



HANDOUT 5



**Bureau of Legislative Research  
Policy Analysis & Research Section**

# ***Overview of the Arkansas Education Finance System***

June 11, 2019



# *The Big Investment*

**41%** of Arkansas General Revenue is dedicated to K-12 education.



**Half** of school district revenue comes from the state (40% generated locally, 10% federal).

Foundation funding alone (state and local share) provides **\$3 billion** to schools.

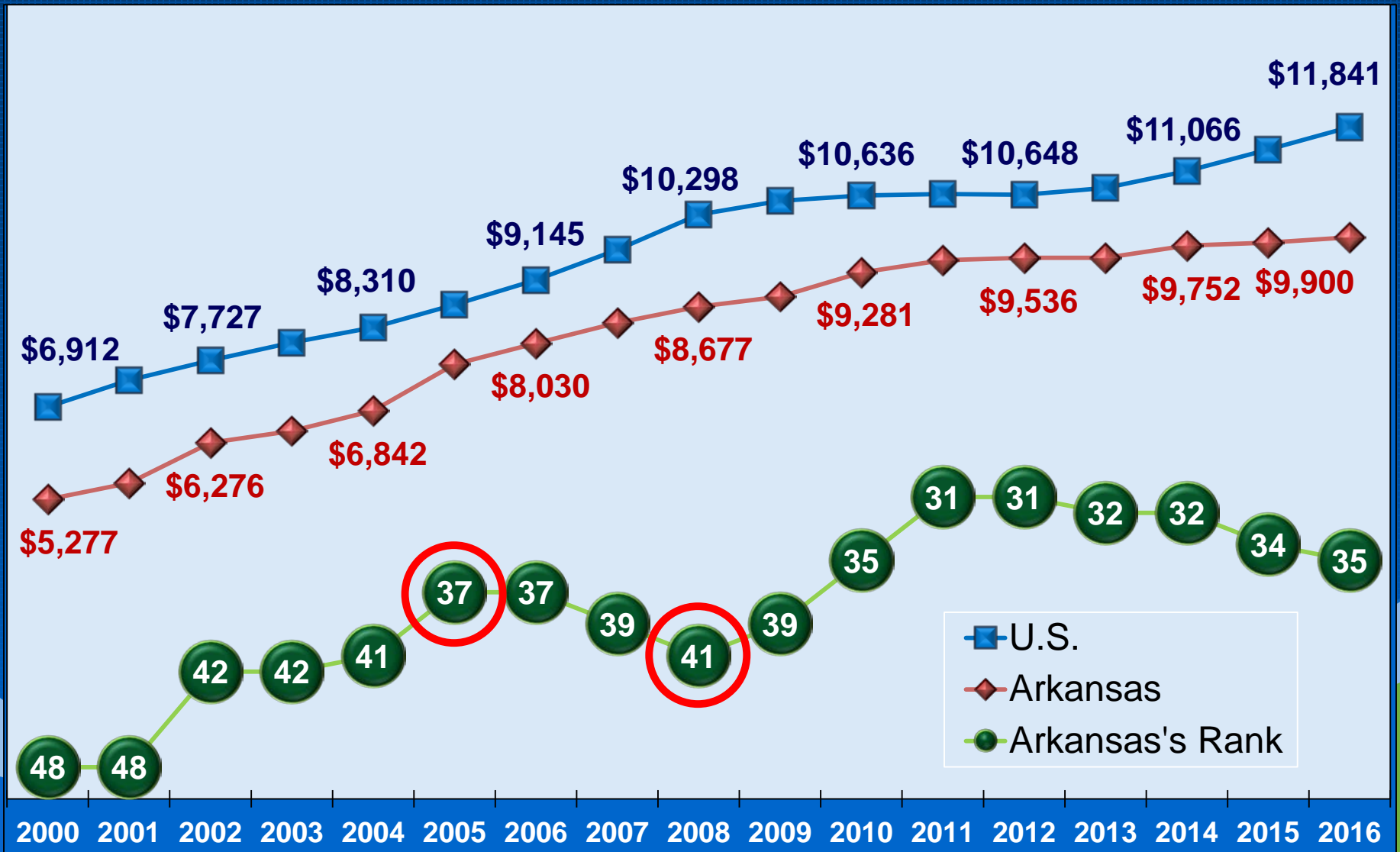
Image Source:

<http://www.arkleg.state.ar.us/bureau/fiscal/Publications/A.%20%20PowerPoints,%20Fund%20Types,%20Important%20Dates/2016%20Financing%20State%20Programs.pdf>

# *By the Numbers*

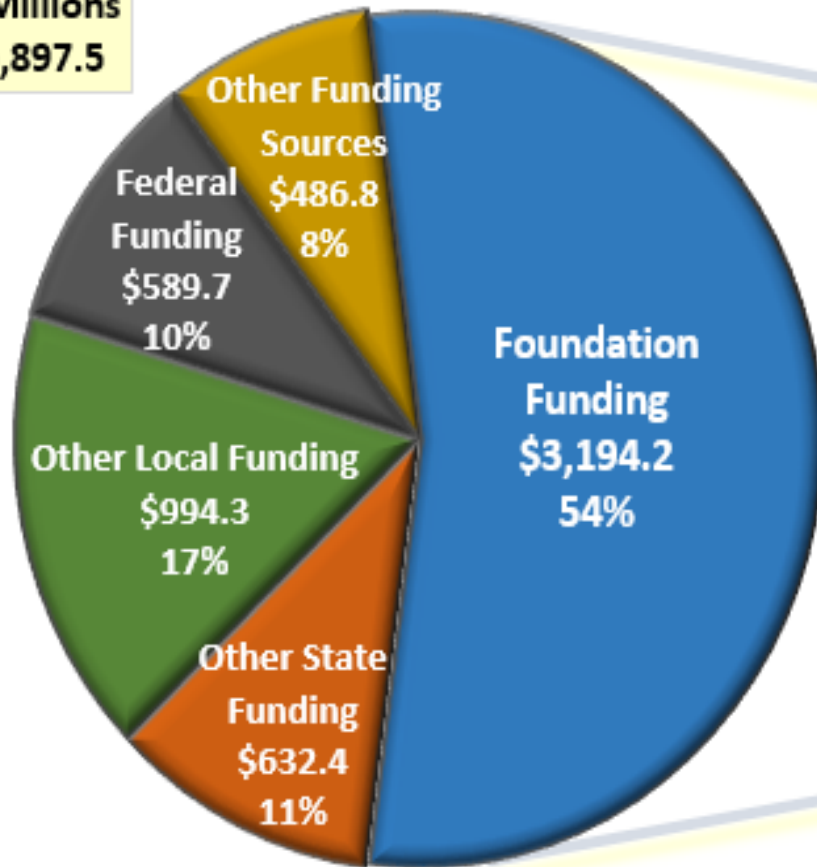
	Districts	Charters
<b>LEAs</b>	<b>235</b>	<b>25</b>
<b>% of all LEAs</b>	<b>90%</b>	<b>10%</b>
<b>Students</b>	<b>459,733</b>	<b>18,108</b>
<b>% of all Students</b>	<b>96%</b>	<b>4%</b>

# Per Pupil Spending

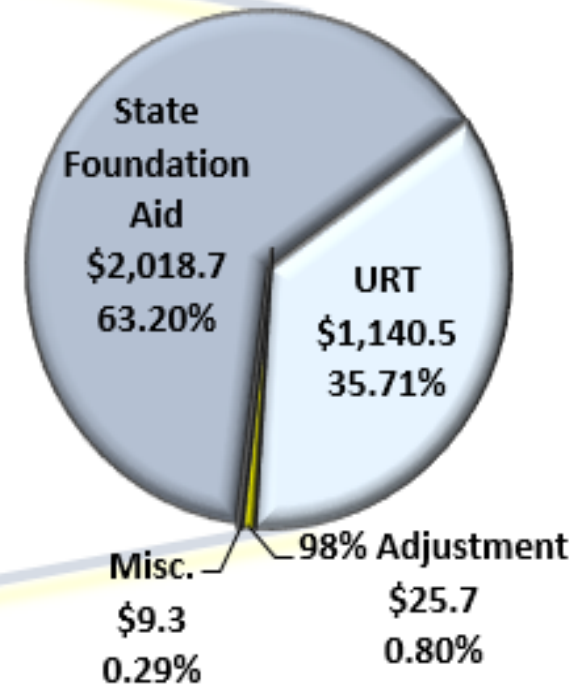


# AR District/Charter Revenue

2017-18  
In Millions  
\$5,897.5



Foundation Funding \$3,194.2



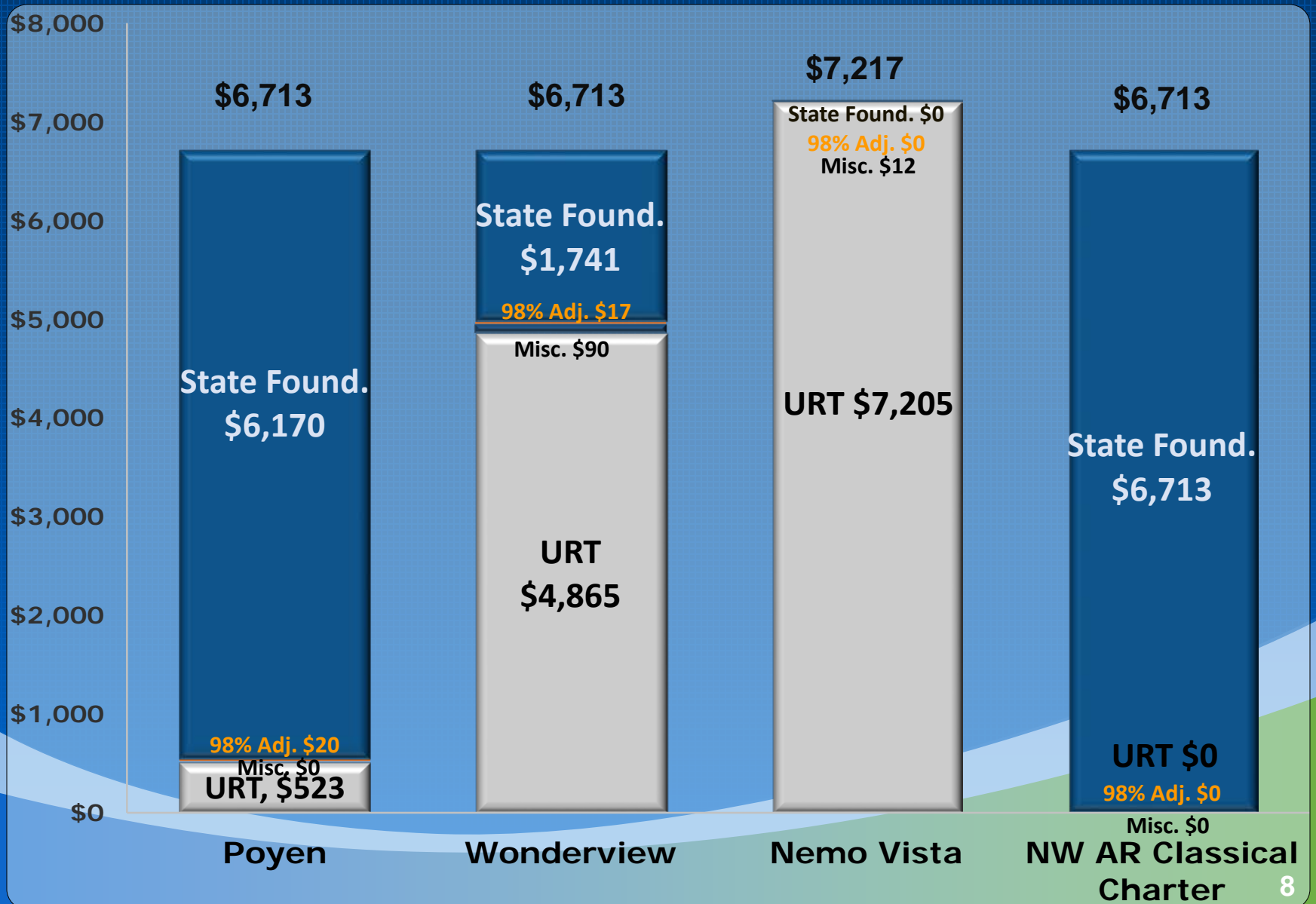
# *Types of State Funding*

- **Foundation funding**: base education funding, distributed equally (same per-student funding rate), unrestricted use
- **Categorical funding** (ELL, ALE, PD, NSL/ESA): provided to address additional educational challenges, restricted use
- **Other state funding** (student growth, declining enrollment, isolated): provided to address operational challenges due to location or enrollment fluctuations, mostly unrestricted

# *Revenue Components of Foundation Funding*

- Uniform Rate of Tax
- 98% Adjustment
- Miscellaneous
- State Foundation Aid

# Components of Foundation Funding





# *The Matrix*

- **Formula** used to set per-student foundation funding rate
- **List of resources** needed to run a school district of 500 students and the costs of each
- A **funding model**, not a spending model

# *Components of Matrix*

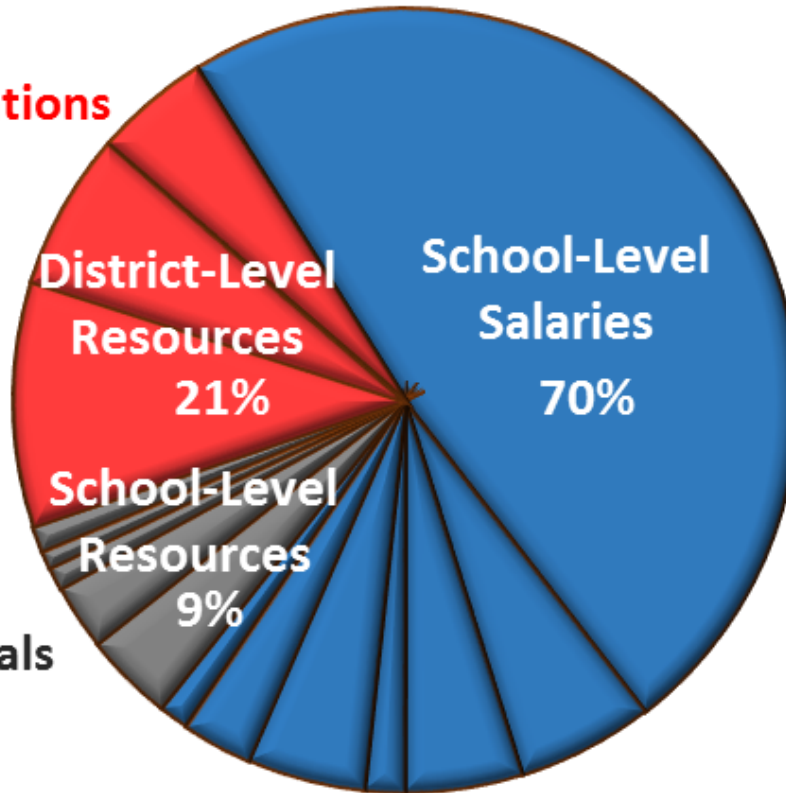
- **School-level Staffing**: teachers, guidance counselors, principals, etc.; specifies number needed and salary of each
- **School-level Resources**: textbooks, computers, substitute teachers, etc.
- **District-level Resources**: superintendent, custodial staff, buses and drivers, utilities, etc.

# Components of the Matrix

2018-19 Per-Student Foundation Funding

Total  
\$6,781

**Maintenance & Operations**  
**Central Office**  
**Transportation**

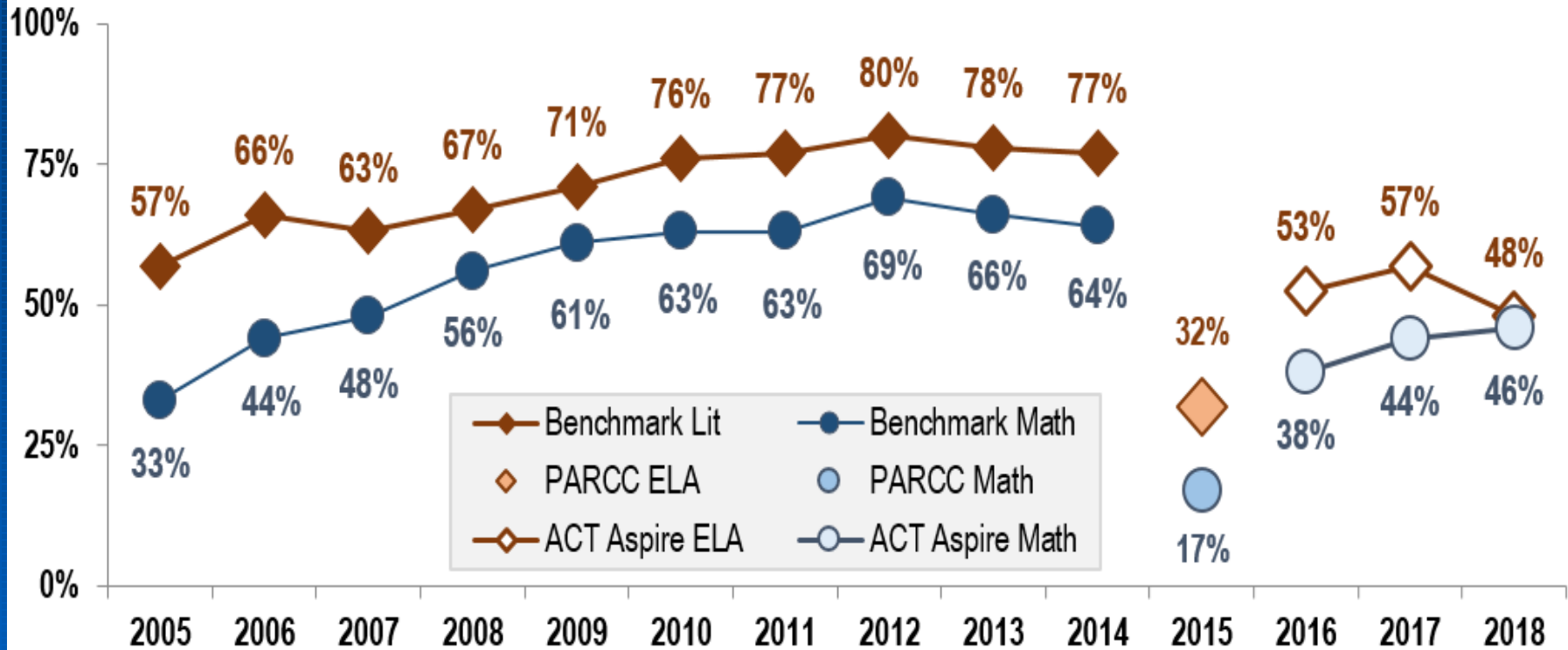


**Classroom Teachers**  
**SPED Teachers**  
**Instruct. Facilitators**  
**Library/Media Spec.**  
**Guidance Counselor**  
**Nurse**  
**Principal**  
**School Secretary**

**Technology**  
**Instructional Materials**  
**Extra Duty**  
**Supervisory Aides**  
**Substitutes**

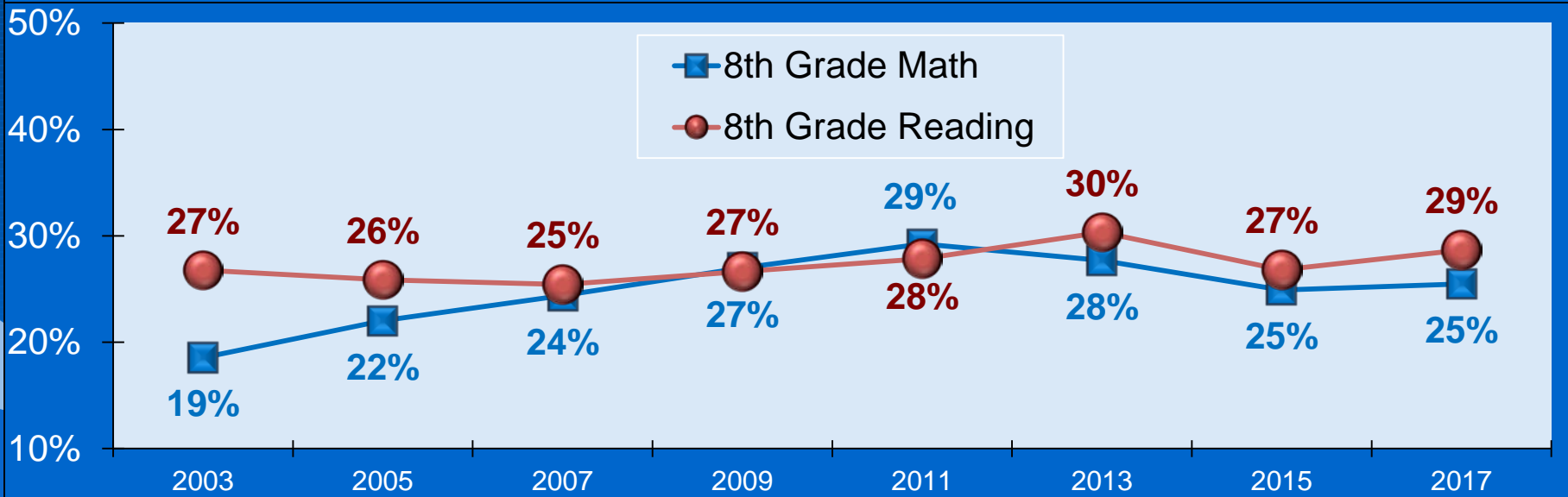
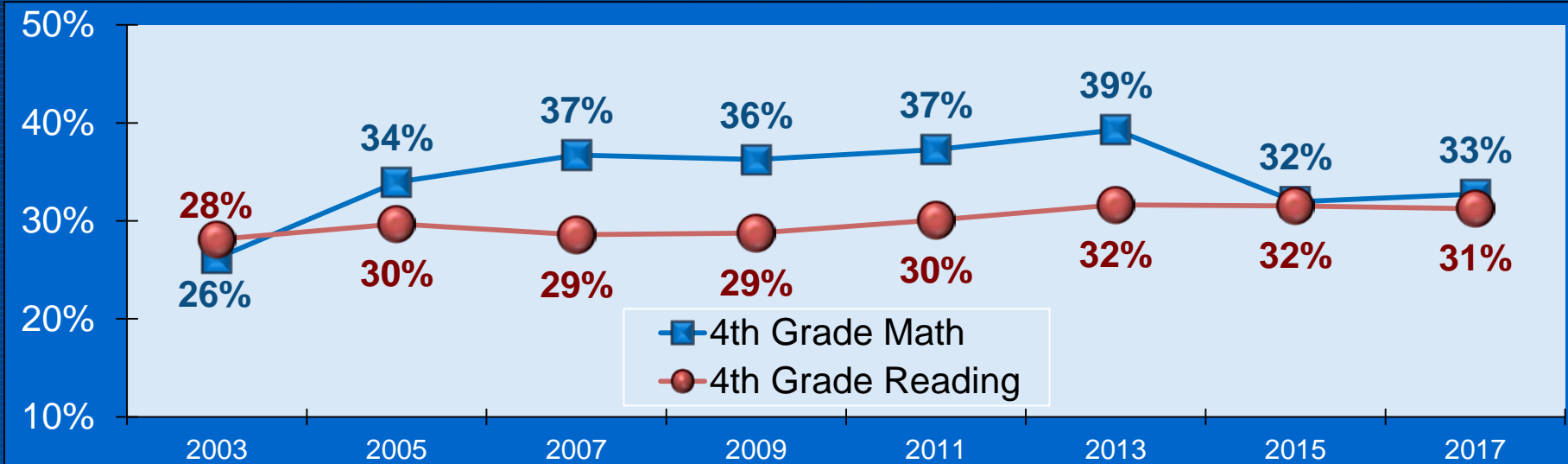
# Student Achievement

**% On Grade Level on State Assessments:  
8th Grade Math & Literacy/English Language Arts**



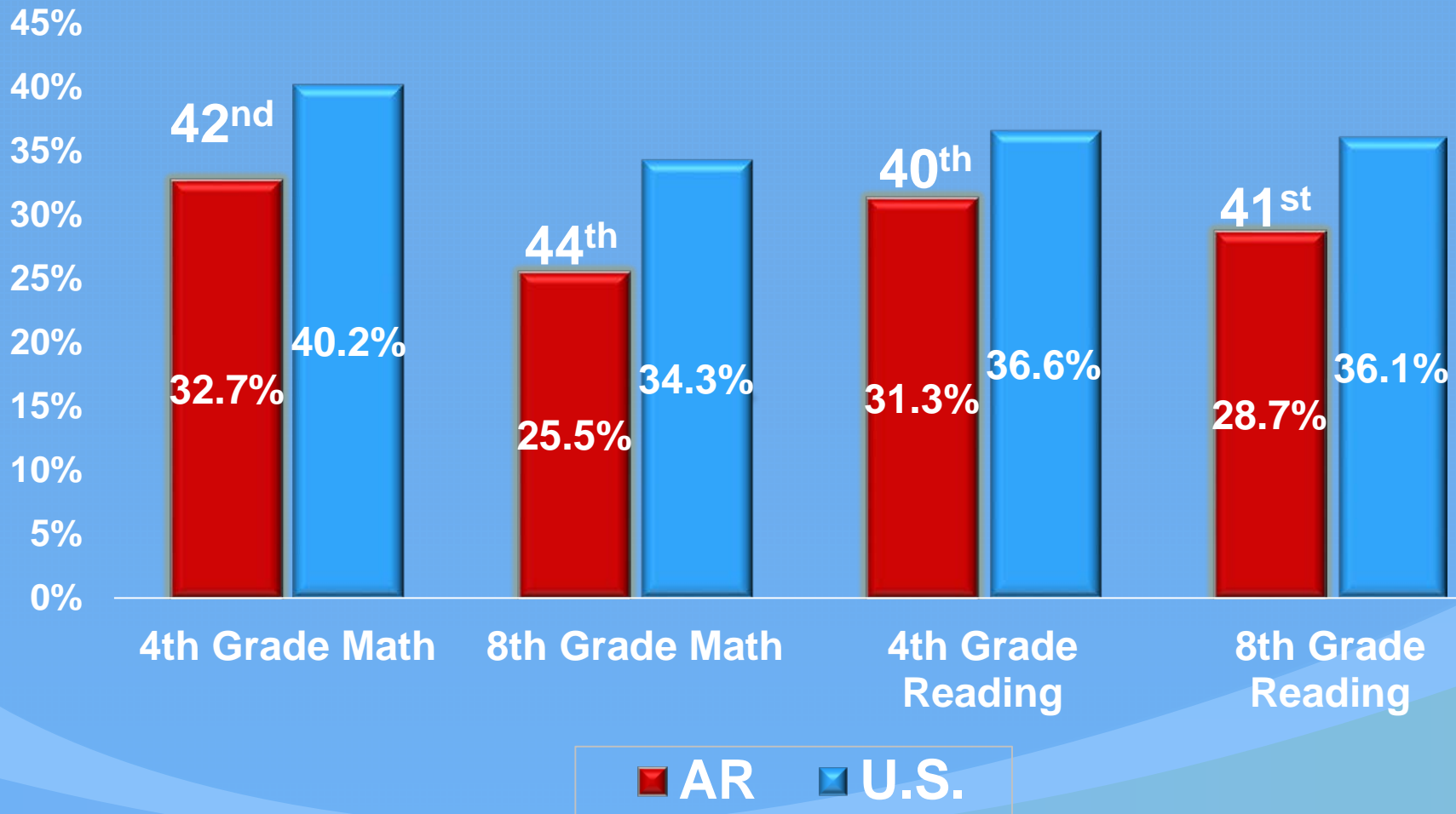
\*The ACT Aspire test company established a higher 2018 ELA cut score for achieving the proficiency level of “ready” or above for ELA. Therefore, the 2018 ELA proficiency levels cannot be compared with earlier years’ readiness levels.

# NAEP % Proficient or Advanced



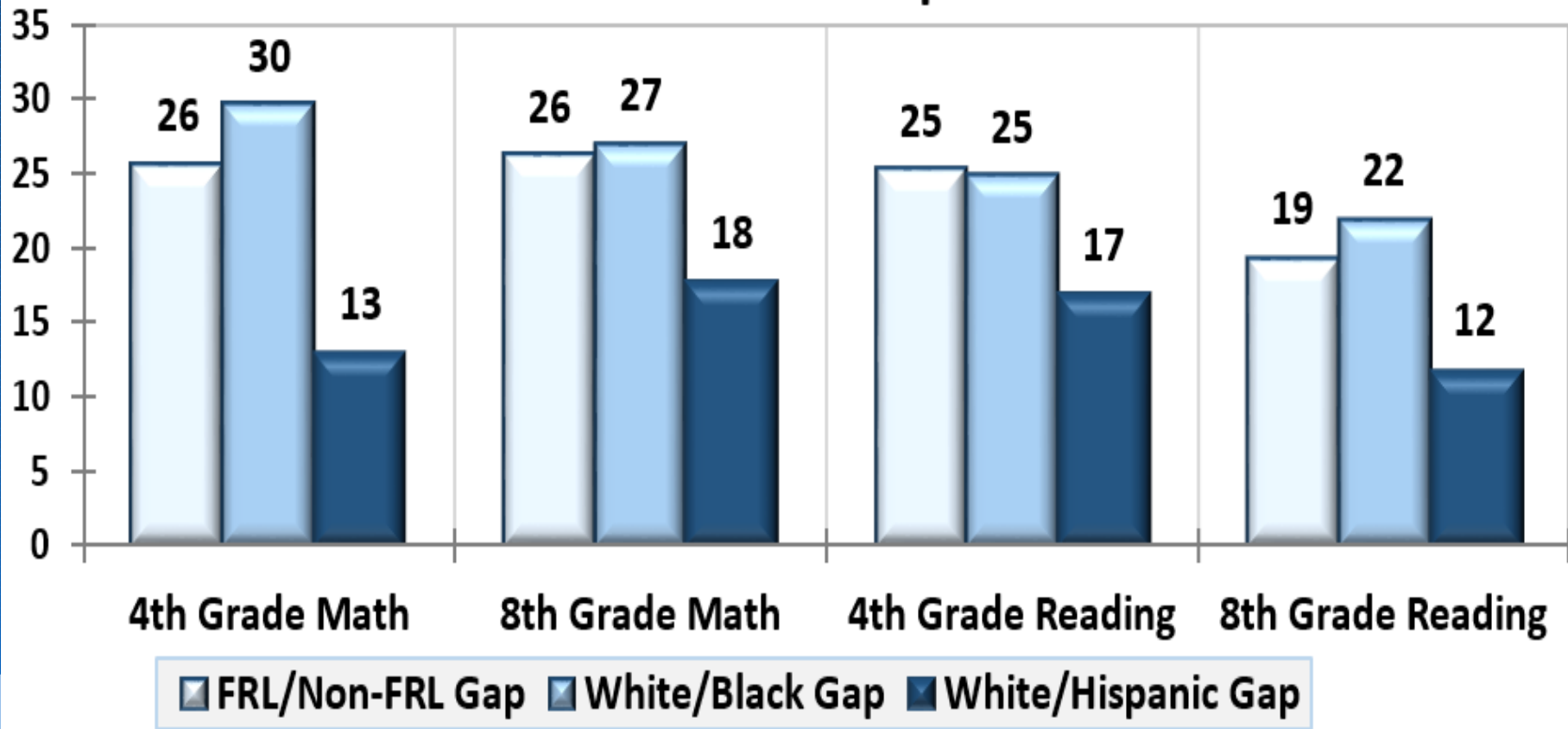
# Student Achievement

## 2017 NAEP % Proficient or Advanced



# Achievement Gap

## Arkansas Achievement Gap: 2017 NAEP



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# ***Resources***

## Link to Past Adequacy Study Materials

<http://www.arkleg.state.ar.us/education/K12/Pages/AdequacyReports.aspx>

## Link to Current Adequacy Study

<http://www.arkleg.state.ar.us/education/K12/Pages/AdequacyReportDetails.aspx?catId=2020>

(To navigate from General Assembly website: Click on BLR tab at top; click on BLR Education Research on right side; click on K-12; click on Adequacy Reports on left side; click on 2020)