

Arkansas Department of Education
Rules Governing the Calculation Methods for Declining Enrollment and Student Growth
Funding for Public School Districts
October 2009

1.00 Authority

- 1.01 The Arkansas State Board of Education's authority for promulgating these Rules is pursuant to Ark. Code Ann. §§ 6-11-105 and 6-20-2301 et seq., and Act 1501 of the 2009 Regular Session.
- 1.02 These Rules shall be known as the Arkansas Department of Education (ADE)_Rules Governing the Calculation Methods for Declining Enrollment and Student Growth Funding for Public School Districts (Rules)

2.00 Purpose

- 2.01 The purpose of these Rules is to provide the calculation methods for Declining Enrollment and Student Growth Funding for public school districts.

3.00 Definitions

- 3.01 Average Daily Membership (ADM) means the total number of days of school attended plus the total number of days absent by students in grades kindergarten through twelve (K-12) during the first three (3) quarters of each school year, divided by the number of school days actually taught in the school district during that period of time, rounded to the nearest hundredth.
- 3.02 Current Fiscal Year means the present fiscal year, in progress, beginning on July 1 and ending on the following June 30.
- 3.03 Declining Enrollment Funding means the amount of state financial aid provided to an eligible school district from funds made available for a decline in ADM occurring between the prior fiscal year and the fiscal year prior to the prior fiscal year.
- 3.04 Fiscal Year means the annual school year for Arkansas that consists of the twelve-month period beginning July 1 and ending on the following June 30.
- 3.05 Fiscal Year Prior to the Prior Fiscal Year means the fiscal year preceding the prior fiscal year.
- 3.06 Prior Fiscal Year means the fiscal year immediately preceding the current fiscal year.
- 3.07 Quarterly Average Daily Membership means the ADM for one (1) quarter of a school year used for calculating student growth funding pursuant to Section 5.0 of this Rule.
- 3.08 Special Needs Isolated_Funding means the amount of funding provided for an eligible school district meeting the criteria established in Ark. Code Ann. § 6-20-604.
- 3.09 Student Growth Funding means the amount of state financial aid provided to an eligible school district from funds made available for growth in the ADM occurring between each current fiscal year quarter over the prior fiscal year three-quarter ADM of the school district.

4.00 Declining Enrollment Funding

- 4.01 Declining enrollment funding is provided for an eligible school district that has experienced a decline in ADM in the prior fiscal year compared to the fiscal year prior to the prior fiscal year.
- 4.02 Declining enrollment funding is equal to the ADM of the prior fiscal year, subtracted from the average of the ADM of the prior fiscal year and the ADM of the fiscal year prior to the prior fiscal year, multiplied by the current amount of foundation funding established by the General Assembly.
- 4.03 Pursuant to AR Code Ann. § 6-20-2305 (a) (3) (A), no school district shall receive both declining enrollment funding and special needs isolated funding under AR Code Ann. § 6-20-604.
- 4.04 No school district shall receive both declining enrollment funding and student growth funding under AR Code Ann. § 6-20-2305. These two funding categories are calculated using ADM data from two different time periods. Therefore, within one fiscal year, it is possible for a school district:
- 4.04.1 To qualify for declining enrollment funding due to a decline in prior fiscal year ADM compared to the fiscal year prior to the prior fiscal year; and
- 4.04.2 To qualify for student growth funding due to growth in ADM occurring between one or more of the current fiscal year quarters over the prior fiscal year three-quarter ADM.
- 4.05 The ADE will provide funding of the category or categories of funding that yields the most funding to the school district. The ADE will compare student growth to declining enrollment funding, special needs isolated to declining enrollment funding, or student growth plus special needs isolated funding to declining enrollment funding.
- 4.06 Declining enrollment funding is unrestricted funding. However, under AR Code Ann. § 6-20-2203 each school district receiving declining enrollment funding shall submit to the ADE a report listing the amount of declining enrollment funding received under AR Code Ann. § 6-20-2305 (b), how the funds were expended, the amount expended, and any other information required by the ADE. This report shall be submitted through the Arkansas Public School Computer Network (APSCN) in Cycle 9.

5.00 Student Growth Funding

- 5.01 Student growth funding is calculated as the sum of the following amounts:
- 5.01.1 One quarter (1/4) of the current amount of per student foundation as established by the General Assembly multiplied by the increase, if any, in the school district's:
- 5.01.1.1 Current fiscal year first quarter ADM over prior fiscal year three-quarter ADM;
- 5.01.1.2 Current fiscal year second quarter ADM over prior fiscal year three-quarter ADM;
- 5.01.1.3 Current fiscal year third quarter ADM over prior fiscal year three-quarter ADM; and

5.01.1.4 Current fiscal year fourth quarter ADM over prior fiscal year three-quarter ADM.

- 5.02 By January 31 of each fiscal year, the ADE shall calculate an amount of student growth funding using the current fiscal year quarterly ADM for the first quarter and an estimation of the ADM for the second, third, and fourth quarters. No less than sixty percent (60%) of this amount will be distributed to eligible school districts by January 31.
- 5.03 The estimated ADM for quarters two, three, and four will be calculated by multiplying the current fiscal year quarter one ADM by the respective percentage change in prior fiscal year ADM for quarters two, three, and four over prior fiscal year quarter one ADM.
- 5.04 By April 30 of each fiscal year, the ADE shall distribute to eligible school districts, forty percent (40%) of the amount calculated above (or the balance if less than 40% remains).
- 5.05 By July 31 of each fiscal year, the ADE shall calculate the amount of student growth funding using the actual quarterly ADM for all four (4) quarters of the applicable school year.
- 5.06 By August 31 of the fiscal year following the fiscal year in which the estimated student growth funding is received, if the actual amount is:
 - 5.06.1 More than the estimated amount, the ADE shall distribute the difference to the school district; or
 - 5.06.2 Less than the estimated amount, the school district shall refund the difference to the ADE.
- 5.07 Increases in ADM resulting solely from consolidation or annexation shall be excluded from the student growth funding calculation
- 5.08 No school district shall receive both declining enrollment funding and student growth funding.
- 5.09 Student growth funding is unrestricted funding.