

Arkansas Department of Education

Repeal of Rules and Regulations Governing the Distribution of Revenue Loss Funding

Repealed June 14, 2004

1.00 Regulatory Authority

- 1.01 ~~These rules and regulations shall be known as the Arkansas Department of Education Rules and Regulations Governing the Distribution of Revenue Loss Funding.~~
- 1.02 ~~These rules and regulations are enacted pursuant to the State Board of Education's authority under Act 1549 of 1999, Section 15.~~

2.00 Purpose

- 2.01 ~~It is the purpose of these rules and regulations to establish a funding mechanism for the distribution of Revenue Loss Funding. These rules and regulations will replace The Arkansas Department of Education Rules and Regulations Governing Catastrophic Loss Funding.~~

3.00 Definitions

- 3.01 ~~The Department. The Department of Education.~~
- 3.02 ~~Average Daily Membership (ADM). The total number of days attended plus the total number of days absent by students in grades kindergarten through twelve (K-12) during the first three quarters of a school year, divided by the number of school days actually taught during that period of time rounded up to the nearest hundredth.~~
- 3.03 ~~Student Loss. A district has a Student Loss when the three quarter average ADM of the previous year is less than the three quarter average ADM of the year prior to the previous year.~~
- 3.04 ~~Total Assessment. The sum of personal property assessment, utility property assessment, and real property assessment, as used in the calculation of State Equalization Aid.~~
- 3.05 ~~Assessment Loss. A district has an assessment loss when the total assessment of the current year is less than the total assessment of the previous year.~~
- 3.06 ~~Incremental Funding factor. A school district's Incremental Funding factor is the difference between its Percent of Revenue Loss and the least Percent of Revenue Loss which will allow for complete distribution of all budgeted funds for this category of funding.~~

4.00 Calculation and Distribution of Revenue Loss Funding

- 4.01 ~~The data used to determine a loss in revenue due to a loss in students shall be ADM and state determined school district revenues as defined by Ark. Code Ann. § 6-20-308 (Supp. 1997), amended by Act 1549 of 1999. The revenue data shall be data prior to any adjustment for student growth.~~
- 4.02 ~~Each fiscal year, the Department shall determine if a district has a Student Loss.~~
- 4.03 ~~When a school district has a Student Loss, the number of loss students shall be multiplied times the current fiscal year minimum state and local revenue per ADM.~~
- 4.04 ~~Each fiscal year, the Department shall determine if a district has an Assessment Loss.~~

- 4.05 ~~When a school district has an Assessment Loss, the loss in assessment shall be multiplied times the mills in excess of 25 mills (.025) times .98.~~
- 4.06 ~~The loss in revenue calculated in 4.03 shall be added to the loss in revenue calculated in 4.05.~~
- 4.07 ~~The sum calculated in 4.06 shall be divided by the school district's previous year's total state and local revenue including Additional Base Funding, Incentive Funding, and Revenue Loss Funding. This data, excluding Revenue Loss Funding, shall be taken from the Department's first funding projection of the previous year, adjusted for any material changes. Revenue Loss Funding data shall be taken from the previous year's October 31 funding distribution. It shall be expressed as a percentage, rounded to the nearest hundredth. This is the school district's Percent of Revenue Loss. (See Ark. Code Ann. §§ 6-20-303(2), 6-20-303(13), 6-20-303(19), 6-20-303(28) (Supp. 1997), amended by Act 1549 of 1999.~~
- 4.08 ~~To determine the districts that qualify for this funding, the school districts with a loss in revenue shall be arranged in descending order according their Percent of Revenue Loss.~~
- 4.09 ~~Beginning with the school district with the greatest Percent of Revenue Loss, each school district shall receive an amount of funds equal to the ADM of the year prior to the previous year times its state equalization funding per student, times its Incremental Funding factor. This process shall continue until all budgeted funds are distributed. (See Ark. Code Ann. § 6-20-303(25)(Supp. 1997), amended by Act 1549 of 1999).~~
- 4.10 ~~The Department shall distribute half the amount budgeted by the State Board of Education for Revenue Loss Funding prior to October 31st of each fiscal year. The balance of the funds shall be distributed subsequent to the calculation of Student Growth Funding, in compliance with 5.03.~~

5.00 Funding Restrictions

- 5.01 ~~Revenue Loss Funding shall be considered non restricted revenues.~~
- 5.02 ~~Revenue Loss Funding revenues shall be included in the calculation of total state and local funding per ADM.~~
- 5.03 ~~If a school district qualifies for both Student Growth Funding and Revenue Loss Funding, the school district shall receive only one category of funding, whichever is the greater of the two (2) amounts.~~