

Cooperative Finance Overview

Arkansas Educational Funding Cooperatives are funded from three primary sources: state, local, and federal.

State funds are awarded to Educational Service Cooperatives through targeted grants. The grant budgets and goals originate from the Arkansas Department of Elementary and Secondary Education. Grant funds are reimbursed by DESE after program appropriate expenditures occur. The grants include targeted funds for reading specialists/coaches, math specialists, dyslexia specialist, science specialists, technology specialists, special education, curriculum training, and other grants as determined by DESE. The funds are carried over only by special permission from the Department of Education. DESE also provides \$400,000 annually to each cooperative for general operations. State funds represented 33.8% of all cooperative revenues in FY23 or \$63,426,655.

Local revenue is money that comes to a cooperative from local school districts by agreement. The services associated with these agreements include staff shared between districts, professional development services, special education testing, interest income, cooperative operations, repair services, and other special projects as determined by participating districts and the cooperative. Local funds accounted for 33.8% of cooperative revenue or \$63,494,849 in FY23.

Federal funds are governed by federal & state laws and rules for each program. They are reimbursed by DESE after program appropriate expenditures are made. Balances are regulated by federal rules. Federal Programs operated through cooperatives include the Migrant program, Arkansas Better Chance, the Perkins Program, and Special Education ages 3-5. Currently cooperatives have ARP ESSER funds that are associated with ABC, Early Childhood Special Education, and the Homeless program. For the fiscal year 2023, the cooperative Federal revenue total was \$59,473,048 or 31.60% of all FY23 revenue.

Total revenue for 22-23 was \$187,922,167. This includes the broad categories above, plus revenue of \$1,527,615. Additional revenue occurred in select cooperatives and included insurance claims, food service programs for students, and other revenue streams not common to the group.