



Research Report

**The Resource Allocation of Foundation
Funding for Arkansas Public Schools**

District-Level Resources

April 8, 2020

**Prepared for
THE HOUSE INTERIM COMMITTEE ON EDUCATION
AND THE SENATE INTERIM COMMITTEE ON EDUCATION**

**2019-2020
Adequacy
Study**

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INTRODUCTION

Arkansas Code § 10-3-2102 requires the House and Senate Education Committees to “[r]eview and continue to evaluate the amount of per-student expenditure necessary to provide an equal educational opportunity and the amount of state funds to be provided to school districts, based upon the cost of an adequate education, and monitor the expenditures and distribution of state funds and recommend any necessary changes.” The law calls for this requirement to be accomplished by completing a resource allocation review. This report serves as the second part of that required review.

Arkansas's K-12 education foundation funding formula, referred to as the matrix, is used to determine the per-pupil level of foundation funding disbursed to each school district. The matrix was not intended to reimburse schools for actual expenditures but rather to provide a methodology for determining an adequate level of funding to allow schools to meet accreditation standards and adequately educate Arkansas students.

This report is the second in a series of three resource allocation reports that compare the funding and staffing levels of the foundation funding matrix with the actual expenditures and staffing levels of school districts and open enrollment public charter schools. This report examines expenditures for district-level resources. The final report will be provided in the coming months to address school-level resources.

DATA AND METHODOLOGY

FOUNDATION FUNDING EXPENDITURES

A major objective of the biennial Adequacy Study is to determine how school districts have spent the foundation funding they have received. For context, this report also provides the total amount that districts have spent from all funding sources, including from local revenue, state categorical funds and federal funds.

This report examines district spending as one measure that can be used to determine whether state foundation funding is adequate. However, expenditures alone may not be sufficient to determine the adequacy of funding. Expenditures certainly can illustrate a school district's needs, but some expenditures may also represent a school district's wants, while others reflect what a school district can afford. **This report provides expenditures not as a red line for what should or should not be provided, but as one measure that can help inform legislators' judgments about what adequate funding should be.**

The most basic function of this report is to compare the levels of foundation funding provided to districts for specified resources with districts' actual spending patterns. The state provided funding for a set of resources. How did school districts actually spend those dollars? This report compares the legislative intent of the funding (the matrix) with districts' actual spending. **Where the intent and the spending—the theory and the practice—do not align, either side of the equation may be in need of adjustment.** Sometimes when school districts spend in a way that does not meet the legislative intent, a policy—a restriction or limitation—may be needed to change districts' spending. Other times, the difference between legislative intent and actual spending may be an indication that the legislative intent is off; the matrix may need to be adjusted.

To calculate district expenditures, the Bureau of Legislative Research (BLR) extracted data from a data warehouse maintained by the Arkansas Public School Computer Network (APSCN) Division of the Arkansas Division of Elementary and Secondary Education (DESE). The expenditure coding system in APSCN does not perfectly align with the categories of the matrix. For example, there is no single expenditure code districts use to identify “technology” expenditures as recognized by past adequacy studies. The BLR has used its best judgment in categorizing the expenditures in a way that best fits the legislative intent expressed in past adequacy reports. The expenditure calculations in this

Resource Allocation report are not perfectly comparable with numbers provided in past reports as the BLR has, from time to time, made slight changes in the categorization of expenditure codes it uses.

Additionally, precisely measuring districts’ foundation funding expenditures has always been hindered by the fact that there is no single source of funds code that identify expenditures made using exclusively foundation funding. School districts have a variety of revenues they can use to pay for resources listed in the matrix. In the district accounting system, foundation funding is placed in and spent from two account-like funds: the Salary Matrix Fund and the Operating Matrix Fund. However, other district revenues, such as excess property tax revenue, can be placed in these accounts and comingled with current year foundation funding.

To estimate the expenditures made using foundation funding, the BLR divided the foundation funding districts and charter schools received in 2018-19 (\$6,781 per student) by the total expenditures made from the Salary Matrix and Operating Matrix accounts to reach an individual percentage for each district. That percentage was then applied to districts’ expenditures made from those two accounts to determine the portion of expenditures made using foundation funding. Although the percentage is different for each district, statewide about 91.6% of all expenditures made from the Salary Matrix and the Operating Matrix accounts are considered expenditures of foundation funding.

Additionally, there is not perfect uniformity in the way districts and charter schools code their expenditures. While the Arkansas Financial Accounting Handbook published by the Division of Elementary and Secondary Education (DESE) describes the expenditure code structure and defines what each code is meant to cover, there are differences among districts and charter schools in the way they apply the codes to their own expenditures.

For each matrix line, this report provides average staffing levels and expenditures for the 235 districts and 25 open-enrollment charter schools operating in 2018-19.¹ This report also provides the districts’ expenditures per student when grouped by district size (based on prior year average daily membership, or ADM) and by the percentage of students who are eligible for free or reduced price lunch (FRPL). This type of analysis allows for a comparison of spending patterns based on the size of a district or the level of poverty among its student population. **The spending patterns allow legislators to better understand whether there are certain types of districts that are particularly hindered or helped by the foundation funding formula. Where inequities exist, legislators may consider changing the foundation funding formula, which affects every district equally per student, or they may consider changing, adding or deleting supplemental funding targeted toward particular types of districts.** For example, if small districts are determined to be disadvantaged by the foundation funding formula, one way legislators could address the issue is by adjusting special needs isolated funding. For the most part, the ADM and FRPL percentage used for each school year are from 2017-18, because those data were used as the basis for distributing state funding in 2018-19.

The following table provides the number of districts in each category and selected characteristics of the group. Only traditional school districts are included in the analysis using this segmentation (by ADM and FRPL). Open-enrollment charter schools are included only in the charter school grouping.

		# of Districts	District Avg. ADM	Total ADM	District Avg. FRPL%
District Size	Small (750 or Less)	82	526	43,158	71.7%
	Medium (751-5,000)	137	1,742	238,761	63.7%
	Large (5,001+)	16	11,132	178,115	55.2%

¹ This report does not include the Excel Center, a charter school focused on adult education, in its analysis. This report also treats Covenant Keepers charter school and Friendship Aspire Little Rock as one charter school for 2018-19 because Friendship Aspire took over for Covenant Keepers when the State Board of Education revoked the school’s charter mid-way through the 2018-19 school year.

		# of Districts	District Avg. ADM	Total ADM	District Avg. FRPL%
Poverty	Low Poverty (<70%)	113	2,456	277,520	54.5%
	Medium Poverty (70%-<90%)	112	1,571	175,945	74.9%
	High Poverty (90%+)	10	657	6,570	93.5%

Source: Arkansas Division of Elementary and Secondary Education, State Aid Notice; Child Nutrition Unit, Audited Free and Reduced Price Lunch.

EXPENDITURES FROM OTHER FUNDING SOURCES

This report also provides information on district expenditures for matrix items (e.g., operations and maintenance) using funding other than foundation funds. For each matrix item, this report includes a bar chart showing the per-student amount of funding districts collectively spent on each matrix item from foundation funding and how much they spent using all other funding sources. For each matrix item, this report also provides a pie chart showing the percentage of districts’ total expenditures that were made using foundation funding and the percentage made using other sources of funds. The pie charts describe the fund sources using the following fund types:

- **Foundation:** The portion of the unrestricted state funds that equals the matrix funding amount of \$6,781 per student for the 2018-19 school year.
- **Other State Unrestricted:** Unrestricted state funding other than foundation funding (e.g., declining enrollment funding, student growth funding). These funds are considered unrestricted because districts are not limited in the way in which they can spend them.
- **Enhanced Student Achievement (ESA):** State categorical funding based on the percentage of students receiving free or reduced price meals. This funding was called National School Lunch state categorical funding in between 2005 and 2019, but Act 1083 of 2019 renamed this funding Enhanced Student Achievement. For simplicity’s sake, this report calls this funding ESA funding even when referring to its use prior to Act 1083.
- **Professional Development (PD):** State categorical funding for professional development activities.
- **Alternative Learning Environment (ALE):** State categorical funding for alternative learning environments.
- **English Language Learner (ELL):** State categorical funding for English language learners.
- **Other State Restricted:** Restricted state funds expended from the Salary and Operating Funds other than state categorical funds (e.g., special needs isolated transportation funding and catastrophic occurrences special education funding). These funds are considered restricted because they are intended for a particular use.
- **Federal Funds:** Federal grant funds, such as Title I, expended from the Federal Grants Fund.
- **Building Fund:** Bond proceeds, state Partnership Program facilities funding or other funds used for facilities acquisition and construction purposes.
- **Debt Service Fund:** Generally, consists of property tax revenues transferred to this fund for retirement of bonded indebtedness and interest.
- **Capital Outlay/Dedicated M&O:** Property taxes from approved local millage for specific purposes.
- **Activity Fund:** Admission receipts, sales, dues and fees relating to school-sponsored athletics and activities.
- **Food Service Fund:** Includes daily sales from student meals and state and federal funding for food service operations.

DISTRICT AND CHARTER SCHOOL EMPLOYEES AND SALARIES

This report provides information on the numbers of district and charter school employees and salaries included in districts' expenditures. The average salaries in this report have been calculated using DESE's Arkansas Financial Personnel Salaries and Full-Time Equivalent (FTE) Positions Cross-Reference coding structure and data.² The salaries include regular salaries, bonuses, unused leave, severance, and early retirement, but do not include other benefits, such as health insurance and retirement, or the employer share of Medicare/Social Security payments. The salary amounts include those paid from all types of funds, including federal funds.

STATUTE AND STANDARDS

The foundation funding matrix is largely based on state Accreditation Standards ("Rules Governing Standards for Accreditation of Arkansas Public Schools and School Districts"), which set minimum staffing and resource levels schools must provide. In past years, BLR examined whether districts are able to meet established statutory and regulatory standards as one measure of the adequacy of foundation funding. If many districts were out of compliance on a particular standard, it could suggest an issue with the sufficiency of funding.

The 2018 adequacy study documented a number of standards violations, including teachers not fully licensed for the subject they were teaching, failure to meet student-to-staff ratios and failure to adhere to class size limits. Today, however, schools and school districts are able to receive waivers from most statutes and standards if they have difficulty meeting them. Additionally, teacher licensure issues—previously one of the most frequently noted accreditation violations on schools' and districts' accreditation reports—are now no longer considered accreditation violations when teachers are teaching under an approved additional licensure plan (ALP).³ With these changes, the accreditation violations dropped nearly to zero. The only district cited with accreditation violations in 2018-19 was Lee County School District with violations in the following areas:

- Student discipline policy
- Graduation requirements
- Records retention policy
- Student services plan
- School guidance program
- Screening and interventions for dyslexia

In the absence of standards violations, this report documents instances waivers that districts and schools receive from meeting relevant statutes and standards.

There are three primary accreditation standards that relate to the matrix category of district-level resources:

1. **Standard 3-A.5** - Each public school district shall employ a general business manager responsible for the fiscal operations of the school district.
2. **Standard 4-B.1** - Each public school district shall employ a full-time superintendent to oversee all operations of the public school district.
3. **Standard 4-B.2** - Each public school district superintendent shall meet the licensure requirements in accordance with the laws of the State of Arkansas and the rules of the division unless the public school district has an approved waiver in accordance with the laws of the State of Arkansas and the rules of the division.

² Arkansas Department of Education – Division of Elementary and Secondary Education (DESE), Statewide Information System Handbook, 2018-19, pages 139-141, <https://adedata.arkansas.gov/sis/ManagedContent/Docs/sisman1819.pdf>

³ Jacks, M., DESE, Feb. 18, 2020 email.

All 235 school districts and 10 charter schools recorded expenditures and at least a portion of an FTE in the position of Superintendent in 2018-19. Bureau staff asked Division of Elementary and Secondary Education (DESE) of the Department of Education for information regarding districts and charters compliance with the business manager requirement. In response, the Arkansas Public School Computer Network (APSCN) Division provided a report of filled positions reported by districts that would demonstrate compliance with the business manager standard. The report indicated that one district (Earle) and fifteen charters did not report having a filled position that complied with this standard.⁴ Earle did not have a waiver of the business manager requirement and none of the 15 charters had a waiver. The following chart illustrates the numbers of districts and charters for which waivers were granted for these 3 standards.

Number of Districts and Charters Granted Waivers			
	Standard 3-A.5 Business Manager	Standard 4-B.1 Superintendent	Standard 4-B.2 Superintendent Licensure
Districts*	0	1	1
Charters **	1	24	25
*Helena/West Helena was the only district with a 4-B.1 and 4-B.2 waiver. They did report having a superintendent in 2018-19, and according to the Division of Elementary and Secondary Education, Educator Effectiveness and Licensure this individual was licensed. **Estem Charter School was the only charter with a 3-A.5 waiver, but according to DESE's report had filled positions complying with the requirement.			

SURVEYS AND SCHOOL SITE VISITS

As part of the 2020 Adequacy Study, the BLR conducted online surveys of superintendents and principals in Arkansas. The BLR also visited a randomly selected, representative sample of 74 schools and interviewed their principals. Teachers in the 74 randomly selected schools were also invited to complete an online survey. The online surveys allowed the BLR to collect specific, quantitative data from districts, while the principal interviews asked more open-ended qualitative questions. This report provides the questions and responses from these surveys when applicable to foundation funding and the matrix. Responses to other survey questions have been or will be presented in other reports throughout the Adequacy Study process.

The superintendent and principal surveys were conducted using online questionnaires. The **superintendent survey** was distributed beginning July 23, 2019, and the last district responded **November 21, 2019**. The BLR received responses from all 235 school districts and 24 of the 25 open enrollment charter schools.

The **principal survey** began October 14, 2019, and the last principal response was received **December 12, 2019**. A total of **1,045** principal surveys were distributed and **752** principals completed the survey, providing a **72%** response rate.

The **school visits and principal interviews** began October 29, 2019, with the final visits on **December 18, 2019**. The BLR visited a total of **74** schools and interviewed the principals of those schools. Some schools invited other staff members to the interviews, and some included their superintendents in the conversation.

The BLR invited certified teachers in the 74 randomly selected schools to complete an online teacher survey. Each principal was asked to provide the name of a teacher or staff member who would distribute the teacher survey instructions and individual access codes to his/her colleagues.

⁴ Arkansas Public School Computer Network (APSCN) Report, Business Manager_CFO_District Treasurer Report_Job Assignment.xlsx, provided by Kathleen Crain via email on March 17, 2020.

Generally only certified teachers assigned to teach a class were invited to complete the survey (i.e., not administrators), but the survey pool also included guidance counselors, English as a second language teachers, alternative education teachers, library/media specialists and instructional facilitators, regardless of whether they were assigned to teach a class. **Teachers accessed the survey online** using an individual code that was distributed to them by the teacher representative assigned by the principal. A total of **2,482** surveys were distributed, and **1,288** teachers responded by **January 15, 2020**, for a response rate of nearly **52%**.

To elicit the most candid responses, district and school staff were assured their answers would not be individually identified, therefore responses are provided only in aggregate. Quotes used from the surveys and site visits are provided only where the respondent and school cannot be identified.

NATIONAL COMPARISON DATA

This report also uses data from the National Center for Education Statistics (NCES) to compare Arkansas’s spending and staffing patterns with those of other states. For staffing numbers, the BLR used 2017-18 data from NCES’s Elementary/Secondary Information System. For some broader categories of expenditures, the BLR used Table 236.30, Total expenditures for public elementary and secondary education and other related programs, by function and state or jurisdiction: 2016-17.

THE MATRIX

Arkansas uses a specific formula, known as the **matrix**, to arrive at the per-student funding amount. The matrix calculates the per-student funding based on the cost of personnel and other resources needed to operate a prototypical school of 500 students. Legislators involved in the biennial Adequacy Study recommend the dollar amount needed to fund each line item of the matrix, based on the money needed to adequately fund school districts’ educational needs. Unlike the foundation funding rate (\$6,781 for 2018-19), the matrix is not established in statute. Instead, it is used as a tool to set the foundation funding rate. The matrix is divided into two basic sections: 1.) the number of people needed for the prototypical school of 500 students, and 2.) the cost of all needed resources. The first section describes the 35.69 school-level personnel needed for the prototypical school.

	Matrix Item	2019 FTE
Classroom Teachers	Kindergarten	2.00
	Grades 1-3	5.00
	Grades 4-12	13.80
	Non-Core	4.14
	Subtotal	24.94
Pupil Support Staff	Special Education	2.90
	Instructional Facilitators	2.50
	Library Media Specialist	0.85
	Counselors & Nurses	2.50
	Subtotal	8.75
Administration	Principal	1.00
	Secretary	1.00
	Total	35.69

The second section of the matrix specifies the cost of the staff described in the first section of the matrix, as well as the cost of all other needed resources. The matrix is divided into three cost categories:⁵

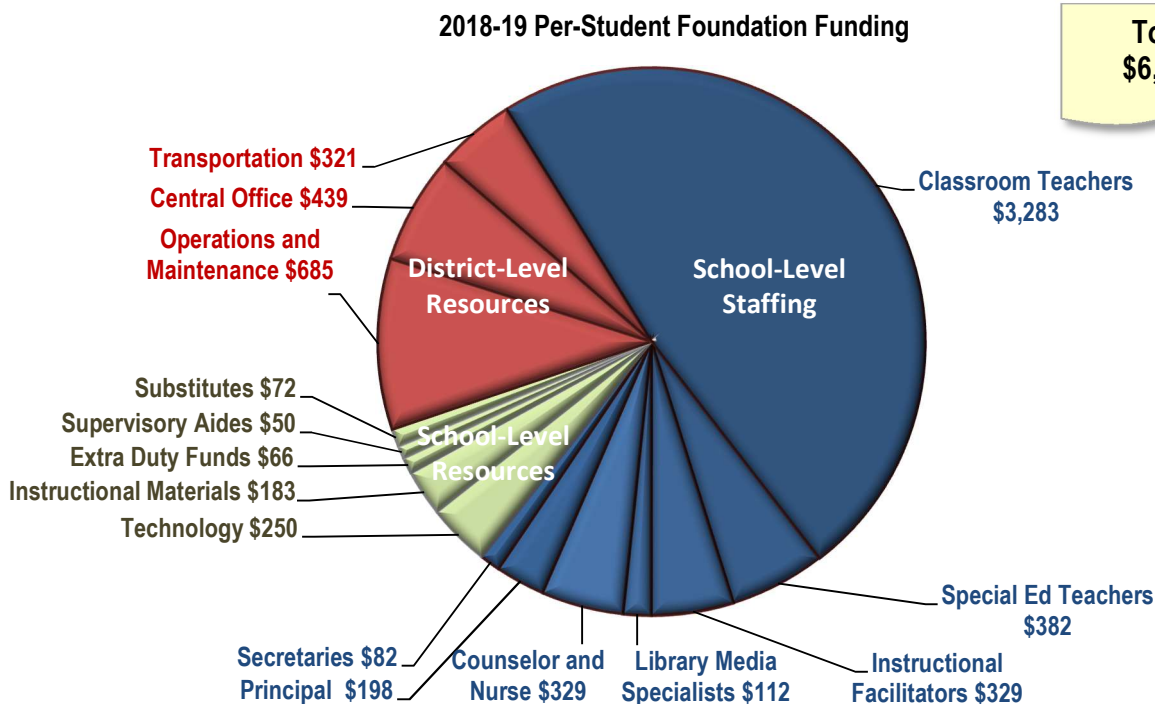
⁵ The individual per-student funding amounts total \$6,780.30, which was rounded up to \$6,781 per student for the total foundation funding rate.

- School-level salaries** of teachers and other pupil support staff, a principal and a secretary. The matrix also identifies the salaries for the school-level staff and calculates the per-student cost of paying the identified salaries for the number of staff needed. For example, 24.94 classroom teachers at \$65,811 each costs a total of \$1,641,326. For a school of 500 students, that calculates to about \$3,283 per student.
- School-level resources** including instructional materials and technology-related expenses.
- District-level resources**, which include funding for districts' operations & maintenance, central office and transportation expenses.

School-Level Staffing	Salary & Benefits	Per-Student Funding Amt.
Classroom Teachers	\$65,811	\$3,282.65
Pupil Support Staff	\$65,811	\$1,151.75
Principal	\$99,012	\$198.10
Secretary	\$40,855	\$81.70

School-Level Resources	Per-Student Funding Amt.
Technology	\$250.00
Instructional Materials	\$183.10
Extra Duty Funds	\$66.20
Supervisory Aides	\$50.00
Substitutes	\$71.80

District-Level Resources	Per-Student Funding Amt.
Operations & Maintenance	\$685.00
Central Office	\$438.80
Transportation	\$321.20



DISTRICT-LEVEL RESOURCES

As mentioned previously, this report provides analysis of one cost category of the matrix, district-level resources. The school-level staffing cost category of the matrix including salaries of teachers, other pupil support staff, a principal and secretary, was covered in the report presented on March 9, 2020. The school-level resources cost category of the matrix including instructional materials and technology-related expenses will be presented in a future report.

THE CARRY FORWARD, 2003-2006

While the original matrix developed in 2003 provided specific funding amounts for the staffing and resources needed for school operations, it did not specify individual funding amounts needed for resources shared districtwide. Instead, the 2003 matrix included a line item called the “carry forward” that represented what might be best described as miscellaneous expenditures not otherwise identified in the school staffing or school resources sections of the matrix. In their 2003 report, Picus and Associates, the education consultants hired by the General Assembly, recommended including \$1,152 per student for this carry forward. The funding level was based on districts’ actual expenditures at the time. According to the 2003 report, these were “expenditures that would be ‘carried forward’ unchanged, and included such things as fiscal services, board and legal services, executive administration (superintendent), athletics, facilities and capital other than debt, community services, food services, and other non-instructional services, operations and maintenance, transportation, technology services, certain instructional support such as drug and crime prevention and tuition paid to other local school districts.”⁶

In 2006, the consultants were hired again to, in large part, more precisely identify and quantify the cost of needed district-level resources. The consultants separated the carry forward amount into three line items:

1. Operations and maintenance (O&M),
2. Central office expenses, and
3. Transportation expenses.

These three items have remained in the matrix ever since.

OPERATIONS AND MAINTENANCE

This line of the matrix includes the staff and other resources necessary to maintain school facilities and grounds and keep school buildings clean, heated, and cooled.

BACKGROUND: OPERATIONS AND MAINTENANCE IN THE MATRIX

In 2018-19, the matrix provided districts and charter schools with \$685 per student for operations and maintenance. This funding level was originally based on the recommendation of a legislative task force and the findings of a national survey, along with input from the state’s education consultants.

In 2003, as the Joint Adequacy Committee and its education consultants were developing the foundation funding matrix, another legislatively created group, the Task Force to Joint Committee on Educational Facilities, was meeting to address needs specific to school facilities. In November 2004, the Task Force released its final report, which included information on general operations and maintenance cost estimates. The report noted the findings of the 32nd Annual Maintenance and Operations Study conducted by *American School and University Magazine* (2003). That national study found that, on average, the cost of school district operations and maintenance is approximately 9% of a district’s expenditures. Therefore the Task Force recommended that districts dedicate this amount of their operating expenditures “exclusively for custodial/maintenance operations” and noted that “dedicated funding must be provided” at the cited level.⁷ The report noted that “deferred maintenance is a key element driving the cost of current [facilities] deficiencies and repairs.”

⁶ Odden, A., Picus, L. O., Fermanich (2003). *An Evidence-based Approach to School Finance Adequacy in Arkansas. Report* prepared for the Arkansas Joint Committee on Education Adequacy, page 65,
http://www.arkleg.state.ar.us/education/K12/AdequacyReportYears/2003%20Final%20Arkansas%20Report%2009_01_2003.pdf

⁷ Arkansas Statewide Educational Facilities Assessment—2004, Final Report to the Joint Committee on Educational Facilities, Nov. 4, 2004, pages 4 and 9,
http://arkansasfacilities.arkansas.gov/public/userfiles/documents/Reports/Final_Reports/Final_Report_State_Report_Nov_2004.pdf

The General Assembly then passed Act 1426 of 2005, which included the finding that “in order to satisfy the constitutional expectations of the Arkansas Supreme Court, the state should...[r]equire school districts to conserve and protect their academic facilities in such a manner that the academic facilities remain adequate” (§ 6-21-802(c)(4)). The Act also called for the creation of an Academic Facilities Custodial, Maintenance, Repair, and Renovation Manual and requires the manual to provide standards for the maintenance of school buildings.

Act 1426 also introduced the new requirement that districts spend at least 9% of their foundation funding to pay for utilities, custodial services, maintenance, repair, and renovation activities. Districts that do not spend the required 9% must transfer unspent funds into an escrow account to be used for future O&M expenses (§ 6-21-808(d)). At the end of the 2018-19 school year, all but one school district, Blevins, had spent the full 9% on O&M, according to expenditures recorded in APSCN.⁸

In 2006, when the General Assembly rehired Picus and Associates to reexamine the expenditures in the carry forward, the consultants recommended breaking out the carry forward into three components, including operations and maintenance. They recommended providing \$594 per student for O&M to cover the cost of custodians, maintenance workers, groundskeepers, maintenance supplies, and utilities.

The Adequacy Subcommittee, however, determined that the consultants’ recommendations were based on costs in higher priced geographical areas of the country and on more duties than are required in Arkansas. The House and Senate Interim Committees on Education asked the Academic Facilities Oversight Committee to study the issue further. The Facilities Oversight Committee then recommended setting the O&M funding at 9% of the foundation funding rate to mirror the statute established by Act 1426 of 2005. This amount included funding to support a director of operations and maintenance and a secretary.⁹

Insurance

In addition to the 9% for O&M, the 2006 Adequacy Subcommittee also recommended providing \$27 per student for property insurance. The amount for property insurance was derived through a calculation made in January 2007, when the Department of Education analyzed the total expenditures by school districts for property insurance. The total was divided by the total number of students, with the result being \$27 expended per student. The 2006 Adequacy Subcommittee also recommended that districts be required to spend the \$27 per student only on property insurance. That recommendation never became law, but in 2007, the General Assembly required the Commission for Arkansas Public School Academic Facilities and Transportation to promulgate rules to establish a property insurance requirement (§ 6-21-114(d)(2)(A)). Rule 4.01 of the Division’s “Rules Governing Property Insurance Requirements” requires all school districts to have risk property coverage for school district buildings, structures, and their contents. District property must be insured for at least 90% of the replacement cost to be eligible for state facilities funding assistance administered by the Arkansas Commission for Public School Academic Facilities and Transportation. In 2019, districts and charter schools collectively spent about \$44 per student on property insurance.

The O&M funding level, therefore, was established to include 9% of foundation, plus the cost of property insurance. When the General Assembly established the O&M funding level in 2006, the overall foundation funding level had not been finalized. The Legislature calculated an O&M amount based on a total foundation funding rate they knew would exceed the final number to make sure the

⁸ Arkansas Public School Computer Network Cycle Report, “M&O Expenditure & 9% Expenditure Requirement”, <http://www.apscn.org/reports/hld/cycle/cycle.htm>.

⁹Adequacy Study Oversight Subcommittee, A Report on Legislative Hearings For the 2006 Interim Study on Educational Adequacy, Final Report and Recommendations, January 22, 2007, pages 14-15 and 124-125, <http://www.arkleg.state.ar.us/education/K12/AdequacyReportYears/2006%20Adequacy%20Report%2001-22-07%20FINAL.pdf>

O&M funding level would be at least 9%. The total O&M amount in 2008 and 2009 was set at \$581 per student, which included \$554 for the 9% of foundation funding and \$27 for property insurance.

Since 2009, the per-student rate set for O&M has increased each year through 2016. The rate of change for O&M tracked the overall foundation funding (matrix) rate of change 2010 through 2013. Since 2013, the O&M rate has increased every year **except** 2017, but at different rates of change than the overall Foundation Funding rate per-student. The chart below provides the per student O&M rates and percentage changes from the prior year since 2008.

Operations & Maintenance			
Fiscal Year	Per Student Rate	% Change from Prior Year	Overall Matrix % Change
2008	\$581.0		1.00%
2009	\$581.0	0.00%	1.20%
2010	\$592.6	2.00%	2.00%
2011	\$604.5	2.01%	2.00%
2012	\$616.6	2.00%	2.01%
2013	\$629.0	2.01%	2.00%
2014	\$640.3	1.80%	2.00%
2015	\$651.8	1.80%	2.00%
2016	\$664.9	2.01%	0.97%
2017	\$664.9	0.00%	0.94%
2018	\$674.9	1.50%	1.01%
2019	\$685.0	1.50%	1.01%
2020	\$697.5	1.82%	1.74%
2021	\$705.7	1.18%	1.72%

O&M STAFFING

The state has no required minimum staffing level for operations and maintenance personnel, but the state’s Public School Facilities, Maintenance, Repair and Renovation Manual, maintained by the Division of Public School Academic Facilities and Transportation (Facilities Division), provides the following staffing recommendations:

Operations and Maintenance Position	Recommended Staffing Level
Custodians	1 FTE per 18,000-20,000 square feet
Grounds/General Labor Personnel	1 FTE per 18-20 acres
Maintenance Personnel	1 FTE per 80,000-90,000 square feet

For every 500 students in 2018-19, districts employed nearly five maintenance employees, which may include custodians and grounds personnel. (The APSCN coding system does not distinguish between custodians, grounds personnel and maintenance personnel.) The average salary for a maintenance employee was \$26,023.

	Total Maintenance Employees	Average Salary
District	4,516	\$26,056
Charter	53	\$23,308
Total	4,569	\$26,023

	Total FTEs	Number of Districts*	Average Salary
Electricians	34	17	\$48,899
Plumbers	13	9	\$48,601
Painter/Carpenters	71	17	\$39,654

*No charters employed these staff.

The square footage of all district buildings statewide totaled more than 100 million square feet. If districts were to meet the custodial and maintenance staff level recommendations noted in the Facilities, Maintenance, Repair and Renovation Manual, districts would collectively need 6,487 FTEs, or 1,852 more than they employed in 2018-19. These numbers do not include charter schools, but they do include electricians, plumbers and painter/carpenters employed by the districts. Overall, districts met 71% of the recommended staffing levels. The following table shows the maintenance staffing levels of districts when grouped by district size (ADM). Small and medium school districts' staffing met 71% and 66% of the recommended levels, respectively, while large districts' staffing met 81% of the recommended levels.

	Total Square Feet	Recommended Staffing Levels	Actual Staffing Level	% of Recommended
Small	13,492,049	825	588	71%
Medium	57,622,690	3,521	2,323	66%
Large	35,030,793	2,141	1,724	81%

Other types of O&M employees districts and charters employ include those listed in the following table.

	Total FTEs	Number of Districts	Average Salary
Campus Security	189	39	\$30,736
Crossing Guards*	37	10	\$7,456
Safety	27	16	\$27,856
Resource Officer	37	33	\$31,136

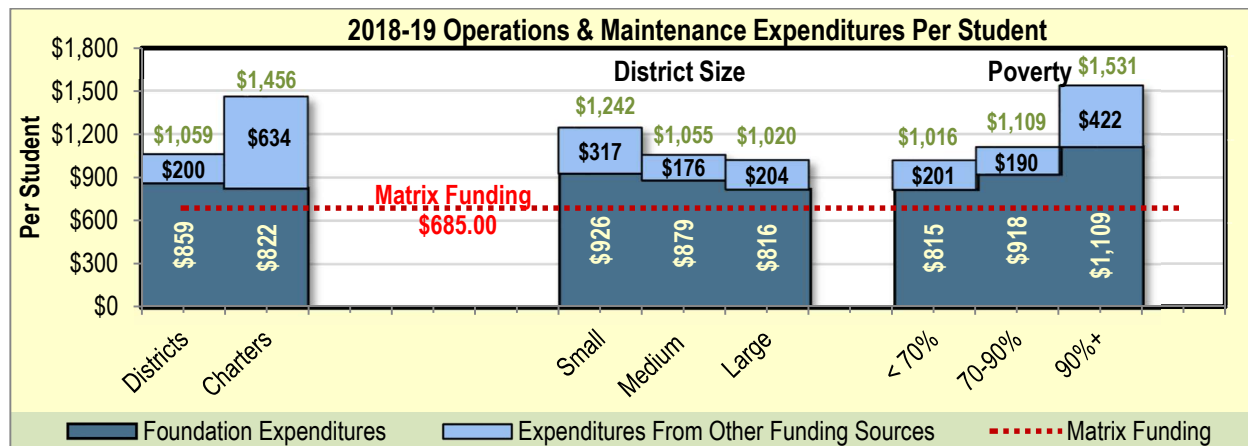
*No charter schools employed crossing guards in 2018-19.

DISTRICT AND CHARTER SCHOOL EXPENDITURES

In 2018-19, districts and charter schools collectively spent \$409.6 million in foundation funding on operations and maintenance. This equates to approximately \$858 per student, which is 27% more than the \$685 funded in the matrix.

O&M Foundation Funding and Expenditures		
	Funding	Expenditures
2017-18	\$320,444,923	\$405,405,374
2018-19	\$327,152,993	\$409,554,935

The following chart compares the per-student spending of traditional school districts and charter schools for operations and maintenance. It also compares districts' per-student spending based on district size and poverty level.



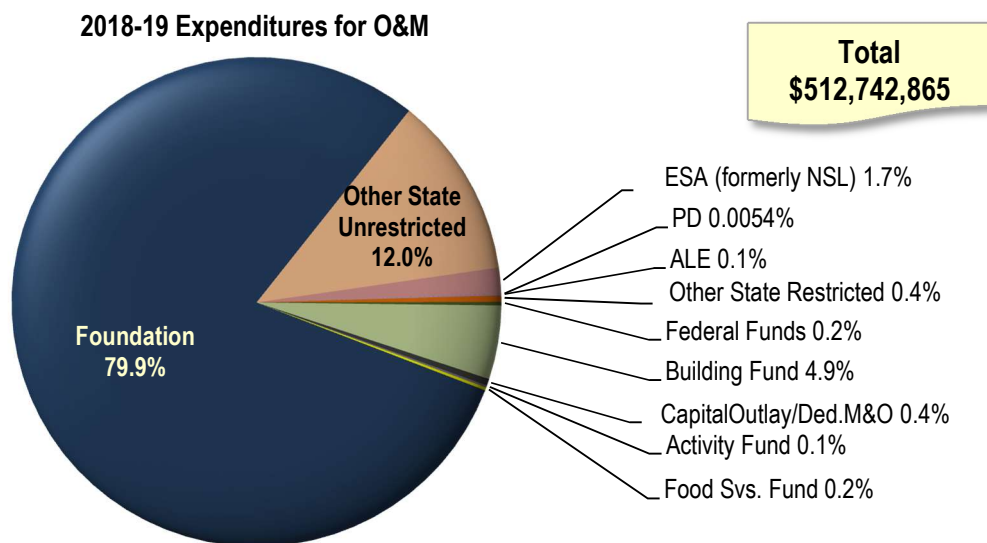
Traditional districts and charter schools spent roughly similar amounts of **foundation funding** per student on O&M, but charter schools had greater overall O&M expenditures per student. This may be because charter schools typically lease their school space rather than constructing and owning it. Building rent is recorded through expenditure codes that are considered part of O&M. Beginning in FY2016, charter schools began receiving approximately \$5 million in facilities funding aid from the state Open Enrollment Charter School Facilities Funding Aid Program (§ 6-23-908). Beginning with FY2019, this aid increased to about \$6.4 million and \$7.6 million has been budgeted for FY2020.¹⁰ Those charter schools receiving this funding have used over 98% of this funding for operation of buildings. This helps explain charter schools’ significant O&M expenditures made using funds other than foundation funding.

Small districts spent more per student on O&M than large districts, which may result from larger districts having greater economies of scale. Small school districts have a greater number of schools serving smaller student populations, which means their O&M foundation funding must be used to support more school buildings. The following table shows that small school districts are maintaining, on average, more than two schools for every 500 students, while medium districts are maintaining just over one school for every 500 students. Large districts operate 0.78 schools for every 500 students.

District Size	2019 Average # of Schools Per 500 Students
Small	2.04
Medium	1.11
Large	0.78

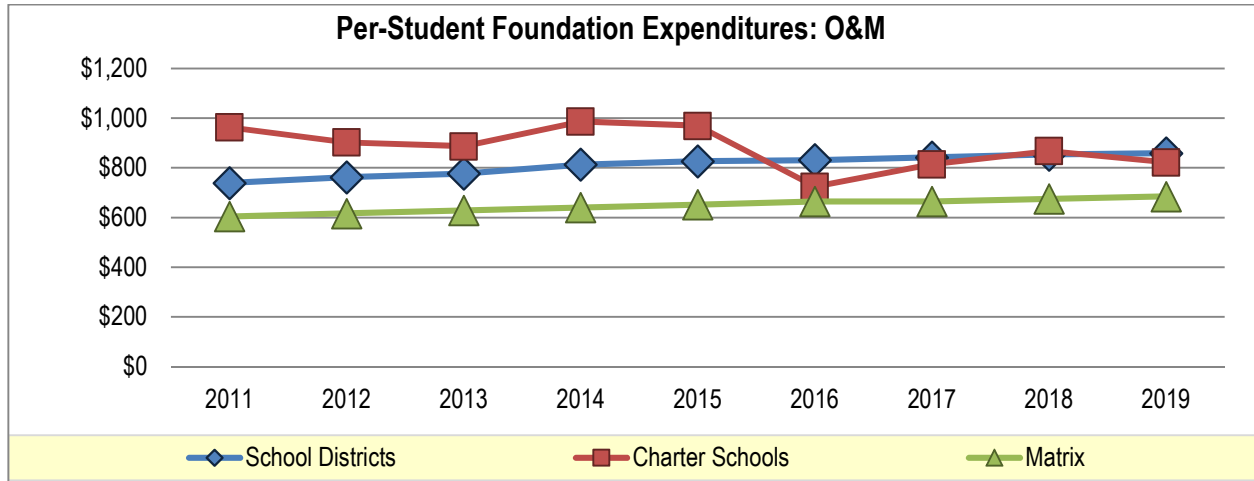
High poverty districts spent considerably more per student on O&M than lower poverty districts. High poverty districts spent about 51% more per-student on O&M expenditures (all funding sources) than the lowest poverty group. This may be related to the fact that seven of the ten high poverty districts are also small districts.

The pie chart below shows the proportion of each funding type used to cover all O&M expenditures. Foundation funding was the primary source of funds districts used for their O&M expenditures. In 2018-19, foundation funding paid for about 80% of all O&M expenditures.



¹⁰ Department of Education – Division of Elementary and Secondary Education (DESE) - Fiscal and Administrative Services and Arkansas Administrative Statewide Information System (AASIS) data compiled by Kathryn Walden, Bureau of Legislative Research – Fiscal Services Division.

The following graph shows the per-student O&M expenditures from foundation funding between 2011 and 2019. During those years, districts’ per-student O&M expenditures from foundation funding have exceeded the O&M foundation funding they received, and the gap between funding and expenditures has generally widened since 2011. Charter schools’ foundation expenditures have also exceeded the amount of O&M funding they have received. However, in 2016, the charter school per-student foundation funding expenditures decreased significantly, largely due to the receipt of new funding charters could use to pay for building rental expenses (Open Enrollment Charter School Facilities Funding Aid Program). Charter schools appear to have shifted the source of funds they use for these expenses from foundation funding to the Charter School Facilities Funding. Because they are using the Facilities Funding, they no longer needed to use as much foundation funding to cover these expenses.



The following chart illustrates the total expenditures for O&M from all fund sources and from foundation funding for districts and charters from 2015 through 2019 and the percentage change from the prior year. Overall district expenditures from all fund sources for O&M have increased \$44.2 million between 2015 and 2019, or an increase of 9.44%. Expenditures for O&M from foundation funding have increased \$18.8 million, or 4.8%. The other fund sources with the greatest growth in expenditures were State Unrestricted Funding (\$14.4 million), district Building Funds (\$10.9 million), and Enhanced Student Achievement (formerly National School Lunch-NSL) Funding (\$3.9 million). State Restricted Funding is the fund source with the greatest **decrease** in expenditures with a decrease of \$4.8 million, and this is largely due to the decline in expenditures from desegregation funds, due to the termination of desegregation funding in 2019.

O & M Expenditures - All Fund Sources and Foundation Funding				
Year	Total Expenditures All Fund Sources	% Change from Prior Year	Foundation Funding (FF) Expenditures	% Change from Prior Year
2015	\$468.5		\$390.8	
2016	\$480.2	2.5%	\$391.2	0.1%
2017	\$484.6	0.9%	\$397.6	1.6%
2018	\$496.6	2.5%	\$405.4	2.0%
2019	\$512.7	3.3%	\$409.6	1.0%

The following table provides the main categories of expense for O & M and the amount of change between 2015 and 2019. The category with the largest expenditure increase is purchased property services with an increase of \$28.6 million, or 32.3%. The items of largest growth within purchased property services are contracted expenditures for custodial services (increase of \$10.1 million), rental of land and buildings (increase of \$8.9 million), contracts for non-technology related repairs and maintenance (increase of \$4 million), and contracted expenditures for lawn care (increase of \$1.8 million). In general, it appears that districts are increasingly contracting for O&M activities.

Over the five year period, charter school expenditures for rental of land and buildings comprised 90% of the total rental of land and buildings expenses, and \$7.8 million of the \$8.9 million increase overall in rental of land and buildings was expended by charter schools.

Purchased professional and technical services expenditures increased \$10.8 million, or 37.9%, from 2015 to 2019, with security having the greatest amount of increase, \$5.3 million, or 434.3%. Again, this shows an increase in contracting for O&M activities. While expenditures for classified staff is the largest single expenditure expense category, the percentage of increase, 1.1%, was comparatively small compared to the other categories experiencing increases.

O&M Expenditures by Categories of Expense from All Fund Sources (Sorted by Categories with Highest Amounts of Growth)				
Categories of Expense	2015	2019	2019 Change from 2015	2019 % Change from 2015
Purchased Property Services/1	\$88,457,762	\$117,065,261	\$28,607,499	32.3%
Purchased Professional and Tech. Svs/2	\$28,523,314	\$39,326,029	\$10,802,715	37.9%
Equipment	\$7,171,743	\$10,331,041	\$3,159,298	44.1%
Classified Salaries and Benefits	\$175,538,164	\$177,465,412	\$1,927,249	1.1%
Other Purchased Services/3	\$29,325,755	\$30,837,315	\$1,511,560	5.2%
Certified Salaries and Benefits	\$690,095	\$579,265	(\$110,830)	-16.1%
Other Objects/4	\$1,372,485	\$1,231,376	(\$141,109)	-10.3%
Supplies and Materials	\$137,448,876	\$135,907,164	(\$1,541,712)	-1.1%
Total	\$468,528,194	\$512,742,865	\$44,214,670	9.4%

1/ **Purchased Property Services** - Services purchased to operate, repair, maintain, and rent property owned or used by the school district, and includes services such as cleaning services (disposal/sanitation, custodial, and lawn care).
 2/ **Purchased Professional and Technical** - Services that can be performed only by persons or firms with specialized skills and knowledge such as management service – consulting, employee training and development services, legal and medical services.
 3/ **Other Purchased Services** -Services rendered by organizations or personnel not on the payroll of the school district such as insurance other than employee benefits, communications expenses, advertising, and travel.
 4/**Other Objects** - Amounts paid for goods and services not otherwise classified and includes dues and fees, interest, and tax payments

STATE RANKING: EXPENDITURES

NCES provides data on total operations and maintenance expenditures in each state. The most recent data available for all states are from 2016-17.¹¹ According to the NCES data, Arkansas schools spent \$1,014 per student on O&M in 2016-17, which is less than the national average. (The enrollment data used to calculate the per-student O&M expenditures include pre-K students who have been excluded from the BLR’s analysis elsewhere in this report.)

O&M Expenditures	
National Average	\$1,135 per student
Arkansas	\$1,014 per student

Arkansas’s per-student expenditures for operations and maintenance ranked 33rd highest among all 50 states and the District of Columbia. In addition, Arkansas’s expenditures ranked 7th highest among the 16 Southern Regional Education Board (SREB) States and 3rd highest among the 7 surrounding states.

	Per-Student Expenditures for Operations & Maintenance: Arkansas’s Rank
All States and Washington D.C. (51)	33 rd highest
Southern Regional Education Board (SREB) States (16)	7 th highest
Surrounding States (7, including AR)	3 rd highest

¹¹ National Center for Education Statistics, Revenues and Expenditures for Public Elementary and Secondary Education: School Year 2016-17, “Table 236.30. Total expenditures for public elementary and secondary education and other related programs, by function and state or jurisdiction: 2016-17”, received by email from NCES Staff, Patrick Keaton, January 28, 2020.

CENTRAL OFFICE

The matrix provides funding for district-level administrative expenses including the salaries and benefits of the superintendent, administration personnel (legal, fiscal, human resources, communications, etc.), certain district instructional and pupil support directors, and clerical staff. The central office line of the matrix also provides funding for activities of the local school board. In their 2006 report, Picus and Associates noted the importance of an effective central office in a district. They wrote, “The district office has the responsibility to organize and manage all aspects of the district including the curriculum and instructional program, as well as to implement national, state, and local reforms, oversee budgets, and provide necessary materials, equipment, facilities, and repairs to the schools.”¹²

BACKGROUND: CENTRAL OFFICE IN THE MATRIX

In 2019, the matrix provided districts and charter schools with \$438.80 per student for central office resources. This funding level was originally established based on input from the state’s education finance consultants as well as districts’ actual expenditures for central office staffing and resources.

Between 2003 and 2006, central office costs were funded within foundation funding as part of the “carry forward”. In 2006, when the General Assembly rehired Picus and Associates to reexamine those resources, the consultants recommended breaking out the carry forward into three components, including the central office. In their attempt to specify an adequate funding level for the central office, the consultants noted that when they completed their first report for Arkansas in 2003, little research existed on the number of people and resources necessary for the central office. The issue was further complicated, they said, by the fact that some district office personnel, such as special education directors and federal coordinators, are partially funded with federal dollars.

In 2006, the consultants contended, based on research completed in 2005, that a district of 3,500 students would need a central office staff of 17 people. Prorating to a district size of 500 students, Picus and Associates reasoned, would require one-seventh of that staffing level, costing \$328 per student. Another \$263 per student would be needed for other miscellaneous central office needs, for a total of \$591 per student.

The consultants’ recommendation was based on a prototypical district of 3,500 students, but in Arkansas in 2006, only 26 of the districts, or 11%, had 3,500 or more students. To test the appropriateness of the recommended funding level for Arkansas schools, the Department of Education (now the Division of Elementary and Secondary Education (DESE)) obtained 2005-06 central office expenditures and personnel counts for districts with an ADM between 3,000 and 4,000. The average number of personnel was 17.82. The average total central office cost was \$395 per ADM.

Based on this information, the Adequacy Subcommittee determined that the consultants’ figures were “inflated because they were based on higher-priced geographical areas and on more duties than are required in Arkansas.” The Subcommittee instead recommended that central office expenses be funded at \$376 per student for 2008. This figure represented the \$395 per student in actual costs, less \$19 per student for the Director of Operations and Maintenance and a secretary position that were included as part of the operations and maintenance line of the matrix.¹³

¹² Odden, A., Picus, L. O., & Goetz, M. (2006). *Recalibrating the Arkansas School Funding Structure*. Report prepared for Arkansas Joint Committee on Education, page 67,
<http://www.arkleg.state.ar.us/education/K12/AdequacyReports/2006/AR%20Recalibration%20Report%20August%2030.%202006.pdf>

¹³ Adequacy Study Oversight Subcommittee, *A Report on Legislative Hearings For the 2006 Interim Study on Educational Adequacy, Final Report and Recommendations*, January 22, 2007, pages 14-15 and 124-125,
<http://www.arkleg.state.ar.us/education/K12/AdequacyReportYears/2006%20Adequacy%20Report%2001-22-07%20FINAL.pdf>

In the years since 2008, the General Assembly increased the central office per-student funding level annually through 2015. These rate increases tracked the overall Foundation Funding (matrix) rate change for the years 2010-2013, but have not tracked the overall rate changes since 2013. In fact, since 2015, the per-student rate for central office has increased only one time, in 2017, and the overall Foundation Funding per-student rate has increased each year since 2015.

Central Office			
Fiscal Year	Per Student Rate	% Change from Prior Year	Overall Matrix % Change
2008	\$376.00		1.00%
2009	\$383.50	2.0%	1.20%
2010	\$391.20	2.0%	2.00%
2011	\$399.00	2.0%	2.00%
2012	\$407.00	2.0%	2.01%
2013	\$415.10	2.0%	2.00%
2014	\$422.60	1.8%	2.00%
2015	\$430.20	1.8%	2.00%
2016	\$430.20	0.0%	0.97%
2017	\$438.80	2.0%	0.94%
2018	\$438.80	0.0%	1.01%
2019	\$438.80	0.0%	1.01%
2020	\$438.80	0.0%	1.74%
2021	\$438.80	0.0%	1.72%

CENTRAL OFFICE STAFFING

Superintendent

The central office positions required by the state accreditation standards is the superintendent (4-B.1 & 4-B.2) and a district business manager(3-A.5). The standards also allow a superintendent to serve as a half-time principal if the district enrollment is less than 300, if the superintendent has the appropriate certification, and is not teaching classes.¹⁴ In 2018-19, all districts did have a superintendent. The following table shows the average superintendent salary for districts and charter schools and for traditional districts when divided into groups by size and by free and reduced price lunch percentages.

Type	Average Salary
Districts	\$116,050
Charters	\$114,308 (10 charters only ¹⁵)
District Size	
Small	\$94,722
Medium	\$118,004
Large	\$199,592
District Poverty	
0-70% FRPL	\$123,602
70-90% FRPL	\$109,458
90+% FRPL	\$107,165

¹⁴ Arkansas Department of Education Rules Governing Standards for Accreditation of Arkansas Public Schools and School Districts, July 2018, page 18. Note: the previous Accreditation Standards (as of August, 2015, required the employment of a superintendent when enrollment exceeded 300.

¹⁵ Only ten of the 25 charter school systems documented having a superintendent in the 3637 staffing report. The charter schools without a superintendent did report salary expenditures for principals or curriculum supervisors which may be the highest administrators those schools have.

The following table shows how Arkansas superintendent salaries compare with superintendent salaries nationally. The national median salaries come from the 2019 School Superintendents Association (AASA) Superintendent Salary & Benefits Study.¹⁶ Data are collected for the report through a survey of superintendents across the country. The AASA study does not break out salary data by state. Therefore, the BLR used the 2018-19 superintendent salary data recorded in APSCN as a comparison. Because the two sets of data are collected using different methodologies, they are not a perfect comparison. That said, superintendent salaries in the small and mid-size Arkansas districts appear to be lower than the superintendent salaries in similarly sized districts nationally, while the Arkansas salaries in large districts tend to outpace those nationally. For Arkansas, female superintendents' **median** salaries are less than males in the small and medium size school categories **but** are **greater** in those districts with 10,000 to 24,999 students. However, there is only one female superintendent in the 10,000-24,999 district size category. Overall though, the **average** salaries for Arkansas's female superintendents are higher than male superintendents for all three school size categories.

	300-2,499 Students		2,500-9,999 Students		10,000-24,999 Students	
	Male	Female	Male	Female	Male	Female
National Median	\$128,000	\$126,670	\$167,444	\$167,013	\$204,000	\$192,515
Arkansas Median (Midpoint)	\$103,669	\$102,865	\$162,636	\$156,420	\$235,475	\$247,392 (only 1 district)
Arkansas Average	\$102,532	\$104,697	\$159,677	\$162,894	\$229,280	\$247,392 (only 1 district)

The Arkansas data above exclude charter schools.

The following table illustrates the overall average salaries for male and female superintendents without regard to the size of school they serve in, and shows that, for 2018-19, female superintendents in Arkansas were paid slightly more on average than male superintendents. This is a change from the previous report where, in 2016-17, male superintendents were paid more on average than female superintendents. The ratio of male to female superintendents has remained largely the same, however, where there are approximately 4 times more male superintendents than female superintendents.

	2016-17*		2018-19	
	Male	Female	Male	Female
Number of FTE Superintendents	201	43	200	47
Average Salary	\$117,810	\$108,897	\$115,937	\$116,456
*(from previous report) The data above exclude charter schools. Some districts have more than 1 FTE superintendent due to mid-year changes and other circumstances.				

Assistant Superintendents

In 2018-19, about 27% of the traditional school districts employed assistant superintendents, although some of those districts employed staff to serve only part-time as an assistant superintendent. Districts with assistant superintendents tend to be larger districts, but there were four districts with fewer than 1,000 students that employed an assistant superintendent in 2018-19. The smallest district employing an assistant superintendent had 568 students.

	Average Salary	Total FTEs	# of Districts and Charters with These Staff
Assistant Superintendent (certified)	\$106,265	85	66 (63 districts and three charters)

¹⁶ Domenech, D.A., 2018-19 AASA Superintendent Salary & Benefits Survey, January 2019, page 21, https://aasa.org/uploadedFiles/Policy_and_Advocacy/FinalReport_NonMember_2018-19.pdf.

Median salaries for assistant superintendents are below the median salaries nationally for districts of all sizes.¹⁷

	300-2,499 Students	2,500-9,999 Students	10,000-24,999 Students
National Median	\$108,375	\$128,605	\$140,000
Arkansas Median*	\$90,275	\$108,897	\$135,961

Arkansas median salaries are based on the median of each district’s average salary for assistant superintendents. Salaries for part-time assistant superintendents were annualized, and an average salary was calculated for districts with more than one assistant superintendent.

Other Central Office Staff

Districts employ a variety of other types of employees in the central office. The following table shows the different types of staff districts employ, based on the available APSCN employee codes, the number of full-time employees serving in those roles statewide, and the number of districts employing each type of position.¹⁸

	Average Salary	Total FTEs	# of Districts and Charters with These Staff
Director of Federal Programs (certified)	\$75,551	91	173
Support Services Business	\$33,265	42	22
Business Manager	\$63,540	64	57
Finance Officer	\$47,200	312	177
Bookkeeper or Accountant	\$41,556	288	131
Personnel Director	\$53,405	68	30
Purchasing Agent	\$43,675	44	18
Secretary/Clerk (includes both school-level and district-level secretaries)	\$28,123	2,477	257
Administrative Technology	\$45,729	479	173
Other Central Support Services	\$34,953	99	51

STATE RANKING: STAFFING

NCES provides data on the number of local education agency (LEA) (i.e., district-level) administrators and LEA administrative support staff in each state. This NCES category includes superintendents, deputy superintendents, assistant superintendents, district-level business managers and administrative assistants. The most recent data available for all states are from 2017-18. According to the NCES data, Arkansas had a total of 0.65 LEA administrators per 500 students in 2017-18. (The enrollment data used to calculate the LEA administrators per 500 students includes pre-K students who are excluded from the BLR’s analysis elsewhere in this report.)

	District Administrators Per 500 Students
National Average	.73
Arkansas	.65

Number of District Administrators	
	Arkansas’s Rank
All States and Washington D.C. (51)	35 th highest
SREB States (16)	10 th highest
Surrounding States (7, including AR)	3 rd highest

¹⁷ Domenech, D.A., 2018-19 AASA Superintendent Salary & Benefits Survey, January 2019, page https://aasa.org/uploadedFiles/Policy_and_Advocacy/FinalReport_NonMember_2018-19.pdf.

¹⁸ Special education directors are included in the central office expenditures provided later in this report. However, in the page 3637 coding used to examine employee salaries, there is not a code specific to special education directors.

The NCES category for LEA administrative support staff includes business office support, data processing employees, and secretarial and other clerical staff. In 2017-18, Arkansas had 2.61 administrative support staff per 500 students.

	District Administrative Support Staff Per 500 Students
National Average	1.92
Arkansas	2.61

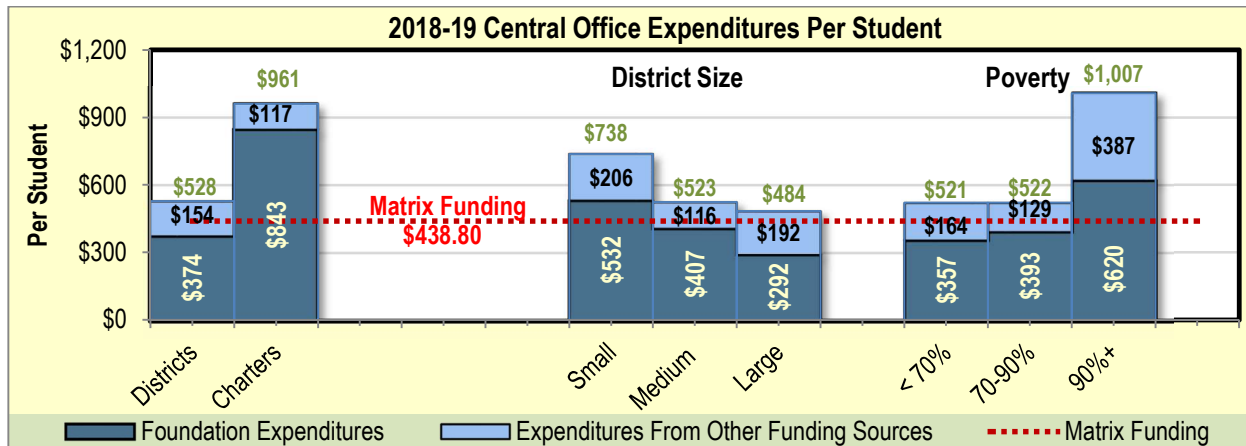
Number of District Administrative Support Staff	
	Arkansas's Rank
All States and Washington D.C. (51)	8 th highest
SREB States (16)	2 nd highest
Surrounding States (7, including AR)	2 nd highest

DISTRICT AND CHARTER SCHOOL EXPENDITURES

Districts and charter schools collectively spent about \$187 million from foundation funding on central office expenditures in 2018-19. This equates to \$391 per student, or about \$47 per student less than the funding amount provided in the matrix.

Central Office: Foundation Funding and Expenditures		
	Funding	Expenditures
2017-18	\$208,343,802	\$186,696,394
2018-19	\$209,568,954	\$186,967,485

The following chart compares the per-student spending of traditional school districts and charter schools for central office needs. It also compares districts' per-student spending based on district size and poverty level.



The spending patterns for central office expenses differed considerably between traditional school districts and open enrollment public charter schools. While districts spent less foundation funding per student than they received for central office expenses, charter schools spent over \$400 more per student in foundation funding than they received. One reason for this level of expenditure appears to be charter schools' large per-student expenditures in the following areas.

- Management consulting services: Charter schools expend \$277 per student on management consulting and districts expend \$.45 per student. Two charter schools, Arkansas Connections Academy and Arkansas Virtual Academy both offering on-line instruction, accounted for almost two-thirds of all charter school expenditures on management consulting services.
- Central office administrator salaries: Some charter schools' central office expenditures may also be higher than districts because they pay administrators salaries similar to those in much larger districts. Four of the

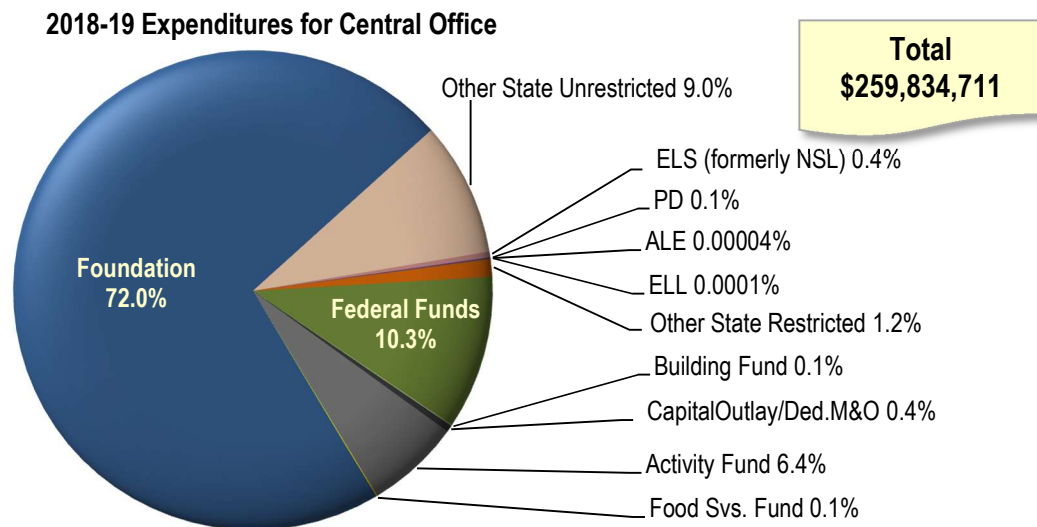
25 charter schools had fewer than 100 students, and 15 had fewer than 350. Of the ten charter schools that paid a superintendent salary, the average superintendent salary was about \$114,308, or \$109 per student. The average salary for school districts was about \$116,050 or \$62 per student. One charter school with fewer than 70 students paid its superintendent a salary of \$66,250, or about \$1,045 per student. While no traditional school district paid more than \$300 per student for its superintendent, three of the 25 charter schools paid more than \$300 per student ranging from \$464 to \$1,045.

- Educational consulting services: Charters expended approximately \$61 per student on educational consulting services and districts reported spending less than a dollar per student. One charter school expended 79% of its total central office expenditures on educational consulting services, and a second expended 88%, and they have described these expenditures in APSCN as management fees as well.

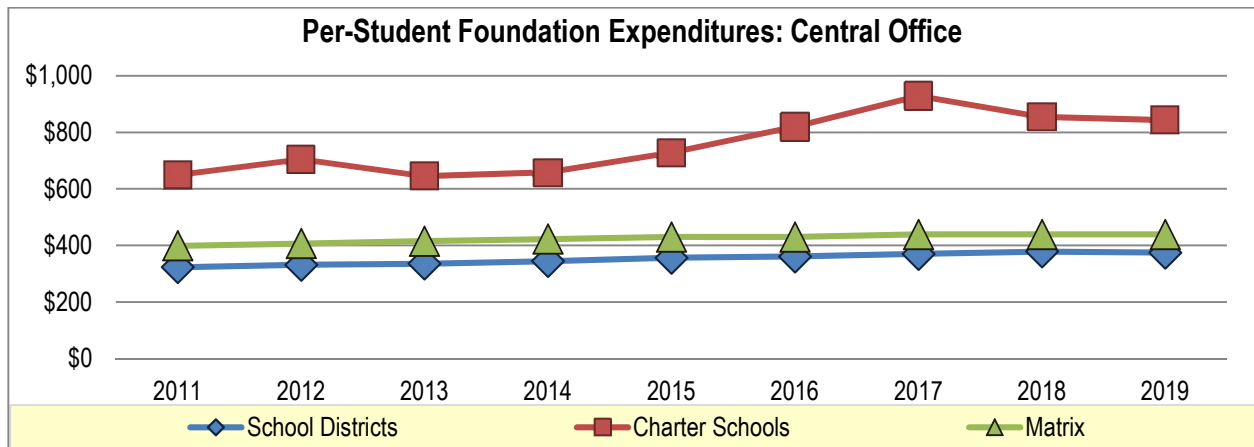
In comparing central office Foundation Funding expenditures by district size, it is clear small traditional school districts spent more per student than larger districts (\$532 per student versus \$292 in total per student foundation funding expenditures). This is likely due to the fact that larger districts benefit from some economies of scale in the central office. For example, while small districts generally pay their superintendents lower salaries than large districts, small districts still pay more on a per-student basis (\$184 per student for small districts on average, compared with \$20 per student for large districts).

High-poverty districts spent about 74% more in foundation funding on central office expenses per student than low-poverty districts spent. This is largely the result of higher staffing expenditures per student, and employing more people per 500 students than lower poverty districts.

The pie chart below shows the proportion of each funding type used to cover all central office expenditures. Foundation funding was the primary source of funds for central office expenditures. Districts and charter schools used foundation funding to cover 72% of all their central office expenditures. Federal funding was another frequently used funding source for central office costs. Federal funds covered about 10% of all central office expenditures in 2018-19.



The following graph shows the per-student central office expenditures from foundation funding between 2011 and 2019. During those years, districts have consistently spent less foundation funding on central administration than they were provided in the matrix. While charter schools have historically spent more foundation funding per student on central administrative expenses than they have received in foundation funding, the difference was growing through 2017, but has begun to decline in 2018 and 2019. The increase in 2017 is largely due to unusually high increases in per-student expenditures for central office by several charters ranging from an increase of 61% to 252%.



The following chart illustrates the total expenditures for districts and charters central office activities from all fund sources and from foundation funding for districts and charters from 2015 through 2019 and the percentage change from the prior year. Overall, districts and charters central office expenditures from all fund sources have increased \$26.2 million, or 11.2%, between 2019 and 2015, and expenditures from foundation funding have increased \$15.2 million, or 8.9%. The other fund sources with the greatest growth in expenditures were State Unrestricted Funding (\$6.1 million) and Activity Funds (\$5.7 million). State Restricted Funding is the fund source with the greatest **decrease** in expenditures with a decrease of \$1.7 million, and this is largely due to the decline in expenditures from desegregation funds, due to the termination of desegregation funding in 2019.

Central Office Expenditures From All Fund Sources and Foundation Funding				
Year	Total Expenditures All Fund Sources	% Change from Prior Year	Foundation Funding (FF) Expenditures	% Change from Prior Year%
2015	\$233.6		\$171.7	
2016	\$242.4	3.8%	\$175.9	2.4%
2017	\$246.3	1.6%	\$182.0	3.5%
2018	\$254.5	3.3%	\$186.7	2.6%
2019	\$259.8	2.1%	\$187.0	0.1%

The following table provides the 2015 and 2019 expenditures by main categories of expense for central office activities and the amount of change between 2015 and 2019. Classified salaries and benefits is the category with the largest expenditure increase of \$13.1 million, or 13.6%, followed by an increase of almost \$9 million, or 12.2% for certified salaries and benefits. Classified central office personnel include such positions as assistant superintendents, business managers, finance officers, directors of federal programs, personnel directors, and administrative technology staff. Certified staff include superintendents, assistant superintendents, and directors of federal programs.¹⁹ The next highest category of expense, “other objects”, include expenditures for dues and fees, indirect costs and other miscellaneous expenditures. Of the total increase of \$4.7 million for other objects, \$4.5 million of the increase is for what the districts and charters coded as miscellaneous expenditures.

¹⁹ There is both a certified and a classified assistant superintendent position that can be used by districts and charters. Of the total 126.9 assistant superintendent FTEs reported for 2019, 85.2 were employed in a position classified as **certified** and 41.7 were employed in a position classified as **classified**. Districts employed 97% of the total in both the certified and classified position categories. Districts reported that 67% of their assistant superintendent FTEs were in a **certified** position and 33% were in a **classified** position. Charters reported that 71% of their assistant superintendent FTEs were in a **certified** position and 29% were in a **classified** position. Districts and charters spent a total of \$9.1 million for assistant superintendents in certified positions and a little less than \$2 million for assistant superintendents in classified positions.

Central Office Expenditures by Categories of Expense from All Fund Sources (Sorted by Categories with Highest Amounts of Growth)				
Categories of Expense	2015	2019	2019 Change from 2015	2019 % Change from 2015
Classified Salaries and Benefits	\$96,110,813	\$109,197,579	\$13,086,766	13.6%
Certified Salary and Benefits	\$73,317,979	\$82,268,744	\$8,950,765	12.2%
Other Objects/1	\$9,126,746	\$13,850,740	\$4,723,994	51.8%
Purchased Professional and Tech. Svcs/2	\$31,733,686	\$33,582,217	\$1,848,531	5.8%
Other Purchased Services/3	\$11,306,023	\$11,654,929	\$348,906	3.1%
Other Uses of Funds/4		\$426	\$426	
Equipment	\$1,198,292	\$832,477	-\$365,815	-30.5%
Purchased Property Services/5	\$2,770,215	\$1,638,847	-\$1,131,368	-40.8%
Supplies and Materials	\$8,058,213	\$6,808,753	-\$1,249,459	-15.5%
Total	\$233,621,966	\$259,834,711	\$26,212,745	11.2%

1/ **Other Objects** - Amounts paid for goods and services not otherwise classified and includes dues and fees, interest, and tax payments. This increase is primarily due to one district posting employee benefit payments to the central office category in 2018-19 when they posted these expenses in an instructional category the other four years.

2/ **Purchased Professional and Technical** - Services that can be performed only by persons or firms with specialized skills and knowledge such as management service – consulting, employee training and development services, legal and medical services.

3/ **Other Purchased Services** - Services rendered by organizations or personnel not on the payroll of the school district such as insurance other than employee benefits, communications expenses, advertising, and travel.

4/ **Other Uses of Fund** - These codes are used to classify transactions which are not recorded as expenditures to the district but require budgetary or accounting control, including but not limited to retirement of principal and interest on long term debt, housing authority obligations and fund transfers.

5/ **Purchased Property Services** - Services purchased to operate, repair, maintain, and rent property owned or used by the school district, and includes services such as cleaning services (disposal/sanitation, custodial, and lawn care).

STATE RANKING: EXPENDITURES

NCES provides data on total expenditures for district administration in each state in two categories:

- **General administration expenditures**, which are “expenditures for the board of education and superintendent’s office for the administration of LEAs, including salaries and benefits for the superintendent, the school board, and their staff.”
- **Other support services**, which are “expenditures for business support services (activities concerned with the fiscal operation of the LEA), central support services (activities, other than general administration, which support each of the other instructional and support services programs, including planning, research, development, evaluation, information, and data processing services).”

The most recent expenditure data available for all states are from 2016-17.²⁰ According to the NCES data, Arkansas school districts spent more than the national per-student average on general administration, but less than the national per-student average on other central office support services in 2016-17.

General Administration Expenditures	
National Average	\$243 per student
Arkansas	\$253 per student

Per-Student Expenditures for General Administration	
	Arkansas’s Rank
All States and Washington D.C. (51)	25 th highest
SREB States (16)	3 rd highest
Surrounding States (7, including AR)	4 th highest

²⁰ National Center for Education Statistics, Revenues and Expenditures for Public Elementary and Secondary Education: School Year 2016-17, “Table 236.30. Total expenditures for public elementary and secondary education and other related programs, by function and state or jurisdiction: 2016-17”, received by email from NCES Staff, Patrick Keaton, January 28, 2020.

Other Support Services Expenditures	
National Average	\$454 per student
Arkansas	\$306 per student

Per-Student Expenditures for Other Support Services	
	Arkansas’s Rank
All States and Washington D.C. (51)	34 th highest
SREB States (16)	7 th highest
Surrounding States (7, including AR)	3 rd highest

TRANSPORTATION

Transportation expenditures include school bus and district vehicle operations and maintenance, transportation personnel, insurance, equipment costs, and bus purchases. Transportation expenditures do not include expenditures for athletic or activity transportation. State law does not require school districts to provide general transportation to students,²¹ although all districts and some charter schools provide bussing services.

BACKGROUND: TRANSPORTATION IN THE MATRIX

In 2018-19, the matrix provided districts and charter schools with \$321.20 per student for transportation expenses. This funding level was originally established based on input from the state’s education finance consultants as well as districts’ actual expenditures for student transportation.

In 2003, Picus and Associates did not provide a recommendation on funding for transportation. The General Assembly chose to include the funding for transportation expenses within the carry forward category in the matrix.

In their 2006 report, the consultants recommended funding transportation at \$286 per student, based on districts’ actual 2005 transportation expenses inflated for 2008. However, the consultants noted that while the state transportation expenditures averaged around \$286 per ADM, individual districts’ expenditures varied considerably, from a low of \$67 to a high of \$695 per student.²² The General Assembly first authorized \$286 per student for transportation in 2008 when the carry forward category was first divided into the 3 separate categories, Operations and Maintenance, Central Office, and Transportation. In a June 2006 presentation, the consultants recommended that the General Assembly collect better data on transportation operations and develop a funding formula based on student density, mileage, or hours of operation, rather than on ADM. They recommended that the General Assembly consider moving the funding for transportation out of the matrix to be funded separately. Although each biennial Adequacy Study since 2006 has examined transportation expenditures, the General Assembly has not altered the funding distribution method.

Transportation funding within the matrix remained at \$286 per student through 2009, but was increased each subsequent year through 2015. The rate of change for these increases for transportation tracked the overall Foundation Funding rate of change for the years 2010 through 2013, but have not tracked in subsequent years. In fact, since 2015 the per-student rate for transportation has remained unchanged at \$321.20, and the overall Foundation Funding per-student rate has increased each year since 2015.

²¹See Arkansas Code § 6-19-102(a) (“The board of directors of each school district in the state is authorized to purchase vehicles and otherwise provide means for transporting pupils to and from school, when necessary.”)

²² Recalibrating the Arkansas School Funding Structure, Allan Odden, Lawrence O. Picus and Michael Goetz, August 30, 2006, page 72.

Transportation			
Fiscal Year	Per Student Rate	% Change from Prior Year	Overall Matrix % Change
2008	\$286.0		1.00%
2009	\$286.0	0.0%	1.20%
2010	\$291.7	2.0%	2.00%
2011	\$297.5	2.0%	2.00%
2012	\$303.8	2.1%	2.01%
2013	\$309.9	2.0%	2.00%
2014	\$315.5	1.8%	2.00%
2015	\$321.2	1.8%	2.00%
2016	\$321.2	0.0%	0.97%
2017	\$321.2	0.0%	0.94%
2018	\$321.2	0.0%	1.01%
2019	\$321.2	0.0%	1.01%
2020	\$321.2	0.0%	1.74%
2021	\$321.2	0.0%	1.72%

While the per-student rate has remained the same since 2015, supplemental funding has been provided to districts in some years beyond the transportation funding provided within foundation funding. Supplemental transportation funding was first provided in 2011-12. Act 1075 of 2011 authorized a \$500,000 appropriation and special language that required the Division of Elementary and Secondary Education (DESE) to allocate and commit \$500,000 in funding for extraordinary transportation needs of districts and develop rules and regulations to govern the distribution.

Legislative authorization for supplemental funding was not provided again until Act 987 of 2015 authorized an appropriation of \$3 million for enhanced transportation funding for 2015-16, as recommended by the House and Senate Education Committees in their 2014 Adequacy Study recommendations. The Committees specifically recommended creating a separate, supplemental funding program for districts with high transportation costs, with the total funding amount to be established at the equivalent of 2% of the total funding provided for transportation in 2015-16 and 2016-17 (about \$3 million each year) with the funding to be distributed by a method developed by the BLR. The General Assembly appropriated an additional \$3 million for enhanced transportation funding for both 2015-16 and 2016-17,²³ but a method of distributing the money to the districts was not specified in statute until the passage of Act 445 of 2017. While the Department of Education – Division of Elementary and Secondary Education (DESE) received \$3 million in 2015-16 and 2016-17, the Division only distributed the funding to districts in 2016-17 using the distribution methodology enacted in Act 445.

The Division of Elementary and Secondary Education continued the distribution of \$3,000,000 in enhanced transportation funding in 2017-18 and 2018-19, as required by Section 6 of Act 743 of 2017. The House and Senate Education Committees recommended a \$2,000,000 increase for enhanced transportation funding to \$5,000,000 for 2019-20 and 2020-21 in their 2018 Adequacy Study recommendations, and the General Assembly authorized this increase in appropriation to \$5,000,000 for enhanced transportation funding for 2019-20 in Act 877 of 2019. The DESE is currently budgeting \$5 million for 2019-20. In the 2020 pre-fiscal session budget hearings, the Governor recommended continuing the \$5 million for enhanced transportation funding in 2020-21 and the Joint Budget Committee concurred with the Governor's recommendation.

²³ Act 987 of 2015 and Act 229 of 2016

TRANSPORTATION STAFFING

Bus drivers make up the majority of transportation staffing, but districts and charters also frequently employ directors of transportation and bus mechanics. The following table provides the types of employees involved with transportation, their average salaries statewide, the number of FTEs employed in those positions and the number of districts employing them.

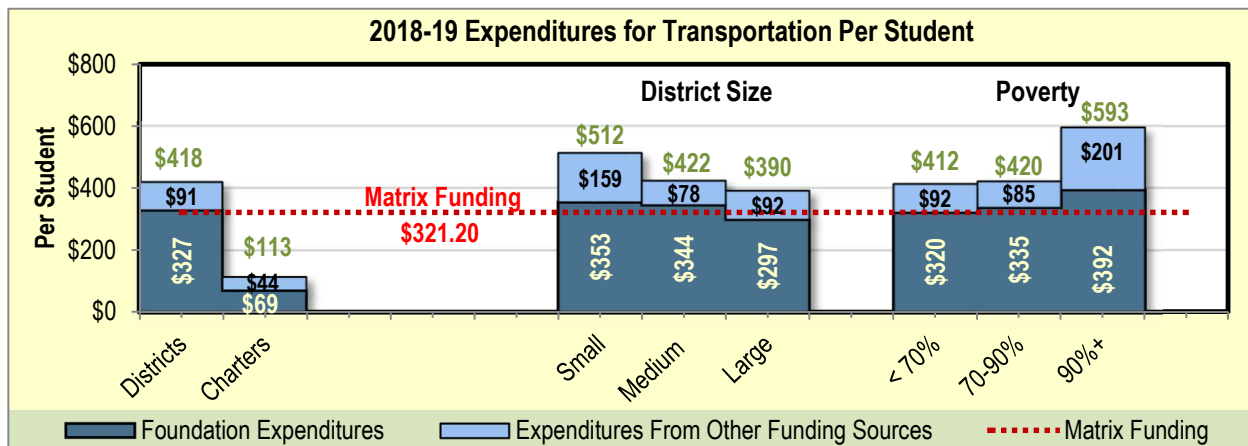
	Average Salary	Total FTEs	# of Districts and Charters with These Staff
Directors of Pupil Transportation	\$49,609	170	154
Bus Mechanics (No Charters had Mechanics)	\$37,803	321	181
Bus Drivers	\$14,141	4,607	243
Bus Dispatcher (No Charters had Bus Dispatchers)	\$23,569	50	47
Bus Monitor (in transit monitor)	\$9,939	304	65

DISTRICT AND CHARTER SCHOOL EXPENDITURES

Districts and charter schools collectively spent about \$151.5 million from foundation funding in 2018-19 to cover their student transportation costs. This equates to \$317 per student, which is about \$4 less than the \$321.20 provided in the matrix.

Transportation: Foundation Funding and Expenditures		
	Funding	Expenditures
2017-18	\$152,506,903	\$149,018,630
2018-19	\$153,403,710	\$151,509,816

The following chart compares the per-student spending of traditional school districts and charter schools for transportation. It also compares districts’ per-student spending based on district size and poverty level.



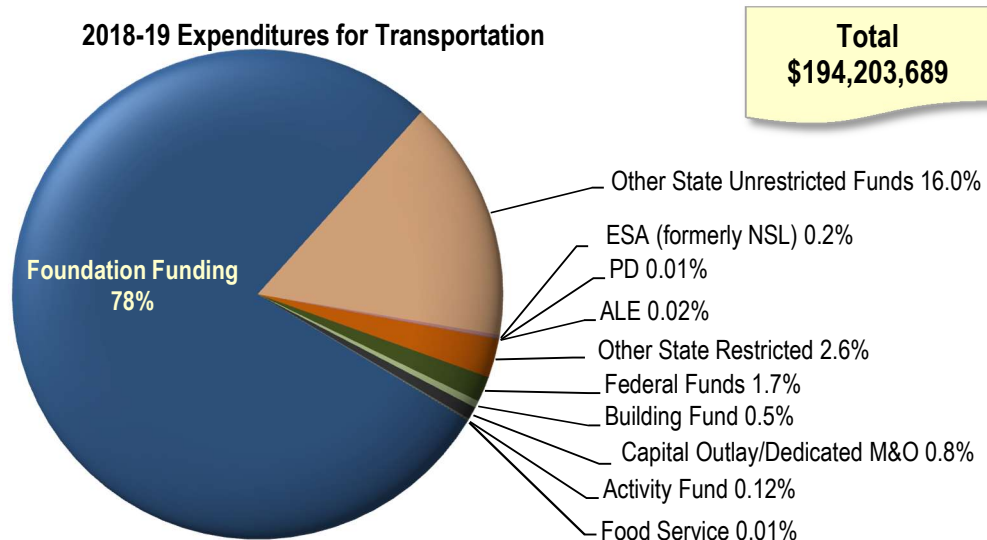
Charter schools had much lower transportation expenditures than traditional school districts. This is likely due to the fact that many charter schools do not provide daily transportation to students. Twelve of the 25 charter schools had either no foundation funding transportation expenditures or had expenditures of less than \$10 per student.

Small districts spent more per-student on transportation than larger districts, both in terms of expenditures from foundation funding and from all other funding sources. When grouped based on poverty levels, the two categories of districts in the lower poverty levels had relatively small differences in per-student spending on transportation, while the districts in the highest poverty category had significantly higher transportation spending per student. This appears to result from differences in route miles and district area in square miles in these districts.

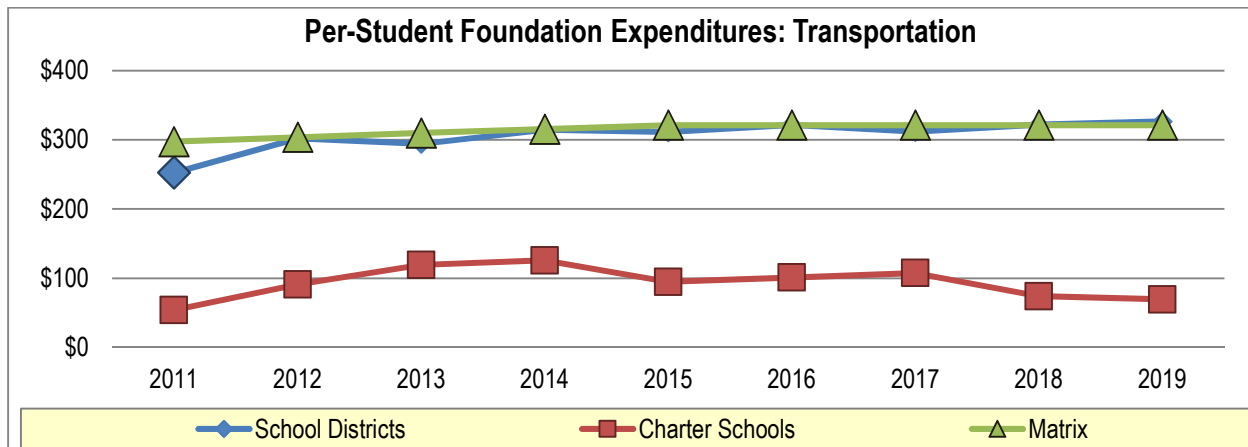
The following table provides bus riders as % of ADM, bus route miles per 500 students, and districts' area in square miles per 500 students by district size and poverty (no charter schools are included in this table). This table illustrates small and high poverty districts' bus riders make up a greater percentage of the total student population. In addition, small and high poverty districts have higher numbers of bus route miles, and have a larger square mile area than do medium and large districts on a per 500 student basis.

	Riders % of ADM	Route Miles Per 500 Students	District Area in Square Miles per 500 Students
District Size			
Small (750 or less)	66%	451	195
Medium (751-5,000)	59%	291	71
Large (5,001+)	42%	233	8
District Poverty			
Low (<70%)	52%	274	41
Medium (70-90%)	54%	293	79
High (90%+)	60%	436	254

The pie chart below shows the proportion of each funding type used to cover all transportation expenditures (excluding athletic and activities transportation). Foundation funding covered 78% of districts' and charter schools' total transportation expenditures. Other significant sources of funding used by districts and charter schools included other unrestricted state funding, such as Student Growth Funding, and state restricted funds, such as Isolated Special Needs Transportation funding.



The following graph shows the per-student transportation expenditures from foundation funding between 2011 and 2019. Since at least 2011, districts' per-student transportation expenditures from foundation funding have generally tracked with the matrix funding provided for that purpose, while charter schools' foundation funding expenditures have fallen below the matrix funded amount. Individual districts' **Foundation Funding** expenditures for transportation in 2018-19 varied from a low of \$0.56 per pupil to a high of \$784 per student. Some districts may have low foundation funding expenditures for transportation because they receive other types of funding they can use to cover these costs, including Student Growth Funding, Special Needs Isolated transportation funding, or Enhanced Transportation Funding. Foundation funding expenditures for transportation declined by about \$4.6 million between 2016 and 2017, and increased back to 2016 levels in 2018. Individual district per-student expenditures from **all fund sources** ranged from \$0.58 to a high of \$1,180 per-student.



The following chart illustrates the total transportation expenditures by districts and charters from all fund sources and from foundation funding for districts and charters from 2015 through 2019 and the percentage change from the prior year. Overall districts and charters transportation expenditures from all fund sources have increased \$11.4 million, or 6.2%, between 2015 and 2019, and expenditures from Foundation Funding have increased almost \$7 million or 4.8%. The other fund source with the greatest growth in expenditures, State Unrestricted Funding (\$9.7 million) actually exceeded the growth of foundation funding. State Restricted Funding is the fund source with the greatest **decrease** in expenditures with a decrease of \$6.1 million, and this is largely due to the decline in expenditures from desegregation funds, due to the termination of desegregation funding in 2019.

Transportation Expenditures All Fund Sources and Foundation Funding				
Year	Total Expenditures All Fund Sources	% Change from Prior Year	Foundation Funding (FF) Expenditures	% Change from Prior Year
2015	\$182.8		\$144.5	
2016	\$184.8	1.1%	\$149.4	3.3%
2017	\$184.95	0.1%	\$144.8	-3.1%
2018	\$193.02	4.4%	\$149.02	2.9%
2019	\$194.2	0.6%	\$151.5	1.7%

The largest transportation expenditure increase was in the classified salaries and benefits category of expense, with a \$6.1 million increase, or 5.6%, followed by a \$1.4 million, or 24.7% increase in expenditures for purchased property services, and a \$1.2 million, or 54.9% increase for purchased professional and technical services. The increase in **purchased property services** is primarily due to an increase of \$1.3 million, or 117.3%, increase in expenditures for rental of equipment and vehicles, followed by an increase of \$321,681 for non-technology related repairs and maintenance (contracts for building upkeep and non-technology equipment).²⁴ As we saw with O&M expenditures, it appears that districts are increasing the amount they are spending on purchased services.

²⁴ According to the 2018-19 School Year Arkansas Financial Accounting Handbook for Arkansas Public Schools (page 49), non-technology related repairs and maintenance are “contracts and agreements covering the upkeep of buildings and non-technology equipment.”

Transportation Expenditures by Categories of Expense from All Fund Sources (Primarily Sorted by Categories with Highest Amounts of Growth)				
Categories of Expense	2015	2019	2019 Change from 2015	2019 % Change from 2015
Classified Salaries and Benefits	\$108,177,389	\$114,241,944	\$6,064,555	5.6%
Purchased Property Services	\$5,773,030	\$7,200,299	\$1,427,269	24.7%
Purchased Professional and Tech. Svs/1	\$2,137,517	\$3,312,068	\$1,174,550	54.9%
Certified Salaries and Benefits	\$1,737,293	\$2,217,222	\$479,929	27.6%
Equipment	\$24,766,182	\$25,132,556	\$366,374	1.5%
Other Purchased Services/2	\$15,081,675	\$15,333,866	\$252,191	1.7%
Supplies and Materials	\$35,852,000	\$26,493,589	-\$9,358,411	-26.1%
Other Objects*/3	-\$10,707,516	\$272,145	\$10,979,662	-102.5%
Total	\$182,817,569	\$194,203,689	\$11,386,119	6.2%

*There are (\$10.9) million in negative postings due to the cost allocation of transportation expenses from academic transportation to athletics and activities, and were posted in this way only in 2014-15.

1/ **Purchased Professional and Technical** - Services that can be performed only by persons or firms with specialized skills and knowledge such as management service – consulting, employee training and development services, legal and medical services.

2/ **Other Purchased Services** -Services rendered by organizations or personnel not on the payroll of the school district such as insurance other than employee benefits, communications expenses, advertising, and travel.

3/ **Other Objects** - Amounts paid for goods and services not otherwise classified and includes dues and fees, interest, and tax payments.

STATE RANKING: EXPENDITURES

NCES provides data on total transportation expenditures in each state. The most recent data available for all states are from 2016-17.²⁵ According to the NCES data, Arkansas schools spent an average of \$368 per student on transportation in 2016-17. (The enrollment data used to calculate the per-student transportation expenditures includes pre-K students who have been excluded from the BLR’s analysis elsewhere in this report.)

2016-17 Transportation Expenditures	
National Average	\$501 per student
Arkansas	\$368 per student

	Per-Student Expenditures for Student Transportation: Arkansas’s Rank
All States and Washington D.C. (51)	37 th highest
SREB States (16)	11 th highest
Surrounding States (7, including AR)	4 th highest

²⁵ U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), "National Public Education Financial Survey," Table 236.30 - Total expenditures for public elementary and secondary education and other related programs, by function and state or jurisdiction: 2016-17 (School Year and 2016-17 Fiscal Year). Received via email from Patrick Keaton Staff for NCES.

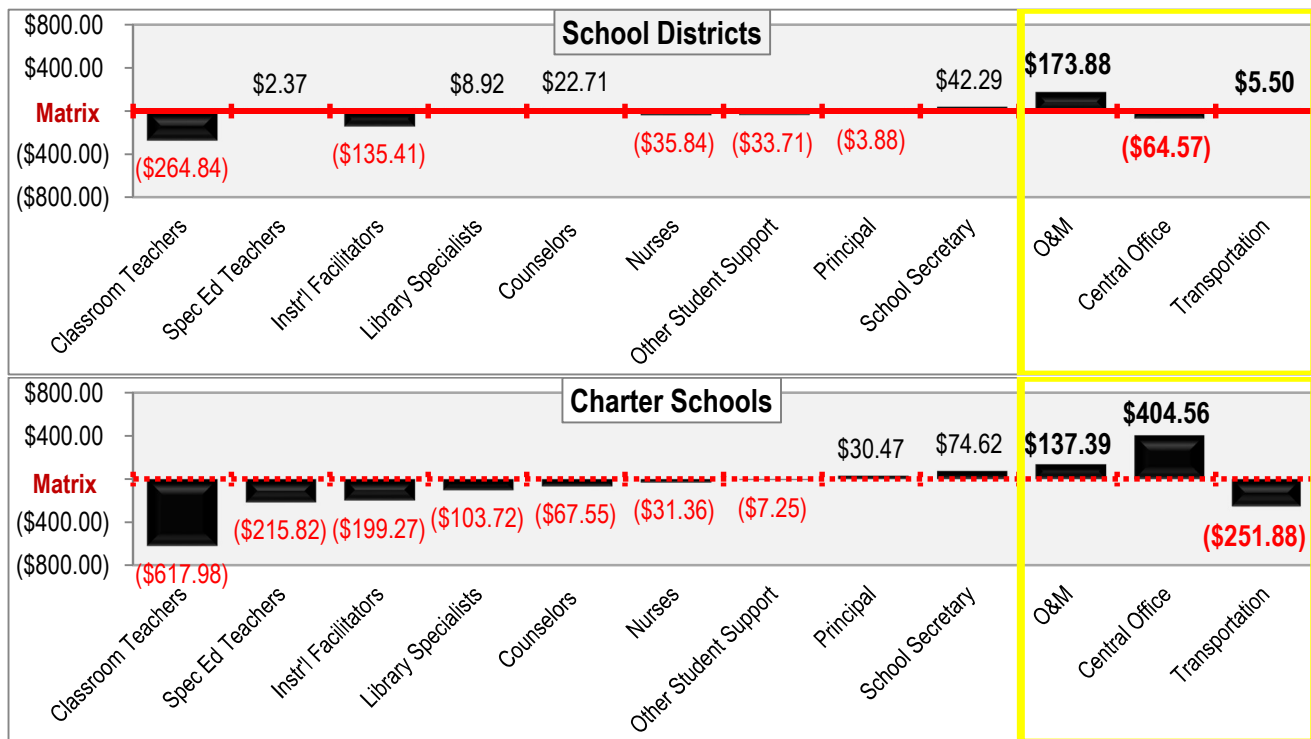
OVERVIEW

DISTRICT COMPARISONS

The variety of needs districts have and their individual student characteristics make it unlikely each matrix line item's funding will fit all schools equally well, which is why districts are not required to spend according to the levels established in the matrix. The following charts compare the way districts and charters, as well as, districts of different sizes and poverty levels use foundation funding to address the needs of their students. The data are provided as the per-student funding amount provided by the matrix and the per-student expenditures of districts and charter schools. The following charts provide district and charter per student foundation spending on school level staffing, O&M, central office, and transportation. The other matrix items will be covered in upcoming reports.

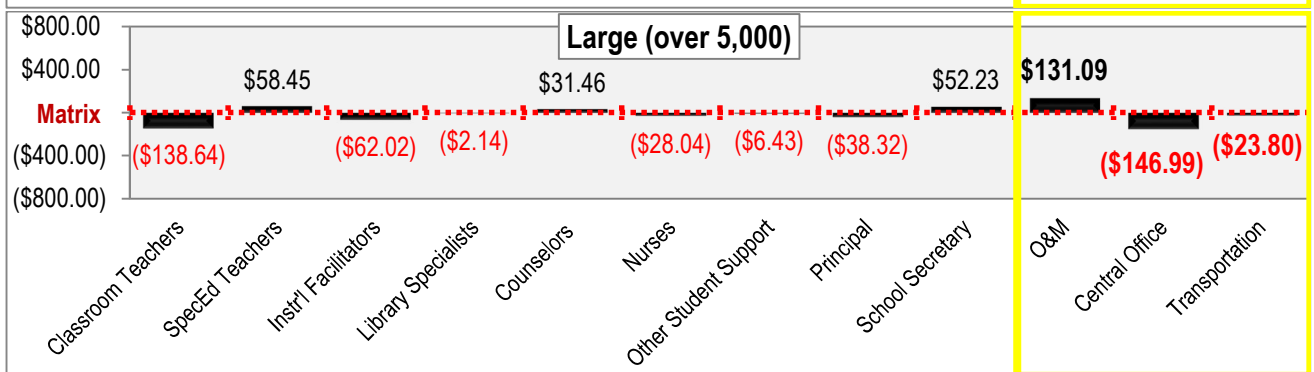
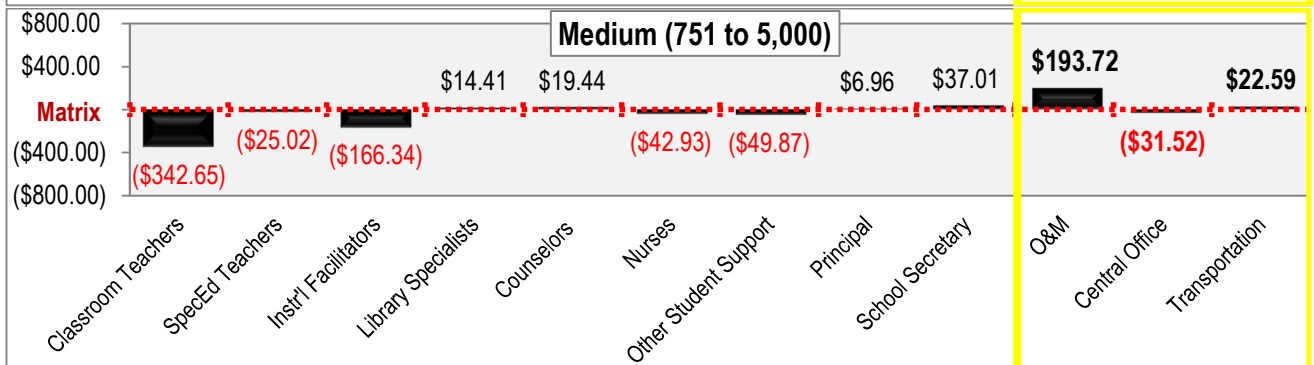
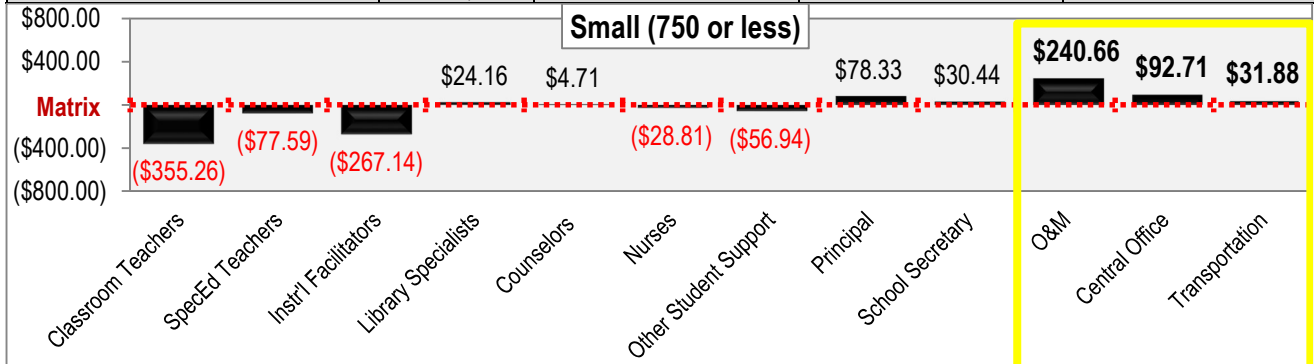
DISTRICTS AND OPEN ENROLLMENT PUBLIC CHARTER SCHOOLS

	Matrix	Traditional Districts	Charter Schools
Classroom Teachers	\$3,282.65	\$3,017.81	\$2,664.67
Special Education Teachers	\$381.72	\$384.09	\$165.90
Instructional Facilitators	\$329.08	\$193.67	\$129.81
Library Media Specialists	\$111.88	\$120.80	\$8.16
Counselors	\$146.11	\$168.82	\$78.56
Nurses	\$88.19	\$52.35	\$56.83
Other Pupil Support	\$94.77	\$61.06	\$87.52
Principal	\$198.10	\$194.22	\$228.57
School-level Secretary	\$81.70	\$123.99	\$156.32
Technology	\$250.00	Coming in 3 rd Report	Coming in 3 rd Report
Instructional Materials	\$183.10	Coming in 3 rd Report	Coming in 3 rd Report
Extra Duty Funds	\$66.20	Coming in 3 rd Report	Coming in 3 rd Report
Supervisory Aides	\$50.00	Coming in 3 rd Report	Coming in 3 rd Report
Substitutes	\$71.80	Coming in 3 rd Report	Coming in 3 rd Report
Operations & Maintenance	\$685.00	\$858.88	\$822.39
Central Office	\$438.80	\$374.23	\$843.36
Transportation	\$321.20	\$326.70	\$69.32
Other Non-Matrix Items	\$0		
TOTAL	\$6,781		



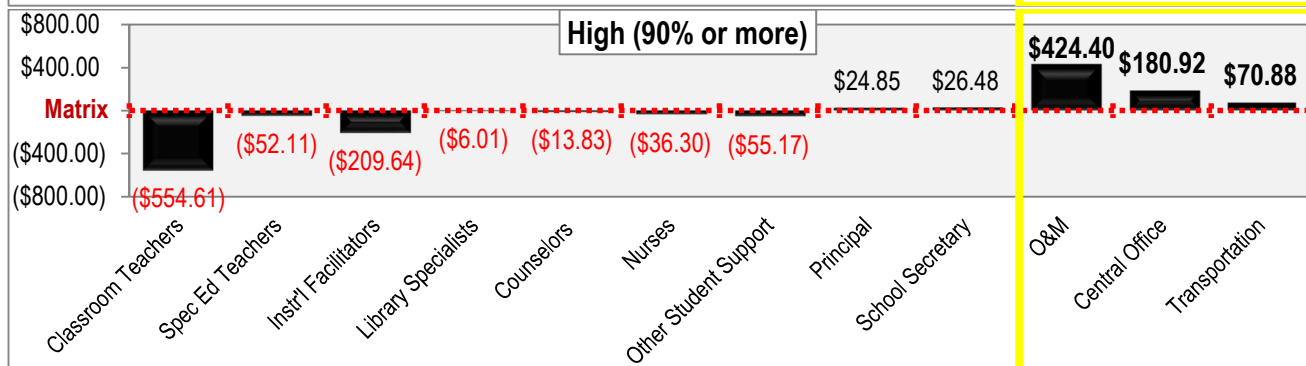
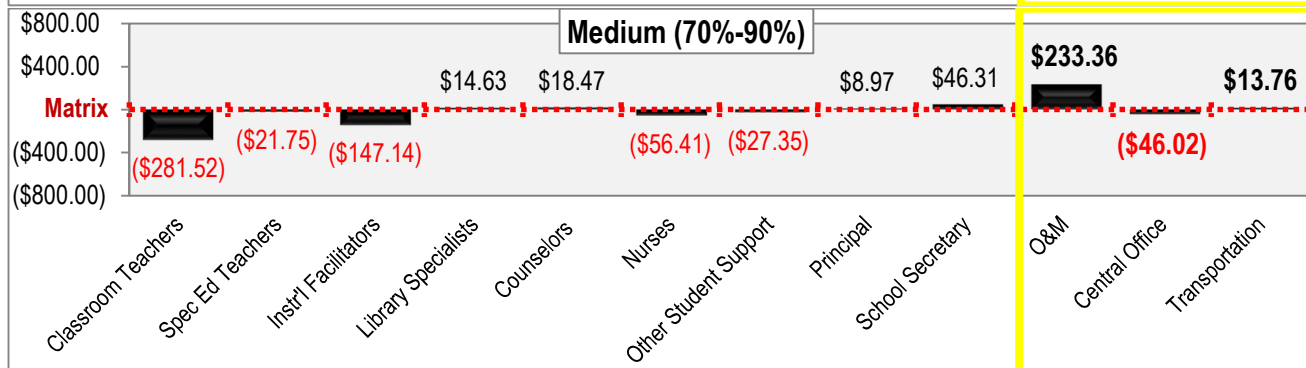
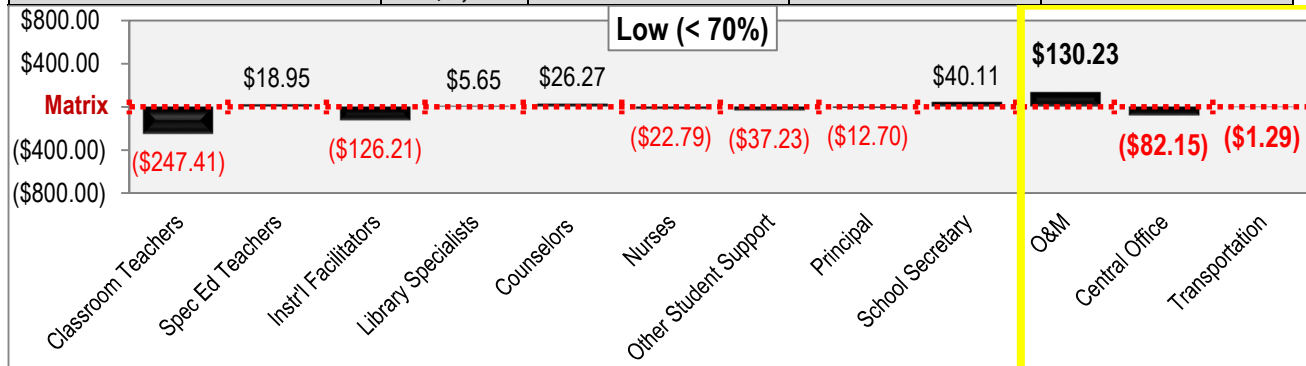
DISTRICT SIZE

	Matrix	Small (750 or less)	Medium (751 to 5,000)	Large (over 5,000)
Classroom Teachers	\$3,282.65	\$2,927.39	\$2,940.00	\$3,144.01
Special Education Teachers	\$381.72	\$304.13	\$356.70	\$440.17
Instructional Facilitators	\$329.08	\$61.94	\$162.74	\$267.06
Library Media Specialists	\$111.88	\$136.04	\$126.29	\$109.74
Counselors	\$146.11	\$150.82	\$165.55	\$177.57
Nurses	\$88.19	\$59.38	\$45.26	\$60.15
Other Pupil Support	\$94.77	\$37.83	\$44.90	\$88.34
Principal	\$198.10	\$276.43	\$205.06	\$159.78
School-level Secretary	\$81.70	\$112.14	\$118.71	\$133.93
Technology	\$250.00	Coming in 3 rd Report	Coming in 3 rd Report	Coming in 3 rd Report
Instructional Materials	\$183.10	Coming in 3 rd Report	Coming in 3 rd Report	Coming in 3 rd Report
Extra Duty Funds	\$66.20	Coming in 3 rd Report	Coming in 3 rd Report	Coming in 3 rd Report
Supervisory Aides	\$50.00	Coming in 3 rd Report	Coming in 3 rd Report	Coming in 3 rd Report
Substitutes	\$71.80	Coming in 3 rd Report	Coming in 3 rd Report	Coming in 3 rd Report
Operations & Maintenance	\$685.00	\$925.66	\$878.72	\$816.09
Central Office	\$438.80	\$531.51	\$407.28	\$291.81
Transportation	\$321.20	\$353.08	\$343.79	\$297.40
Other Non-Matrix Items	\$0			
TOTAL	\$6,781			



POVERTY LEVEL

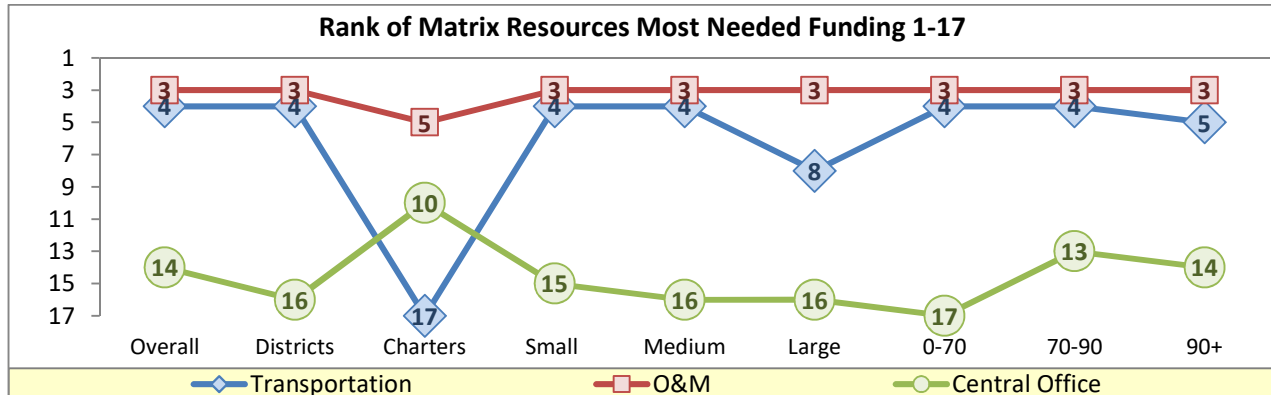
	Matrix	Low (< 70%)	Medium (70%-90%)	High (90% or more)
Classroom Teachers	\$3,282.65	\$3,035.24	\$3,001.13	\$2,728.04
Special Education Teachers	\$381.72	\$400.67	\$359.97	\$329.61
Instructional Facilitators	\$329.08	\$202.87	\$181.94	\$119.44
Library Media Specialists	\$111.88	\$117.53	\$126.51	\$105.87
Counselors	\$146.11	\$172.38	\$164.58	\$132.28
Nurses	\$88.19	\$65.40	\$31.78	\$51.89
Other Pupil Support	\$94.77	\$57.54	\$67.42	\$39.60
Principal	\$198.10	\$185.40	\$207.07	\$222.95
School-level Secretary	\$81.70	\$121.81	\$128.01	\$108.18
Technology	\$250.00	Coming in 3 rd Report	Coming in 3 rd Report	Coming in 3 rd Report
Instructional Materials	\$183.10	Coming in 3 rd Report	Coming in 3 rd Report	Coming in 3 rd Report
Extra Duty Funds	\$66.20	Coming in 3 rd Report	Coming in 3 rd Report	Coming in 3 rd Report
Supervisory Aides	\$50.00	Coming in 3 rd Report	Coming in 3 rd Report	Coming in 3 rd Report
Substitutes	\$71.80	Coming in 3 rd Report	Coming in 3 rd Report	Coming in 3 rd Report
Operations & Maintenance	\$685.00	\$815.23	\$918.36	\$1,109.40
Central Office	\$438.80	\$356.65	\$392.78	\$619.72
Transportation	\$321.20	\$319.91	\$334.96	\$392.08
Other Non-Matrix Items	\$0			
TOTAL	\$6,781			



DISTRICT SURVEY RESPONSES

As part of the 2020 Adequacy Study, the BLR conducted a survey of all 235 school district superintendents and the directors of the 25 open enrollment public charter schools operating in 2019-20.

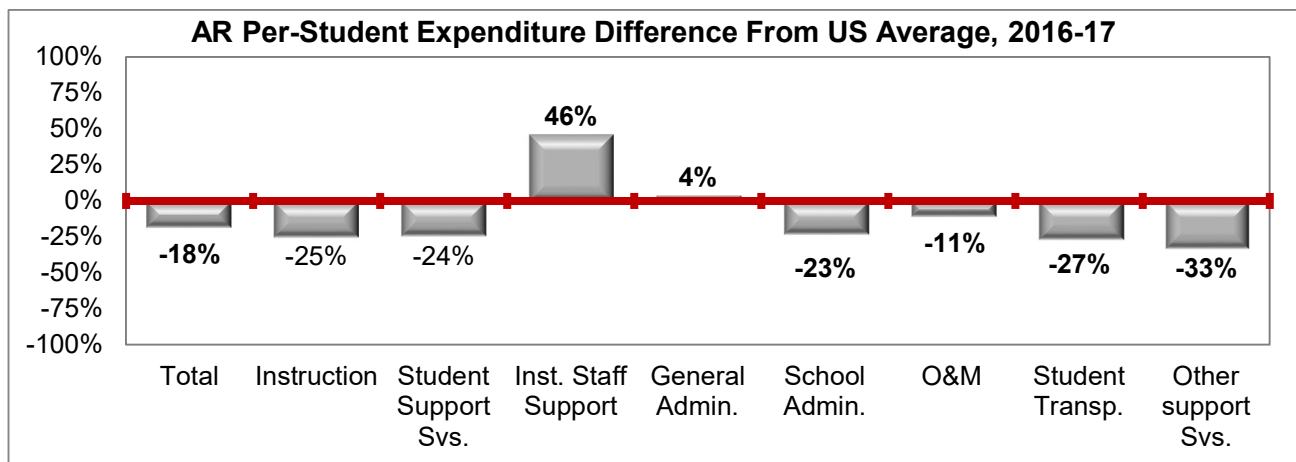
Superintendent Survey Question: Rank the resources in the matrix in terms of areas where your district most needs additional funding (of any amount), with 1=MOST in need of additional funding and 17=LEAST in need of additional funding.



Districts generally rated O&M and transportation as top areas needing additional funding and central office expenses as a lower area of need. Charter schools also rated O&M as a relatively high need for additional funding, and ranked transportation as a lower need area than other district groupings did.

NATIONAL COMPARISON

The following bar chart shows how Arkansas’s per-student spending compares with the national average. The chart covers the services addressed in this report: general (district) administration, other central office administrative support, operations & maintenance, and student transportation. Other types of expenditures will be or have been addressed in the other two resource allocation reports, School Level Staffing (presented March 9, 2020) and School Resources (forthcoming).



General administration expenditures are those “for the board of education and superintendent’s office for the administration of LEAs, including salaries and benefits for the superintendent, the school board, and their staff.”

Operation and maintenance (O&M) expenditures are those for “the operation of buildings, the care and upkeep of grounds and equipment, vehicle operations (other than student transportation) and maintenance, and security.”

Student transportation services expenditures are those for vehicle operation, monitoring, and vehicle servicing and maintenance associated with transportation services. Expenditures for purchasing buses are reported under equipment.

Other support services expenditures are those “for business support services (activities concerned with the fiscal operation of the LEA), central support services (activities, other than general administration, which support each of the other instructional and support services programs, including planning, research, development, evaluation, information, and data processing services).”

APPENDIX: ACRONYMS

AASA—The School Superintendents Association
ADE—Arkansas Department of Education
ADM—Average Daily Membership
ALE—Alternative Learning Environment
APSCN—Arkansas Public School Computer Network
BLR—Bureau of Legislative Research
DESE—Division of Elementary and Secondary Education
ELL—English Language Learner
FRPL—Free or Reduced Price Lunch
FTE—Full-Time Employee/Full-Time Equivalent
LEA—Local Educational Agency
NCES—National Center for Education Statistics
PD—Professional Development
O&M/M&O—Operations and Maintenance
SREB—Southern Regional Education Board