

How are school districts in Arkansas funded?

Arkansas is charged with providing an adequate and equitable education for all students in its public school system. The state’s funding formula was devised to accomplish that goal, taking into account both the basic needs of school districts as well as the additional costs relative to special populations of students.

All school districts in Arkansas receive “foundation funding,” a set amount of money per student. The number of students in a district is determined by averaging the average daily membership of a school for the first three quarters of the previous school year. On top of the foundation funding amount, which was the amount determined necessary to provide all students with an adequate education, during the 2007 Legislative Session, Gov. Mike Beebe successfully proposed “enhancement funding,” which allows the state to fund education at an amount above what is required for adequacy.

In addition, schools receive state moneys to compensate for growth or loss of student membership as well as for special categories of students:

- English language learners
- poverty students (those who qualify for free- or reduced-priced meals under the National School Lunch Act)
- students attending classes in Alternative Learning Environments

Below are the components of state’s funding formula for the 2007-08 and 2008-09 schools years with the amounts for each provided by the 86<sup>th</sup> General Assembly.

Funding category	2007-08	2008-09
Foundation	\$5,719	\$5,789
Enhanced	\$ 51	\$ 87
Categorical Funding:		
Alternative Learning Env.	\$4,063	* # of ALE previous year
Secondary Vocational	\$3,250	* # students previous year
English Language Learners	\$ 293 per ELL student	
Poverty (NSLA)	\$1,488 per NSLA student for schools with 90%+ NSLA students	
	\$ 992 per NSLA student for schools with 70-89% NSLA students	

\$ 496 per NSLA student for schools with <70% NSLA students

Declining Enrollment: Schools with declining enrollment will receive funding that is either:

- a. Equal to the difference between the average of the two immediately preceding years' average daily memberships and the average daily membership for the previous school year multiplied by the amount of foundation funding per student for that fiscal year

OR

- b. Special needs isolated funding, which is provided to schools that meet the state's criteria of "isolated"

Growing Enrollment: Student growth funding is calculated as the sum of the following:

- c. One quarter of the per student foundation funding for the school district multiplied by the increase, if any, of each of the following:
  - i. The school district's quarterly average daily membership for the first quarter of the school year over average daily membership of the previous school year;
  - ii. The school district's quarterly average daily membership for the second quarter of the current year over the average daily membership of the previous school year;
  - iii. The school district's quarterly average daily membership for the third quarter of the current school year over the average daily membership of the previous school year;
  - iv. The school district's quarterly average daily membership for the fourth quarter of the current school year over the average daily membership of the previous school year; and

Excluding any increase resulting solely from consolidation or annexation with another school district.