Research Report

Academic Facilities Funding, Expenditures and Distress

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Prepared for

THE HOUSE INTERIM COMMITTEE ON EDUCATION
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HISTORY OF FACILITIES FUNDING

In a May 25, 2001 decision by Judge Kilgore of the Chancery Court of Pulaski County, in *Lake View School District No. 25 v. Huckabee*, the court found that "[school] buildings properly equipped and suitable for instruction are critical for education and must be provided":

> "…the equal protection and opportunities guaranteed by Article 2, ss 2, 3, and 18 have not been provided in that every school district does not have an equal opportunity to build, renovate and/or maintain the necessary physical plant. To provide an equal opportunity, the State should forthwith form some adequate remedy that allows every school district to be on equal footing in regard to facilities, equipment, supplies, etc. Under Arkansas Constitution Article 14, s1 and Article 2, ss 2, 3, and 18, school districts throughout the State must provide substantially equal buildings properly equipped and suitable for instruction of students. Denying these facilities based solely on the district's location in a poorer part of the State is not a compelling reason for the State to abandon its constitutional obligations."

The court directed the state to develop a remedy to address the facilities issues. The 84th General Assembly created the Joint Committee on Educational Facilities in 2003. The committee was charged with making recommendations to the General Assembly regarding its responsibilities to provide adequate and substantially equal educational facilities for the state of Arkansas. Act 84 of the Second Extraordinary Session of 2003 appropriated $10 million for a statewide facilities assessment conducted by consultants, and Act 85 of that session provided the funding. The Joint Committee on Educational Facilities created a legislative task force to assess facilities needs with the help of consultants, and on November 30, 2004, the task force filed its Arkansas Statewide Educational Facilities Assessment – 2004. The report estimated that the total cost of bringing facilities up to proposed building standards would be $2,278,200,457.

On February 22, 2005, the Task Force filed an addendum to the report that decreased the total cost by $348 million. The cost reduction was due to the elimination of the costs of "playfields, tennis courts, and abandoned buildings" that were no longer used for instructional purposes. The cost was also reduced due to "further data analysis and input from local school districts." The addendum categorized the remaining $1.93 billion worth of deficiencies into nine major deficiency classifications. The highest priority category was known as "safe, dry and healthy." The deficiencies in that category consisted of building needs related to fire and safety issues, roofing, windows and exit doors, plumbing, major electrical, HVAC, and structural needs that were important to providing a safe and comfortable environment, maintaining the integrity of the building envelope, or maintaining an operational status from a mechanical, electrical or plumbing standpoint.

Following the assessment, the General Assembly passed Act 1426 of 2005, creating the Arkansas Public School Academic Facilities Program, which asserted that the state should:

1. "Provide constitutionally appropriate public school academic facilities" for each student regardless of where the student lives;
2. "Require all public school academic facilities to meet applicable facilities standards"; and
3. "Provide that all public school students are educated in facilities that are suitable for teaching."

The act established the facilities distress program and called for the creation of three facilities manuals containing standards for the maintenance, construction, and equipment necessary for providing an adequate education. During that same legislative session, the General Assembly passed Act 2206, which created four funding programs for facilities construction and renovation; Act 2138, which appropriated $120 million for those funding programs over two years; and Act 1327, which established the Commission for Arkansas Public School Academic Facilities

(Facilities Commission) and Transportation to be responsible for implementing the academic facilities programs. The four funding programs created during that legislative session were:

1. The **Immediate Repair Program** (A.C.A.§ 6-20-2504) was created to provide funding for immediate repair needs that school districts had on January 1, 2005, as determined by the 2004 Educational Facilities Assessment report from the Task Force to the Joint Committee on Educational Facilities. The Immediate Repair Program paid for repairs to structures — such as heating and air systems, roofs, and water supply equipment — of school districts that applied for funding by July 1, 2005. The program expired by statute January 1, 2008.

Program	Total State Funding Provided to Districts	Projects Completed	Districts
Immediate Repair	$27,607,692	239	123

2. The **Transitional Program** (A.C.A. § 6-20-2506) was designed to reimburse school districts for projects that were under design or in construction prior to the start of the Partnership Program. The Transitional Program paid for new debts incurred between January 2005 through June 2006. The Transitional Academic Facilities Program ended June 30, 2009.

Program	Total State Funding Provided to Districts	Projects Completed	Districts
Transitional	$85,486,970	213	96

3. The **Catastrophic Program** (A.C.A. § 6-20-2508) authorizes the Arkansas Division of Public School Academic Facilities and Transportation (Facilities Division) to distribute state funding to school districts for emergency facility projects due to an act of God or violence. The purpose of the funding is to supplement insurance or other public or private emergency assistance.

Program	Total State Funding Provided to Districts	Projects Completed	Districts
Catastrophic	$2,864,748	13	13

4. The **Academic Facilities Partnership Program** is the state's main school facilities funding program for ongoing facilities construction needs. Under the program, the Facilities Division helps schools identify immediate and long-term building needs and distributes funding for a portion of the cost of necessary construction. The Partnership Program funds new construction projects and major renovations, not general repair or maintenance.

Following the 2005 legislative session, in October 2005, the Special Masters, who were appointed by the Arkansas Supreme Court to examine issues raised in the Lake View lawsuit, noted, "The funds appropriated for facilities repair, renovation and construction during this biennium ($120,000,000) do not come close to addressing the state's public school facilities needs." The court agreed, noting, "Facilities funding, by all appearances, falls short."

In response, the General Assembly passed Act 20 in the April 2006 Extraordinary Session. That legislation appropriated an additional $50 million for the Partnership and Transitional facilities programs ($25 million each) for FY2005-06, delaying a more permanent fix until the 2007 regular session.

Act 20 also included special language to protect the Educational Facilities Partnership Program from the doomsday clause [A.C.A. § 19-5-1227(d)]. The doomsday clause calls for the reduction in the general revenue allocated to all other state agencies and programs if the Department of Education does not have enough revenue to fully fund what the General Assembly has determined to be the amount necessary for an adequate education. The new protection was the result of the House and Senate Education Committees' determination that the Public School Academic Facilities Program and related funding sources are integral parts of the concept of "adequacy."

The General Assembly also passed Acts 34 and 35 of the 2006 Extraordinary Session, which created the **Academic Facilities Extraordinary Circumstances Program**. This program was designed to respond to a concern that some districts would not be able to raise enough money locally to provide their share of the Partnership Program. Without this local match, these districts would be unable to tap into the available state funds. Acts 34 and 35 called for the Facilities Commission to develop rules under which the Extraordinary Circumstances program would operate. To date, the rules have not been drafted, and the program has never been funded.

Having taken some limited measures during the 2006 Extraordinary Session, the General Assembly aggressively responded to the Supreme Court's criticisms during its 2007 regular session. The Legislature passed Act 1237 of 2007, which appropriated about $455.5 million in state surplus funding to support the Partnership Program. That funding has largely sustained the program until the most recent funding cycle.

The General Assembly also passed Act 995 of 2007, which called for the creation of an **interest-free loan program for high-growth districts**. Although the Facilities Commission adopted rules for this program, it was never specifically funded. No district has ever applied for the funding, according to the Facilities Division.

Following the 2007 session, the Supreme Court reviewed the Legislature's latest facilities efforts and found the infusion of $455.5 million in new funding commendable. In May of that year, the court released the state from court supervision.

Since then the General Assembly has provided $40 million to $60 million for school facilities needs each year. Additional school facilities needs have been met using balances largely resulting from the $455.5 million allocated in 2007. However, those funds have begun to run short. During the 2014 Adequacy Study, the Facilities Division testified that there were $65 million in facilities needs for the 2015-17 biennium that were not funded. The Education Committees, in their final Adequacy Study report, recommended providing funding to meet those needs. During the 2015 legislative session, the General Assembly provided the Partnership Program with an additional $40 million in General Improvement Funds.

FACILITIES FUNDING, SOURCES AND EXPENDITURES

State facilities funding has generally drawn from three funding sources:

- **General Revenue**: The Partnership Program receives about $35 million annually in General Revenue.
- **Savings from older facilities funding programs being phased out**: Before the Partnership Program was created, the state helped districts with construction through three programs, General Facilities Funding, Supplemental Millage Incentive Funding and Bonded Debt Assistance. These programs are being phased out over 10 years, resulting in the state paying districts less money each year. However, the programs have received level funding each year, about $46.6 million annually, resulting in increased funding left over after distribution to the districts. This leftover funding has been transferred to the Partnership Program under statute since at least 2006-07. However Act 1 of the 1st Extraordinary Session of 2013 redirected the transfer for two of the programs (General Facilities Funding

and Supplemental Millage Incentive Funding) to support the Public School Employee Health Insurance program, starting in 2014-15. In the final report of the 2014 Adequacy Study, the Education Committees recommended providing the Partnership Program with new funding to replace the amount that had been redirected. In the 2015 session, the General Assembly allocated an additional $7 million in the "C" category, which will be fully funded only if revenues exceed the revenue forecast.

- **Fund transfers and balances**: The $455.5 million the General Assembly provided in 2007 is the main component of this funding source.

The following chart shows the funding amounts provided for all facilities funding since the new programs were created. Including the $456 million funding, facilities programs have received an average of about $102.8 million annually between 2006 and 2015.

State Facilities Funding				
Fiscal Year	**General Revenue**	**Transfers from Savings in Predecessor Programs**	**Other Funding (or Funding Reductions)**	**Total Annual Funding**
FY2005			$20,000,000	$20,000,000
FY2006			$52,442,524	$52,442,524
FY2007	$35,000,000	$5,211,326	$48,960,424	$89,171,750
FY2008	$35,000,000	$10,534,873	$455,597,052	$501,131,925
FY2009	$35,000,000	$14,140,709		$49,140,709
FY2010	$33,633,641	$18,163,282	($17,301,487)	$34,495,436
FY2011	$34,828,951	$20,391,765		$55,220,716
FY2012	$35,345,364	$22,654,247	($2,000,000)	$55,999,611
FY2013	$34,828,951	$25,144,317		$59,973,268
FY2014	$34,828,951	$27,477,005	$20,000,000	$82,305,956
FY2015	$34,828,951	$13,690,010		$48,518,961
				$1,048,400,856

The following table shows total state expenditures for the facilities programs. Between 2006 and 2015, the state has spent an average of about $87.3 million annually.[1]

State Facilities Expenditures					
Fiscal Year	**Immediate Repair**	**Transitional Academic Facilities**	**Partnership**	**Catastrophic**	**Total**
FY2005 Actual	$0	$0	$0	$0	$0
FY2006 Actual	$14,823,794	$15,791,117	$0	$0	$30,614,912
FY2007 Actual	$11,389,313	$54,035,149	$17,631,819	$0	$83,056,281
FY2008 Actual	$1,866,846	$12,532,629	$90,460,859	$135,326	$104,995,661
FY2009 Actual		$3,641,105	$118,688,682	$216,327	$122,546,114
FY2010 Actual			$111,508,049	$1,853,136	$113,361,185
FY2011 Actual	_	_	$120,734,428	$77,425	$120,811,853
FY2012 Actual	_	_	$93,302,830	$114,178	$93,417,008
FY2013 Actual	_	_	$94,509,046	$146,364	$94,655,410
FY2014 Actual			$56,219,864	$250,552	$56,470,416
FY2015 Actual			$53,298,055	$43,610	$53,341,665
FY2016 (Est.)	_	_	$98,951,977	$354,615	$99,306,592
FY2017 (Est.)	_	_	$81,983,576	$354,615	$82,338,191
Total	**$28,079,953**	**$86,000,000**	**$937,289,186**	**$3,546,148**	**$1,054,915,288**

[1] The total state expenditures include some state-level administrative costs of running the facilities funding programs. As a result, these numbers do not match exactly the amounts of funding provided to school districts for facilities projects.

PARTNERSHIP PROGRAM

Every two years, districts apply for Partnership Program funding, and the Facilities Commission approves projects that qualify for funding, as it is available. The Partnership Program does not pay for anything that "could be classified as maintenance, repair, [or] renovation other than a total renovation project" (Rules governing the Academic Facilities Partnership Program, 3.19.1). Only projects that cost $150,000 or more or those that cost more than $300 per student qualify for funding. Open enrollment charter schools are not eligible for Partnership Program funding.[2] The Partnership Program provides funding for districts to pay for the following types of facilities projects:

1. New construction needed to ensure a **warm, safe and dry** environment: There are two types of projects that qualify as warm, safe and dry:
    - **Systems**: These projects support a facilities basic systems needs such fire alarms or replacement of a building's roof, plumbing, HVAC, or electrical system. The Facilities Commission approved 29 warm, safe and dry systems projects in the most recent funding cycle.
    - **Space Replacement**: A renovation or construction project to replace an existing building or space that the Facilities Division determines does not provide a warm, safe and dry environment. The Facilities Commission approved 15 warm, safe and dry space replacement projects in the most recent funding cycle.
2. **New facilities:** New facilities are newly constructed buildings, not renovations of or additions to existing buildings.
3. **Additions or conversions:** Academic areas that are added to an existing building or projects that convert space for another academic use.
4. Projects resulting from a **district consolidation or annexation**: A new building or addition that supports a voluntary consolidation or annexation.

The Partnership Program pays for K-12 academic facilities, which are defined as buildings or spaces "where students receive instruction that is an integral part of an adequate education" (Rules 3.01). Administration buildings, pre-K buildings and education service cooperatives are not considered academic facilities. Districts are required to submit a six-year master plan for their budgeting and planning for ongoing facilities needs, and the Partnership Program does not pay for any construction projects not included in districts' master plans. The Partnership Program also does not pay for the purchase of land, mold abatement or environmental site clean-up. For the 2015-17 cycle, the Division approved **91 projects for the first year** of the cycle and another **53 projects for the second year**. However, projects approved for the program are not guaranteed to actually receive funding. District projects are ranked through a prioritization system and those with higher priority are more likely to get funded. The line between approved projects that are funded and approved projects that are not funded depends on the total amount of money the Partnership Program has to distribute. Of the 91 projects approved for the first year, **67 were funded**.

[2] Act 739 of 2015 created the Open-Enrollment Charter School Facilities Funding Aid Program and Act 735 of 2015 transferred $5 million in money available from a charter school facilities loan fund for this program.

PARTNERSHIP PROGRAM PRIORITIZATION

Projects are prioritized by the type of project. For the current and next funding cycle, warm, safe and dry (systems) projects receive the highest priority, followed by new facilities, additions and conversions and then warm, safe and dry (space) projects.

From the program's inception, warm, safe and dry (WSD) projects were treated as the Partnership Program's highest priority, reflecting the original assessment of the Task Force to the Joint Committee on Academic Facilities. As a result, WSD projects were funded first. In 2013, the Facilities Division changed the rules creating two types of warm, safe and dry projects: systems and space replacement. The rules now cap the funding available for warm, safe and dry (WSD) systems projects at $10 million. The change was made in an effort to discourage districts' from avoiding necessary maintenance on their existing facilities. The Division found that some districts appear to have stopped providing certain maintenance, assuming that when the equipment/structure's expected lifecycle ended, they would qualify for funding as a warm, safe and dry project with its high priority funding. Funding for routine maintenance is provided to districts through foundation funding, and districts are required to spend at least 9% of their annual foundation funding on maintenance and operations needs.

The 2013 rules change made new facilities, additions and conversions the second priority and the WSD space replacements the third priority. Beginning with the 2019-21 funding cycle, WSD systems projects will fall to the third priority, as illustrated in the table below.

2013-15	2015-17	2017-19	2019-21 and beyond
Warm, Safe and Dry (All Project Types)	Warm, Safe and Dry (Systems) (up to $10 million annually)	Warm Safe and Dry (Systems) (up to $10 million annually)	New Facilities, Add-Ons, Conversions
New Facilities and Additions	New Facilities, Add-Ons, Conversions	New Facilities, Add-Ons, Conversions	Warm, Safe and Dry (Space Replacement)
Conversions	Warm, Safe and Dry (Space Replacement)	Warm, Safe and Dry (Space Replacement)	Warm, Safe and Dry (Systems)
Consolidation/ Annexation Projects	Consolidation/ Annexation Projects	Consolidation/ Annexation Projects	Consolidation/ Annexation Projects

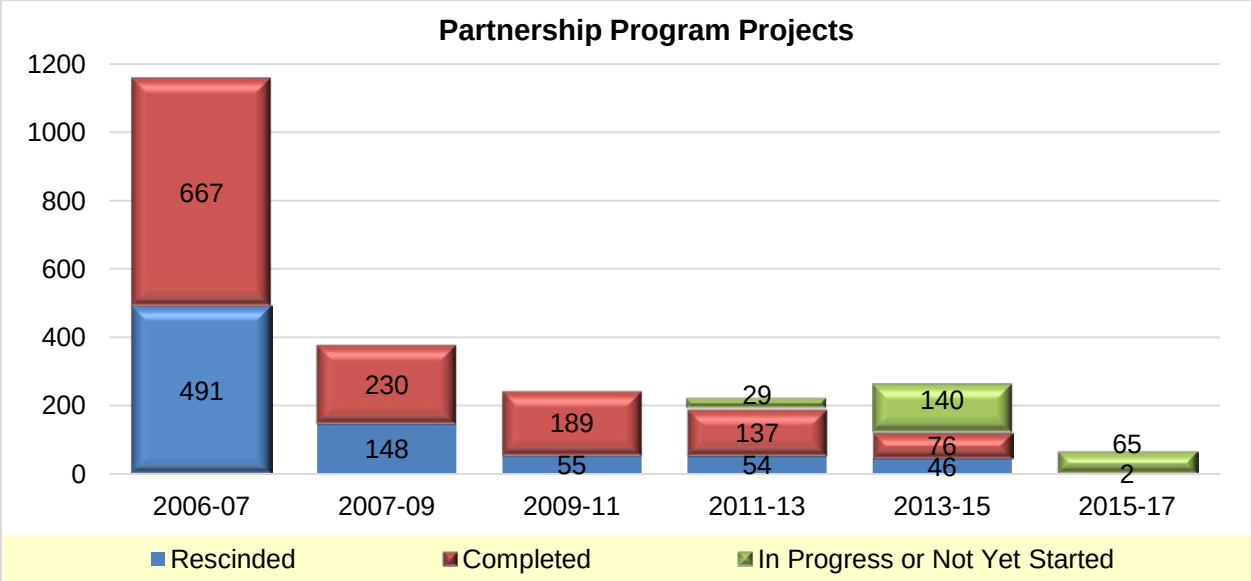
Within each category, projects are ranked on the basis of different criteria. The following table shows the ranking criteria for each type of project.

Project Type	Ranking Basis
Warm, Safe and Dry (Systems)	• Facilities Wealth Index • ADM Ranking favors low wealth index and low ADM.
New Facilities, Add-Ons, Conversions	• 10-year actual growth of student population Ranking favors districts with the highest percentage of growth.
Warm, Safe and Dry (Space Replacement)	• Campus value, which is the value of all buildings on a campus. Building value is a calculation reflecting its depreciated value that is based solely on the age of the building. Ranking favors campuses with the oldest buildings.

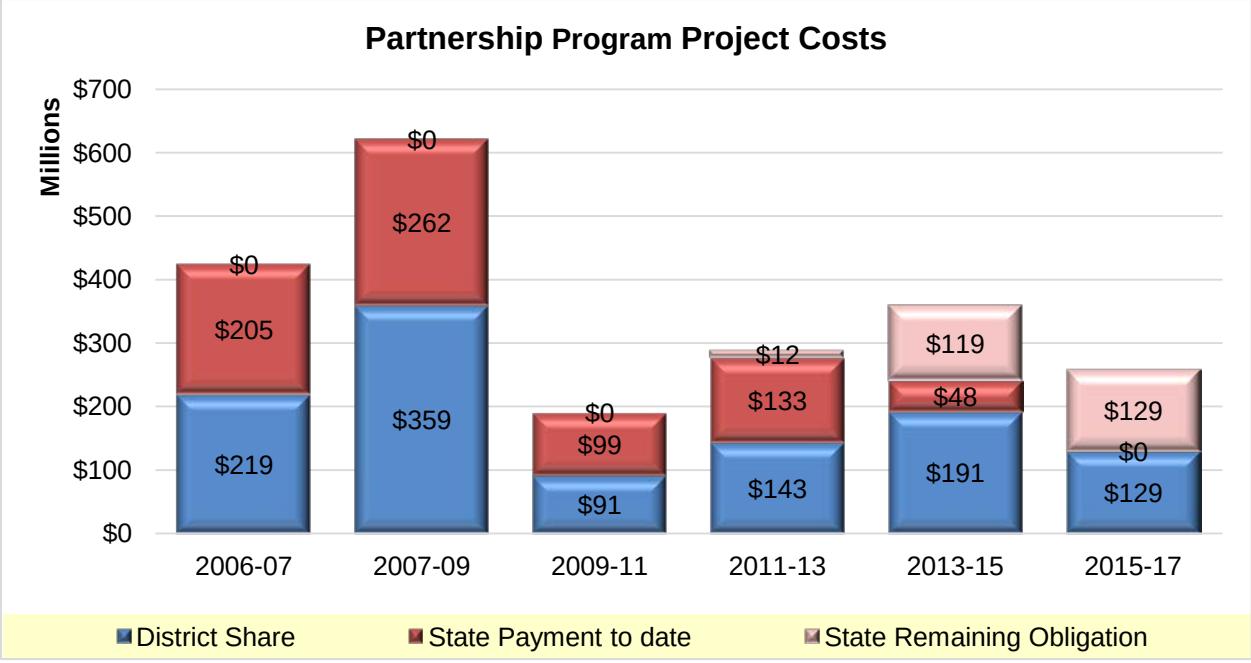
As a result of the new prioritization process, half of the 48 WSD (system) projects that were approved for the 2015-17 cycle did not receive funding when the initial funding was announced in April.

	Total Approved Year One 2015-17 Cycle	Total Funded Year One	Total Year One Not Funded as of April 30, 2015
WSD (System)	48	24	24
WSD (Space)	14	14	0
New Facilities	29	29	0

As of June, the Partnership Program has paid districts about **$747.7 million** for facilities construction and renovation and systems improvement and agreed to pay another $259,822,338 through the 2015-17 funding cycle. Including the school districts' matching funds, the Partnership Program has supported a total of $2.14 billion for new or renovated academic facilities (including current obligations).

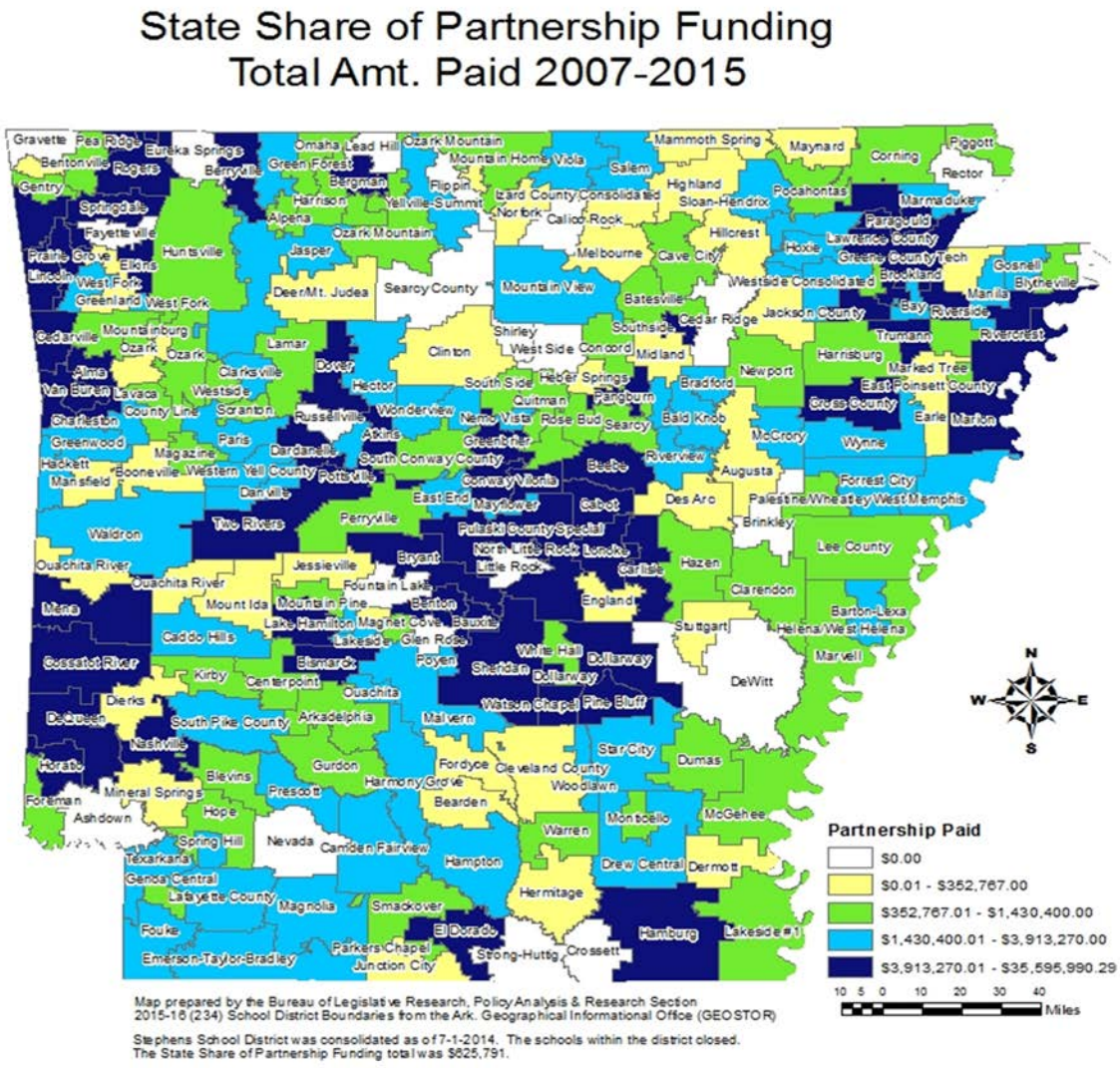


The cost of approved projects is shared by the state and the district. Of the projects approved for Partnership funds (not including projects that were rescinded by a district), the state has paid (including current obligations) about 47% of all allowable costs. Districts have paid (or will pay) 53% of allowable costs.



REGIONAL ANALYSIS OF PARTNERSHIP FUNDING

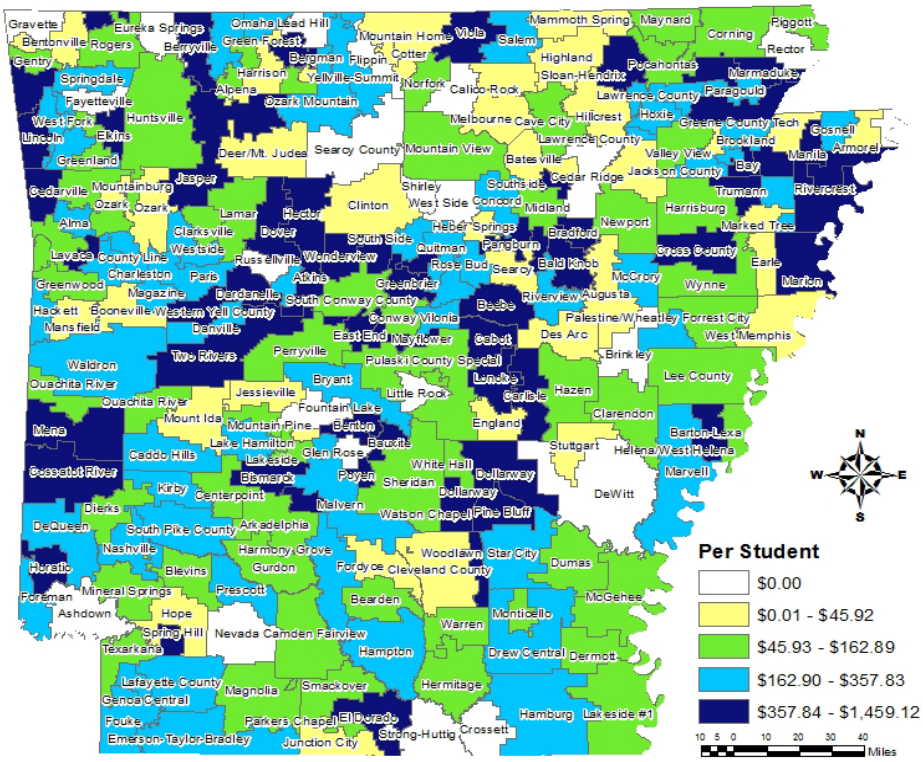
The following maps show the total amount of funding the state has contributed to school facilities projects through the Partnership Program since the program's inception.[3] The first map shows the total dollar amount the state has actually paid in each district (not including outstanding obligations). The first map shows that the districts with the highest population concentrations—Central, Northwest and Northeast Arkansas—have received some of the highest amounts of Partnership Program funding.



The map on the following page shows the amount of Partnership Program funding the state has paid as an annual average per student. Each district's average ADM over the last eight years was used to calculate the annual average Partnership funding amount per student. In contrast to the previous map, there appears to be no significant regional patterns when the funding is viewed on a per-student basis.

[3] These figures include only the amount the state has actually paid through May of 2015. It does not include the state's outstanding obligations. For example, if a district has a $100,000 project and the state's share of the project is $50,000, but the state has only paid $30,000, the outstanding $20,000 would not be included.

State Share of Partnership Funding Per Student 2007-2015



Stephens School District was consolidated as of 7-1-2014. The schools within the district closed.
The State Share of Partnership Funding total 8 year average was $208.99 per student.

Map prepared by the Bureau of Legislative Research, Policy Analysis & Research Section
2015-16 (234) School District Boundaries from the Ark. Geographical Informational Office (GEOSTOR)

Of the 234 existing districts, 22 have never received any Partnership Program funds. However, some of these districts received funding from earlier facilities funding programs (Immediate Repair or Transitional), or they have approved and funded Partnership projects in the works. Sixteen districts have never received state funding for facilities and have no currently approved and funded project in process. Eleven—half of the of the 22 districts that have never received Partnership Program funding—have an eight-year average Facilities Wealth Index above .90, which means they qualify for only a small percentage of project costs to be covered by the state. Some of these districts may have decided the small amount of state funding available was not worth the time it takes to apply.

The following table examines characteristics of districts based on the various levels of Partnership funding they received. Districts were ranked based on the per-student Partnership funding they received over the last eight years and placed into four groups (quartiles) based on their rank. For each group of districts, an average ADM and percentage of free and reduced price lunch students (also known as National School Lunch students or NSL) was calculated. (Districts that have been involved in a consolidation—those absorbed by another district and those that received a consolidated district—have been excluded from this analysis.) The analysis found no strong relationships between the amount of Partnership Program funding a district received and its ADM or its NSL percentage.

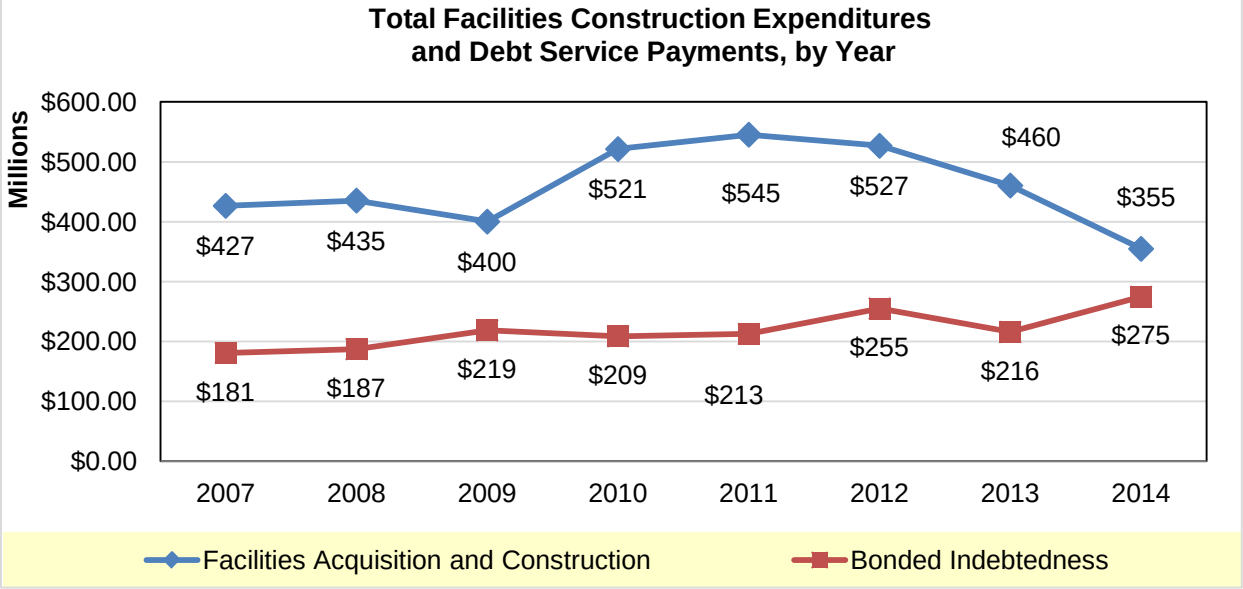
Average Annual State Partnership Funding Per Student	8-Year Avg. ADM	8-Year Average % Free or Reduced Price Lunch Students (NSL)
Quartile 1: $0-$52	2,047	63.55%
Quartile 2: $52-$174	2,590	65.20%
Quartile 3: $174-$362	1,770	61.02%
Quartile 4: $369-$1,459	1,497	60.02%

TOTAL FACILITIES EXPENDITURES AND DEBT SERVICE PAYMENTS

The Partnership Program was designed to provide different levels of financial assistance to districts for facilities construction and renovation. It was designed to level the playing field between districts that could afford newer facilities and those that could not. However, an important question is whether the differing levels of state financial support promote an equalization among facilities. Or do disparities remain? This is a question that cannot be answered from data alone, and unfortunately a physical assessment of school buildings is outside the scope of this report. That said, districts' spending patterns on facility construction and debt service can provide some information about the differences among districts.

The BLR examined district expenditures for facilities acquisition and construction services and annual debt service payments (bonded indebtedness) for the last eight years (2007-2014). Facilities acquisition and construction include land purchases and construction expenditures. The expenditures also include money spent on site improvement activities, such as fencing, walkways and landscaping, and building improvements, such as initial installation of service systems and built-in equipment. These expenditures, which were extracted from APSCN, include those made using all funding sources, including Partnership Program funding. Because the Partnership Program reimburses districts for expenditures made for approved projects (i.e., districts have to spend the money before they can be reimbursed for the state share), these expenditures include all expenses associated with Partnership Projects—both the state's share (which ultimately will be reimbursed) and the district's share.

The following chart shows that total district expenditures on facilities acquisition and construction increased by about 30% between 2009 and 2010, but decreased since then by about 32%. The increased spending between 2010 and 2012 may be the result of additional funds made available to districts through the American Recovery and Reinvestment Act of 2009 (ARRA). Collectively districts spent about $68.8 million in ARRA funds on facilities construction and acquisition in 2010, $77.6 million in 2011, and $22.6 million in 2012. Expenditures on debt service payments have steadily increased 52% between 2007 and 2014.



The APSCN reporting system calls for school districts to report certain facilities expenditures based on whether the expenditure is for an instructional area or a non-instructional area. The data show that of districts expenditures on building acquisition, construction, and improvements, the vast majority (88% and 91%) were for instructional areas. A smaller portion (64%) of districts' site improvement expenditures (nonpermanent improvements, such as landscaping, bleachers, and outside lighting) were for instructional areas.

	Eight-Year Total Expenditures	% Spent on Instructional Areas
Building Acquisition and Construction	$2.24 billion	88%
Site Improvements	$290.3 million	64%
Building Improvements	$826.9 million	91%

To examine the extent to which Partnership Program funding allows or inhibits districts' spending on facilities, the BLR looked at the relationship between the amount of Partnership Program funding districts receive and the total amount they spent on facilities construction and improvement from all funding sources. A per-student spending average was calculated for each district for total facilities spending and for debt service payments.

- **Per-Student Facilities Expenditures**: An eight-year annual average was calculated for each district's total facilities acquisition and construction expenditures (including land purchase, site improvements and building improvements). These expenditures include expenditures made with all types of funding, including local revenue from debt service mills as well as state Partnership Program funding. Using an eight-year average ADM, each district's average annual facilities expenditure was calculated as a per-student amount. Districts' facilities expenditure per student ranged from about $10 per student (Augusta) to more than $3,500 (Pangburn). On average, districts (not including open enrollment charter schools or districts involved in a consolidation) spent $985 per student.
- **Per-Student Debt Service Payments**: An eight-year annual average was also calculated for each district's debt service payments (bonded indebtedness expenditures) and then calculated as a per-student amount using an eight-year average ADM. The district debt service payments per student amount ranged from $0 (Gosnell) to nearly $3,000 (Mountain Home). (Mountain Home's debt service payment for 2013-14 was significantly larger than other districts' because the district paid off a bond that year.) On average, districts spent about $419 per student on debt service payments between 2007 and 2014 (not including open enrollment charter schools or districts involved in a consolidation).

Then districts' Partnership Program funding was calculated as a per-student amount. The amount of Partnership Program funding each district has received since the program's inception was calculated as an annual average per student (using an eight-year average ADM). (Districts that have been involved in a consolidation—those absorbed by another district and those that received a consolidated district—have been excluded from this analysis.)

The 216 districts were ranked based on the Partnership Program funding per student and placed in four groups (quartiles) based on their ranking, as shown in the table below. The amount each district spent on facilities construction (from all funding sources) and the amount they spent on debt service payments were averaged by quartile. The table shows that as the average amount of Partnership Program funding per student increases, districts' total facilities expenditures per student also increase. There is no clear relationship between Partnership Program funding and debt service payments, although districts that received the lowest Partnership Program funding per student had the highest debt service payment per student of the four quartiles.

Partnership Funding Per Student	Avg. Annual Facilities Expenditure Per Student	Avg. Annual Debt Service Payment Per Student
Quartile 1: $0-$52	$672	$495
Quartile 2: $52-$174	$641	$389
Quartile 3: $174-$362	$982	$394
Quartile 4: $369-$1,459	$1,642	$398

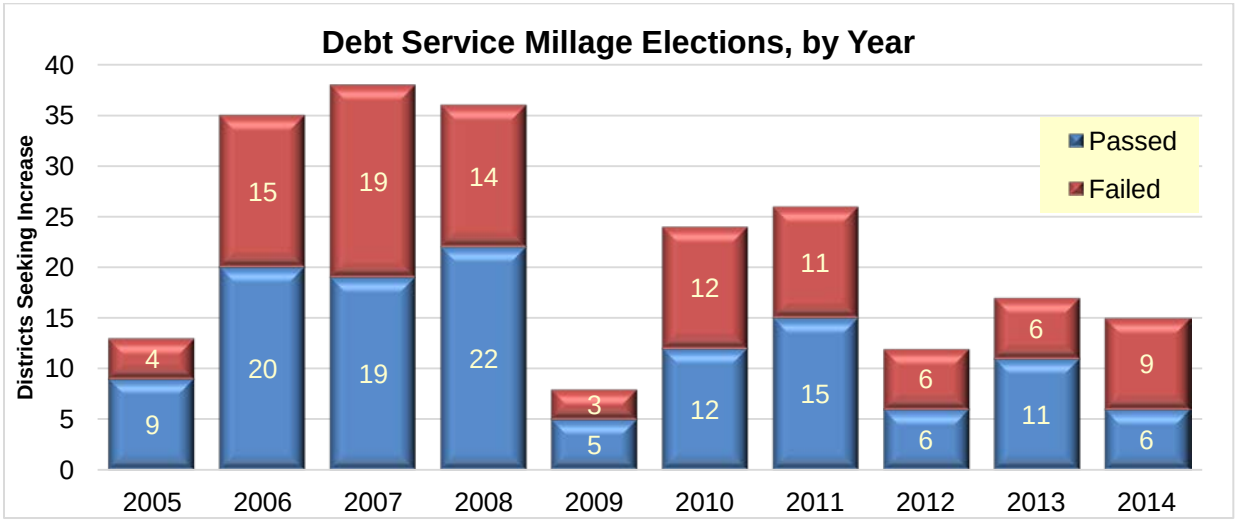
MILLAGES

To draw down the state share of Partnership funding, districts must contribute their share of local funding. There has long been concern that some districts would be unable to pass enough millage to raise the local share. This section of the report examines the variations in district millages and the extent to which the passage of millage elections affects districts' facilities expenditures.

School districts are constitutionally required to charge property holders in their communities a millage rate of at least 25 mills. The revenue generated from the 25 mills is used to fund the foundation funding that every district receives based on the number of students in the district. Voters in many districts have elected to pay a higher millage rate or a dedicated millage rate to generate additional money for the maintenance and operation (M&O) of their schools. Most districts have been able to pass additional millage, known as debt service mills, to help pay the cost of construction and renovation.

As of 2014, all districts but two (Salem and Gosnell) have passed some level of debt service mills. The number of **debt service mills each district has ranges from 1.30 (Lee County) to 23.90 (Fouke)**. One district, Harrisburg, has two different millages. (In 2010, the Weiner school District was consolidated into Harrisburg, but voters there have never approved a unified millage.) The **average number of debt service mills among Arkansas school districts is 11.78**. Since 2005, **about 150 districts have sought an increase to their debt service millage**. (This number does not include requests to increase M&O mills or to increase debt service mills after a consolidation in an effort to equalize millage between merging districts. Nor does it include requests to transfer M&O mills to debt service if there was not an overall increase in millage.) On average, elections seeking an increase in debt service mills fail about 44% of the time. Often when a district's millage attempt fails, the district attempts another millage in subsequent years. Many times a second or third try is successful, especially when a lower millage is requested. However, **more than two dozen school districts that had millage failures either never tried again or had additional failures**.

The following chart shows the number of districts asking voters to approve an increase in debt service millage by year. The chart also shows the number of those elections that were successful and the number that failed. The data suggest that the new funding offered by the Partnership Program led to a spike in the number of millage elections in 2006, 2007 and 2008. In 2009, the number of millage elections dropped precipitously likely as a result of the recession. Districts considering a millage increase that year may have decided the economic climate likely wouldn't support a tax increase.



While there is clearly significant diversity in the number of debt service mills districts have, an important question is how closely related debt service mills are to actual spending on facilities. Do more debt service mills necessarily mean higher spending on facilities construction or do low debt service mills prevent districts from spending on facilities?

The following table examines the relationship between the amount of debt service mills a district has and its spending on facilities construction and debt service payments. The table uses an eight-year average for debt service mills, facilities construction expenditures per student and debt service payment per student. The districts were placed in quartiles based on their average number of debt service mills and a quartile average was calculated for facilities expenditures per student and debt service payments. The data show that the districts in the low debt service mill quartile spent less on facilities construction and had lower debt service payments on average than districts in the high debt service mill quartile.

Debt Service Quartiles	Facilities Construction Expenditure Per Student	Debt Service Payments Per Student
0.00 - 8.78	$703	$297
8.84 - 11.35	$962	$416
11.40-14.10	$974	$445
14.18-23.90	$1,299	$517

FACILITIES WEALTH INDEX

The amount of money the state pays for each Partnership project depends on the district's **Facilities Wealth Index**. The wealth index is calculated as a percentage, with wealthier districts having a higher percentage. A district's wealth index indicates the percentage of a project's cost for which the district is responsible. For example, a district with a wealth index of 85%, would pay 85% of the project's cost and the state would pick up the remaining 15%.

A school district's Facilities Wealth Index is determined by first calculating the value of one mill per student. For example, the value of one mill per student in a district with 500 students and a total assessment of $100 million would be $200.

Total Valuation		Value of 1 mill	ADM	Value of 1 mill per Student
$100 million	x .001	= $100,000	/ 500	= $200

Districts are then ranked by the value of one mill per student. The amount of money that one mill generates varies widely, depending on the property wealth and size of each community. One mill generates just $12,000 in revenue in Poyen and nearly $3.3 million in Little Rock. Statewide, one mill generates about $186,000 among districts on average.

The next step in the facility wealth calculation is to assign percentile values to each district where the first percentile contains the 1% of students with the lowest value of one mill per student and the 100th percentile contains the 1% of students with the highest value per mill. (See appendix for a list of districts and their wealth index calculations.) Then, the value of 1 mill per student in each school district is divided by the value of one mill of the district at the 95th percentile. The following table provides an example of how the Facilities Wealth Index is calculated. In the example below, the 95th percentile falls in Pulaski County Special School District at a value of $159.58 per student. Each district's value of one mill per student is divided by that value. Any district at the 95th percentile or above receives a value of .995, so that every district is eligible to receive some aid through the Partnership Program.

		1 Mill Per Student	Divided By	=	Wealth Index (District Share)
Lowest (Poorest)	Poyen	$22.00	$159.58	0.13787	13.7%
95th Percentile	Pulaski County	$159.58	$159.58	1.00000	0.995%
Highest (Most Affluent)	South Side	$516.14	$159.58	3.23441	0.995%

The wealth index considers not only the district's property wealth, but also the number of students the district must serve. For example, Watson Chapel and Armorel School Districts have similar property valuations; one mill in Watson Chapel generates about $110,000, while one mill in Armorel generates about $150,000. However, the two districts serve very different size student populations, resulting in very different Wealth Indexes. This is important from a facilities standpoint because larger districts require more facilities.

	Value of 1 mill	ADM	Value of 1 mill per ADM	District Share of Facilities	State Share of Facilities
Watson Chapel	$110,389	2,887	$37.38	33.4%	76.6%
Armorel	$154,546	423	$357.49	99.5%	0.5%

For 2015, Poyen School District had the lowest Wealth Index at .13787, meaning the state pays for about 86% of each approved project. Fifteen districts had the highest Wealth Index, .9950. Those districts are Pulaski County Special School District, Russellville, Concord, Cedar Ridge, Shirley, Clinton, Wonderview, Quitman, Fountain Lake, Eureka Springs, Nemo Vista, Armorel, West Side, Mineral Springs, and South Side. The state pays 0.5% of each of their approved projects.

To examine the characteristics of districts with different Wealth Indexes, all districts were ranked based on their wealth index averaged over eight years and placed in quartiles. For each quartile, an average was calculated of districts' eight-year average ADM, and these averages are provided in the table below. Districts in the quartile with the lowest wealth indexes had the lowest average ADM. The average ADM increased in the higher wealth index quartiles, suggesting that larger districts are more likely to have higher wealth indexes. The table also examines districts' average percentages of student eligible for free or reduced price lunch (NSL) by Wealth Index quartiles and finds very little difference in high and low wealth index districts. (Districts that have been involved in a consolidation—those absorbed by another district and those that received a consolidated district—have been excluded from this analysis.)

	8-Year Avg. Wealth Index (District Share)	8-Year Avg. ADM	8-year Avg. NSL%
Poorer	Quartile 1: 14.2-37.7	1,230	62.7%
	Quartile 2: 37.7-47.4	1,501	62.6%
	Quartile 3: 47.5-61.9	2,125	62.8%
Wealthier	Quartile 4: 62.2-99.5	3,048	61.7%

While there is clearly significant diversity in districts' wealth indexes, it is important to understand the extent to which the wealth index promotes or inhibits districts' spending on facilities. Does a high wealth index lead to lower overall spending on facilities construction because those districts qualify for less state funding? Does a low wealth index lead to greater per-student spending due to those districts' ability to leverage more state funds? To answer these questions, the per-student facilities expenditure and debt service payment calculations were examined (see page 11 for an explanation of these measures). Districts were placed in quartiles based on each district's eight-year average Wealth Index.

The following table examines the relationship between districts' wealth index and its facilities expenditures, debt service payments and state Partnership Program funding per student. The quartile with the lowest wealth indexes received more financial assistance through the Partnership Program than those in the quartiles with higher wealth indexes. That's not surprising considering the wealth index was designed to provide more state funding to districts with lower wealth indexes. Districts with low wealth indexes spend less money per student on debt service payments, perhaps because state funding covers more of their construction costs allowing them to finance less. There is no significant relationship between facilities expenditures per student and wealth index.

	8-Year Avg. Wealth Index \ (District Share)	8 Year Avg. Facilities Expenditures Per ADM	8-Year Avg. Debt Service Payment Per ADM	Avg. State Partnership Funding Per ADM
Poorer	Quartile 1: 14.2-37.7	$980	$325	$430
	Quartile 2: 37.7-47.4	$896	$410	$294
	Quartile 3: 47.5-61.9	$1,053	$422	$267
Wealthier	Quartile 4: 62.2-99.5	$1,009	$519	$166

Another relevant question to answer is how important is a district's property value to its ability to build and renovate facilities. A district where one mill generates just $20,000 would have to pass many more mills to afford a $5 million new school than a district where a mill generates $1 million. The Partnership Program was designed to enable districts with low property wealth to build facilities just as districts with high property wealth are able to do. The following table examines the relationship between property wealth (the revenue generated by one mill) and facilities expenditures, debt service payments and state Partnership funding per student. Districts were ranked by the amount of revenue generated by 1 mill in each district and then placed in quartiles based on their rank. (Districts that have been involved in a consolidation—those absorbed by another district and those that received a consolidated district—have been excluded from this analysis.)

The table below shows that districts generating the most revenue per mill have been awarded the least amount of state Partnership funds per student, but there is little difference among the three less wealthy quartiles. Districts' debt service payment per student decreases as property wealth decreases, but there is no clear relationship between a district's property wealth and its construction expenditures per student.

	8-Year Avg. Value of 1 Mill	8-Year Avg. Facilities Expenditures Per ADM	8-Year Avg. Debt Service Payment Per ADM	8-Year Avg. State Partnership Funding Per ADM
Poorer	$11,085-$45,451	$880	$327	$332
	$45,612-$66,636	$983	$410	$308
	$66,873-$144,443	$1,055	$406	$301
Wealthier	$144,624-$3.15 million	$1,020	$533	$145

DECLINING ENROLLMENT AND HIGH GROWTH: IMPACT ON FACILITIES WEALTH INDEX

The Education Committees that formulated the original Facilities Wealth Index had concerns about the facilities wealth index's impact on districts with rapid enrollment growth or declines, according to the final 2006 Adequacy Study report. Because the wealth index is based on the value of one mill per student, there was concern that a district's loss of students would result in a higher per-student amount of revenue generated by one mill. A higher ratio would result in the district having a higher wealth index and therefore a lower share of funding from the state for Partnership projects. For example, consider a district with 500 students. If in that district, one mill generates $100,000, each mill in the district will generate $200 per student. If that district loses 50 students, the mill revenue per student (assuming a constant $100,000 mill revenue) increases to $222.22 per student, possibly causing it to rise in the wealth ranking.

The table below shows that a declining enrollment does generally lead to a higher wealth index and districts' bearing a greater share of the cost of construction. The table below shows the average wealth index of the 34 districts that lost at least 15% of their ADM between 2007 and 2014 (excluding districts that were part of a consolidation during that timeframe). The districts' average wealth index increased by 10 percentage points. The opposite was true of growing districts. The average wealth index among the 15 districts that had enrollment increases of at

least 15% decreased over time, meaning the state kicked in a larger share for those districts' construction projects.

Districts Declining or Growing by at Least 15% between 2007 and 2014[4]

	Average Wealth Index							
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Declining (34 districts)	51.9	51.8	51.5	53.7	55.4	58.6	62.0	61.9
Growing (15 districts)	54.0	53.8	51.9	50.9	49.5	47.7	48.6	46.7

Because student count is only one part of the wealth index equation, it's important to look at the other factor: the revenue generated by one mill. Districts generally saw their assessment values increase over the eight years, about 48% on average (not including districts that were part of a consolidation). In districts with ADM decreases of at least 15%, property wealth increased at a slower pace—about 36% on average. The property wealth in the 15 growing districts increased at nearly the same pace as the state as a whole.

The different impact on growing and declining districts is not necessarily unfair. After all, districts with declining enrollments have a decreasing need to maintain the same amount of school space and growing districts have an increasing need to expand facilities.

The following tables show the districts with the greatest percentage point increases and decreases in their Facilities Wealth Index between 2008 and 2015. All of the districts with the greatest decreases are growing districts except Booneville. Booneville's decrease is likely the result of a drop in property wealth when nearly all other districts' property wealth increased. All of the districts with the greatest increases in wealth index had a significant increase in property wealth and all but one had a decrease in ADM.

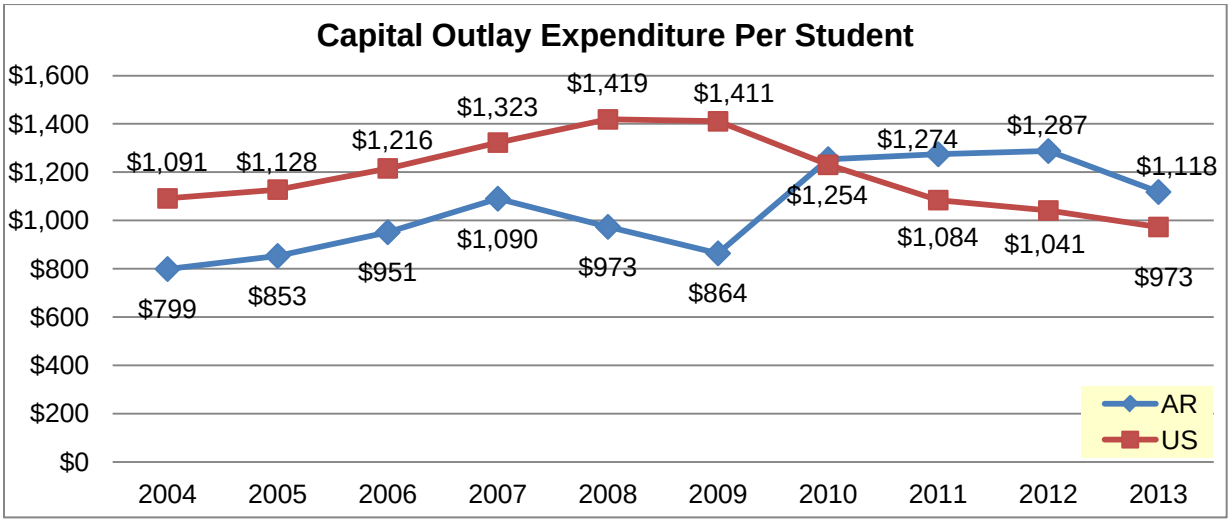
Greatest Decreases in Wealth Index	
District	**District Share Decreased By:**
Bentonville	27.3 percentage points
Springdale	19.2 percentage points
Jonesboro	15.3 percentage points
Booneville	14.9 percentage points
Siloam Springs	14.6 percentage points

Greatest Increases in Wealth Index	
District	**District Share Increased By:**
Nemo Vista	69.6 percentage points
Pangburn	59.8 percentage points
South Side	59.6 percentage points
Mineral Springs	56.1 percentage points
Guy-Perkins	49.7 percentage points

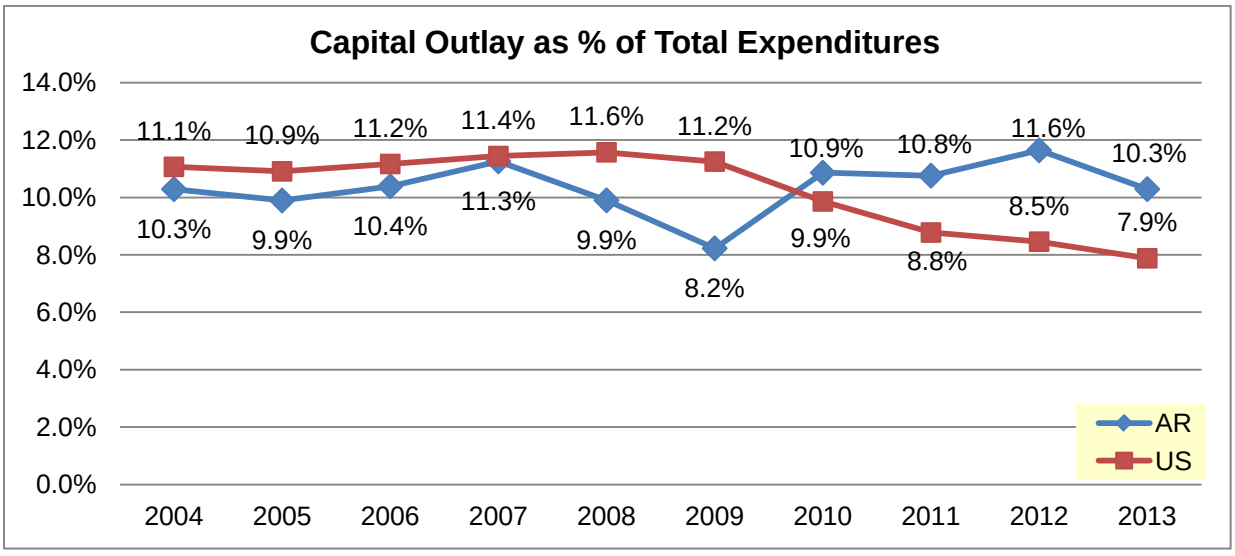
[4] Wealth Indexes are calculated based on the prior year's ADM. For example, the 2015 Wealth Index is based on the district's 2014 ADM. Therefore, the table shows 2008-2015 Wealth Index data based on 2007-2014 ADM data.

NATIONAL COMPARISON

The creation of the Partnership Program appears to have improved Arkansas's spending on capital projects compared with other states. The U.S. Census collects data on K-12 school district capital expenditures using data collected by state departments of education. In 2004, Arkansas ranked 35th in capital outlay expenditures per student. That year, Arkansas school districts collectively spent about $800 per student, while the national average was nearly $1,100. In 2013, the most recent year for which national data is available, the state ranked 17th, with Arkansas districts spending more than $1,100 per student compared with the national average of about $975 per student.[5]



In 2013, capital outlay expenditures made up 10.3% of all district expenditures in Arkansas, compared with the national average of 7.9%.



[5] The U.S. Census includes other types of capital outlay expenditures in their calculations, such as school buses and other types of equipment. As a result, the totals reported for Arkansas are higher than the totals used earlier in this report. The Census student numbers (the denominator in the expenditure-per-student calculation) include pre-kindergarten students. The Bureau of Legislative Research's per-student calculations provided in this report do not include pre-kindergarten students.

FACILITIES DISTRESS

In 2005, Act 1426 established the Academic Facilities Distress Program to provide the state with a mechanism to intervene when districts are not providing adequate academic facilities or complying with facilities rules. Facilities distress is one of three programs (the others are academic and fiscal) used to identify, correct, or sanction a district or school that has not maintained the health and safety of its academic facilities. Although schools or districts placed in facilities distress are given opportunities to address academic facilities issues, the facilities distress program allows the state to exert control over an errant school or district by enforcing specific statutes regarding construction, health, safety, and other standards.

The Facilities Division performs inspections and investigations to identify schools or districts that may be recommended for facilities distress. The Facilities Commission, which is comprised of the Arkansas Department of Education Commissioner, Department of Finance and Administration Director, and Arkansas Development Finance Authority President, provides organizational oversight and can approve or deny a recommendation for placement in facilities distress.

The following sections will discuss the process of the facilities distress designation, the requirements, and steps to be removed from it.

DESIGNATION

State law requires the Division to conduct inspections of all academic facilities in the state [A.C.A. § 6-21-813(a)]. The Division employs six full-time inspectors to examine the roughly 1,100 campuses. During the nine-month school year, each inspector is assigned to inspect 16 million square feet and must complete eight inspections per month. In 2013-14, the Division inspected 542 (about 12%) out of approximately 6,700 academic facilities. Although state statute outlines specific systems that must be included as a part of every inspection [A.C.A. § 6-21-813(e)(1)], inspectors also look for compliance with maintenance, custodial, health, and safety regulations. Additionally, they also review documentation for preventative maintenance, fire alarm testing, current permits, and submission of any necessary reports. The inspector may point out small issues that can be easily resolved and refer “apparent” code violations to the appropriate state code enforcement agency.

When a code violation is discovered and reported, maintenance personnel are required to schedule a follow-up inspection with the Division and submit a work order through the Computerized Maintenance Management System (CMMS) known as *School Dude*. This program is used by schools and districts to send maintenance requests, but it allows the Division to view and track the progress of work orders to confirm that all academic facility deficiencies have been corrected. The Division also uses *School Dude* as part of the Early Intervention Program (EIP), which was created by Act 798 of 2009 for the early identification of districts appearing to progress toward facilities distress. The EIP is comprised of inspection results, requests received for special investigations, and monitoring CMMS-generated reports that may indicate the presence of early indications of facilities distress known as nonmaterial failures. A *nonmaterial failure* is an activity or condition that, if left unresolved, may lead to a more serious infraction. Districts with two or more nonmaterial failures must be notified by the Division no later than August 31st [A.C.A. § 6-21-811 (c)(1)(2)]. Superintendents are also required by statute to notify the Division of any early facilities distress indicators. To date, the Division has received only one such notification.

Beginning in 2013-14, the Division used the EIP to notify nine districts with two or more nonmaterial failures. These districts were Brinkley, Dollarway, Harmony Grove, Camden, Harrisburg, Highland, Melbourne, Booneville, and Southside. All of the districts’ facilities issues were corrected and no further action was required.

When a nonmaterial failure remains unresolved, it becomes a material failure. A *material failure* is an act or condition so significant that it can endanger the health and safety of the academic facility. These acts or conditions (as defined by statute) include the following:

- Improperly maintaining an academic facility;
- Violations of local or federal health, safety, fire, or building codes;
- Failure to provide timely and accurate facilities master plans to the Division (The state requires a six-year district wide facilities plan for each district to address schedules for custodial duties, maintenance, other tasks as assigned [A.C.A. § 6-21-806(a)(1)(b)]);
- Failure to comply with state laws regarding purchasing, bid requirements, or school construction of academic facilities projects;
- Default on any school district debt obligation; or
- Failure to plan and progress satisfactorily toward accomplishing the priorities established by the Division [A.C.A. § 6-21-811(1)(A-G)].

The Division may recommend a school or district with two or more material failures to be placed in facilities distress by the Commission. No individual schools have been placed in facilities distress, and only one district has ever received the facilities distress classification. In 2008, Hermitage School District was put in facilities distress due to building code and procurement law violations. After correction of the violations, Hermitage was removed from facilities distress in 2009.

REQUIREMENTS AND REMOVAL

A district in facilities distress is required to submit a facilities improvement plan (FIP) for Division approval [A.C.A. § 6-21-811 (d)(1)]. The FIP must identify and provide a detailed timeframe to remedy all material failure(s) that led to facilities distress. During this time, districts or schools in facilities distress are provided with additional support to procure financial resources to improve academic facilities, technical assistance, and administrative oversight from the Division. If a district or school has immediate needs for urgent repairs, renovations or construction, it may apply for a loan from the Division [A.C.A. § 6-21-811 (k)(1)(A)] or other assistance, such as the Academic Facilities Partnership Program.

If a loan is provided, it must be repaid from funds not required to provide an adequate education. In addition, a school or district in facilities distress may not incur a new debt obligation without permission from the Division.

Besides restrictions on debt, the Division (with permission from the Commission) can impose other sanctions on schools or districts in facilities distress such as:

- Requiring a special election for a millage increase to support facilities construction or repair;
- Require the superintendent to step down and appoint a replacement;
- Suspend or remove local school board members;
- Assume authority over a district in facilities distress;
- Prohibit the district from spending money on any activity that is not part of providing an adequate education; or
- Petition the State Board of Education to consolidate, annex, reconstitute, or dissolve the district.

During this time, students may transfer to another district or school that is not in facilities distress [A.C.A. § 6-21-812].

Schools or districts in facilities distress must correct their academic facility issues within five consecutive school years [A.C.A. § 6-21-811(g)(11)(C)], however, the State Board may grant more time if proof is provided of an extraordinary circumstance. To be removed from facilities distress, the Division must certify that the school or district has corrected all issues that caused them to be in facilities distress. Then, the Commission must approve the Division's recommendation for removal.

CONCLUSION

The Partnership Program was created in 2005 to help districts pay for facilities construction projects. The General Assembly designed the program as a partnership between the state and local school districts where the cost of facilities projects is a shared responsibility. A central component of the funding program is the facilities wealth index, which is a measure of a district's property wealth and its total student population compared with other districts throughout the state. The Commission for Arkansas Public School Academic Facilities and Transportation covers a greater share of the cost of funding projects in districts with low wealth indexes. Through the end of FY2015, more than $1 billion in state funding has been provided for school facilities funding programs and about $873.3 million has been spent. The remaining funding has been obligated for projects in the 2015-17 funding cycle.

An analysis of the Partnership Program funding provided to districts found no strong relationships between the amount of Partnership Program funding a district received and its size or percentage of students in poverty. This report also explored the relationship between districts' Partnership funding and their total spending on facilities construction and debt service payments. That analysis found that as Partnership funding per student increases, districts' total facilities expenditures per student also increased, but there is no clear relationship between Partnership Program funding and debt service payments.

This report also examined the impact of the facilities wealth index on the amount of Partnership funding districts receive, the amount they spend on overall facilities construction and the amount they spend on debt service payments. Districts with the lowest wealth indexes received more financial assistance through the Partnership Program than those with higher wealth indexes, which simply reflects the design of the program. There is no significant relationship between districts' total facilities expenditures per student and their wealth index, but districts with low wealth indexes spend less money per student on debt service payments.

This report also examined the impact of a district's property wealth on its ability to afford facilities construction and renovation. Districts with the highest property wealth—those generating the most revenue per mill—have been awarded the least amount of state Partnership funds per student. There is no clear relationship between districts' property wealth and their total construction expenditures per student, but districts' debt service payment expenditures per student decrease as property wealth decreases.

While the Partnership Program was created to provide resources to districts as the need for new facilities arrives, state statute also allows the Facilities Commission to sanction districts that fail to maintain adequate facilities through the Academic Facilities Distress Program. To date just one district has been designated as being if facilities distress. That district was removed from facilities distress in 2009, and no district has been sanctioned for facilities problems since that time.

APPENDIX

This table shows a simplified version of the calculation used to determine each district's facilities wealth index. The full calculation can be found at http://adecm.arkansas.gov/Attachments/1445_Facilties_Wealth_Index_2014-15.pdf

LEA	School District	2013 Value of 1 Mill	FY14 ADM Qtrs.1-3	2013 Value of 1 Mill/ADM $159.58	FY15 Wealth Index (District Share)	FY15 (State Share)
2703	Poyen	12,212.61	555.11	22.00	0.13787	0.86213
2906	Spring Hill	15,294.38	575.84	26.56	0.16644	0.83356
4708	Gosnell	48,717.75	1,323.32	36.21	0.22694	0.77306
3509	Watson Chapel	110,388.73	2,886.81	37.38	0.23427	0.76573
3209	Southside	60,182.52	1,597.07	37.68	0.23614	0.76386
6703	Horatio	33,459.24	844.07	39.41	0.24698	0.75302
4602	Genoa Central	42,848.57	1,065.73	40.21	0.25195	0.74805
1802	Earle	26,245.10	614.82	40.71	0.25510	0.74490
5401	Barton-Lexa	35,313.46	832.19	42.43	0.26592	0.73408
502	Bergman	51,575.26	1,095.70	47.07	0.29497	0.70503
5608	East Poinsett County	34,076.15	717.97	47.46	0.29742	0.70258
7503	Danville	42,018.78	875.67	47.63	0.29851	0.70149
5205	Harmony Grove	48,102.96	959.88	47.73	0.29911	0.70089
1702	Cedarville	42,137.28	854.83	47.89	0.30011	0.69989
6301	Bauxite	75,730.95	1,577.72	48.00	0.30080	0.69920
3005	Ouachita	24,287.83	503.17	48.27	0.30249	0.69751
3804	Hoxie	42,891.35	888.23	48.29	0.30260	0.69740
3606	Westside	30,709.32	635.70	48.31	0.30273	0.69727
6802	Cave City	64,437.52	1,283.22	48.80	0.30582	0.69418
7208	West Fork	58,102.72	1,185.13	48.91	0.30650	0.69350
5804	Pottsville	79,692.82	1,617.52	48.97	0.30685	0.69315
407	Pea Ridge	85,457.81	1,742.36	49.05	0.30736	0.69264
7504	Dardanelle	101,869.19	2,059.34	49.47	0.30999	0.69001
5006	Prescott	52,652.77	1,033.49	50.23	0.31480	0.68520
6401	Waldron	78,048.38	1,488.23	50.27	0.31502	0.68498
4712	Manila	52,818.75	1,044.01	50.59	0.31704	0.68296
6304	Harmony Grove	57,664.37	1,139.60	50.60	0.31709	0.68291
2307	Vilonia	162,643.19	3,186.09	51.05	0.31990	0.68010
3002	Glen Rose	51,148.69	988.00	51.77	0.32442	0.67558
1701	Alma	172,205.30	3,264.88	51.83	0.32477	0.67523
4603	Fouke	53,379.29	1,027.01	51.98	0.32571	0.67429
505	Valley Springs	49,643.30	938.64	52.21	0.32720	0.67280
501	Alpena	28,141.53	515.76	52.49	0.32896	0.67104
602	Warren	84,785.01	1,605.35	52.81	0.33096	0.66904
1703	Mountainburg	36,880.37	681.47	53.08	0.33263	0.66737
203	Hamburg	102,971.98	1,927.65	53.42	0.33475	0.66525
7201	Elkins	60,302.92	1,099.69	53.62	0.33599	0.66401
1803	West Memphis	296,845.57	5,454.08	53.64	0.33613	0.66387
5303	Perryville	53,130.20	980.73	53.72	0.33665	0.66335
1613	Riverside	43,546.25	802.61	53.74	0.33678	0.66322
6701	Dequeen	130,890.95	2,426.26	53.95	0.33807	0.66193
4901	Caddo Hills	31,252.32	578.49	54.02	0.33855	0.66145
1304	Woodlawn	29,897.52	551.33	54.23	0.33982	0.66018
5707	Cossatot River	61,029.79	1,115.27	54.72	0.34292	0.65708
3604	Lamar	67,619.94	1,234.75	54.76	0.34318	0.65682
5605	Trumann	88,359.70	1,604.71	55.06	0.34506	0.65494
3806	Sloan-Hendrix	35,765.88	634.61	55.34	0.34677	0.65323
5803	Hector	33,512.58	593.62	55.44	0.34739	0.65261
4003	Star City	89,911.30	1,588.14	55.81	0.34976	0.65024
6603	Hackett	34,923.56	602.97	56.47	0.35387	0.64613
7303	Bradford	25,941.20	456.33	56.57	0.35450	0.64550
1601	Bay	33,416.21	585.08	57.11	0.35791	0.64209
6201	Forrest City	171,877.10	2,894.06	57.64	0.36122	0.63878
7205	Lincoln Consolidated	71,521.78	1,221.65	58.13	0.36429	0.63571
5502	Centerpoint	57,329.67	975.68	58.72	0.36796	0.63204
2203	Monticello	122,772.93	2,080.43	58.75	0.36815	0.63185
2502	Salem	46,544.50	790.83	58.86	0.36882	0.63118
2803	Marmaduke	42,814.01	722.91	59.22	0.37114	0.62886
6102	Maynard	27,162.00	456.29	59.45	0.37255	0.62745

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5201	Bearden	34,078.62	558.63	60.14	0.37688	0.62312
5802	Dover	83,910.85	1,393.63	60.21	0.37731	0.62269
5801	Atkins	61,396.41	1,011.96	60.67	0.38020	0.61980
803	Green Forest	75,543.98	1,225.43	60.85	0.38135	0.61865
3001	Bismarck	61,540.73	987.91	60.87	0.38143	0.61857
1603	Brookland	121,271.23	1,970.00	61.56	0.38576	0.61424
5604	Marked Tree	35,426.78	568.24	61.62	0.38618	0.61382
4202	Magazine	33,345.41	539.30	61.83	0.38747	0.61253
5301	East End	38,468.28	621.48	61.90	0.38789	0.61211
3601	Clarksville	160,363.87	2,590.23	61.91	0.38797	0.61203
4304	Cabot	633,453.19	10,177.00	62.24	0.39005	0.60995
4706	So Mississippi County	80,678.41	1,263.39	62.60	0.39231	0.60769
2002	Fordyce	54,493.10	842.68	62.88	0.39406	0.60594
2402	Charleston	54,480.60	863.78	63.07	0.39525	0.60475
7302	Beebe	202,278.17	3,201.46	63.18	0.39594	0.60406
1905	Wynne	177,261.61	2,721.78	63.58	0.39841	0.60159
5102	Jasper	57,267.31	888.54	64.45	0.40389	0.59611
5204	Camden-Fairview	157,702.06	2,434.25	64.78	0.40598	0.59402
7202	Farmington	150,018.82	2,300.33	65.22	0.40868	0.59132
4201	Booneville	85,052.62	1,284.10	65.46	0.41019	0.58981
1602	Westside Consolidated	110,610.25	1,681.96	65.76	0.41211	0.58789
2901	Blevins	33,718.62	501.61	65.91	0.41303	0.58697
6205	Palestine-Wheatley	43,509.34	654.59	65.98	0.41346	0.58654
4702	Blytheville	172,468.96	2,499.03	66.02	0.41372	0.58628
3405	Jackson County	55,916.43	837.39	66.77	0.41845	0.58155
2305	Mayflower	75,442.87	1,126.61	66.96	0.41964	0.58036
5706	Ouachita River	45,913.33	670.29	67.04	0.42014	0.57986
5106	Deer/Mt. Judea	23,838.61	355.53	67.05	0.42018	0.57982
6103	Pocahontas	123,422.00	1,819.11	67.25	0.42143	0.57857
4301	Lonoke	121,910.08	1,789.96	67.30	0.42177	0.57823
2601	Cutter-Morning Star	41,448.95	614.11	67.49	0.42296	0.57704
1305	Cleveland County	58,820.89	869.78	67.63	0.42379	0.57621
2104	Dumas	98,807.01	1,434.20	68.15	0.42706	0.57294
7206	Prairie Grove	126,877.77	1,842.91	68.85	0.43143	0.56857
801	Berryville	138,324.04	2,000.39	69.15	0.43333	0.56667
4302	England	53,495.95	763.55	70.06	0.43905	0.56095
4102	Foreman	38,970.53	542.81	70.32	0.44066	0.55934
2807	Greene County Tech	248,474.90	3,520.37	70.58	0.44231	0.55769
1104	Piggott	63,775.20	888.65	70.65	0.44271	0.55729
2705	Sheridan	296,289.56	4,187.21	70.76	0.44343	0.55657
1705	Van Buren	415,726.18	5,814.82	70.77	0.44351	0.55649
3105	Nashville	137,252.59	1,933.02	70.89	0.44425	0.55575
1106	Rector	41,134.93	571.97	71.01	0.44497	0.55503
7509	Western Yell County	31,461.74	424.60	71.74	0.44956	0.55044
4203	Paris	80,202.67	1,111.13	72.18	0.45233	0.54767
3102	Dierks	41,208.58	570.56	72.22	0.45260	0.54740
1612	Valley View	190,552.78	2,631.28	72.42	0.45382	0.54618
6606	Mansfield	63,256.36	854.08	72.66	0.45532	0.54468
7307	Riverview	100,428.30	1,379.16	72.82	0.45632	0.54368
6605	Lavaca	62,166.97	852.36	72.94	0.45705	0.54295
2903	Hope	181,319.36	2,474.34	73.28	0.45921	0.54079
7207	Springdale	1,501,909.36	20,452.14	73.44	0.46019	0.53981
2303	Greenbrier	244,782.54	3,308.52	73.99	0.46364	0.53636
5403	Helena-W Helena	129,361.08	1,642.38	74.71	0.46817	0.53183
1901	Cross County	48,708.76	649.65	74.98	0.46985	0.53015
3502	Dollarway	101,766.69	1,313.30	75.06	0.47036	0.52964
504	Omaha	31,330.37	408.79	75.22	0.47139	0.52861
406	Siloam Springs	303,772.57	4,030.58	75.37	0.47229	0.52771
5602	Harrisburg	100,146.74	1,255.43	75.52	0.47325	0.52675
4401	Huntsville	170,657.75	2,244.83	75.58	0.47364	0.52636
601	Hermitage	33,513.08	426.50	76.27	0.47793	0.52207
2202	Drew Central	70,033.11	887.68	76.31	0.47819	0.52181
3810	Lawrence County	84,829.18	1,074.60	76.85	0.48161	0.51839
1605	Buffalo Island Central	61,771.25	792.06	77.29	0.48433	0.51567
6502	Searcy County	69,919.90	870.15	77.80	0.48756	0.51244
5703	Mena	144,418.70	1,793.46	78.67	0.49298	0.50702

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2808	Paragould	232,861.27	2,944.53	79.08	0.49558	0.50442
5901	Des Arc	44,860.01	553.25	79.21	0.49640	0.50360
6604	Hartford	28,152.74	326.15	79.49	0.49813	0.50187
302	Cotter	53,206.45	664.52	80.07	0.50175	0.49825
3301	Calico Rock	32,615.41	403.11	80.28	0.50308	0.49692
6303	Bryant	712,036.95	8,824.42	80.69	0.50565	0.49435
3505	Pine Bluff	359,692.50	4,290.18	80.86	0.50670	0.49330
6302	Benton	395,524.48	4,887.17	80.93	0.50716	0.49284
2501	Mammoth Spring	37,672.70	454.33	81.33	0.50966	0.49034
6505	Ozark Mountain	52,556.81	640.63	81.75	0.51230	0.48770
7510	Two Rivers	67,265.41	801.96	82.22	0.51522	0.48478
1003	Gurdon	62,352.25	751.27	82.52	0.51715	0.48285
1804	Marion	345,641.69	4,183.69	82.62	0.51772	0.48228
4713	Osceola	108,301.62	1,292.01	83.82	0.52529	0.47471
2404	Ozark	156,989.88	1,839.47	84.10	0.52702	0.47298
5503	Kirby	31,250.20	342.94	84.38	0.52876	0.47124
901	Dermott	35,769.45	423.16	84.53	0.52971	0.47029
2607	Mountain Pine	49,257.29	581.11	84.76	0.53118	0.46882
4502	Yellville-Summit	65,524.26	747.93	85.53	0.53596	0.46404
4303	Carlisle	62,582.84	699.56	86.86	0.54429	0.45571
5504	South Pike County	61,949.95	705.31	86.93	0.54476	0.45524
3201	Batesville	261,279.87	3,002.02	87.03	0.54541	0.45459
402	Decatur	47,726.84	545.41	87.51	0.54837	0.45163
4605	Texarkana	376,271.30	4,227.69	87.78	0.55007	0.44993
2306	Mount Vernon/Enola	44,614.90	506.80	88.03	0.55166	0.44834
6901	Mountain View	150,371.46	1,674.86	88.81	0.55651	0.44349
7007	Parkers Chapel	64,304.49	721.28	89.15	0.55869	0.44131
2605	Lake Hamilton	391,659.71	4,392.05	89.17	0.55882	0.44118
6002	N Little Rock	754,550.52	8,439.88	89.34	0.55986	0.44014
3302	Melbourne	79,462.71	888.07	89.48	0.56072	0.43928
7009	Strong-Huttig	37,820.33	387.92	90.69	0.56833	0.43167
4204	Scranton	37,171.14	409.55	90.76	0.56876	0.43124
3510	White Hall	270,866.54	2,960.07	90.93	0.56983	0.43017
4802	Clarendon	53,062.38	582.75	91.06	0.57060	0.42940
5008	Nevada	34,347.06	362.02	91.39	0.57273	0.42727
7001	El Dorado	416,765.15	4,520.05	92.17	0.57762	0.42238
2503	Viola	38,137.95	413.07	92.33	0.57858	0.42142
506	Lead Hill	35,006.47	372.15	94.07	0.58947	0.41053
6602	Greenwood	336,404.19	3,564.30	94.37	0.59138	0.40862
1101	Corning	94,370.46	967.17	94.76	0.59383	0.40617
7301	Bald Knob	121,828.25	1,248.82	96.03	0.60176	0.39824
1608	Jonesboro	547,999.76	5,653.25	96.94	0.60745	0.39255
7403	Mccrory	62,849.40	621.50	100.06	0.62705	0.37295
1002	Arkadelphia	196,761.05	1,957.00	100.16	0.62766	0.37234
3809	Hillcrest	38,214.00	379.97	100.57	0.63024	0.36976
3403	Newport	135,540.00	1,288.67	102.00	0.63922	0.36078
6804	Highland	161,985.45	1,579.33	102.57	0.64274	0.35726
3704	Lafayette County	70,657.36	684.94	102.61	0.64304	0.35696
6601	Fort Smith	1,463,045.86	14,218.80	102.90	0.64480	0.35520
7204	Greenland	83,275.17	808.80	102.96	0.64522	0.35478
3004	Malvern	220,875.42	2,144.63	102.99	0.64540	0.35460
7003	Junction City	55,676.49	538.80	103.33	0.64755	0.35245
903	Lakeside - Total	115,611.95	1,096.43	103.54	0.64887	0.35113
3003	Magnet Cove	67,216.47	640.88	104.88	0.65725	0.34275
1507	So Conway County	231,068.52	2,197.63	105.14	0.65890	0.34110
2105	Mcgehee	122,617.96	1,152.22	106.42	0.66688	0.33312
3306	Izard County Consolidated	53,382.57	474.77	108.49	0.67985	0.32015
2403	County Line	48,320.78	436.44	108.86	0.68218	0.31782
403	Gentry	154,908.22	1,415.68	109.42	0.68571	0.31429
5903	Hazen	70,633.87	625.77	110.26	0.69096	0.30904
401	Bentonville	1,662,693.92	15,039.81	110.55	0.69279	0.30721
1402	Magnolia	304,349.42	2,751.49	110.61	0.69316	0.30684
101	Dewitt	141,517.09	1,251.90	110.83	0.69455	0.30545
7008	Smackover	92,145.47	821.47	112.17	0.70293	0.29707
104	Stuttgart	195,274.85	1,687.16	112.39	0.70428	0.29572
503	Harrison	320,895.74	2,745.90	116.32	0.72894	0.27106

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2301	Conway	1,135,119.69	9,714.62	116.85	0.73223	0.26777
7006	Norphlet	47,264.87	388.41	117.47	0.73611	0.26389
1408	Emerson-Taylor-Bradley	115,827.89	971.99	118.11	0.74017	0.25983
4801	Brinkley	69,854.36	523.86	119.45	0.74854	0.25146
405	Rogers	1,765,267.89	14,723.12	119.90	0.75135	0.24865
5206	Stephens	40,009.94	312.78	121.16	0.75927	0.24073
7304	White County Central	79,033.03	643.05	121.32	0.76028	0.23972
3211	Midland	64,828.77	503.86	125.26	0.78493	0.21507
7310	Rose Bud	107,119.42	844.75	126.81	0.79464	0.20536
1704	Mulberry/Pleasant View	47,144.62	371.43	126.93	0.79540	0.20460
7401	Augusta	57,218.95	425.66	127.68	0.80012	0.19988
4501	Flippin	103,267.90	798.30	128.80	0.80712	0.19288
2606	Lakeside	418,216.28	3,211.22	130.24	0.81613	0.18387
3904	Lee County	119,579.18	884.64	130.43	0.81735	0.18265
2304	Guy-Perkins	54,020.10	408.66	131.19	0.82213	0.17787
1611	Nettleton	419,586.61	3,192.39	131.43	0.82364	0.17636
5404	Marvell	57,164.79	406.52	134.84	0.84496	0.15504
7309	Pangburn	108,229.55	792.59	136.55	0.85571	0.14429
4902	Mount Ida	70,796.77	514.63	137.57	0.86208	0.13792
7311	Searcy Special	575,719.90	4,177.12	137.83	0.86370	0.13630
304	Norfork	61,545.80	440.45	138.10	0.86542	0.13458
303	Mountain Home	570,119.29	3,956.02	143.07	0.89657	0.10343
4101	Ashdown	205,665.14	1,436.99	143.12	0.89689	0.10311
2604	Jessieville	128,055.41	892.08	143.46	0.89900	0.10100
404	Gravette	272,153.36	1,839.84	147.92	0.92697	0.07303
701	Hampton	78,145.52	514.87	148.23	0.92888	0.07112
201	Crossett	270,674.59	1,775.38	148.48	0.93048	0.06952
7203	Fayetteville	1,391,150.60	9,329.00	149.12	0.93448	0.06552
6001	Little Rock	3,349,065.90	22,338.62	149.72	0.93820	0.06180
1202	Heber Springs	270,170.49	1,802.75	149.87	0.93915	0.06085
6202	Hughes	54,291.76	344.52	150.36	0.94224	0.05776
2603	Hot Springs	569,018.70	3,622.01	157.10	0.98448	0.01552
6003	Pulaski County	2,644,995.20	16,560.35	159.58	0.99500	0.00500
5805	Russellville	822,505.13	5,052.84	162.78	0.99500	0.00500
1201	Concord	85,536.30	467.14	182.54	0.99500	0.00500
3212	Cedar Ridge	151,865.48	819.60	185.29	0.99500	0.00500
7104	Shirley	86,864.19	420.71	204.63	0.99500	0.00500
7102	Clinton	278,589.47	1,307.51	210.40	0.99500	0.00500
1505	Wonderview	96,922.85	416.28	232.83	0.99500	0.00500
1203	Quitman	178,052.39	653.14	272.61	0.99500	0.00500
2602	Fountain Lake	370,946.85	1,287.58	288.10	0.99500	0.00500
802	Eureka Springs	209,922.07	632.40	331.95	0.99500	0.00500
1503	Nemo Vista	166,628.04	448.65	352.20	0.99500	0.00500
4701	Armorel	154,545.91	422.85	357.49	0.99500	0.00500
1204	West Side	160,768.37	422.86	367.60	0.99500	0.00500
3104	Mineral Springs	186,726.18	405.83	418.72	0.99500	0.00500
7105	South Side	254,961.18	484.89	516.14	0.99500	0.00500