

**DEPARTMENT OF EDUCATION**

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**SUBJECT:** Supplemental Transportation Funds

**DESCRIPTION:** This rule provides the method for distributing \$500,000 of one-time funds during the 2011-2012 school year to those public school districts with exceptionally high transportation costs.

The rule requires the Department of Education to compare each public school district's cost of transporting students to and from school with the \$303.80 per student provided in the adequacy funding matrix. Those public schools with a two-year average cost, excluding capital outlay, of 120% or more of the \$303.80 will receive supplemental transportation funding.

Each eligible public school district's share of the \$500,000 will be based on its cost in excess of \$303.80 per student as a percentage of the excess costs of all eligible public school districts.

**PUBLIC COMMENT:** The public hearing was held on October 18, 2011. The public comment period ended on October 21, 2011. No comments were submitted to the Department. The proposed effective date tentatively set for thirty (30) days after review.

**CONTROVERSY:** This is not expected to be controversial.

**FINANCIAL IMPACT:** \$500,000 in grants will be distributed to public schools. This is a one-time, non-recurring grant. Existing grant distribution procedures will be used, and no additional resources are required of the department.

**LEGAL AUTHORIZATION:** Arkansas Code Annotated §6-11-105 (d) gives the Department general authority to make rules and regulations.

This rule has been promulgated in order to incorporate the changes in the law made by Act 1075 of 2011.

MNH 12-30-11

**Arkansas Department of Education**  
**Rules Governing the Distribution of**  
**Supplemental Transportation Funds**

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**1.0 Regulatory Authority**

**1.01** These rules are promulgated pursuant to Ark. Code Ann. § 6-11-105 and Act 1075 of 2011.

**2.0 Purpose**

**2.01** These rules shall be applied to all public school districts for the purpose of distributing \$500,000 of Supplemental Transportation Funds during the 2011-2012 school year as authorized under Act 1075 of 2011.

**3.0 Definitions**

**3.01** Adequacy Funding Matrix – The formula used by the Arkansas General Assembly for arriving at the per-student foundation funding amount.

**3.02** Components of Adequacy Funding Matrix – The individual cost categories listed in the Adequacy Funding Matrix.

**3.03** Current Expenditures – Expenditures paid from Fund 1000 and/or Fund 2000 that occur during a single school fiscal year excluding expenditures for acquiring capital assets, such as land, existing buildings, existing infrastructure assets, equipment and debt service.

**3.04** Current Transportation Expenditures – The average of current expenditures related solely to transporting students between home and school for the 2009-2010 and 2010-2011 school years.

**3.05** Current Transportation Expenditures Per Student – Current Transportation Expenditures divided by the Three-Quarter Average Daily Membership for 2010-2011.

**3.06** Expenditures – The cash payments and/or recorded liabilities for goods and services received.

**3.07** Foundation Funding – The amount of money specified by the General Assembly for each school year to be expended by school districts for the provision of an adequate education for each student. The annual foundation funding per-student is specified in Ark. Code Ann. § 6-20-2305(2).

**3.08** Fund 1000 – The group of designated accounts used to pay the salaries of licensed personnel from foundation funding.

**3.09** Fund 2000 – The group of designated accounts used to pay expenditures, other than the salaries of licensed personnel, from foundation funding.

**3.10** Transportation Component of the Adequacy Funding Matrix – The Adequacy Funding Matrix Component described as "transportation". The dollar amount specified for this component is \$303.80 for the 2011-2012 school year.

**3.11** Transportation Component Percentage – Current Transportation Expenditures Per Student divided by the Transportation Component of the Adequacy Funding Matrix for the 2011-2012 school year (\$303.80). The result will be stated as a percentage.

**3.12** Transportation Costs in Excess of Foundation Funding – The Transportation Component of the Adequacy Funding Matrix for the 2011-2012 school year (\$303.80) multiplied by each school district's 2010-2011 Three-Quarter ADM. The result is subtracted from Current Transportation Expenditures.

#### **4.0** **Distribution of Funds**

**4.01** The Arkansas Department of Education (ADE) will distribute a total of \$500,000 of Supplemental Transportation Funding during the 2011-2012 school year only.

**4.01.1** Funds will be distributed to each school district that has a Transportation Component Percentage of 120% or more.

**4.01.2** Each school district eligible for funding per 4.01.1 will receive an amount equal to its Transportation Costs in Excess of Foundation Funding divided by the total Transportation Costs in Excess of Foundation Funding for all eligible school districts multiplied by \$500,000.