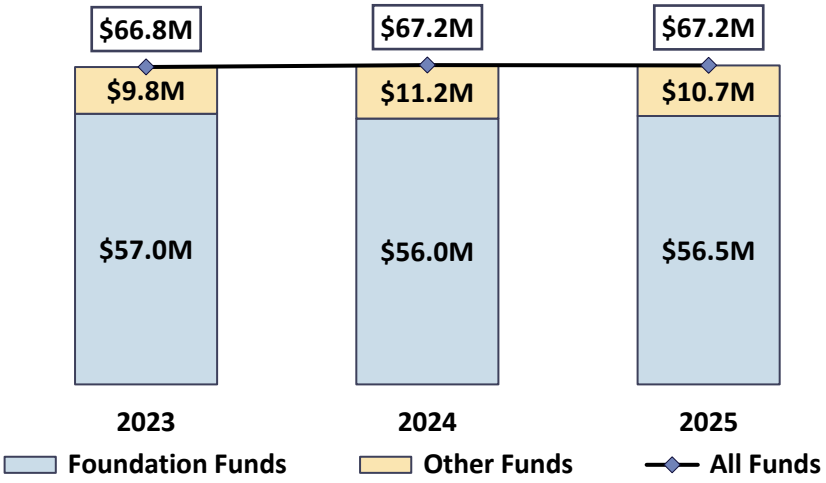


Exhibit 1.18 Library Media Specialists: Expenditures by Fund Source



Per-Student Spending

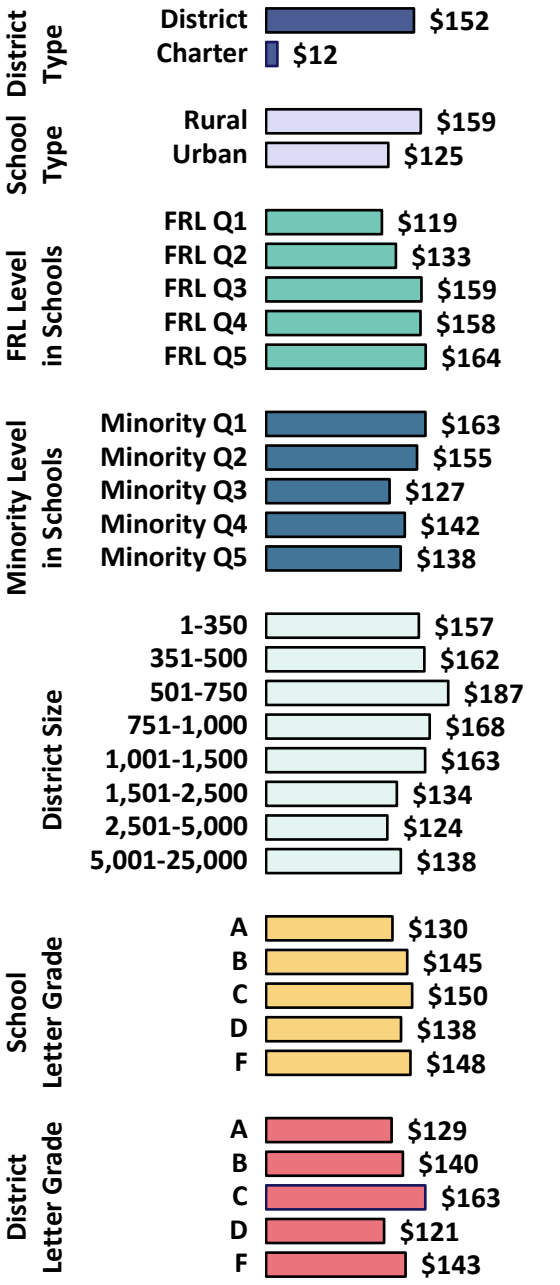
As shown in Exhibit 1.19 during the 2025 school year, per-student spending on library media specialists, also referred to as librarians, ranged from $12 in charters to $187 in schools in districts with an enrollment between 501 and 750 students.

Regular school districts spent about twelve times more per student, on average, than charter districts on library media specialists, which is consistent with 2025 data on charters receiving waivers from this requirement.

Rural schools spent more on average per-student than schools in urban areas. Per-student spending amounts generally increased with the percentage of FRL students, where schools with less than 48% FRL students spent the least. Schools with lower levels of minority students spent more per-student than schools with the highest level.

"C" schools and schools in "C" districts spent the most on average per student, followed by schools and districts receiving "F" and "B" letter grades in 2025.

Exhibit 1.19



COUNSELORS

School counselors, also referred to as guidance counselors, are funded in the matrix at 1.11 FTE for every 500 students. The Standards require each public school district to have a "student/school counselor ratio of no more than one per 450 students."[21]

Additionally, "comprehensive school counseling services" must be provided to all students in the public school system, as well as a "developmentally appropriate guidance program to aid students in educational, personal/social, and career development."[22] According to DESE rules, in addition to developing and implementing a written plan, each public school district shall allot sufficient time for school counselors to carry out the duties stated in School Counseling Improvement Act of 2019.[23]

In prior years, counselors were funded at 1.11 FTE, accounting for no more than about 2% of total foundation funding and total expenditures from foundation funding. Beginning in FY2026, the funding will increase to 1.61 in 2025 as recommended by the Education Committees "to reflect need for more mental health services."[24]

[21] 6 CAR § 61-506(b).
[22] 6 CAR § 61-304.
[23] 6 CAR § 61-304(b).
[24] 2024 Adequacy Study Final Report, page 191, available at https://www.arkleg.state.ar.us/Home/FTPDocument?path=%2FEducation%2FAdequacyReports%2FYearlyFinalReports%2F2024%2F2024+Adequacy+Study+Final+Report.pdf

In 2025, the per-student foundation funding amount for counselors was $169. As shown in Exhibit 1.20, per-student spending from foundation funds exceeded the matrix funded amount provided in all three years. The per-student expenditure amount using foundation funds for counselors was $188, while the per-student expenditure amount from all fund sources was $242.

Exhibit 1.20 Counselors: Per-Student Expenditures

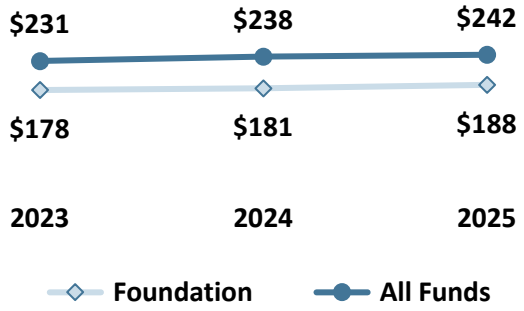
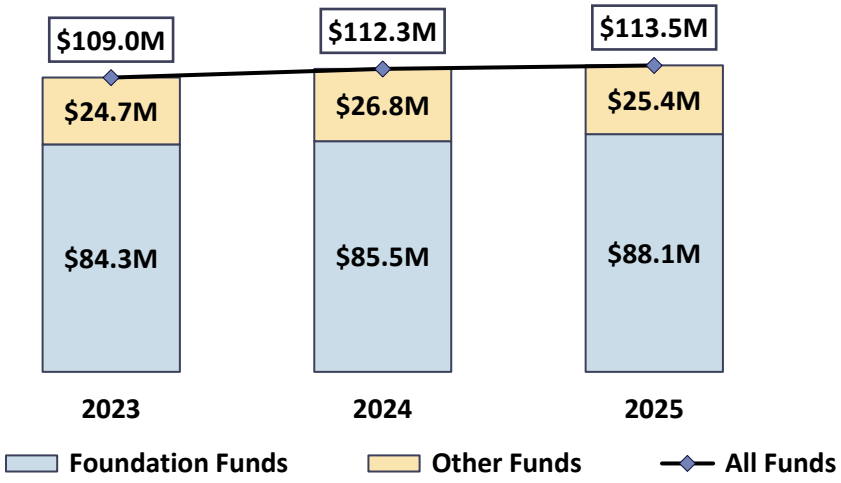


Exhibit 1.21 shows that schools spent over $88M on counselors in 2025 from foundation funds, or 2% of foundation funding spending and $113M from all fund sources, or 2% of total expenditures.

Expenditures from foundation funds made up approximately 77% of total spending on counselors for all three years. The use of supplemental fund sources has increased significantly over the last three years, while spending using federal dollars has decreased.

Exhibit 1.21 Counselors: Expenditures by Fund Source



Per-Student Spending

Exhibit 1.22 shows that during the 2025 school year, regular school districts spent about 20% more than charter districts on school counselors. Rural schools spend slightly more on average than schools in urban areas.

Spending levels varied for FRL and minority levels, with a difference between the highest and lowest levels of FRL students and minority students of $15 and $25 respectively, and where the highest level spent less per student. However, where per-student spending generally increases with FRL levels, it is highest at lower levels of minority students, with schools with a 11% or less minority student population spending the most.

By district size category, per-student spending was highest in districts with 750 and fewer students, and in districts with greater than 1,500 students. The smallest district size categories spent the most per-student.

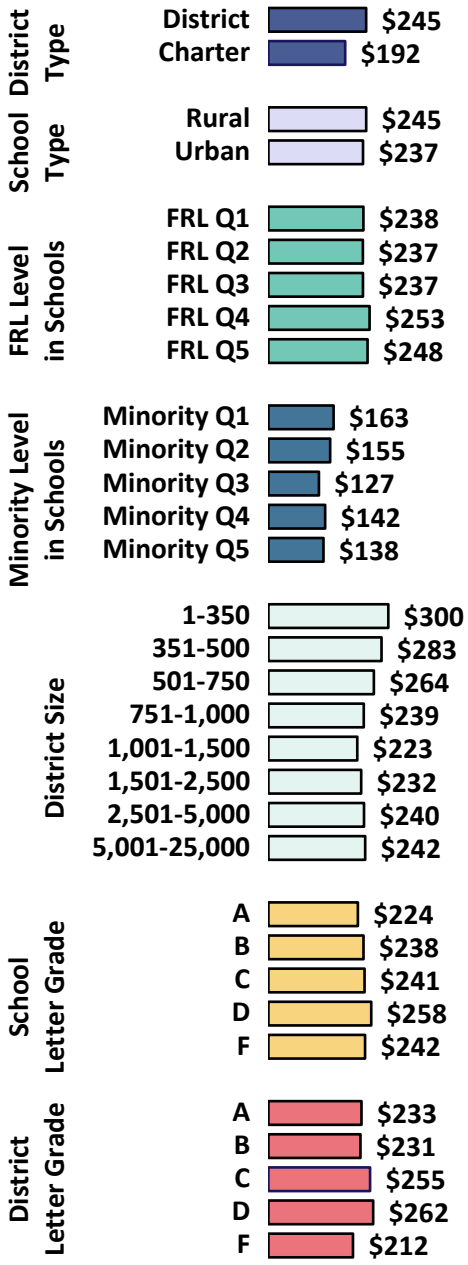
Per-student spending is highest in schools with "D" letter grades. "F" districts spent the least on average, per-student than all other letter grades, followed by "A" schools.

Arkansas Educator Feedback

Pursuant to the School Counseling Improvement Act of 2019, administrative services performed by counselors "shall not exceed more than 10% of the school counselor's time."[25] State law defines these duties as "absent of any direct student services or interaction." Direct and indirect services shall be at least 90% of a school counselor's "working time during student contact days."

In analysis of expenditures and BLR Educator Survey responses for 2025, data shows that though counselors reported spending around 24% of their time on administrative duties, schools spent less than 2% of all funds on related duties, such as *record maintenance and information.*[26] A little more than 65%, around $72.8M, of these expenditures were for *guidance services*, with *counseling* making up a little less than 33%, about $38.5M, of all expenditures.

Exhibit 1.22



[25] Under Arkansas Code § 6-18-2004(c)(1), enacted under the School Counseling Improvement Act of 2019, "[a]dministrative services performed by a school counselor shall not exceed more than ten percent (10%) of the school counselor's time spent working during student contact days." Under subdivision (c)(2), administrative services include "coordinating state assessments ...; developing master schedules; coordinating of teams convened under Section 504 of the Rehabilitation Act of 1973, Pub. L. No. 93, 112, response-to-intervention teams, English learner programs, parental involvement of family engagement programs, positive behavioral intervention support programs, data entry, and accelerated learning and gifted and talented programs; and monitoring students in common areas such as the cafeteria, hallway, playground, and bus lines."

[26] Expenditure functions identified according to the Arkansas Financial Accounting Handbook 2024-2025.

NURSES

State law requires public school districts to have at least one nurse per 750 students and notes additional requirements according to certain criteria for students within the districts.[27] Additionally, in Standards, each district's required "health services program" must be provided under the direction of a licensed registered nurse.[28]

In 2025, the per-student foundation funding amount for nurses was $102. As shown in Exhibit 1.23, the per-student expenditure amount using foundation funds for nurses was $62, while the per-student expenditure amount from all fund sources was $141.

Exhibit 1.24 shows that schools spend around 44% from foundation funding, and 56% from other fund sources on nurses.

Exhibit 1.23 Nurses: Per-Student Expenditures

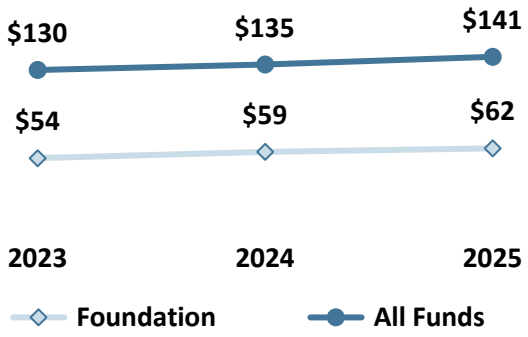
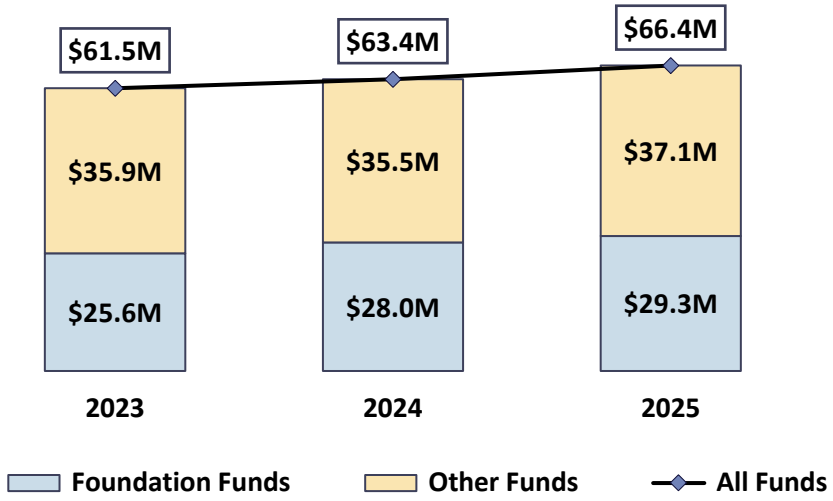


Exhibit 1.24 Nurses: Expenditures by Fund Source



[27] Ark. Code Ann. § 6-18-706(e)(1). The same subdivision provides that this ratio is required and, "if feasible, one (1) school nurse on each public school *campus*." (Emphasis added.)
[28] 6 CAR § 61-306(a).

Per-Student Spending

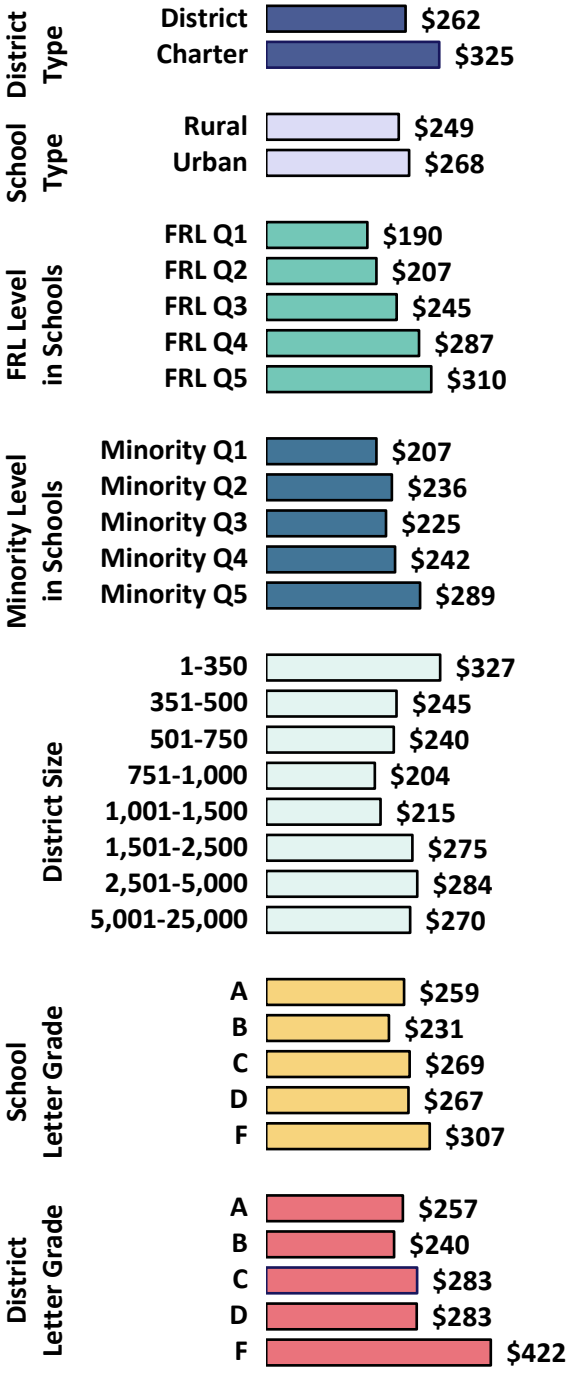
Exhibit 1.25 shows that in 2025, school spending on nurses ranged between $200 and $300 per-student in most categories. Per-student spending was less than $200 in schools with the lowest level of FRL students, and over $300 in charter districts, districts with less than 350 students, schools with highest FRL levels, and by "F" letter grades. By letter grade, "F" schools and schools in "F" districts spent more on average than almost every other school type, over $300 and $400 respectively.

Schools in "F" districts spent the most on average, per student, at $422, followed by the smallest school districts.

Schools in regular school districts spent less on average per student on nurses than schools in charter districts; schools in rural areas also spent less than schools in urban areas. Per-student spending generally increases with FRL and minority levels in schools, and schools with the highest levels spent the most on average, at over $280 per student on nurses.

By district size, per-student spending varied. It is lowest in schools in districts with between 351 and 1,500 students, and higher in schools in larger districts with more than 1,500 students. However, schools in the smallest districts spent the most on average, at least $43 more than the largest school districts.

Exhibit 1.25



Student Support Staff

Arkansas Standards require that the student support system of each public school district ensure all students "have equitable access to opportunities and supports to meet college, career, and community readiness."[29]

In 2025, the per-student foundation funding amount for other student support was $109. Exhibit 1.26 shows three-year trends on per-student expenditure amounts for student support staff from foundation funds and all funds. In each of the last three school years, per-student expenditures were more than double the amount of funding provided in the matrix.

[29] 6 CAR § 61-301.

As shown in Exhibit 1.27, schools spent over $35M on student support in 2025 from foundation funds, or a little more than 1% of all foundation funding spending and more than $124M from all fund sources, or 1% of total expenditures. Spending on student support staff from foundation funding was around 28%, with spending from other fund sources making up the other 72% of spending.

More than 75% of the spending from other funds was from federal sources, making up more than half of all school spending on student support staff in each of the last three years. Though the percentage of spending from federal funds has decreased from 56% in 2023 to 54% in 2025, the amount spent from federal funds has increased by 6% since 2023 for a total expenditure of over $67M in 2025.

Exhibit 1.26 Student Support Staff: Per-Student Expenditures

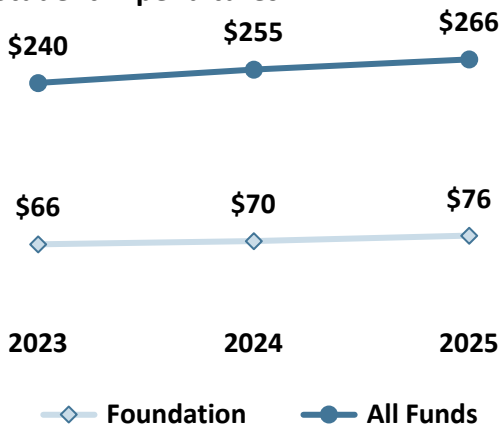
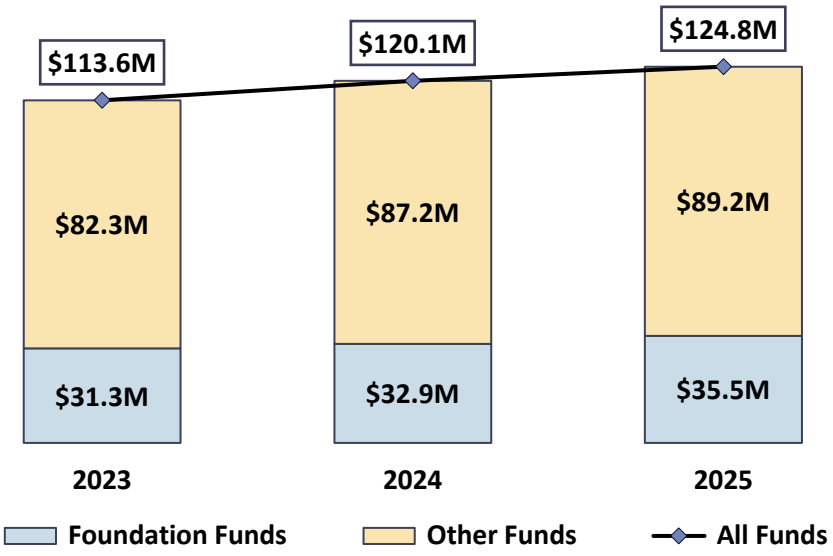


Exhibit 1.27 Student Support Staff: Expenditures by Fund Source



Per-Student Spending

Exhibit 1.28 shows that in 2025, per-student spending on student support staff in regular school districts, was higher in the 2025 school year, on average, than open-enrollment public charter schools, where per-student was the lowest than all other school types and spending categories.

Per-student spending increased with the level of FRL students in schools, and a similar pattern emerges when looking at the percentages of minority students in schools, except at the third quintile of minority levels, representing the most students, where per-student spending is lowest, per-student increases with lower levels of minority students. Schools with the highest concentrations of FRL students and minority students spent the most at $176 per student, on average.

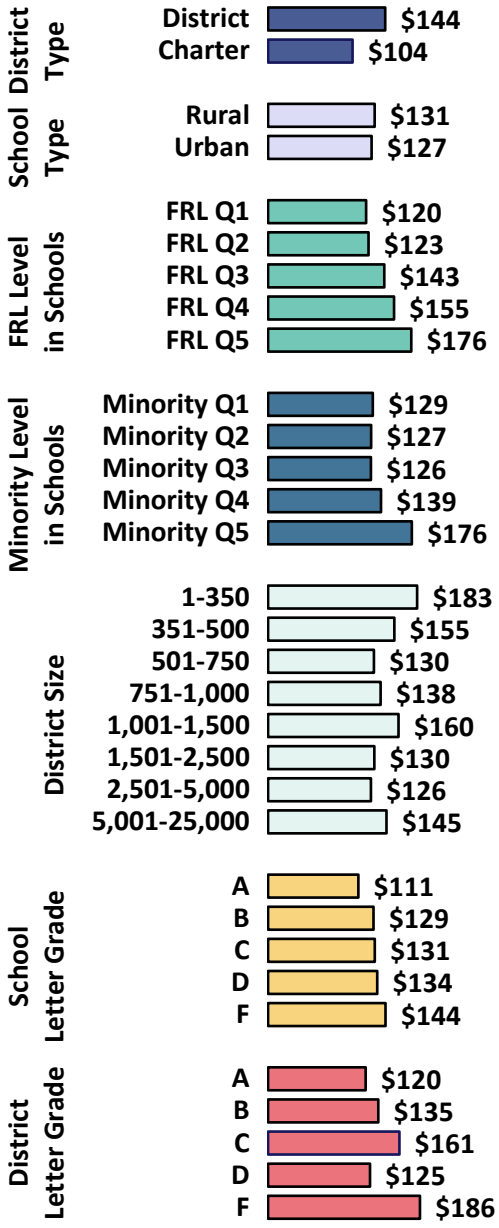
Schools in the smallest school districts and in "F" districts spent the most on student support of all categories at $183 per student on average, and $186 per student respectively.

By district size, school spending per student was highest in smaller school districts, 1,500 students and fewer, except in schools in the largest districts, where the per-student expenditure was about $145 on average, or about $40 less than schools in the smallest districts.

Per-student spending by letter grade was highest on average, in lower letter grades, where "F" schools spent the most on average, and "A" schools spent the least, with at least a $10 difference from the next school and district letter grade. However, schools in "D" districts spent $10 more per student.

As shown in the table below, the largest expenditures on student support were for *physical and occupational therapy*, followed closely by *speech and audiology services.* Although these resources were not explicitly included as part of the original funding for the other student support matrix line, districts are spending foundation funds for student support on mental and behavioral health.

Exhibit 1.28



Function Description	2025 Matrix Spending - All Funds
Physical and Occupational Therapy	$42M
Speech Pathology & Audiology Services	$32.8M
Psychological Testing and Services	$19.9M
Attendance & Social Work Services	$11.4M
Parental Involvement	$6.8M
School Based Mental Health	$3.3M

PRINCIPAL

In 2025, the per-student foundation funding amount for principals was $211. As shown in Exhibit 1.29 the per-student expenditure amount using foundation funds for principals was $220, while the per-student expenditure amount from all fund sources was $263. Per-student expenditures from foundation funds increased from $199 in 2023 to $220 in 2025, while expenditures from all funds increased from $250 to $263.

Exhibit 1.29 Principal: Per-Student Expenditures

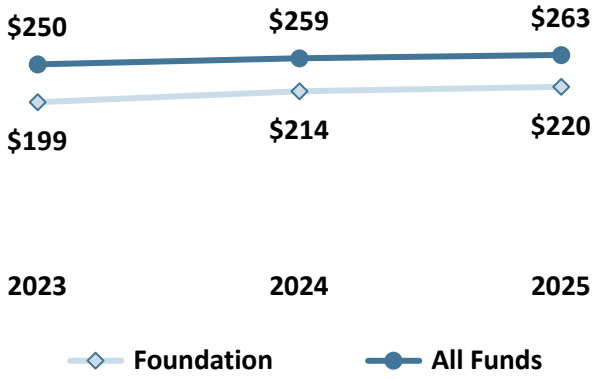
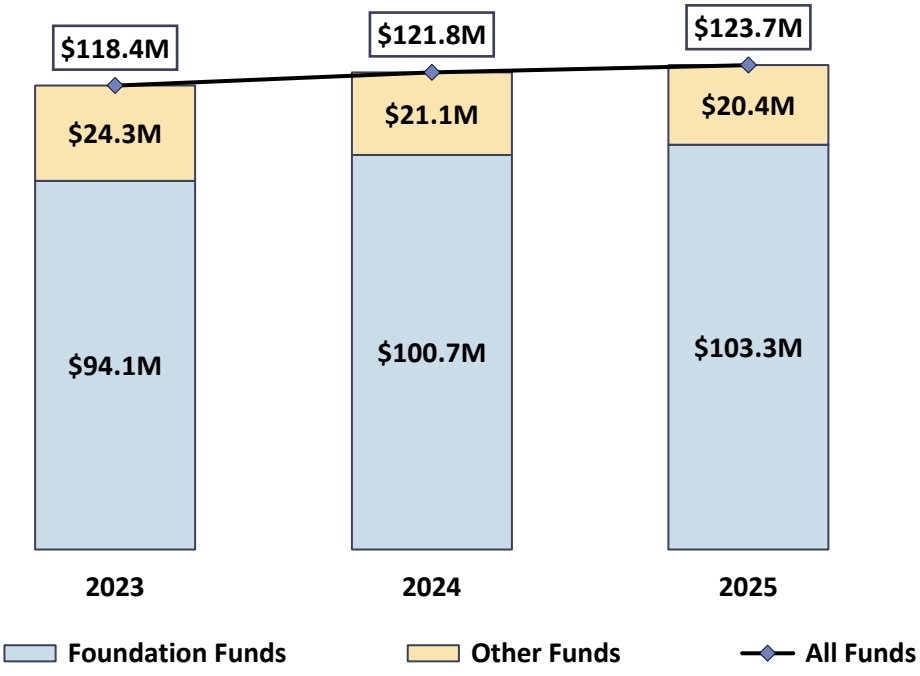


Exhibit 1.30 shows that schools spent over $103M on principals in 2025 from foundation funds, or 3% of foundation funding spending and $123M from all fund sources, or 2% of total expenditures. Foundation funding made up 84% of total spending on principals. Supplemental funds accounted for 10% of total spending. Total expenditures on principals increased from over $118M in 2023 to almost $124M in 2025 for a 4% increase in spending. Expenditures from supplemental funding increased, while the percentage of expenditures from federal funding and other state or local funding fell.

Exhibit 1.30 Principal: Expenditures by Fund Source



Per-Student Spending

As shown in Exhibit 1.31, districts spent more per student on principals than charter districts. The highest minority and FRL districts spent more per student than any other schools. The smallest district size category spent the most per-student. "A" schools and "A" districts spent less per student than other schools and districts.

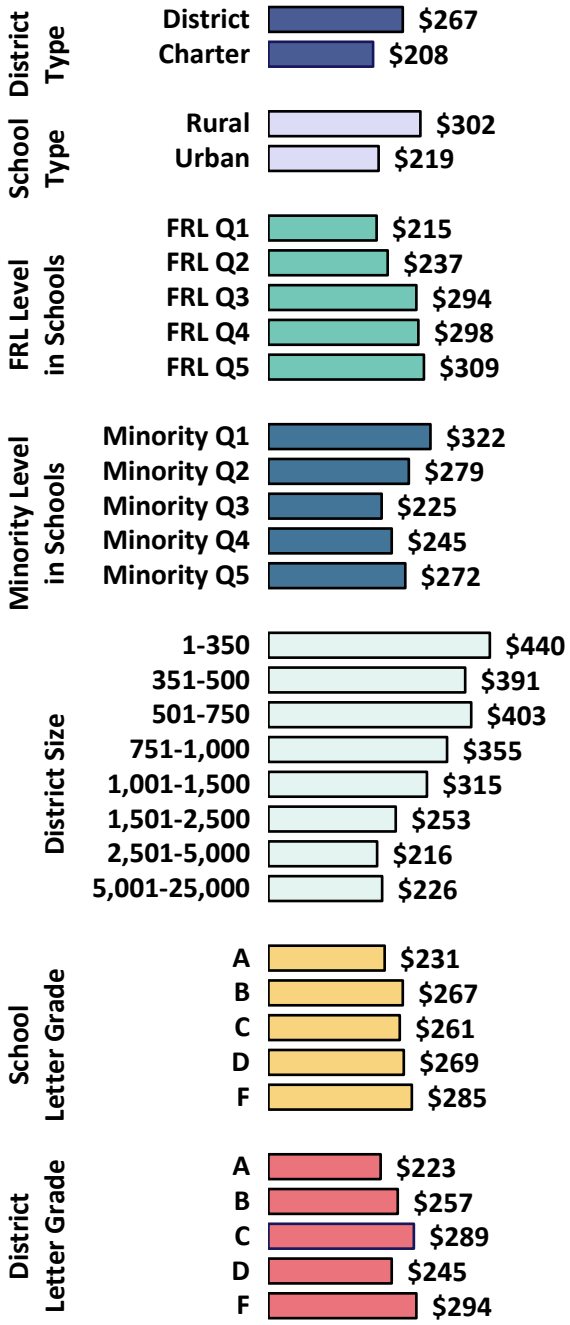
Research and Best Practices

The Arkansas Division of Elementary and Secondary Education Rules Governing Standards for Accreditation of Arkansas Public Schools and School Districts require each public school to employ at least one "half-time principal or charter school campus director."[30] A full-time principal is required when a public school's enrollment reaches three hundred students.[31] Schools with more than five hundred students must employ a full-time principal and at least one other half-time position (assistant principal, dean of students, instructional supervisor, or curriculum specialist).[32]

Because "essentially all" of the schools in the United States have a principal, no research exists on the performance of schools without a principal.[33] Odden and Picus's evidence-based model recommends a principal for each prototypical elementary, middle, and high school.[34]

Little research has been done on the appropriate ratio of administrators to students; however, a study of schools in Indiana found that higher performing schools had lower administrator-to-student ratios.[35]

Exhibit 1.31



[30] 6 CAR § 61-504(a). Standard 4-C— Principals and other building and district administrators.
[31] 6 CAR § 61-504(2).
[32] 6 CAR § 61-504(4).
[33] Source: Odden, Allan, & Picus, Lawrence O. (2019). "School finance: A policy perspective." 6th ed. New York: McGraw-Hill, page 103.
[34] Source: Odden, Allan, & Picus, Lawrence O. (2019). "School finance: A policy perspective." 6th ed. New York: McGraw-Hill, page 104.
[35] McCaffrey, C. (Doctoral Research Paper, Ball State University, May 2014) "Investing the Connection of the Student-to-Administrator Ratio and Administrative Roles in Indiana Public High Schools."

SECRETARY

As shown in Exhibit 1.32, the 2025 per-student foundation funding amount for secretaries was $92.41. The per-student expenditure amount using foundation funds for secretaries was $131, while the per-student expenditure amount from all fund sources was $175.

Exhibit 1.33 shows that spending on secretaries from foundation funds has averaged around 76% for all three school years. Other funding accounted for 24% of total spending. Over three years, the percentage of secretary expenditures from federal funding decreased.

Exhibit 1.32 Secretary: Per-Student Expenditures

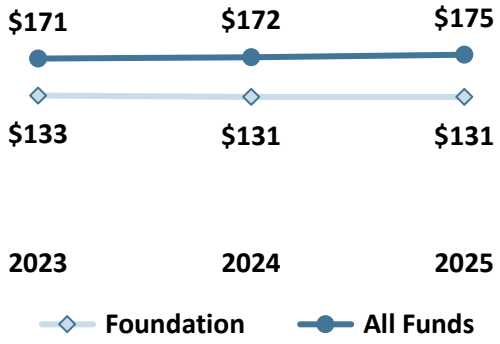
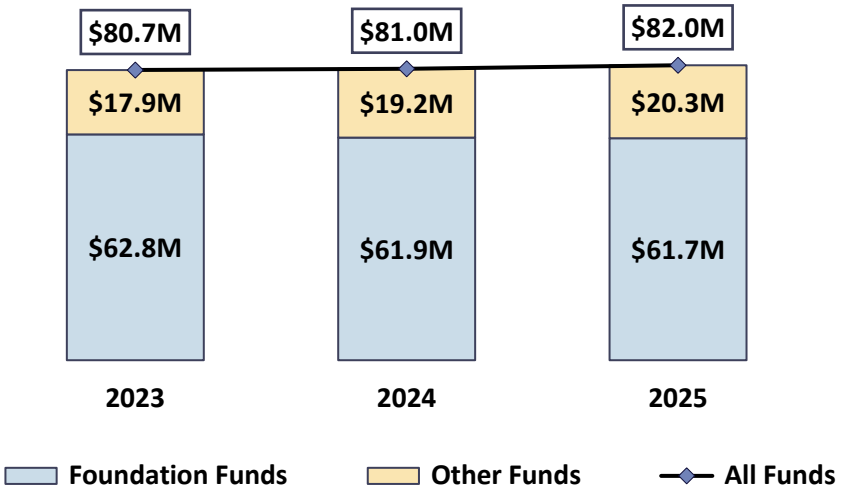


Exhibit 1.33 Secretary: Expenditures by Fund Source



Per-Student Spending

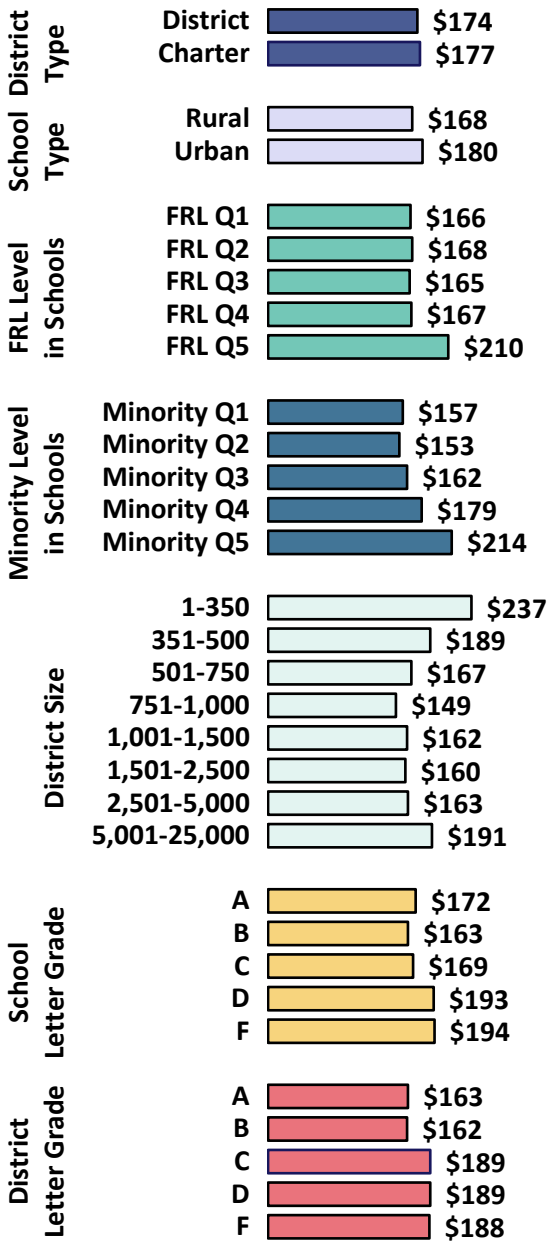
Exhibit 1.34 shows that regular districts and charter districts spent similar amounts per student on secretaries. Districts with 350 or fewer students spent the most per student; similarly, both the highest minority and highest FRL schools spent the most per student.

Research and Best Practices

While there is little research on the impact of secretarial staff on student outcomes, it is impossible to operate a school without sufficient staff support. Odden and Picus's evidence-based model recommends one secretary position for every 225 elementary and middle school students and one for every 200 high school students. Odden and Picus note that the recommendation is based on common practices around the United States.[36]

The 2020 Arkansas study report provided by APA indicated the current funding of 1.0 secretary FTE is below recommendations from Odden and Picus' 2006 and 2014 Arkansas reports, as well as adequacy reports from other states, which recommend at least 2.0 FTE for 500 students. APA reported that case study schools with 400 or more students generally have at least 2.0 FTE secretaries.

Exhibit 1.34



[36] Source: Odden, Allan, & Picus, Lawrence O. (2019). "*School finance: A policy perspective*." 6th ed. New York: McGraw-Hill, page 104.

School-Level Resources

The school level resources section of the matrix contains seven categories: technology, instructional materials, extra duty funds, supervisory aides, salary enhancement other employees, and all other personnel health insurance contribution rate. "Salary Enhancement Other Employees" and "All Other Personnel Health Insurance Contribution Rate" are also included in the school-resources section of the matrix. These two items will not be covered in this report.[37]

TECHNOLOGY

In 2025, the per-student foundation funding amount for technology was $250. As shown in Exhibit 1.35, the per-student expenditure amount using foundation funds for technology was $128, while the per-student expenditure amount from all fund sources was $403. Per-student expenditures on technology from foundation funds increased slightly, while per-student expenditures from all funds fell.

Exhibit 1.35 Technology: Per-Student Expenditures

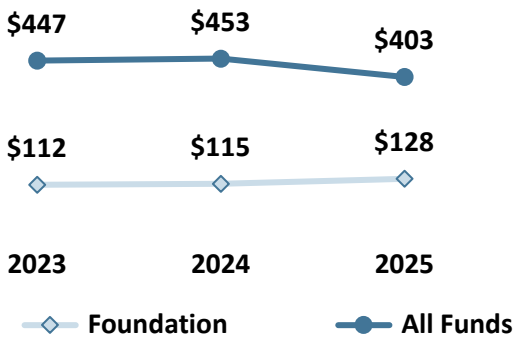
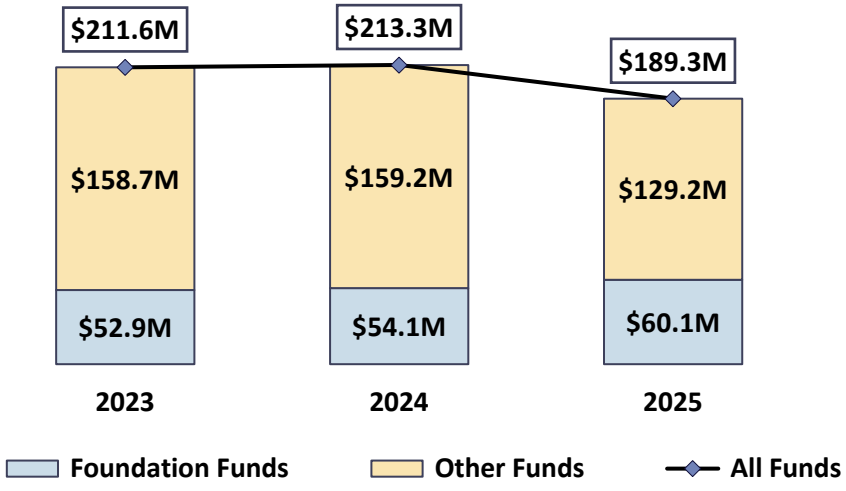


Exhibit 1.36 shows that schools spent over $60M on technology in 2025 from foundation funds, or 2% of foundation funding spending and over $189M from all sources, or 3% of total expenditures. Technology expenditures increased from $211.6M in 2023 to $213M in 2024, then fell a little over 11% to $189M in 2025. Schools spent over $60M on technology in 2025 from foundation funds, or 2% of foundation funding spending and over $189M from all fund sources, or 3% of total expenditures. Foundation funding made up 32% of total spending on technology.

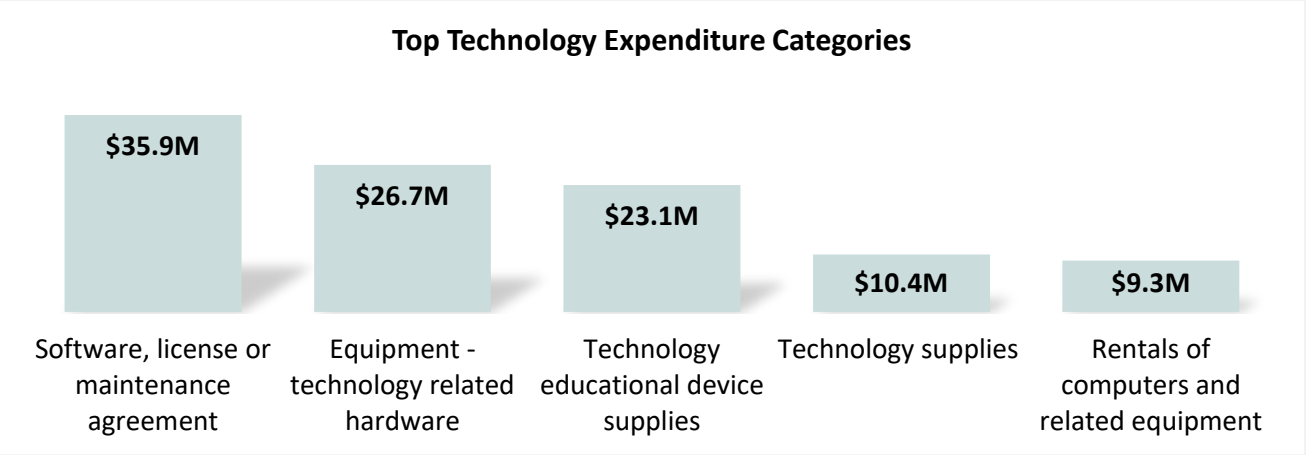
Over three years, the percentage of technology expenditures from foundation funding increased. The percentages of expenditures from categorical funding, supplemental funding, and federal funding declined. Federal funding fell from $81.9 million in 2023 to $44.6 million in 2025.

Exhibit 1.36 Technology: Expenditures by Fund Source



[37] These lines were added to the matrix during the 2022 adequacy study. Expenditure codes were not created or identified for mapping to the matrix lines; therefore, BLR staff cannot calculate expenditure for these resources.

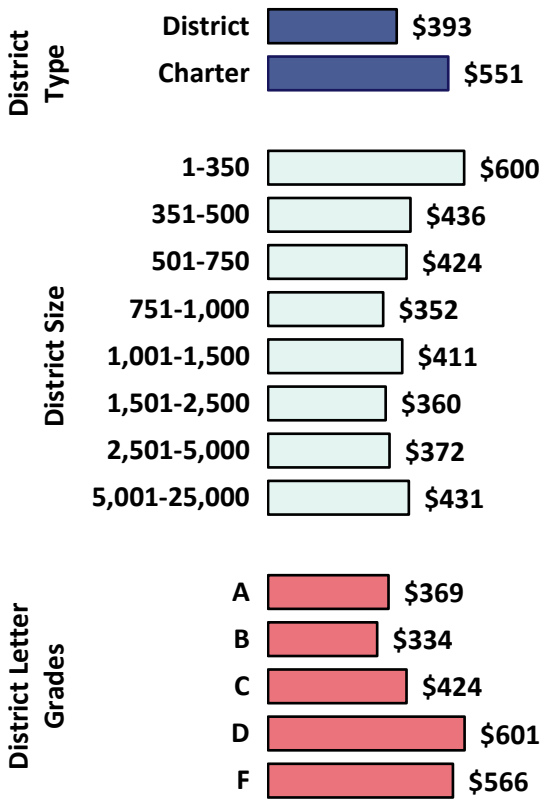
The chart below shows the top five categories of technology expenditures. The top five categories account for 56% of total expenditures on technology.



Per-Student Spending

Since more than half of technology spending is spent at the district level, only district-level data is displayed in Exhibit 1.37. Charter districts spent more than $150 per student more than regular districts on technology. Districts with 350 or fewer students spent the most on technology; many of the state's charter districts have an enrollment of 350 or fewer students. Districts with a "D" grade spent the most per student on technology, almost twice what districts with a "B" grade spent per pupil.

Exhibit 1.37



Research and Best Practices

Picus and Associates' 2006 report recommended funding $250 per student for technology to cover four categories of technology expenditures: 1.) computers, 2.) operating system and other non-instructional software, 3.) network equipment, printers and copiers, and 4.) instructional software and additional hardware. Picus and Associates noted that the technology funding was only designed to cover the costs of physical technology needs and services, not technology employees. Technology staff, they noted, are funded through other line items in the matrix. Specifically, a 0.5 FTE technology assistant is provided through the instructional facilitator line item of the matrix, and the central office line item supports a technology coordinator.

In their latest evidence-based study,[38] Odden and Picus kept the $250-per-student technology funding amount they had recommended for more than a decade, with the following breakdown per student: $71 for computer hardware; $72 for operating systems, productivity and non-instructional software; $55 for network equipment, printers and copiers; and $52 for instructional software and additional classroom hardware. The recommendation for $250 per student is for school districts and charter districts to equip schools at a 1:3 computer-student ratio. Odden

[38] Odden, A. and Picus, L. (2019). *School finance: A policy* perspective, 6th ed. New York: McGraw-Hill, pages 116-121, 146.

and Picus recommend $400 per student when a 1:1 ratio is in effect, and the districts are using Google or Chromebook-based computers. While Odden and Picus remain neutral on the educational benefit of 1:1, they do point out that increased online standardized testing, especially as it more frequently occurs in lower grades, makes it more necessary for students to feel comfortable learning and testing in a digital environment. They also point out a 1:1 computer-to-student ratio and digital learning depends greatly on students' ability to access the internet while at home.

Instructional Materials

In 2025, the per-student foundation funding amount for instructional materials was $205. As shown in Exhibit 1.38, the per-student expenditure amount using foundation funds for instructional materials was $150, while the per-student expenditure amount from all fund sources was $334. Per student expenditures from foundation funding increased slightly from $138 in 2023 to $150 in 2025, while expenditures from all fund sources fell from $350 in 2023 to $334 in 2025.

Exhibit 1.38 Instructional Materials: Per-Student Expenditures

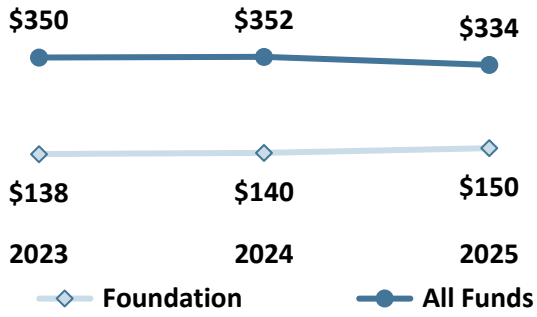
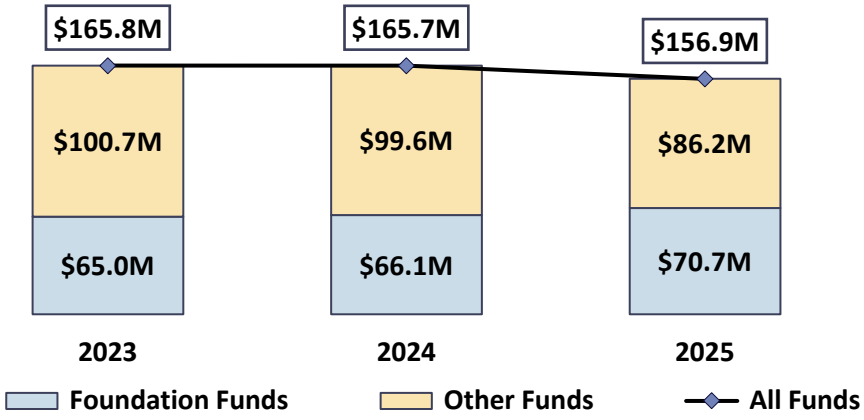
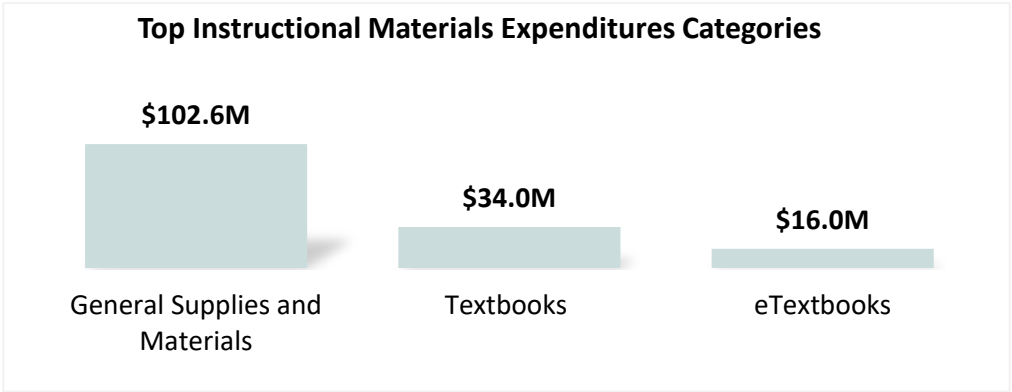


Exhibit 1.39 shows that schools spent over $70M on instructional materials in 2025 from foundation funds, or 2% of foundation funding spending and over $156M from all fund sources, or 2% of total expenditures. Foundation funding made up 45% of total spending on instructional materials. Over three years, the percentage of instructional materials expenditures from foundation funds increased, while the percentage of expenditures from categorical funds and federal funds decreased.

Exhibit 1.39 Instructional Materials: Expenditures by Fund Source



The chart below shows the top three categories of expenditures from instructional materials in 2025. Districts and charters spent more than $100M on general supplies and materials.



Per-Student Spending

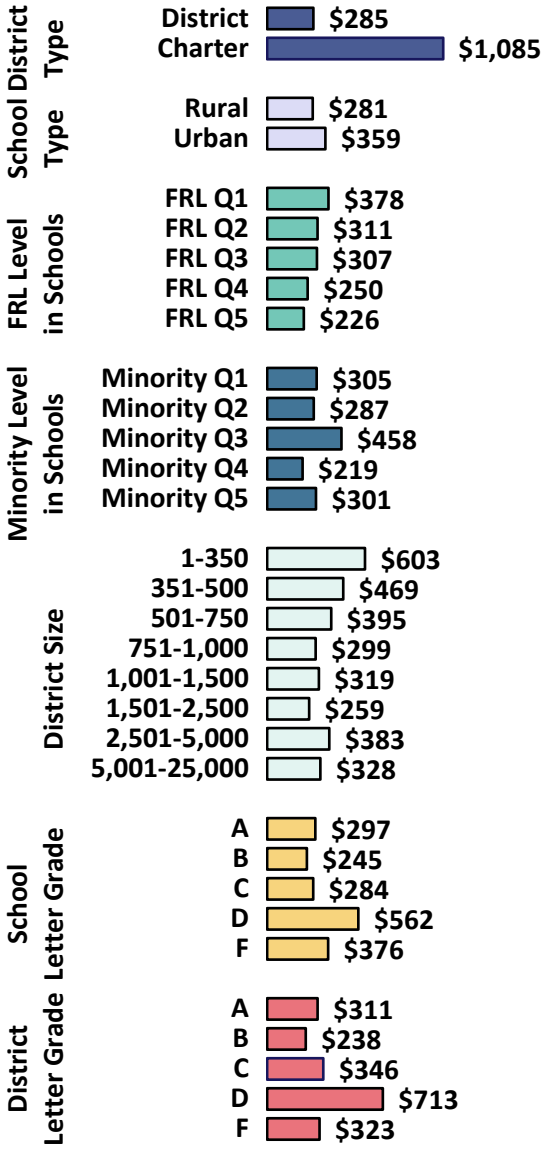
Exhibit 1.40 shows that during the 2025 school year, charters spent close to four times more per student on instructional materials than districts. Two charter districts , Arkansas Connections Academy and Arkansas Virtual Academy, accounted for almost 16% of total instructional materials expenditures (8.2% by Arkansas Connections Academy and 7.5% for Arkansas Virtual Academy). Schools with the lowest percentage of FRL students spent the most on instructional materials, and districts with 350 or fewer students also spent the most per student compared to other school sizes. "D" schools spent the most per student on instructional materials, more than twice as much as "B" schools, which spent the least per student. "D" districts also spent the most per student on instructional materials, about three times more than "B" districts, which spent the least per student.

Research and Best Practices

"Instructional materials" includes books, activity-oriented programs, and technology-based materials.[39] Arkansas Code § 6-21-403 requires public school districts to provide instructional materials to students at no cost to the student.[40]
Odden and Picus emphasize that "up-to-date instructional materials are paramount."[41] Odden and Picus put the costs of high school textbooks at $80 to $140 per book, and they recommend a six-year review of textbooks to keep curricula up to date. In terms of per-student spending, they recommend $170 per student for instructional materials and $30 per student for library materials, or $200 in total.[42]

The Center for American Progress, an independent, nonpartisan policy institute, found that the "selection and adoption of high-quality instructional materials is a critical first step to improving student learning."[43]

Exhibit 1.40



[39] 6 CAR § 101-103. Definitions.
[40] Ark. Code Ann. § 6-21-403(a).
[41] Source: Odden, Allan, & Picus, Lawrence O. (2019). "*School finance: A policy perspective*." 6th ed. New York: McGraw-Hill.
[42] Odden, A. and Picus, L. (2019). *School finance: A policy* perspective, 6th ed. New York: McGraw-Hill, pages 112-114.
[43] Miller, Amanda Fuchs and Partelow, Lisette, "Successful Implementation of High-Quality Instructional Materials: 5 Case Studies," Center for American Progress, September 2019, page 15.

Extra Duty Funds

In 2025, the per-student foundation funding amount for extra duty funds was $72. As shown in Exhibit 1.41, the per-student expenditure amount using foundation funds was $62, while the per-student expenditure amount from all fund sources was $78. Per-student expenditures on extra duty using foundation funds increased by 5% between 2023 and 2025. Per-student expenditures on extra duty from all fund sources increased by almost 15% between 2023 and 2025.

Exhibit 1.42 shows that schools spent over $29M on extra duty in 2025 from foundation funds, or 1% of foundation funding spending and $36M from all fund sources, or less than 1% of total expenditures. Foundation funding made up 80% of total spending on extra duty.

Exhibit 1.41 Extra Duty Funds: Per-Student Expenditures

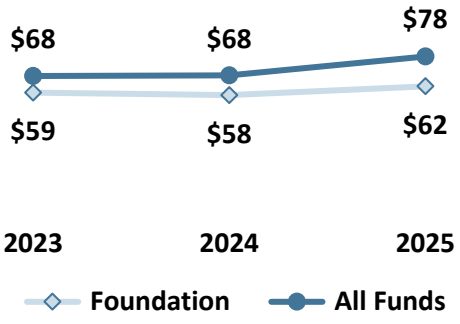
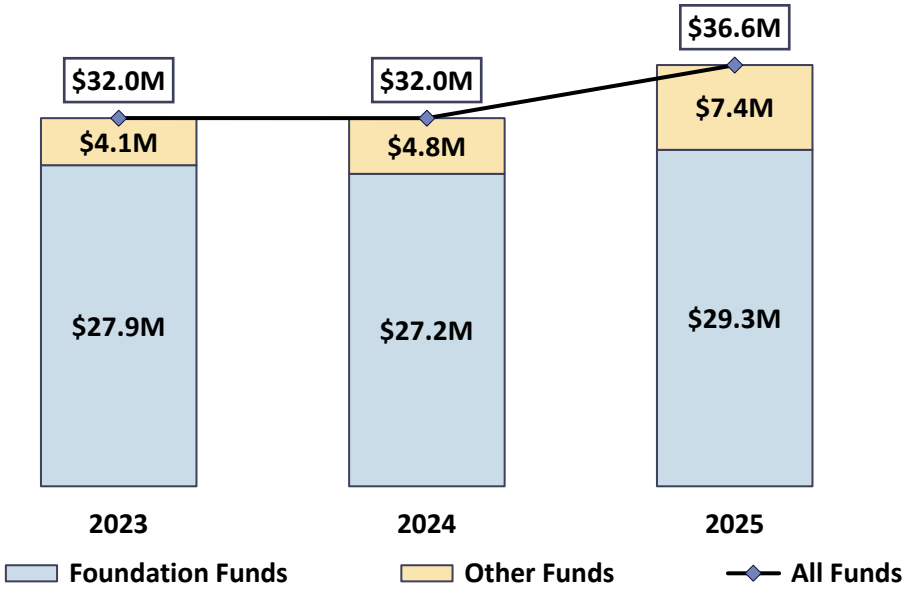


Exhibit 1.42 Extra Duty Funds: Expenditures by Fund Source



Per-Student Spending

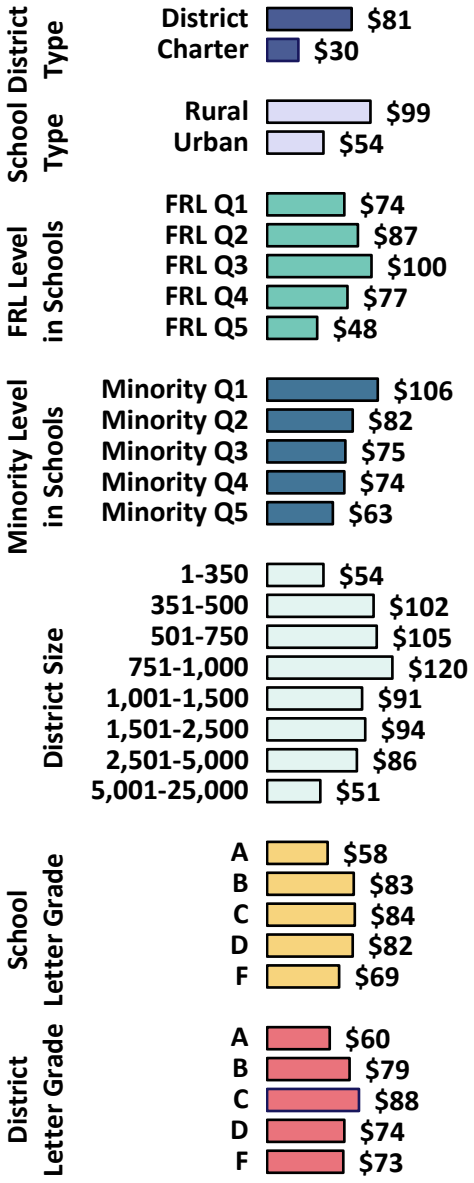
As shown in Exhibit 1.43, regular districts spent almost three times as much per-student on extra duty as charter districts in 2025. Schools with the lowest concentration of minority students spent more per-student compared to other schools. Spending in school with the lowest concentration of FRL students spent the least. The smallest and largest district size categories spent the least. Districts between 751 and 1,000 students spent the most per student compared to other schools. "A" and "F" schools spent the least per-student, and schools with grades "B" through "D" spent similar amounts per student. Districts with "C" grades spent the most per student.

Research and Best Practices

Extra duty funds are funds schools use to pay stipends for teachers who coach athletics and those who supervise after-school clubs or other extracurricular activities.[44]

Extracurricular activities have benefits for students, including better academic performance, reduced rates of dropout, positive school perceptions, and high self-esteem.[45] However, no common model exists for allocating state support for student activities. Neither is there a model that recognizes the higher costs faced by small schools and districts due to longer travel distances.[46] Furthermore, according to APA's 2020 Arkansas study, other state adequacy studies have not addressed extra duty funds. Finally, states do not report expenditures in the same manner, which makes comparisons difficult.[47]

Exhibit 1.43



[44] Final Report and Recommendations of the Adequacy Study Oversight Subcommittee, as adopted on January 22, 2007, by the House Committee on Education and the Senate Committee on Education, available at https://www.arkleg.state.ar.us/Home/FTPDocument?path=%2Feducation%2FAdequacyReports%2FYearlyFinalReports%2F2006%2F2006+Adequacy+Report+01-22-07+FINAL.pdf.

[45] Odden, A. and Picus, L. (December 2020) "The 2020 Recalibration of Wyoming's Education Resource Block Grant Model Final Report;" Feldman, A. and Matjasko, J. (Review of Educational Research, Summer 2005.) "The Role of School-Based Extracurricular Activities in Adolescent Development: A Comprehensive Review and Future Directions;" and Knop, B. and Siebens, J. (U.S. Census Bureau, November 2018). "A Child's Day: Parental Interaction, School Engagement, and Extracurricular Activities: 2014."

[46] Odden, A. and Picus, L. (December 2020) "The 2020 Recalibration of Wyoming's Education Resource Block Grant Model Final Report."

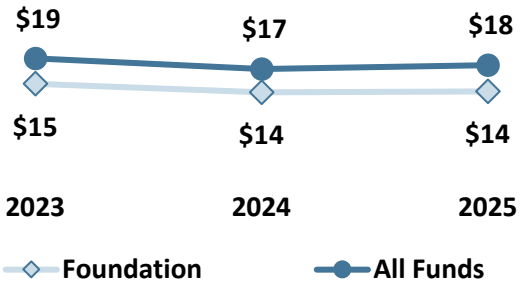
[47] Odden, Allan, & Picus, Lawrence O. (2019). "*School finance: A policy* perspective." 6th ed. New York: McGraw-Hill, page 125.

SUPERVISORY AIDES

In 2025, the per-student foundation funding amount for supervisory aides was $58. Exhibit 1.44 shows the per-student expenditure amount using foundation funds was $14, while the per-student expenditure amount from all fund sources was $18.

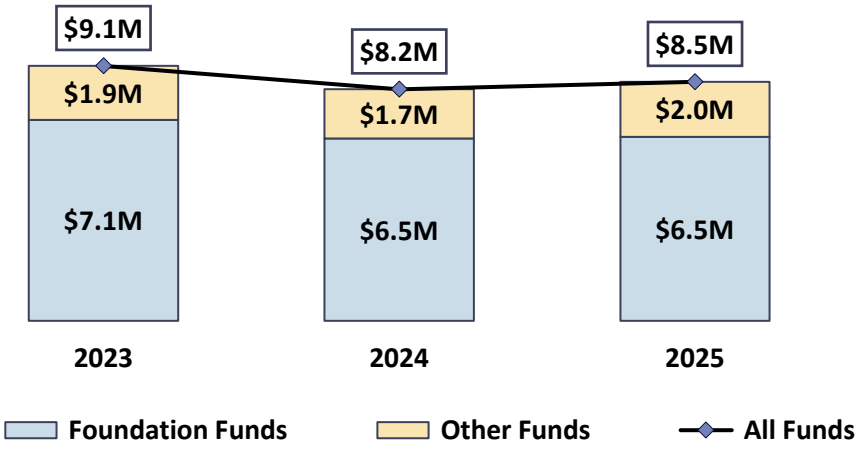
As shown in Exhibit 1.45, schools spent over $6.5M on supervisory aides in 2025 from foundation funds, or less than 1% of foundation funding spending and more than $8M from all fund sources, or less than 1% of total expenditures.

Exhibit 1.44 Supervisory Aides: Per-Student Expenditures



Spending on supervisory aides decreased by over 6% between 2023 and 2025. Over three years, the percentage of expenditures on supervisory aides from other state or local funding increased from 18% in 2023 to 22% in 2025, while the percentage of expenditures from federal funding declined from 3% in 2023 to less than 1% in 2025. Foundation funding made up 77% of total expenditures on supervisory aides.

Exhibit 1.45 Supervisory Aides: Expenditures by Fund Source



Per-Student Spending

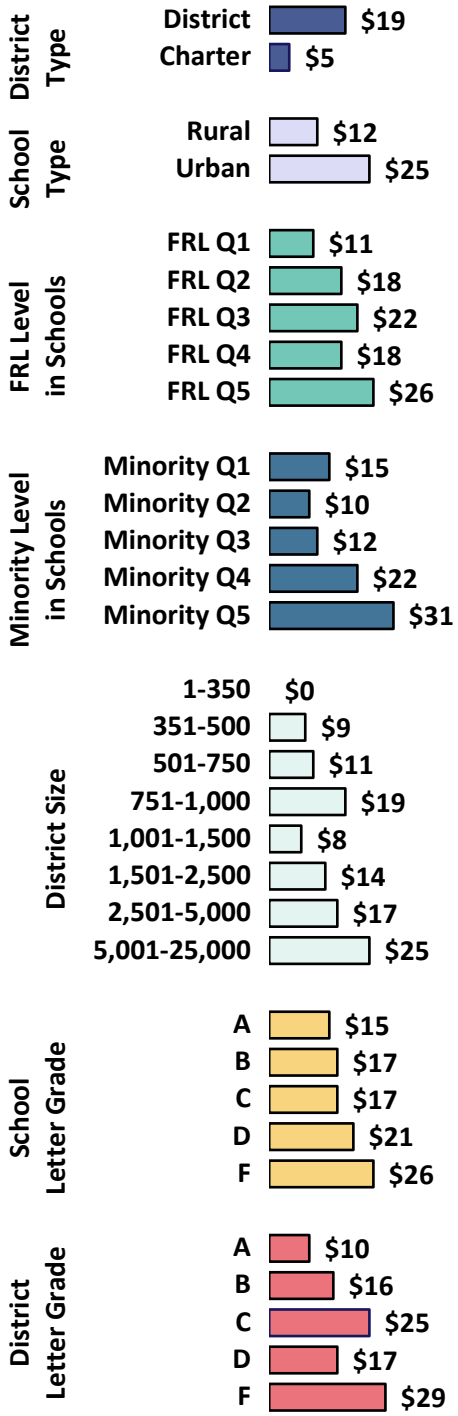
During the 2025 school year, as shown in Exhibit 1.46, regular districts spent more per student than charter districts on supervisory aides during the 2025 school year, and urban schools spent more than rural schools. Spending was highest in schools with the highest percentage of FRL students, and highest in schools with the highest minority population. Districts with 350 or fewer students did not have any expenditures on supervisory aides, and district between 5,001 and 25,000 students spent the most per student. Schools with an "F" grade spent the most per student on supervisory aides at $26 per student. "F" districts spent the most per student on supervisory aides, at $29 per student. Districts that did not receive a grade in 2025 spent no funds on supervisory aides, while "A" districts spent $10 per student.

Research and Best Practices

Supervisory aides are "noncertified individuals who provide services and supervision needed in a school such as lunch duty, hallway and external door monitoring, and helping elementary students get on and off buses."[48] Supervisory aides do not provide instruction.

While schools need staff for non-instructional responsibilities like lunch duty, hallway monitoring, before and after school playground supervision, and other duties, research does not support the use of supervisory aides to be used as general teachers' helpers.[49] Research suggests "instructional aides" in a regular-sized classroom do not positively impact student achievement.[50] According to APA's 2020 Arkansas study, other state adequacy studies have not addressed supervisory aides.

Exhibit 1.46



[48] Odden, Allan, & Picus, Lawrence O. (2019). "*School finance: A policy* perspective." 6th ed. New York: McGraw-Hill
[49] Odden, A. and Picus, L. (2020). "The 2020 Recalibration of Wyoming's Education Resource Block Grant Model Final Report."
[50] Gerber, S., Finn, J., Achilles, C. and Boyd-Zaharias, J. (Educational Evaluation and Policy Analysis, Summer 2001.) "Teacher Aides and Students' Academic Achievement."

SUBSTITUTES

In 2025, the per-student foundation funding amount for substitutes was $78. As shown in Exhibit 1.47, the per-student expenditure amount using foundation funds was $86, while the per-student expenditure amount from all fund sources was $131. Per-student expenditures on substitutes from foundation funds increased from $87 to $88 from 2023 to 2024, then fell to $86 in 2025. Expenditures from all sources increased from $129 in 2023 to $134 in 2024, then fell to $131 in 2025.

Exhibit 1.47 Substitutes: Per-Student Expenditures

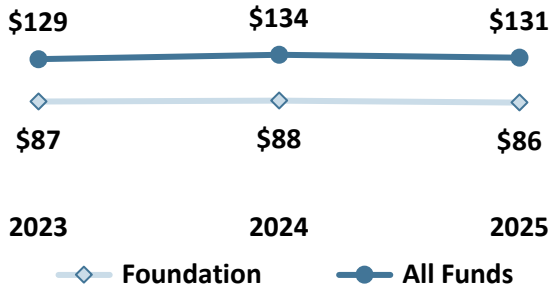
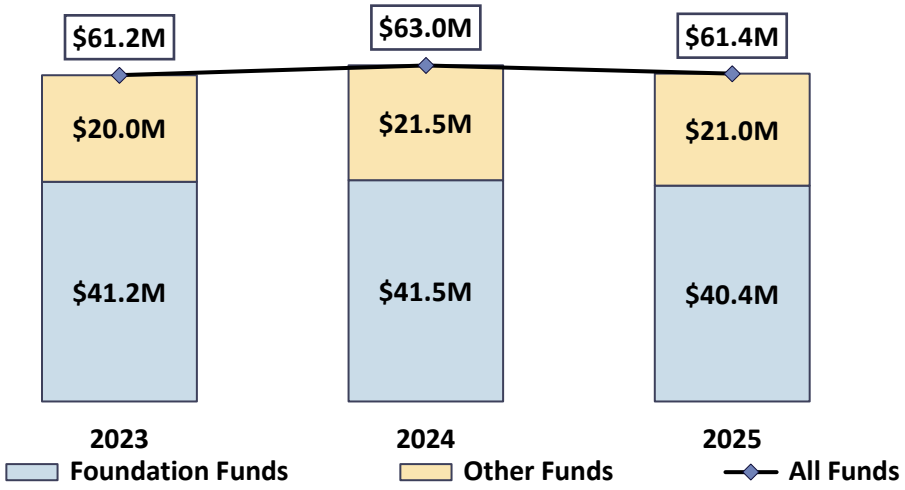


Exhibit 1.48 shows that schools spent over $40M on substitutes in 2025 from foundation funds, or 1% of foundation funding spending and more than $61M from all fund sources, or 1% of total expenditures. Expenditures on substitutes increased from $61M in 2023 to almost $63M in 2024, then fell to about $61.5M in 2025. Foundation funds made up 66% of total expenditures on substitutes.

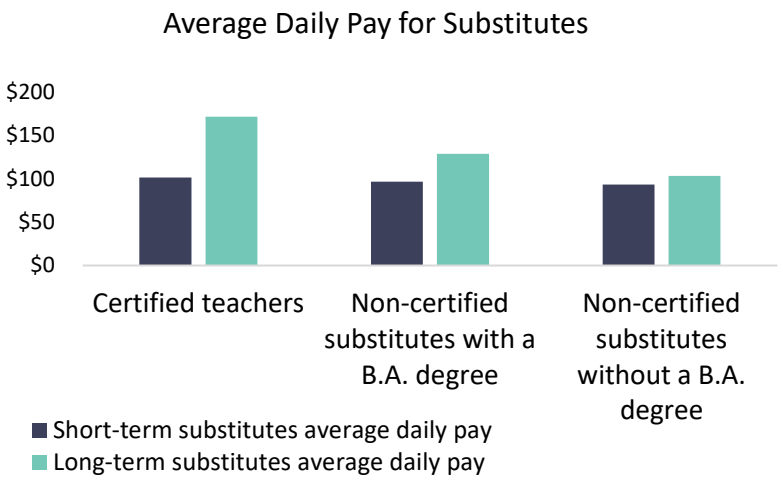
Exhibit 1.48 Substitutes: Expenditures by Fund Source



Per-Student Spending

Exhibit 1.49 shows that during the 2025 school year, regular districts spent twice as much per student on substitutes compared to charter districts during the 2025 school year. Schools with the highest percentage of minority students spent more per student compared to other schools, and schools with the highest percentage of FRL students spent more per student compared to other schools. The smallest district size categories spent the most per-student. Schools with "C" grades spent the least per student on substitutes at $119 per student. "F" districts spent the most per student on substitutes at $226 per student. Of districts that received grades in 2025, "B" districts spent the least per student on substitutes at $117 per student.

Survey Results

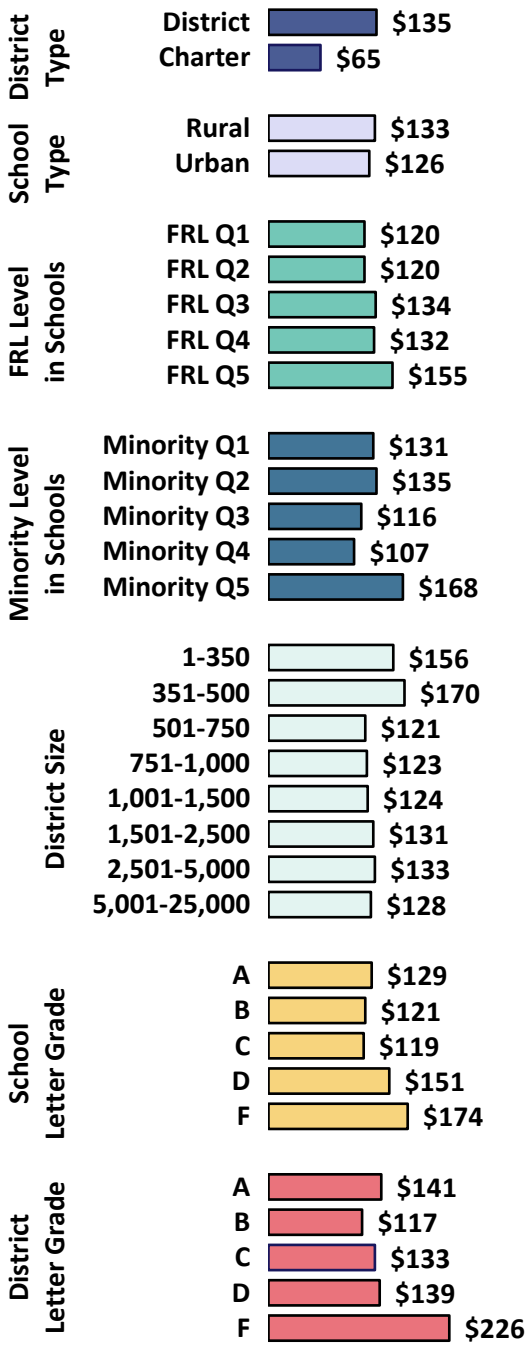


A long-term substitute serves in one position for more than sixty days.[51]

Research and Best Practices

Many states provide funding for about ten days for each teacher.[52] Providing ten days of funding does not mean that each teacher is provided with ten substitute days, but that districts receive the funding to cover classrooms when teachers are sick, absent for other reasons, or on long-term leave.[53]According to APA's 2020 Arkansas study, other state adequacy studies have not addressed substitutes.

Exhibit 1.49



[51] 6 CAR § 180-701(b)(5).
[52] Odden, A. and Picus, L. (2020). "The 2020 Recalibration of Wyoming's Education Resource Block Grant Model Final Report."
[53] Odden, A. and Picus, L. (2019). "School Finance: A Policy Perspective." 6th Ed., page 99.

District-Level Resources

Operations and Maintenance

Operations and maintenance (O&M) includes the staff and other resources necessary to maintain school facilities and grounds and to keep school buildings clean, heated, and cooled. The funding rate is not based on a specific minimum staffing standard, but rather is based on 9% of foundation funding, [54] plus the cost of property insurance. When the O&M rate was first created in 2008, the 9% allocation for O&M was determined by the Joint Adequacy Committee based on recommendations of the Task Force to the Joint Committee on Educational Facilities. The task force cited in their recommendations, a 2003 study by American School and University Magazine, that found on average the cost of district O&M is approximately 9% of district expenditures.[55] As a result of this study's finding, the task force recommended that districts dedicate 9% of a district's expenditures to O&M. The Joint Adequacy Committee also added an additional $27 for the cost of property insurance to the O&M rate, which was determined by actual per-student expenditures for property insurance.

In 2025, the per-student foundation funding amount for operations and maintenance expenses was $786. As shown in Exhibit 1.50, the per-student expenditure amount using foundation funds for operations and maintenance was $1,013 while the per-student expenditure amount from all fund sources was $1,702. The line graph above shows that since the 2023 school year, the per-student amount from all funding sources increased by almost thirteen percentage points as compared to the per-student amount from foundation funds which increased by almost five percentage points.

Exhibit 1.50 Operations and Maintenance: Per-Student Expenditures

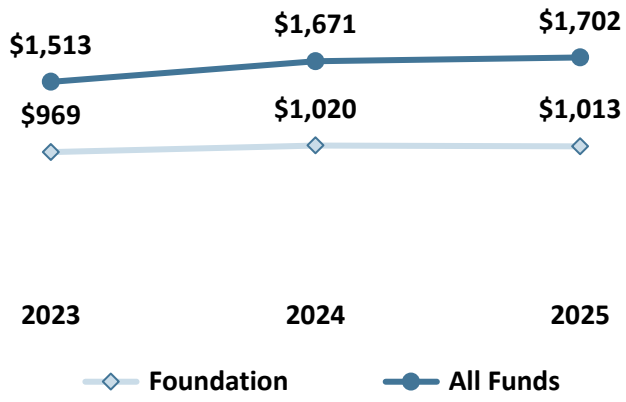
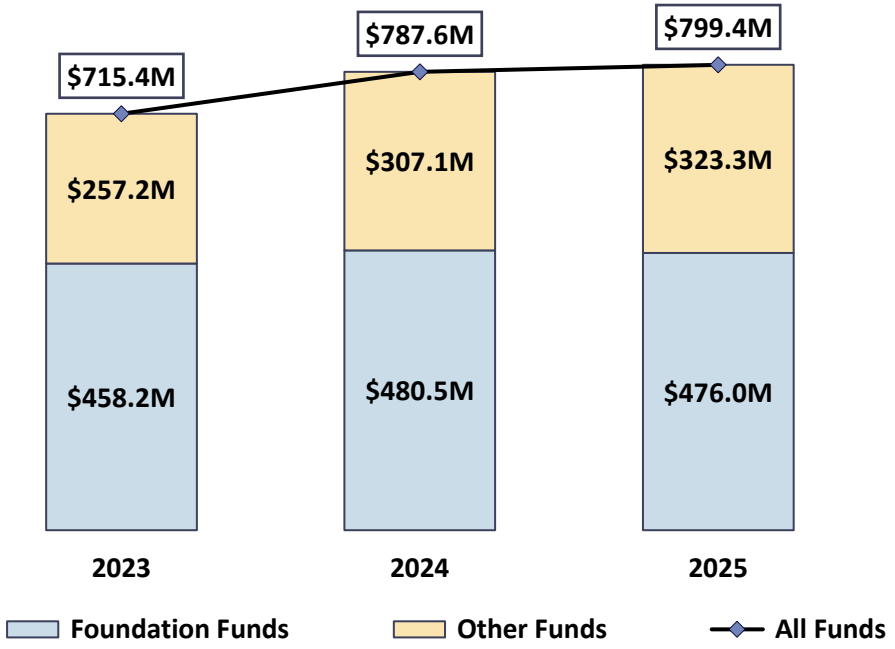


Exhibit 1.51 shows that schools spent over $370M on operations and maintenance in 2025 from foundation funds, or 13% of foundation funding spending and $799M from all fund sources, or 11% of total expenditures. Exhibit 1.52 shows how total spending varied by fund source. Spending on operations and maintenance from foundation fund sources made up 64% of total spending in 2023 compared to almost 60% in 2025. Other funds made up 36% of total operations and maintenance spending in 2023 and increased to 40% in 2025.

[54] *See* Ark. Code Ann. § 6-21-808(d)(1)(A), requiring that "[e]ach school district ... dedicate nine percent (9%) of its foundation funding exclusively to payment of utilities and costs of custodial, maintenance, repair, and renovation activities, which include related personnel costs, for public school facilities."

[55] Task Force to Joint Committee on Educational Facilities, Phase I Plan (2003), available at https://www.arkleg.state.ar.us/Home/FTPDocument?path=%2Feducation%2FAdequacyReports%2F2006%2FTaskforce+to+Joint+Committee+on+Educational+Facilities%2FFacilities+-+Phase+1+Plan+-+Nov+2003.pdf

Exhibit 1.51 Operations and Maintenance: Expenditures by Fund Source



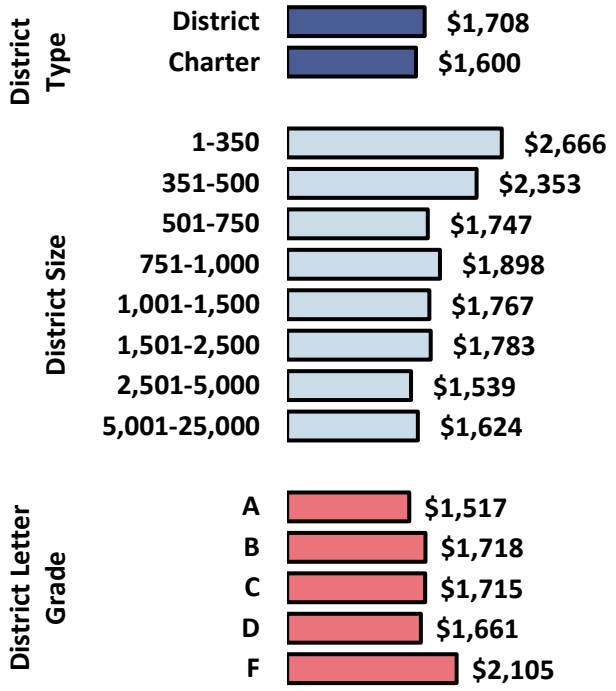
The table below shows the types of operations and maintenance expenditures in 2025. The biggest operations and maintenance spending went towards classified salaries and benefits (29%). General supplies and materials along with non-technology-related repairs maintenance made up the next largest expenditure with both at approximately 16%.

Operations and Maintenance Expenditure Categories	Total Expenditures	Percentage of Expenditures
Classified Salaries and Benefits	$231,013,175	28.9%
General Supplies and Materials	$129,430,957	16.2%
Non-Technology-Related Repairs and Maintenance	$127,406,327	15.9%
Electricity	$96,308,941	12.0%
Property Insurance	$60,516,063	7.6%
Custodial	$55,650,979	7.0%
Rental of Land and Buildings	$31,102,091	3.9%
Other Professional and Technical Services	$25,636,886	3.2%
Natural Gas	$21,656,218	2.7%
Security	$19,912,280	2.5%
Certified Salaries and Benefits	$754,213	0.1%

Per-Student Spending

Exhibit 1.52 shows that when compared by district size, per-student spending on operations and maintenance in 2025 was highest in regular districts as compared to charter districts. Additional per-student spending was highest in the smallest districts ($2,666) and lowest in the second largest group of districts ($1,539).

Exhibit 1.52



Research and Best Practices

In *School Finance: a policy perspective,* Odden and Picus's most recent research, they estimate O&M spending levels by identifying and quantifying the necessary personnel for a prototypical school district of 3,900 students and adding cost of materials and supplies, utilities and insurance. The positions they include in their calculations are custodians, maintenance workers, and groundskeepers. They determine the number of custodians needed based on the number of students, classrooms, teachers, and square footage. They use the number of buildings, gross square footage, enrollment, and general fund revenue to determine needed maintenance staffing levels. Last, to determine the number of groundskeepers needed, they allocate certain levels of FTEs for each type of school, i.e. elementary (.25 FTE), middle schools (.5 FTE), and high schools (.2 FTE). The staffing cost is derived by multiplying the total needed FTEs in each category by the average total compensation for these classifications of staff. They recommend $1 per gross square feet for materials and supplies costs and further recommend using current expenditures to determine the funding needed for utilities and insurance. They take these calculated costs and derive a per-student cost for O&M.[56]

Central Office

In 2025, the per-student foundation funding amount for central office expenses was $483. As shown in Exhibit 1.53, the per-student expenditure amount from both foundation and all fund sources have increased between 2023 and 2025 by approximately six percentage points.

Exhibit 1.53 Central Office: Per-Student Expenditures

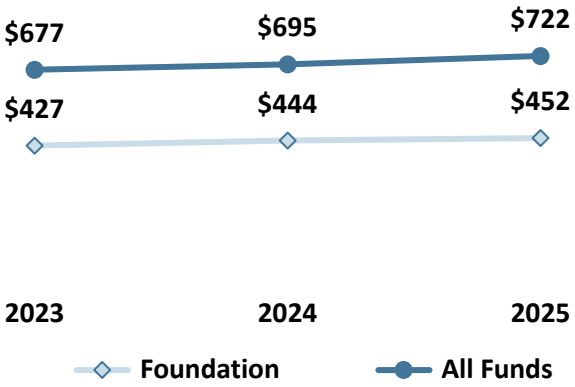
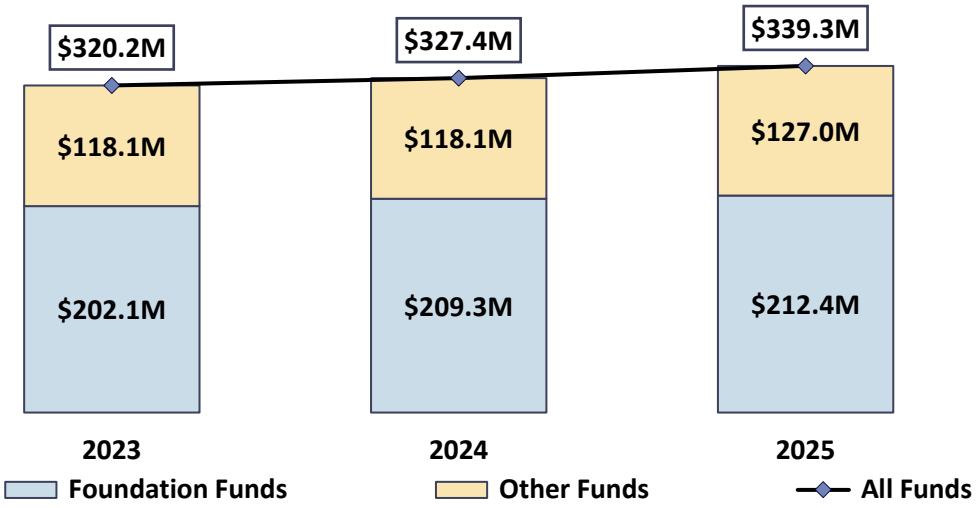


Exhibit 1.54 shows that schools spent over $212M on central office expenses in 2025 from foundation funds, or 6% of foundation funding spending and $339M from all fund sources, or 5% of total expenditures. For all three school years, 63% of total central office expenditures were made using foundation funding. The proportion of supplemental funds increased from less than one percentage point in 2023 to four percentage points in 2025.

[56] Odden, A. and Picus, L. (2019), *School finance: a policy perspective*, 6th ed. New York McGraw-Hill.

Exhibit 1.54 Central Office: Expenditures by Fund Source



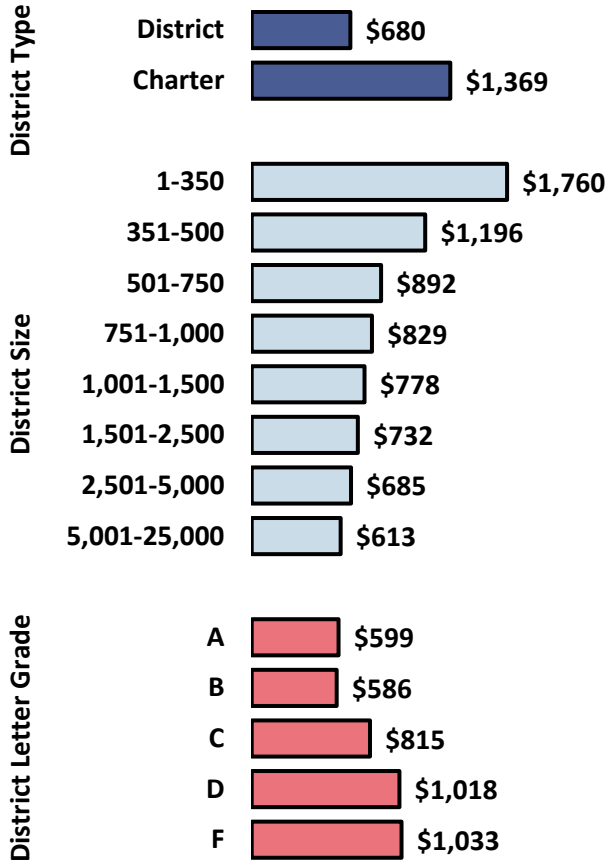
The table below the types of central office expenses. Classified salaries (43%) and certified salaries (33%) made up most of those expenditures.

Central Office Expenditure Categories	Total Expenditures	Percentage of Expenditures
Classified (Salaries & Employee Benefits)	$144,057,728	42.5%
Certified (Salaries & Employee Benefits)	$112,904,028	33.3%
General Supplies, Materials, and Equipment	$28,241,120	8.3%
Other Professional and Technical Services	$22,047,286	6.5%
Management Service-Consulting	$20,125,722	5.9%
Indirect Cost	$3,879,557	1.1%
Dues and Fees	$8,080,059	2.4%
Total Central Office Expenditures	**$339,335,500**	**100%**

Per-Student Spending

During the 2025 school year, per-student spending on central office related expenses varied by different types of districts. As shown in Exhibit 1.55, charter districts spent more than double per-student than regular districts. Per-student spendings was also highest in the smallest districts ($1,760) and steadily decreased with district size. Per-student central office expenses were lowest in the small districts ($613).

Exhibit 1.55



Staffing

The Division of Elementary and Secondary Education Rules Governing the Standards for Accreditation of Public Schools and School Districts require a full-time superintendent to "oversee all operations of the public school district"[57] and a general business manager "responsible for the fiscal operations of the school district."

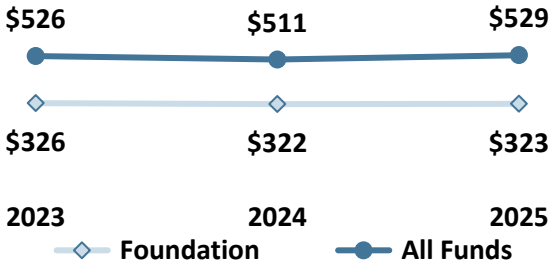
Research and Best Practices

Odden and Picus's recent research on central office staffing needs compiled staffing assumptions for various sized districts to recommend appropriate staffing levels. These assumptions include whether district size is sufficient for a district to contract for certain central office services or hire in-house staff and are provided in Appendix F of this report. Odden and Picus do provide recommendations for central office staffing based on a 3,900 student district. These recommendations include eight administration positions and 15 classified positions. They also recommend a per-student dollar amount of $300 to account for other costs that include, but are not limited to, insurance, purchased services, materials and supplies, equipment, association fees, elections, districtwide technology, and communications.[58]

Student Transportation

In 2025, the per-student foundation funding amount for student transportation was $337. Exhibit 1.56 shows the per-student expenditure amount using foundation funds for student transportation was $323, while the per-student expenditure amount from all fund sources was $529.

Exhibit 1.56 Student Transportation: Per-Student Expenditures



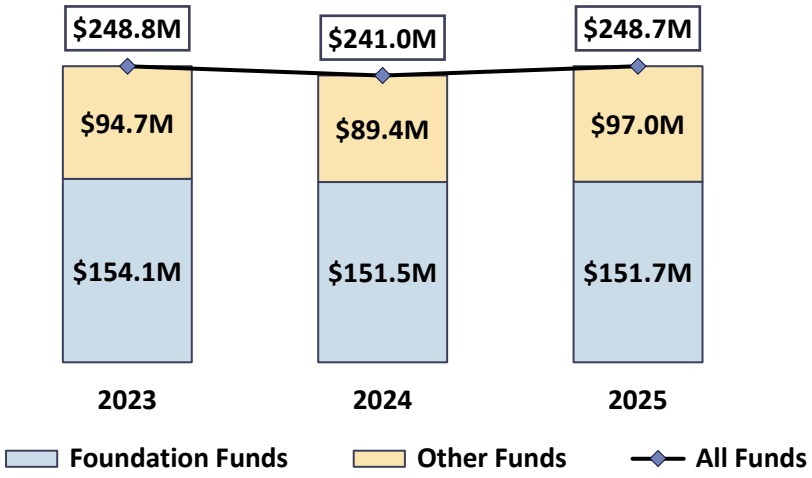
[57] 6 CAR § 61-503(a)Arkansas Division of Elementary and Secondary Education, Rules Governing Standards for Accreditation of Arkansas Public Schools and School Districts, Rules 3-A.5 and 4-B.1, May 2, 2022. *See also* Arkansas Code § 6-13-109(a) (requiring each public school district to "employ a superintendent of schools") and Arkansas Code § 6-15-2302(b) (requiring a "general business manager for a public school district [to] meet the minimum qualifications established by rule of the Division of Elementary and Secondary Education").

[58] Odden, A. and Picus, L. (2019), *School finance: a policy perspective*, 6th ed. New York McGraw-Hill.

Exhibit 1.57 shows that schools spent over $151M on student transportation in 2025 from foundation funds, or 4% of foundation funding spending and $248M from all fund sources, or 3% of total expenditures. The proportion of federal funds in student transportation expenses made up 17% in 2023 and decreased to 8% in 2025.

The following table shows the types of expenditures on student transportation. The most common student transportation expenditures went towards classified salaries and benefits (56%). The cost of vehicles was the second highest expenses with 19%.

Exhibit 1.57 Student Transportation: Expenditures by Fund Source



Student Transportation Expenditure Categories	Total Expenditures	Percentage of Expenditures
Classified salaries and benefits	$138,318,534	55.6%
Vehicles (non-rentals)	$47,719,348	19.2%
General supplies and materials	$19,451,121	7.8%
Student transportation from other sources	$12,502,396	5.0%
Gas	$11,864,070	4.8%
Non-Technology-Related Repairs, Maintenance, and Equipment	$6,438,801	2.6%
Insurance	$5,202,389	2.1%
Rental Equipment	$3,745,814	1.5%
Certified salaries and benefits	$2,967,589	1.2%
Dues and fees	$522,403	0.2%
Total Student Transportation Expenditures	**$248,732,465**	

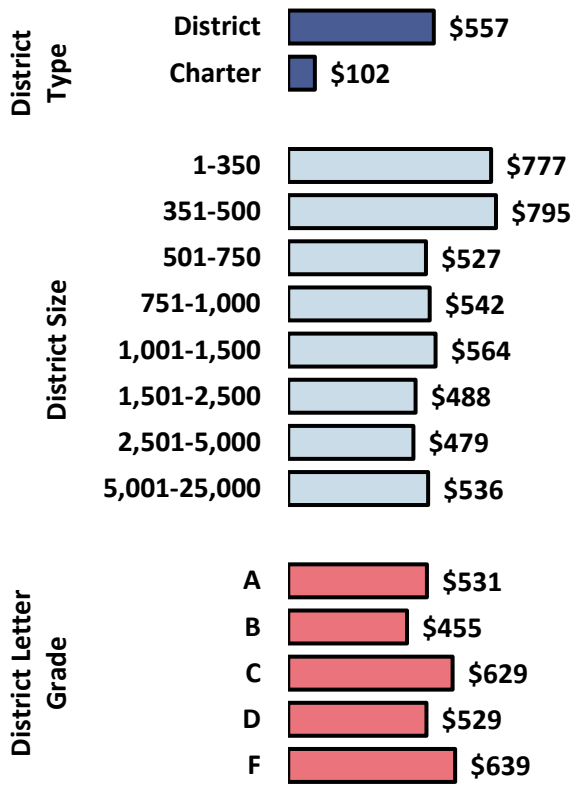
Per-Student Spending

In 2025, per-student spending on student transportation was more than four times higher in regular districts than in charter districts, as shown in Exhibit 1.58. It was also highest in the smaller districts and lowest in the larger districts.

Research and Best Practices

In 2014, Odden and Picus, consultants for the state of Arkansas, recommended using a transportation formula based on need rather than a flat amount per student. In their recommendation, Odden and Picus cited a study completed by BLR that estimated transportation costs based on miles driven, number of school bus riders, and the Average Daily Membership (ADM).[59] They further indicate that basing a transportation formula on these variables would accomplish their recommendation of funding transportation based on need.[60] While the state has added Enhanced Transportation funding as a separate funding stream[61] to assist districts with high transportation costs, the primary transportation funding remains as a line item in the matrix.

Exhibit 1.58



[59] Bureau of Legislative Research (BLR), History of School Transportation Funding, August 2014.
[60] Picus Odden & Associates, Desk Audit of the Arkansas School Funding Matrix and Developing An Understanding of the Potential Costs of Broadband Access for All Schools, 2014, page 68.
[61] *See* Ark. Code Ann. § 6-20-2309.

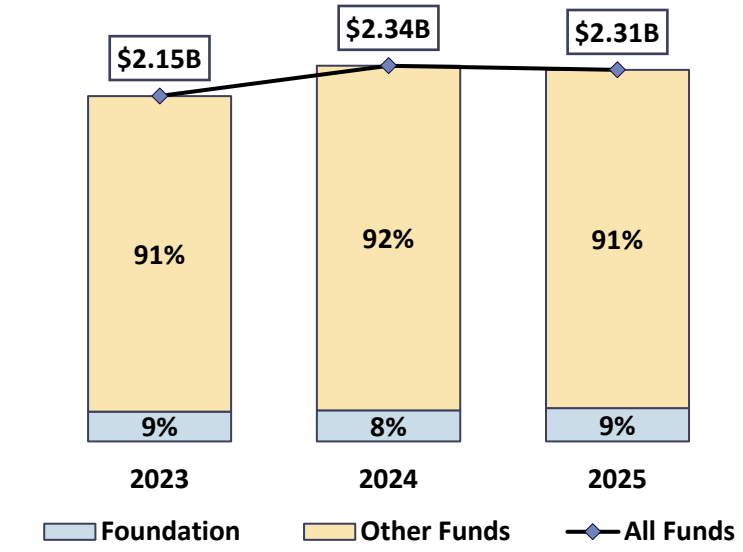
CHAPTER 2: SPENDING ON NON-MATRIX ITEMS

Several items are not included specifically in the matrix[62] but are frequently purchased by public schools with at least some use of foundation funds. It is important to note that foundation funding is unrestricted funding, and districts are free to use it however best fits their needs. This chapter of the report looks at spending on non-matrix resources. First, data are provided showing total spending on all non-matrix resources, including three-year total expenditures, percentage of expenditures on non-matrix resources by fund source, and per-student spending totals.

Non-Matrix Expenditures by Fund Source

Exhibit 2.1 shows that spending on resources not in the matrix has consistently been over $2 billion between 2023 and 2025. In 2025, expenditures on non-matrix resources from foundation funding accounted for 9% of total spending. Categorical, supplemental, and federal fund sources accounted for 15%, and "additional" state fund sources accounted for 76% of total spending on non-matrix resources which is shown in the table below.

Exhibit 2.1 Non-Matrix Expenditures



Fund Source	Total
Activity Fund	$99,428,139
Building Fund	$695,282,465
Capital Outlay Fund	$2,978,516
Debt Service Fund	$359,709,506
Food Service Fund	$349,308,756
Other State Funds	$251,975,689
Total	**$1,758,683,071**

The following table shows that in 2025, schools spent $207 million on non-matrix resources using foundation funds. Instructional Aides accounted for the highest percentage (37%) of non-matrix spending from foundation funds. Non-technology-related facilities was the highest expenditure from all fund sources (32%).

2025 Non-Matrix Expenditures	Total Foundation Expenditures	Total Expenditures
Activity Classified and Temporary	$0.2M	$1.2M
Activity Supplies and Transportation[63]	$2.9M	$57.1M
Adult Education		$6.0M
Athletic Classified and Temporary[64]	$2.9M	$4.6M
Athletic Director	$9.6M	$12.3M
Athletic Supplies and Transportation	$27.7M	$77.2M
Classified Guidance Services	$4.2M	$6.4M
Classified Library Support	$3.8M	$6.1M

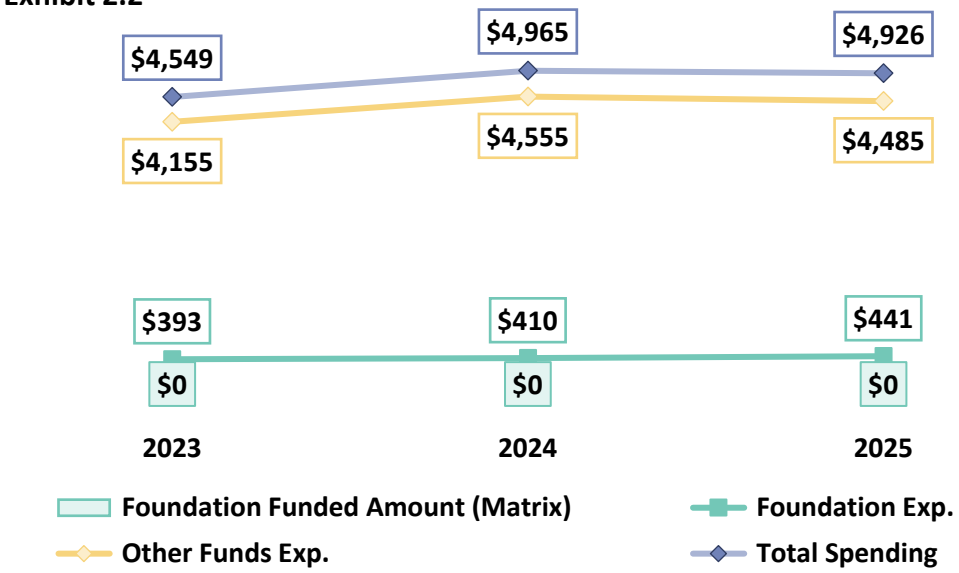
[62] In some cases, expenditures were categorized as non-matrix simply because they did not fit with the specific intent of the matrix.
[63] 6 CAR § 246-102. Definitions.
[64] 6 CAR § 246-104. Salaries and benefits for coaches

2025 Non-Matrix Expenditures	Total Foundation Expenditures	Total Expenditures
Community Outreach		$23.4M
Counselor, Nurse, Other Student Support Supplies and Objects	$3.3M	$11.7M
Food Service[65]	$0.01M	$357.2M
Instructional Aides	$76.8M	$237.5M
Instructional Supplies and Objects	$38.6M	$149.3M
LEA Indebtedness	$1.6M	$372.3M
Miscellaneous Reconciling Items	$16.5M	$58.1M
Non-Technology Related Facilities[66]	$3.8M	$745.7M
Other Classified Instructional Support	$14.9M	$137.2M
Pre-School Services	$0.4M	$50.8M
Grand Total	**$207,245,660**	**$2,314,322,037**

Per-Student Funding to Spending: Non-Matrix Items

Exhibit 2.2 shows the per-student spending amount on resources not in the matrix over the past three school years from all fund sources and from foundation funds. Since districts and charters do not receive foundation funding for resources not listed in the matrix, the foundation funded amount is zero. Since the 2023 school year, the per-student spending amount from foundation funding increased by twelve percentage points as compared to the per-student amount from all funds which increased by eight percentage points. However, while total per-student spending from all funds decreased slightly from 2024 to 2025, per-student spending from foundation funds increased during that time.

Exhibit 2.2



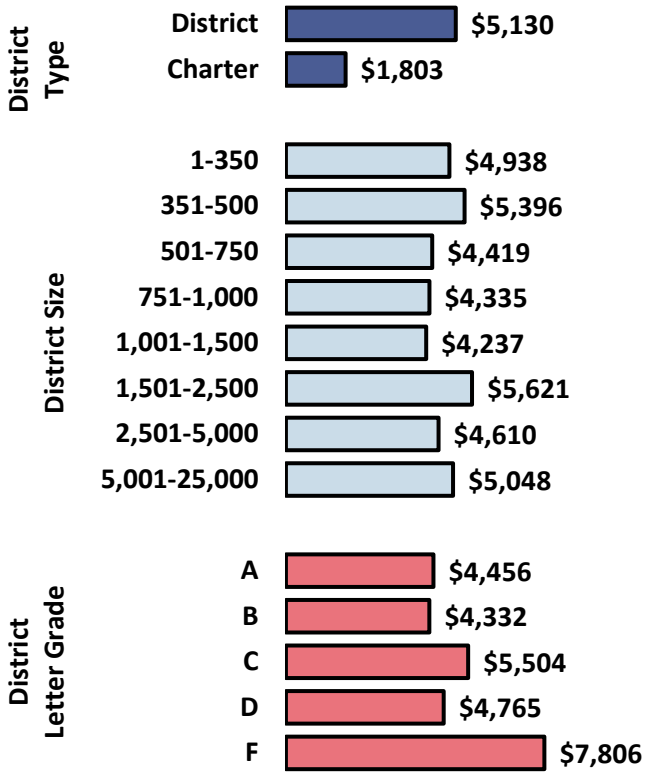
[65] 6 CAR § 61-405. Standard 3-D — Food service.

[66] Eleven districts accounted for 51% of Non-Technology Related Facilities expenditures with Little Rock School District accounting for 14% of the 51%.

Per-Student Spending: Non-Matrix Items

Exhibit 2.3 shows that regular school districts spent almost three times more per-student on non-matrix resources than charter districts. Additionally, districts with "F" letter grades had the highest per-student spending when compared based on district letter grades.

Exhibit 2.3



Arkansas Educator Feedback on Additional Resources

In the 2026 adequacy superintendent survey (and in past surveys), superintendents were asked: "Please share if there is anything NOT included in the MATRIX that you believe is an important part of providing an adequate education:"

The following table shows how the top three results from that question have varied over the last three adequacy studies (2022, 2024, and 2026). School safety and resource officers have remained in the top three for all three studies, as well as mental health services or workers. Dyslexia services was identified in the top three in the 2022 and 2026 adequacy survey.

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

School Safety

The matrix does not provide a dollar amount specific for School Resource Officers.[67] In 2025, Arkansas public schools spent $100 million on safety and security measures. This includes close to $23 million on school resource officers. Of this $100 million, 25% came from foundation funds. The most common source of funds for school safety came from other state and local funding.

Per-student spending on school safety was approximately one and a half times higher in regular districts ($218) than in charter districts ($132).

According to the 2020 Arkansas School Finance Study[68] conducted by APA, community members in particular shared concerns about school safety, and it is a high priority area for many districts. APA recommended the education committees consider adding resources for school security/SROs to the matrix.

[67] 6 CAR § 249-103. School resource officers
[68] Arkansas School Finance Study (APA, 2020)

Mental Health

Arkansas public schools spent almost $44 million on mental health related services in 2025. The top three types of mental health expenditures were social work activities (30%), psychological testing (29%), and other psychological services and counseling (21%).

Of that $44 million, the largest sources of funds from federal funds (42%) and foundation funds (33%). Per-student spending on mental health related services was one and half times higher in regular districts ($95) than in charter districts ($59).

Though the matrix identifies resources for guidance counselors, many Arkansas educators – superintendents, principals, and teachers – report that the growing student mental health needs go beyond the expertise of guidance counselors and that specific mental health resources and support for all students, including additional positions for specialized staff, such as social workers, psychologists, or behavioral specialists, need to be identified.[69] APA recommended the education committees consider adding resources for mental health to the matrix.[70]

When superintendents were asked if there were any resources not included in the matrix they believe are an important part of providing an adequate education; social or mental health workers (not guidance counselors) were among the most frequently cited resources needed.[71] As shared earlier in the report, districts are spending student support funds on mental and behavioral health, although these resources were not explicitly included as part of the original funding for the other student support matrix line.

When asked if their district had mental health therapist FTEs working in schools to provide mental health therapy services directly to students during the 2024-2025 school year, 71% of superintendents reported that they did (183 districts). Approximately 85% of districts had mental health therapists employed through an agency or other organization and 40% had mental health therapists employed directly through the district. There were 54 districts that employed mental health therapist FTEs through both the district and through an agency or other organization.

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

	Employed Directly by Districts	Employed by an Agency or Other Organization	No. of Districts with Mental Health Therapists Through Both	Total Districts with Mental Health Therapists
Number of Districts	73	155	54	183
Average FTEs	2.1	4.2		

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

[69] 2026 Adequacy Teacher Survey, 2026 Adequacy Principal Survey, and 2026 Adequacy Superintendent Survey, available at https://www.arkleg.state.ar.us/Education/K12/AdequacyReports?folder=2026
[70] Arkansas School Finance Study (APA, 2020)
[71] See Superintendents Survey Responses, question 5.

Dyslexia

Since 2016,[72] each school district has been required to have at least one individual to serve as a dyslexia interventionist.[73] This resource requirement is not addressed currently in the matrix. State dyslexia rules[74] require screening of all students in grades K–2, and students in grade 3 and above if teachers note deficiencies in certain skills.[75] If screening indicates need, then the student is provided intervention services.

Arkansas public schools spent almost $32 million on dyslexia services in 2025. The majority of the funds used to pay for dyslexia services came from categorical funds, primarily ESA funds, which accounted for 64% of these expenditures. Almost 18% of spending on dyslexia services came from foundation funding.

According to the 2020 Arkansas School Finance Study[76] conducted by APA, stakeholder feedback suggests this area is an "unfunded mandate" and many districts report having to use matrix or categorical funds to address dyslexia needs. APA did not make a specific recommendation for dyslexia interventionists, noting that other state adequacy studies do not typically address dyslexia separately from special education resources. However, a recommendation was made to increase 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 (for example: ACT WorkKeys)." [77]

Research and Best Practices

Other resources not currently funded in Arkansas's matrix but identified in Odden and Picus' evidence-based model as critical to the core educational program and for student success include Core Tutors as part of the core instructional program, as well as per student funding resource recommendations for funding Gifted and Talented Education and Career and Technical Education.[78] The matrix does not provide funding for Gifted and Talented Education, but pursuant to state law, districts are required to expend state and local revenues on Gifted and Talented Programs in an amount equal to fifteen percent (15%) of the foundation funding amount multiplied by 5% of the school district's prior year three quarter ADM.[79] The DESE Rules Governing the Standards for Accreditation of Arkansas Public schools and School Districts require each public school district provide gifted and talented services.[80] The matrix does not provide a dollar amount specific for career and technical education; however, the General Assembly currently includes "curriculum and career and technical frameworks" as part of the definition of "adequacy." Standards require each public school district to offer at least one career-ready pathway aligned with high-wage, high-demand jobs.[81]

Additionally, Odden and Picus' evidence-based model identifies key resources for at-risk students, which includes 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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[72] *See* Acts 2015, No. 1268, Section 4 (codified at Ark. Code Ann. § 6-41-607(d), requiring school districts to have individuals serving as dyslexia interventionists no later than the 2015-2016 school year). 6 CAR § 91-111.
[73] 6 CAR § 91 Rules Governing Dyslexia Screenings and Interventions
[74] 6 CAR § 61-309.
[75] *See* Ark. Code Ann. § 6-41-603. However, Acts 2023, No. 237, also known as the LEARNS Act, amended this provision of the Code to require each student in kindergarten through grade three (K-3) be screened using a high-quality, evidence-based screener approved by DESE. While this portion of the LEARNS Act became effective upon its approval by the Governor on March 8, 2023, this report includes information on the 2022-2023 school year, which predated the effectiveness of these changes.
[76] Arkansas School Finance Study, p. 182, (APA, 2020)
[77] Arkansas School Finance Study, p. 197, (APA, 2020)
[78] Odden, Allan, & Picus, Lawrence O. (2019). "*School finance: A policy* perspective." 6th ed. New York: McGraw-Hill
[79] Ark. Code Ann. § 6-20-2208(c)(6).
[80] 6 CAR § 61-308. Standard 2-G — Gifted and talented services
[81] 6 CAR § 61-312. Standard 2-K — Career and technical education.

CHAPTER 3: TOTAL SPENDING

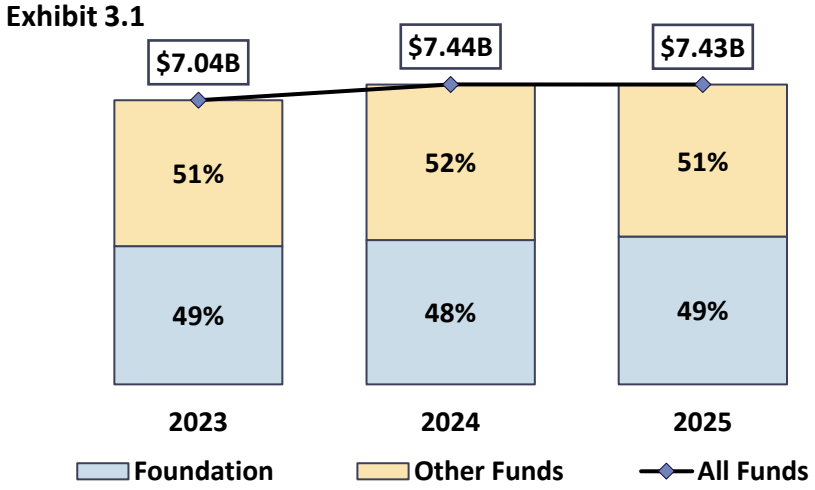
This section of the report looks at total spending at the district and school level. Total spending includes the amount spent by districts and charters from foundation funding and all fund sources on both matrix and non-matrix resources. Data are provided showing total spending on all matrix and non-matrix resources, including three-year total expenditures, the percentage of expenditures by fund source, a comparison of per-student foundation funding to per-student spending from foundation funds and all fund sources.

Total Matrix and Non-Matrix Expenditures by Fund Source

Exhibit 3.1 shows total spending on matrix and non-matrix resources between 2023 and 2025. During the 2025 school year, regular school districts and charter districts spent a little more than $7.43B. This amount was slightly less than the previous school year, but significantly more than the 2023 school year.

Since the previous adequacy study conducted in 2024, total spending increased by almost $400M between 2023 and 2024, with a percentage change of 5.6%.

Exhibit 3.1



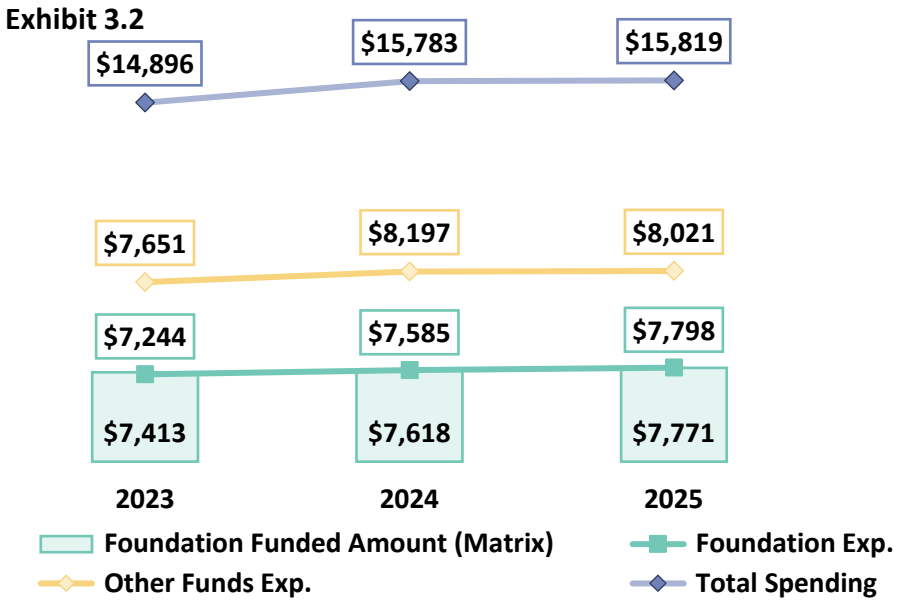
For all three years, a little less than half of total spending was from foundation funds, which accounted for about $3.41B in 2025. The other 51% of total spending was from other fund sources, with approximately 42% coming from a combination of additional state and local fund sources and federal money.[82]

Per-Student Foundation Funding to Spending: Total Expenditures

Exhibit 3.2 shows the total per-student foundation funding amount, total per-student spending from foundation funds, total per-student spending amount from "other" fund sources, and total per-student spending amount from "all" fund sources over the past three school years.

Data shows that schools spent between 40-42% more per-student on matrix resources from all fund sources than what is received in per-student foundation funding between 2023 and 2025 school years. When looking at per-student

Exhibit 3.2



[82] BLR staff are unable to separate federal dollars for food service from other funds because they are comingled with state and local fund sources in one fund.

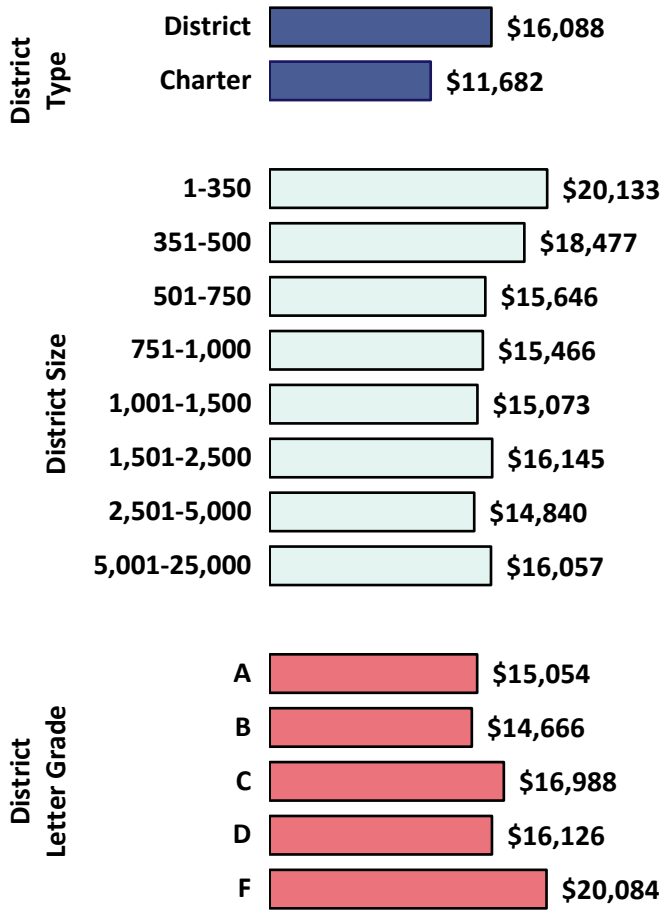
spending across all public school districts and charters, expenditures amounted to more than double the amount of per-student funding provided for adequate resources during all three school years. Though total spending from all fund sources decreased in the 2025 school year, the amount in per-student expenditures from foundation fund sources has continued to increase. In the last three school years, per-student expenditures from foundation funds have increased and exceeded the per-student funded amount in the matrix in 2025.

Per-Student Spending: Total Expenditures

Exhibit 3.3 shows the breakdown of per-student spending during the 2025 school year. Overall, total per-student spending was higher in regular school districts than in public charter districts. In every category, districts spent more than $10,000 per student on average.

Spending in the smallest districts and "F" districts was also more than $20,000 per student, on average.

Exhibit 3.3



KEY FACTS AND FINDINGS

Matrix

- Over half of superintendents reported being "extensively in need" of additional funding for special education teachers (67%), salary enhancement for other (noncertified, classified) employees (55%), substitutes (51%), operations and maintenance (60%), and transportation (60%).
- Districts with 500 or fewer students spend the most per-student on almost every matrix resource and spend close to $4,000 more per-student than districts with more than 500 students. Of the 259 regular public school districts and open-enrollment public school charter districts, 21% had an ADM below 500 in 2025. Of the 234 regular districts, 18% had an ADM below 500. Of the 25 charter districts, 48% had an ADM below 500.
- Data shows that districts spent between 40-42% more per-student on matrix resources from all fund sources than what is received in foundation funding per-student between 2023 and 2025 school years.
- For all three years, 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 lines accounted for 6% or less of total spending.
- For 2025, expenditures on classroom teachers accounted for 43% of total spending on matrix lines from all fund sources, followed by operations and maintenance at 16%.

School-Level Personnel:

- Every school-level personnel line showed an increase in spending except instructional facilitators, which showed no change in spending.
- The largest increase in spending over the last three school years was for the student support matrix resource line (10%), followed by nurses (8%).
- Expenditures from all fund sources were more than two times the amount funded in the matrix for student support staff.
- 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%).
- Regular districts spent more per-student than charter districts on all positions except nurses and secretaries.
- Regular districts spent more than 12 times more per-student on librarians than charter districts.
- The smallest districts spent the most per-student on all positions excluding special education teachers, instructional facilitators, and librarians.
- The only resource line showed a difference in spending by district letter grade was student support staff where districts with "F" grades spent almost twice per-student.
- Schools with the lowest concentration of FRL students spent the most per-student on special education teachers, more than twice the lowest amount per-student.
- Schools with the highest concentration of minority students 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, librarians, counselors, student support, and principals.
- Urban schools spent the most per-student on special education teachers, instructional facilitators, nurses, and secretaries.

School-Level Resources:

- Between 2023 and 2025, every school-level resource line showed a decrease in spending except extra duty and substitutes, which showed no change in spending. This was also true for the 2025 school year.
- The largest decrease in spending over three years was technology (11%).
- During 2025, each matrix resource line accounted for 2% or less of foundation funding spending and 3% or less of spending from all fund sources.
- Spending from foundation funds during 2025 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 leas on extra duty (32%)
- For the 2025 school year, charter districts spent close to four times more per student on instructional materials than regular districts. Two charter districts, Arkansas Connections Academy and Arkansas Virtual Academy, accounted for almost 16% of total instructional materials expenditures 8.2% by Arkansas Connections Academy and 7.5% for Arkansas Virtual Academy).
- Charter districts spent more than $150 per student more than regular districts on technology in 2025.
- Regular districts spent more than charter districts on extra duty funds, supervisory aides, and substitutes.
- The smallest district size category spent the most per-student on all school-level resources except supervisor aides and extra duty.
- "D" and "F" districts and schools spent the most per-student across all school-level resources except extra duty.
- Rural schools spent the most per-student on substitutes and extra duty, while 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.

District-Level Resources:

- District-level expenditures for operations and maintenance and central office showed an increase in spending, while student transportation spending showed no 3-year change.
- The largest increase in spending between 2023 and 2025 was for operations and maintenance (12%).
- Spending from foundation funding during 2025 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 in 2025.
- Districts "F" grades spent the most per-student on all district-level resources.
- Charter districts spent more than double the per-student expenditure amount on central office.
- Districts with fewer than 351 students spent almost three times more per-student on central office.
- Regular districts spent more than four times more on student transportation than charter districts.
- The smallest district size categories spent the most per-student on student transportation.
- The smallest district size category spent over $1,000 more per-student than the lowest per-student amount.

Non-Matrix

- Spending on non-matrix resources has been over $2 billion for the last three school years.
- 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%).
- Regular districts spent almost 3X as much as charter districts per-student on non-matrix items.
- "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 rated that are an important part of providing an adequate education for the 2022, 2024, and 2026 Adequacy Study Surveys.

Total Spending

- Over the last three school years, 95% of foundation funding received by districts and charters has been spent on resources identified in the matrix. The remaining 5% has been spent on resources not identified in the matrix.
- In 2025, spending on matrix resources accounted for 69% of total expenditures and spending on non-matrix resources accounted for 31%.
- In 2025, classroom teachers accounted for the highest percentage of total expenditures from all fund sources, at 30%, followed by operations and maintenance (11%), central office (5%), and special education teachers (4%). All remaining matrix expenditures accounted for 3% or less of total spending.
- In 2025, spending from foundation funds accounted for 49% of total expenditures, followed by "additional" funds at 42%, which includes 10% from federal dollars. Supplemental funding accounted for 5% of spending followed by Categorical at 4%.
- Per-student spending in schools in the smallest school districts and schools in "F" districts also spent more than $20,000, on average.
- In nearly every school-level spending category, districts spent more than $10,000 per student on average in 2025.

Limitations to Data Analysis

- BLR Staff are unable to conduct an expenditure analysis on the two matrix line resources created during the 2022 Adequacy: Classified Employee Salary Enhancement and Other Employee Health Insurance.
- Because definitions for each matrix line do not exist, it is difficult for BLR staff to identify with certainty which function, and object code classifications, as outlined in the Arkansas Financial Accounting Handbook, should be used to report expenditures for an accurate comparison to the funding tool (the matrix) used by the education committees.
- Due to a comingling of multiple fund sources in one fund classification, there are some instances where BLR Staff are unable to disaggregate expenditure data by federal, local, or state fund source categories.

APPENDIX A – METHODOLOGIES

The BLR has access to the Arkansas Public School Computer Network system in which expenditure data is entered by the school districts maintained by DESE. The BLR maintains the coding system that is used by DESE and ensures that the data used reconciles with the total expenditure lines published in DESE's Annual Statistical Report.[83]

Expenditures for matrix and non-matrix items are calculated using data from the Arkansas Public School Computer Network (APCSN) system in which expenditure data is entered by districts and maintained by the Division of Elementary and Secondary Education (DESE). In calendar years 2013, 2014, and 2016, Bureau of Legislative Research 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.[84] Any expenditure that has not been mapped to a matrix line is considered "non-matrix" spending.

Per-Student Spending

For the 2026 Adequacy Study, the BLR tracked spending to the school level as this data has become more available in the years since the federal Every Student Succeeds Act was adopted in 2015. This allows a finer grained picture of how state funds are being used by the districts at the school level. Two caveats occur that have small impacts on the analyses. First, funds that are primarily spent at the district level, such as the matrix resources of Central Office, Operations and Maintenance, and Transportation, cannot be mapped to the individual school level. Additionally, the spending on the matrix resource of Technology listed under the school-level resource section of the matrix is significant at the district level, so no attempt is made to analyze expenditures at the school level for this matrix line. For quintile analyses, the quintile into which the district falls is used.

The other instance is pre-kindergarten (Pre-K) programs. Pre-K is not considered an adequacy expense, so those expenditures historically have not been considered in adequacy analyses. Historically this was easier to do because the state had a handful of stand-alone pre-K programs with their own LEAs. In 2025, 144 elementary schools and one P-12 school had preschool programs within their schools for which DESE tracked spending but not enrollment. With the increasing presence of Pre-K within public elementary schools, and the fact these expenditures cannot always be exclusively identified (i.e., a special education teacher at a PreK-2nd grade school), expenditures have not been removed from the BLR's analyses.

[83] Line 76 Total Expenditures for Districts and Charters excluding the Excel Center.
[84] Ark. Code Ann. § 10-3-2102

APPENDIX B – DISTRICT SPENDING CATEGORIES

District Type

In 2025, Arkansas had 234 regular school districts, which are tied to a geographic area and supported by local millage rates. Regular districts may include charter conversion schools, which are not the same as open-enrollment charter schools. In addition, the state had 25 open-enrollment charter districts (excluding The Excel Center, a charter school for adults), which may enroll students from across school district boundaries. Some charter districts only have one location, while others include multiple locations.

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

Size Categories

Several factors influenced the grouping of regular school districts and charter districts by size. Because school districts with enrollments of 350 must receive a minimum school size waiver to operate, regular districts and charter districts with enrollments of 350 or less became the first category. The next category of 351-500 was selected since the matrix funds districts based on an assumed K-12 district or school of 500 students. Subsequent enrollment categories were chosen to group similar numbers of districts together.

	District & School Count		
Size Category	Districts	Schools	**Current Year ADM**
1-350	20	29	4,065
351-500	35	74	14,847
501-750	53	124	33,111
751-1000	34	92	28,511
1001-1500	38	132	45,809
1501-2500	32	138	59,807
2501-5000	31	185	107,696
5001-25000	16	274	175,941

District Letter Grade Categories

Arkansas Code § 6-15-2101 *et seq.* defines the state's school district rating system.

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

APPENDIX C – SCHOOL SPENDING CATEGORIES

Location Type

Schools are identified as urban or rural using the classification and criteria established by the National Center for Educational Statistics (NCES). The NCES locale framework is composed of four basic types (City, Suburban, Town, and Rural), and each contains three subtypes. The framework relies on standard urban and rural definitions developed by the U.S. Census Bureau.

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

Free and Reduced-Price Lunch (FRL) Quintiles

Schools are identified by which 20 percent of schools they fall in according to the percentage of free and reduced-price lunch (FRL) students enrolled in the 2025 school year. Percent values below have been rounded to the nearest whole number, which accounts for occasional overlap.

FRL	Population Percentage Range	School Count	Current Year ADM
Q1	1.0% - 47.4%	209	122,489
Q2	47.5% - 62.3%	210	112,334
Q3	62.4% - 71.02%	209	82,095
Q4	71.1% - 79.1%	210	74,933
Q5	79.2% - 100%	210	77,937

Minority Quintiles

Schools are identified by which 20 percent of schools they fall in according to the percentage of minority (all other than white) students enrolled in the 2025 school year. Percent values below have been rounded to the nearest tenth percent, which accounts for occasional overlap.

Minority	Population Percentage Range	School Count	Current Year ADM
Q1	0.0% - 11.1%	209	67,007
Q2	11.2% - 23.8%	210	87,793
Q3	24.0% - 45.1%	209	111,529
Q4	45.2% - 70.1%	210	108,690
Q5	70.2% - 100%	210	94,769

School Letter Grade Categories

Arkansas Code § 6-15-2101 *et seq.* defines the state's school rating system.

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

APPENDIX D – FUND SOURCE DEFINITIONS

Fund Source Category	Fund Sources	Description
Foundation	Comingled funds including the following: **State Foundation Funds:** state portion of funding needed to offset the amount of foundation funding not covered by URT, local source of funding **+** **Local Funds:** generated from the first 25 mills of the millage money regular public school districts receive from local property taxes (charters do not have a tax base, so all their foundation funding is from the state kick-in) **+** **Miscellaneous Funds:** funds received by a public school district from federal forest reserves, federal grazing rights, federal mineral rights, federal impact aid, federal flood control, wildlife refuge funds, severance taxes, in lieu of taxes and local sales and use taxes dedicated to education under § 26-74-201 et seq., § 26-74- 301 et seq., § 26-75-301 et seq., and the Local Government Bond Act of 1985, § 14-164- 301 et seq."[85]	Unrestricted funding. Foundation funding, sometimes referred to as "matrix funding", is the primary funding stream for K-12 education in Arkansas. The per-student funding amount is calculated using the matrix tool, which identifies the specific staff and resources deemed necessary for an adequate education as defined by the General Assembly.[86]
Categorical	1. Alternative Learning Environment (ALE) 2. English Language Learner (ELL) 3. Enhanced Student Achievement (ESA) 4. Professional Development (PD)	Restricted state funds. ALE, EL, and ESA are targeted to specific populations of students to further the state's efforts toward providing a constitutionally mandated equitable education.
Supplemental[87]	1. Isolated 2. Declining Enrollment 3. Student Growth 4. ESA Grants 5. Special Education High-Cost Occurrences 6. Enhanced Transportation 7. Teacher Salary Equalization 8. LEARNS Teacher Salaries	A mix of restricted and unrestricted funds to help address specific adequacy-related expenses: transportation; special education; enhanced student achievement (poverty); and teacher salaries.

[85] Arkansas Department of Education, Arkansas School Funding Guide 2024-2025 Fiscal Services and Support, available at https://dese.ade.arkansas.gov/Files/2024-2025_Arkansas_School_Funding_Guide_FAS.pdf

[86] An Evidenced-Based Approach to School Finance Adequacy in Arkansas. Final Report. September 1, 2003, page 21, available at https://www.arkleg.state.ar.us/Home/FTPDocument?path=%2Feducation%2FAdequacyReports%2FYearlyFinalReports%2F2003%2F2003+Final+Arkansas+Report+09_01_2003.pdf

[87] Ark. Code Ann. § 10-3-2102(h) states that the study for subdivision (a)(6) shall be accomplished, in part, by reviewing expenditures from isolated school funding, national student lunch funding, declining enrollment funding, student growth funding, and special education funding.

Fund Source Category	Fund Sources	Description
Additional	1. Activity Fund 2. Building Fund 3. Capital Outlay Fund 4. Debt Service Fund 5. Food Service Fund 6. Other State and Local Funds[88] 7. Federal[89]	A mix of restricted and unrestricted funds. These cannot be reconciled with the exact lines in the ASR.

[88] Includes federal funds for food service due to comingling of federal, state, and local fund sources in one fund.
[89] Excludes federal funds for food service.

APPENDIX E –THREE-YEAR MATRIX PER-STUDENT SPENDING

Matrix Spending by Fund Source

	2023 Per-Student		2024 Per-Student		2025 Per-Student	
Matrix Line	**Foundation Funds**	**All Funds**	**Foundation Funds**	**All Funds**	**Foundation Funds**	**All Funds**
Classroom Teachers	$3,362	$4,420	$3,553	$4,646	$3,655	$4,672
Special Education Teachers	$401	$571	$419	$599	$432	$610
Instructional Facilitator	$205	$463	$229	$471	$243	$464
Library Media Specialist	$121	$141	$119	$143	$120	$143
Counselor	$178	$231	$181	$238	$188	$242
Nurse	$54	$130	$59	$135	$62	$141
Student Support Staff	$66	$240	$70	$255	$76	$266
Principal	$199	$250	$214	$259	$220	$263
Secretary	$133	$171	$131	$172	$131	$175
Technology	$112	$447	$115	$453	$128	$403
Instructional Materials	$138	$350	$140	$352	$151	$334
Extra Duty	$59	$68	$58	$68	$62	$78
Supervisory Aides	$15	$19	$14	$17	$14	$18
Substitutes	$87	$129	$88	$134	$86	$131
Operations and Maintenance	$969	$1,513	$1,020	$1,671	$1,013	$1,702
Central Office	$427	$677	$444	$695	$452	$722
Student Transportation	$326	$526	$322	$511	$323	$529
Total	**$7,244**	**$14,896**	**$7,585**	**$15,783**	**$7,798**	**$15,819**

Percent of Total Foundation Funding Spent on Matrix Items

Matrix Line	**2023**	**2024**	**2025**
Classroom Teachers	46%	47%	47%
Special Education Teachers	6%	6%	6%
Instructional Facilitators	3%	3%	3%
Library Media Specialists	2%	2%	2%
Counselors	2%	2%	2%
Nurses	1%	1%	1%
Student Support Staff	1%	1%	1%
Principal	3%	3%	3%
Secretary	2%	2%	2%
Technology	2%	2%	2%
Instructional Materials	2%	2%	2%
Extra Duty	1%	1%	1%
Supervisory Aides	0.2%	0.2%	0.2%
Substitutes	1%	1%	1%
Operations and Maintenance	13%	13%	13%
Central Office	6%	6%	6%
Student Transportation	4%	4%	4%

APPENDIX F – ODDEN AND PICUS CENTRAL OFFICE ASSUMPTIONS

250-student District	500-student District	1,000-student District	2,000-student District	≥ 4,000-student District
Little to no support services are provided by a county office of education or other intermediate education agency; Support services such as special education including OT and PT, legal services, facilities support, grounds maintenance, transportation, food services, etc., would be contracted out; Instructional services, human resources, curriculum and assessment, special education, and professional development would be the responsibility of the superintendent.	Little to no support services are provided by a county office of education or other intermediate education agency; Support services such as special education including OT and PT, legal services, facilities support, grounds maintenance, transportation, food services, etc., would be contracted out. However, the increase in student enrollment would necessitate the need for special educational services being provided in-house; Instructional services, human resources, curriculum and assessment, special education, and professional development would be the primary responsibility of the superintendent.	Little to no support services are provided by a county office of education or other intermediate education agency; Support services such as some special education including OT and PT, legal services, facilities support, grounds maintenance, transportation, food services, and so on would be contracted out. However, the continued increase in student enrollment would necessitate the need for additional support services being provided in-house both administratively and with clerical support.	Little or no support is provided by a county office of education; With the increase in enrollment, the district now has the opportunity to provide district level resources and support in-house. This includes the sharing of responsibilities across divisions to provide the support schools and employees need. The individual school sites become increasingly autonomous and the superintendent provides both the big picture and hands-on leadership throughout the district.	The size of the district now enables it to become a self-sufficient district.