

# Equitable Foundation Funding For Arkansas Schools

## Property Tax Disbursement Analysis 2007 Taxes Collected in 2008 Statewide Level Analysis

2009



Arkansas Assessment Coordination Department  
May 15, 2009

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# Action Timeline

January 2009	<p>Templates sent to every county.</p> <p>Letter mailed to every contact person in every county indicating templates had been sent. This letter indicated that if a county had not received its template it should notify ACD immediately.</p>
February 2009	<p>Reminder letter mailed to counties that template deadline is February 15, 2009.</p> <p>All counties returned completed templates to ACD by February 15, 2009.</p>
March 2009	<p>ACD published preliminary 2009 findings.</p> <p>Joint legislative committees notified that preliminary reports available at the ACD website.</p> <p>All counties notified that preliminary reports available at the ACD website. County personnel were asked to work with their school districts to verify amounts and submit any necessary revisions.</p> <p>Department of Education notified all school districts that preliminary reports available at the ACD website. District personnel were asked to reconcile data supplied on the template with their records and to work with their counties to correct any discrepancies.</p> <p>First revision deadline set for March 31.</p>
April 2009	<p>Counties notified via fax that revision deadline extended to April 24.</p> <p>Final revision deadline April 24.</p>
May 2009	<p>ACD published final 2009 findings.</p> <p>ACD reported distributed dollar amounts to the Department of Education for adjustment payment calculations.</p> <p>Joint legislative committees supplied with electronic and hard copies of final report.</p> <p>All counties notified that final reports available at the ACD website.</p>

# Project Progress

As this project ends its third year of implementation, substantial progress can be seen. While there are still some suspected errors in the data, it appears to be getting much closer to a true picture of the exact amount of local funding being distributed to the school districts. This is the main objective for this project. Communication and understanding of this objective and the necessary data to reach it have greatly improved. Cooperation between different county offices as well as that between the county and the school districts has also increased throughout this timeframe. All counties continue to meet the required reporting deadline and many more are taking a proactive approach of verifying the data with their school districts even before its initial submission, thus eliminating the need for later revisions. It appears that each year of reporting is producing more accurate results. All involved with this project are dedicated to making it better with each cycle.

Accurate accounting for local funds to school districts is recognized as crucial information for establishing and maintaining equitable funding to all schools in Arkansas. Efforts are being made to change this reporting method to a more direct and efficient one. Act 1397 of 2009 establishes greater detail requirements in the reports from the county treasurers to the State Treasurer in which the uniform rate of tax is transmitted from the local level to the state level. This new data will be analyzed and compared to past and current template data to ensure integrity of any analysis to be used in school funding. It is believed that once this is determined to be an accurate method of reporting these same figures, the template process may no longer be necessary.

# 2008 Statewide Analysis

## FINAL REPORT

All 75 counties reported the required data by the February 15, 2009 deadline. The following data is based on 100% of property valuation in the state.

Original Charge Adjustments		
Type	Valuation	Tax Dollars
Adds	316,892,865	\$11,950,113.06
Errors	414,932,389	\$15,605,857.07
Disabled Veterans	206,356,932	\$7,722,579.02
Net Total	-304,396,456	-\$11,378,323.04

2007 Assessments		
Property Type	Valuation	Tax Dollars
Real	24,969,151,398	\$ 942,309,411.04
Personal	8,497,827,072	\$ 319,236,504.79
Utility	2,503,364,820	\$ 94,884,375.47
Total	35,970,343,290	\$ 1,356,430,291.30

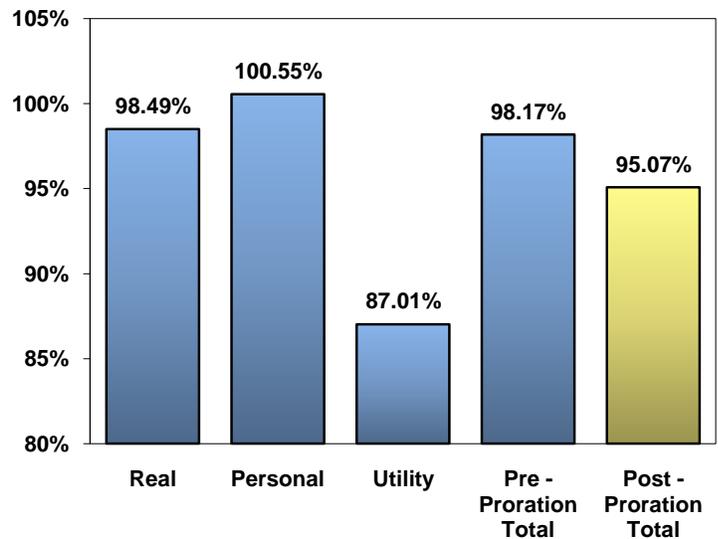
Difference in Original Charges:	Valuation	Tax Dollars
Real	17,339,656	\$ 431,126.29
Personal	-213,845,936	\$ (7,942,877.96)
Utility	200,970,459	\$ 7,527,735.53
Total	4,464,179	\$ 15,983.86

Homestead Credit: \$172,575,401.42 (18.31 % of Real Estate Assessments)

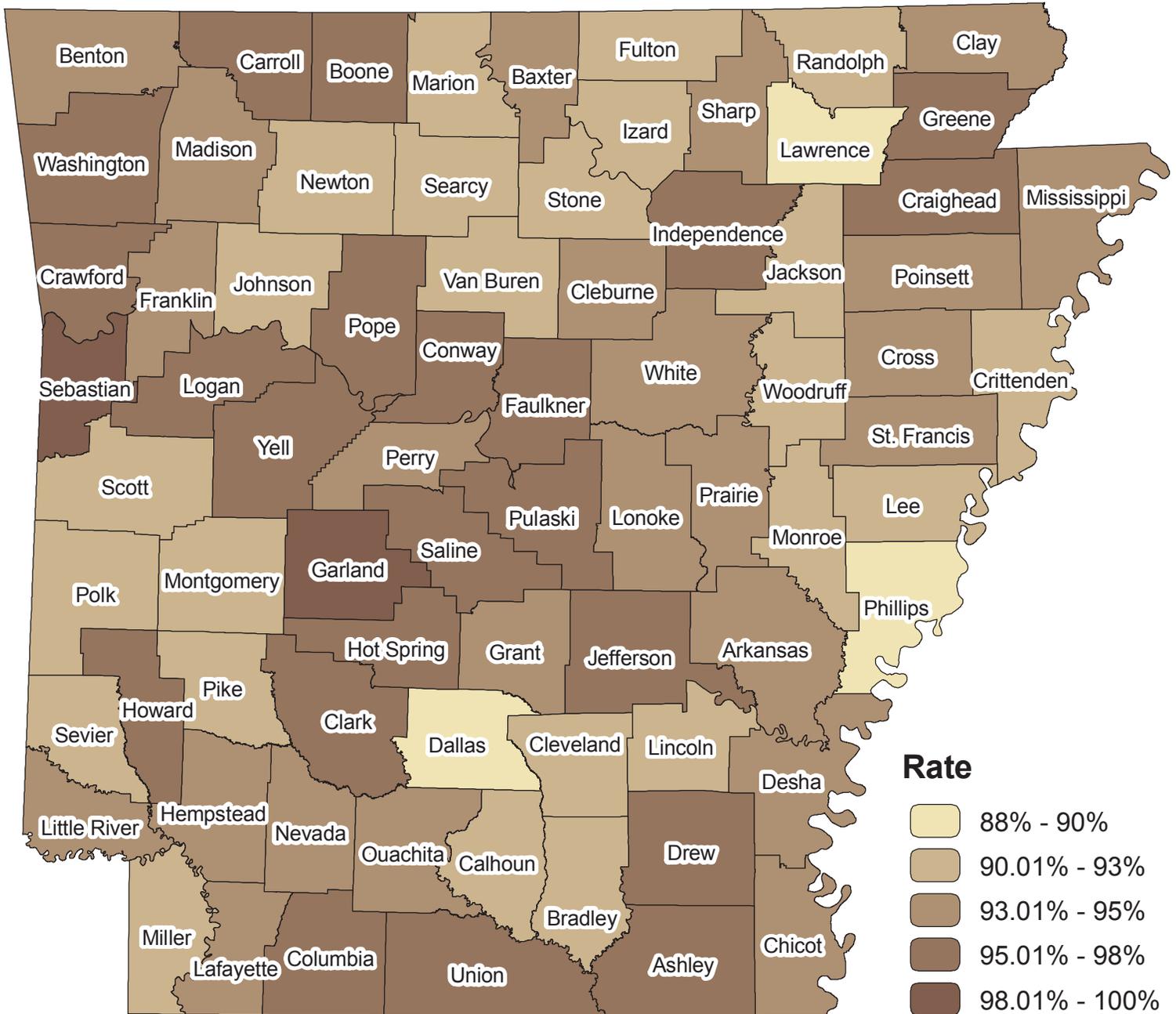
Prorations: \$42,059,055.21 (3.1 % of Total Assessments)

### 2008 Disbursement Rates

2008 Disbursement Rates		
Property Type	\$ Disbursed before Prorations, with Delinquents	% of Original Charge
Real	928,115,080	98.49%
Personal	320,985,735	100.55%
Utility	82,563,414	87.01%
Pre - Proration Total	1,331,664,229	98.17%
Post - Proration Total	1,289,605,174	95.07%



# County Disbursement Rate Percentages



## Disbursement Rates by County

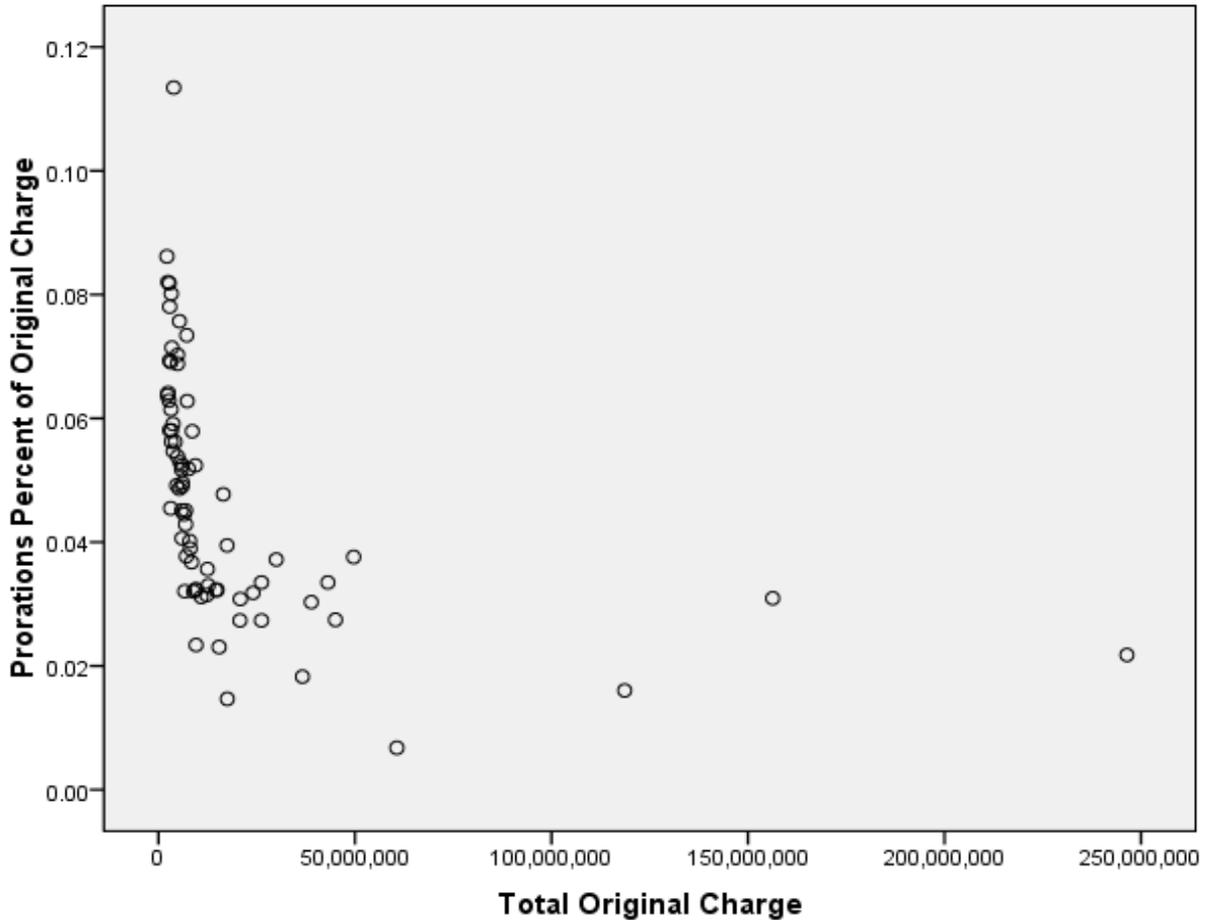
County	Disbursement Rate after Prorations, with Delinquents
Arkansas	93.50%
Ashley	96.65%
Baxter	94.63%
Benton	93.04%
Boone	95.92%
Bradley	92.89%
Calhoun	91.88%
Carroll	95.23%
Chicot	93.83%
Clark	95.20%
Clay	93.42%
Cleburne	94.86%
Cleveland	92.24%
Columbia	95.70%
Conway	95.33%
Craighead	97.30%
Crawford	96.21%
Crittenden	92.77%
Cross	93.92%
Dallas	89.52%
Desha	94.63%
Drew	95.00%
Faulkner	96.79%
Franklin	94.65%
Fulton	92.24%
Garland	98.14%
Grant	94.89%
Greene	95.60%
Hempstead	93.17%
Hot Spring	95.87%
Howard	96.18%
Independence	96.35%
Izard	90.92%
Jackson	92.73%
Jefferson	95.40%
Johnson	90.01%
Lafayette	93.51%

County	Disbursement Rate after Prorations, with Delinquents
Lawrence	89.91%
Lee	90.73%
Lincoln	92.96%
Little River	94.12%
Logan	95.24%
Lonoke	94.28%
Madison	94.12%
Marion	92.70%
Miller	92.89%
Mississippi	94.45%
Monroe	90.85%
Montgomery	90.97%
Nevada	93.53%
Newton	92.13%
Ouachita	94.41%
Perry	93.22%
Phillips	88.77%
Pike	91.93%
Poinsett	94.70%
Polk	92.86%
Pope	96.84%
Prairie	93.73%
Pulaski	95.54%
Randolph	92.49%
Saline	95.54%
Scott	91.09%
Searcy	90.75%
Sebastian	98.96%
Sevier	91.36%
Sharp	93.57%
St Francis	93.87%
Stone	91.83%
Union	96.77%
Van Buren	90.13%
Washington	95.42%
White	94.50%
Woodruff	92.57%
Yell	96.09%

# Proration Percentage Analysis

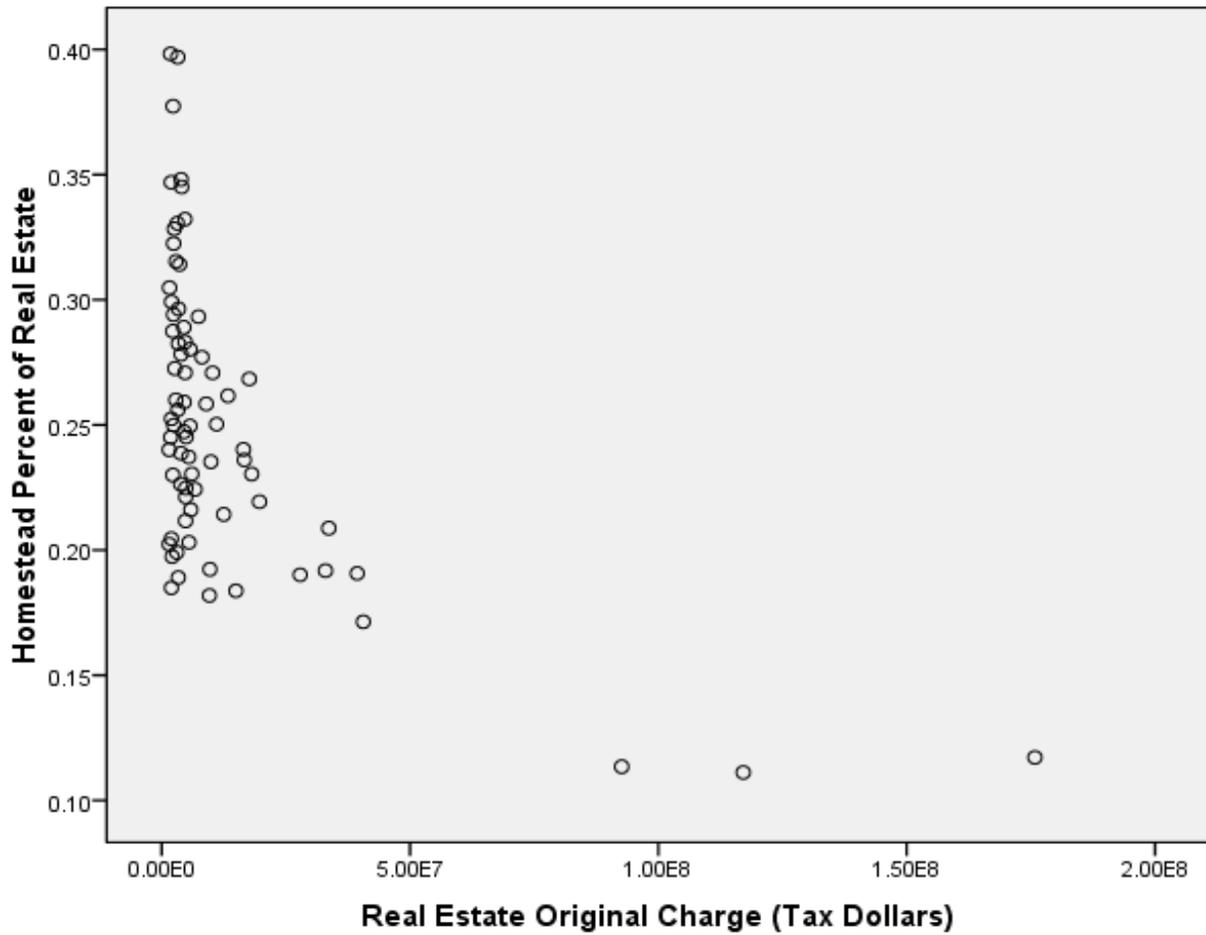
Prorations = collector's commission (-), assessor's salary (-), real estate cost (-), personal property cost (-), clerk's fees (-), EQ Board expenses (-), reappraisal expenses (-), miscellaneous expenses (-), net treasurer's commission (-), collector/treasurer's interest (+), excess collector's commission (+), and miscellaneous credits (+)

Mean	4.73%	95% Confidence Interval for Mean	Lower Bound	4.28%
Median	4.51%		Upper Bound	5.18%
Weighted Mean	3.10%	5% Trimmed Mean		4.67%
Std. Deviation	1.96%	Variance		0.00%
Average Absolute Deviation	1.57%	Minimum		0.68%
Coefficient of Dispersion	34.78%	Maximum		11.34%
Coefficient of Variation-Mean Centered	41.35	Interquartile Range		2.69%



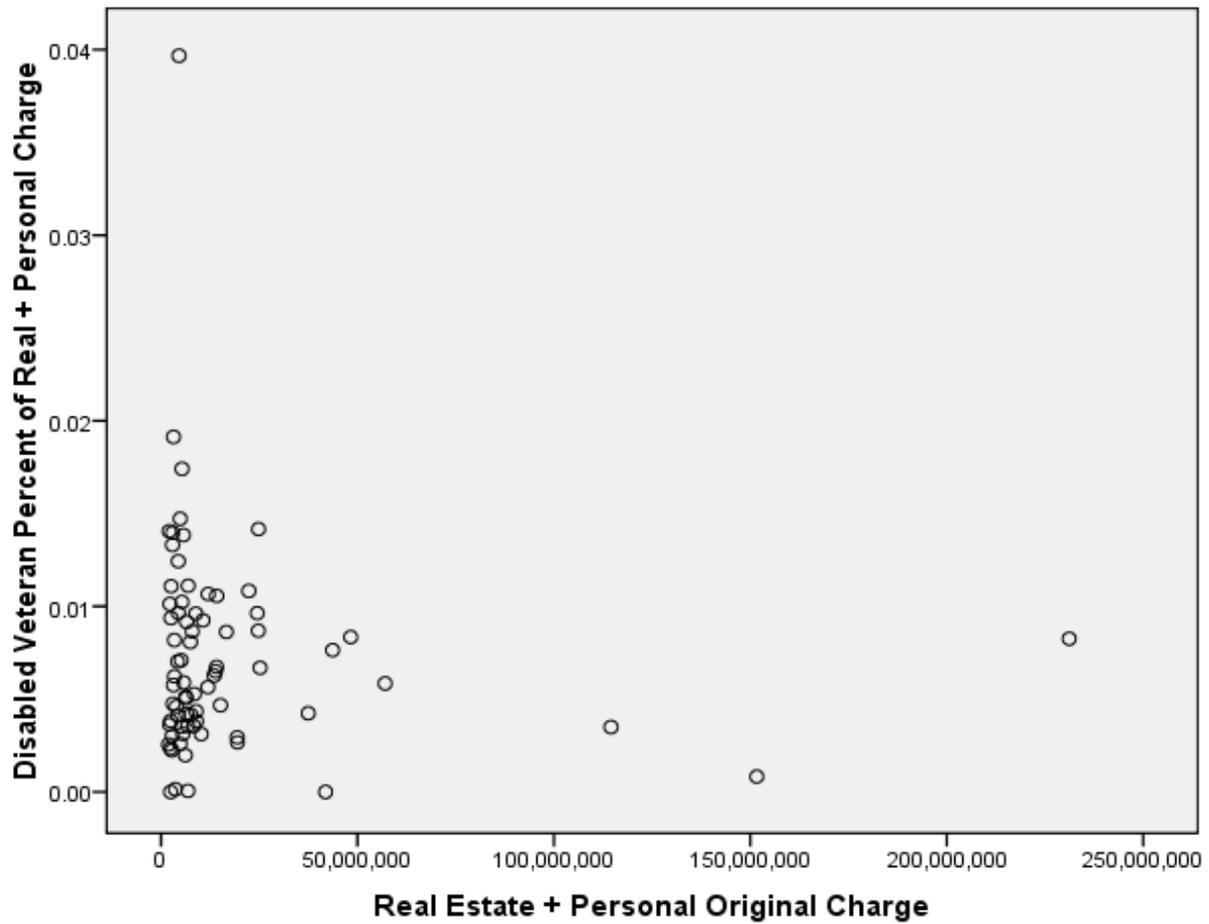
# Homestead Coverage Analysis

Mean	25.10%	95% Confidence Interval for Mean	Lower Bound	23.75%
Median	24.73%		Upper Bound	26.45%
Weighted Mean	18.31%	5% Trimmed Mean		25.07%
Std. Deviation	5.88%	Variance		0.30%
Average Absolute Deviation	4.50%	Minimum		11.12%
Coefficient of Dispersion	18.21%	Maximum		39.83%
Coefficient of Variation-Mean Centered	23.44	Interquartile Range		7.15%



# Disabled Veterans Analysis

Mean	0.73%	95% Confidence Interval for Mean	Lower Bound	0.59%
Median	0.62%		Upper Bound	0.85%
Weighted Mean	0.61%	5% Trimmed Mean		0.68%
Std. Deviation	0.57%	Variance		0.00%
Average Absolute Deviation	0.38%	Minimum		0.00%
Coefficient of Dispersion	60.81%	Maximum		3.97%
Coefficient of Variation-Mean Centered	77.947	Interquartile Range		0.61%

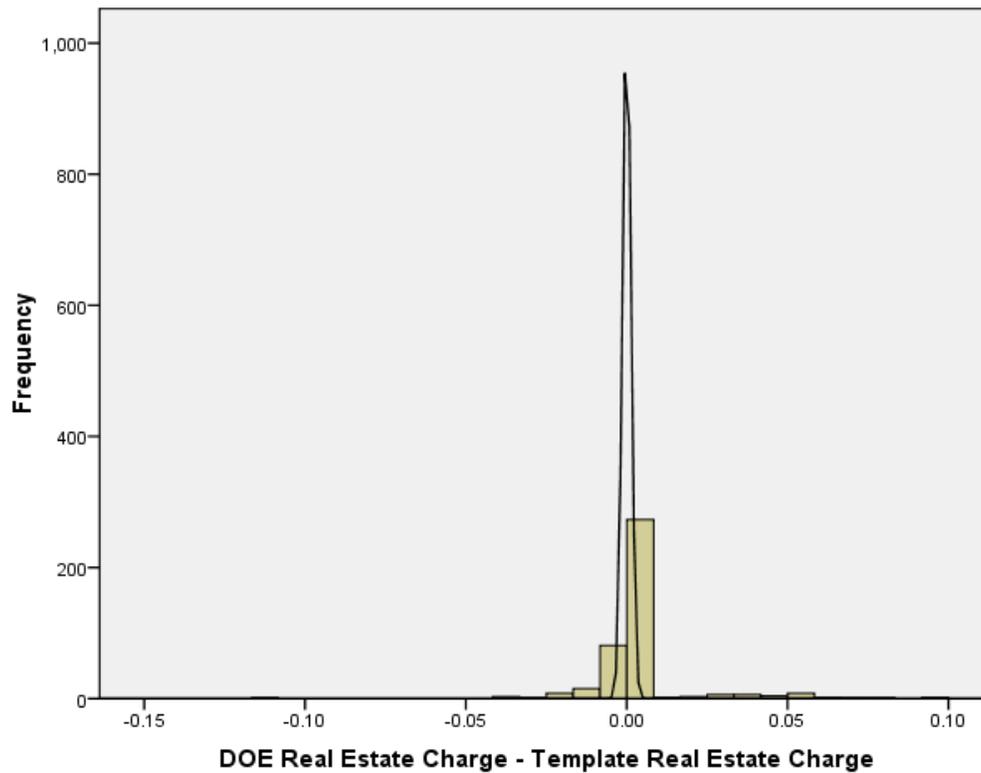


# Differences in Real Estate Valuations Reported

The differences between the Department of Education real estate original charge valuations and those submitted by the county on the ACD Reporting Template were calculated and analyzed. Below are the statistics of these differences.

Mean	0.18%		Percentiles	5	-1.11%
Median	0.00%			10	-0.55%
Std. Deviation	1.61%			90	0.09%
Minimum	-11.51%			95	3.79%
Maximum	9.84%				

**Real Estate Differences**



## Differences in Real Estate Valuations Reported

Below are the county/school district observations that had a difference in real estate valuations reported of greater than 5%.

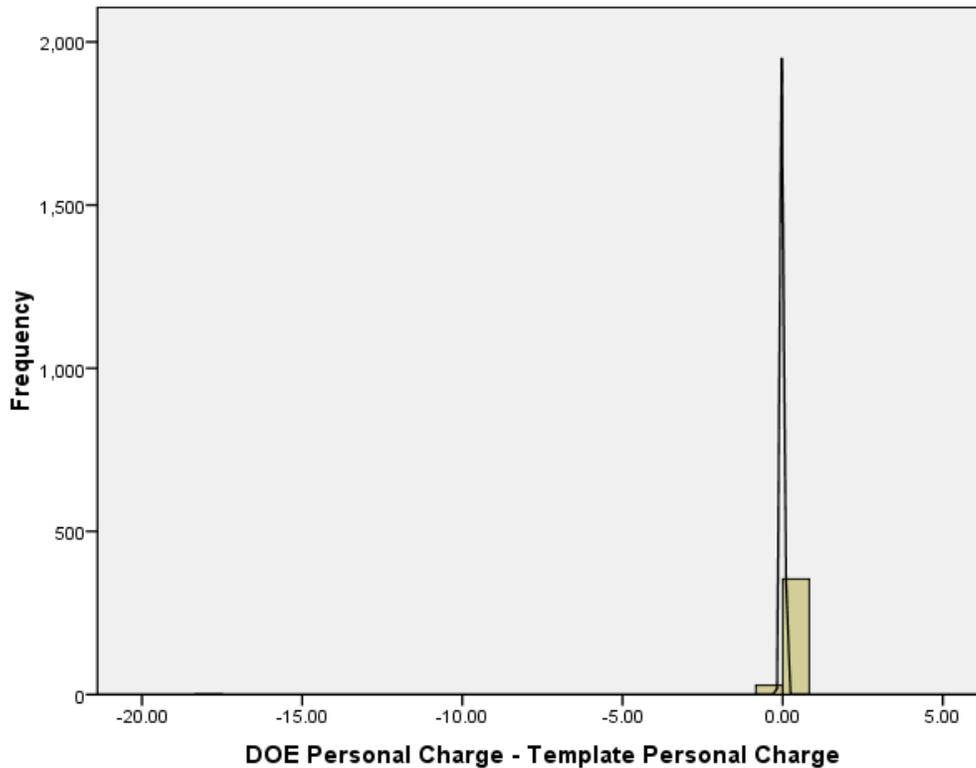
County	School District	LEA Number	Dept of Education Real Estate Valuation	Template Real Estate Valuation	Difference	% of Dept of Education Valuation
Craighead	Bay School District	1601000	16,702,298	15,847,048	855,250	5.12%
	Greene County Tech School District	2807000	1,260,960	1,144,320	116,640	9.25%
	Riverside School District	1613000	22,268,631	21,173,291	1,095,340	4.92%
Hempstead	Blevins School District	2901000	14,215,892	15,852,485	(1,636,593)	-11.51%
Hot Spring	Bismarck School District	3001000	34,130,914	32,352,517	1,778,397	5.21%
	Glen Rose School District	3002000	15,588,205	14,296,860	1,291,345	8.28%
	Malvern School District	3004000	101,260,881	96,153,944	5,106,937	5.04%
	Ouachita School District	3005000	11,144,973	10,544,766	600,207	5.39%
	Centerpoint School District	5502000	2,498,069	2,252,279	245,790	9.84%
Jackson	Bradford School District	7303000	5,262,099	4,959,880	302,219	5.74%
Mississippi	Armored School District	4701000	13,681,762	12,895,912	785,850	5.74%
	Blytheville School District	4702000	94,587,754	87,868,320	6,719,434	7.10%
	Gosnell School District	4708000	20,696,575	19,399,534	1,297,041	6.27%
	Manila School District	4712000	25,340,857	24,055,738	1,285,119	5.07%
	Osceola School District	4713000	37,008,724	35,085,384	1,923,340	5.20%
Randolph	Sloan Hendrix School District	3806000	4,059,122	3,807,794	251,328	6.19%

# Differences in Personal Property Valuations Reported

The differences between the Department of Education personal property original charge valuations and those submitted by the county on the ACD Reporting Template were calculated and analyzed. Below are the statistics of these differences.

Mean	-4.81%		Percentiles	5	0.00%
Median	0.00%			10	0.00%
Std. Deviation	91.41%			90	0.00%
Minimum	-17.88%			95	0.16%
Maximum	26.79%				

**Personal Property Differences**



## Differences in Personal Property Valuations Reported

Below are the county/school district observations that had a difference in personal valuations reported of greater than 5%.

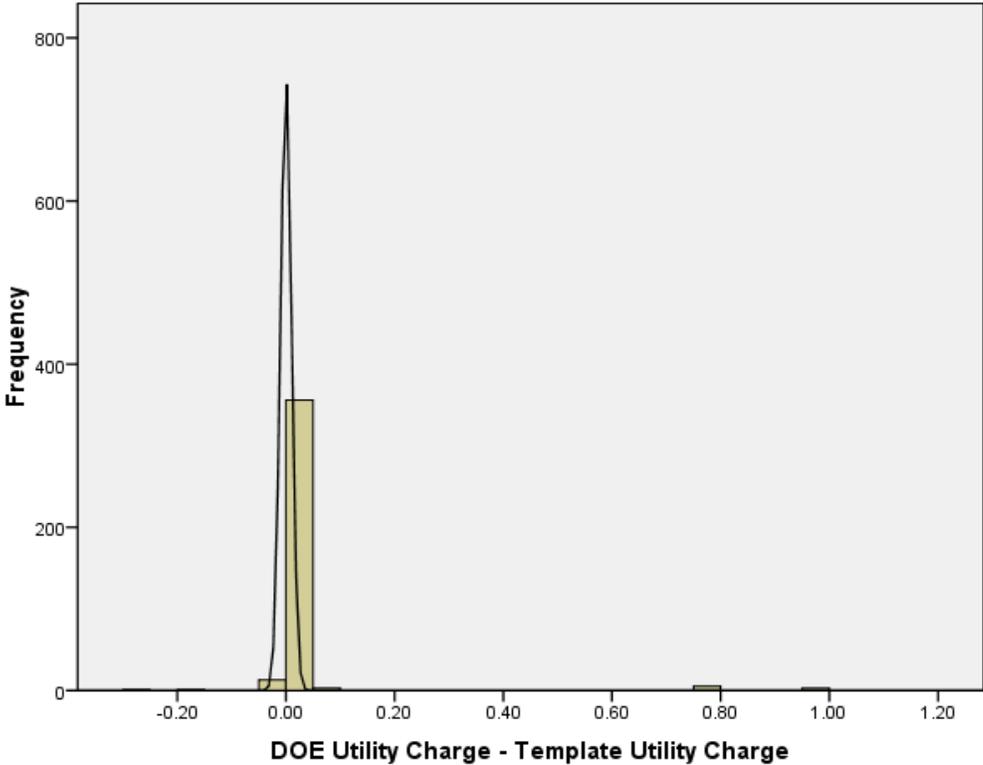
County	School District	LEA Number	Dept of Education Personal Valuation	Template Personal Valuation	Difference	% of Dept of Education Valuation
Columbia	Emerson Taylor School District	1408000	25,271,933	32,403,138	(7,131,205)	28.22%
Dallas	Fordyce School District	2002000	12,341,730	13,923,060	(1,581,330)	12.81%
Greene	Paragould School District	2808000	53,533,500	66,502,360	(12,968,860)	24.23%
Hempstead	Blevins School District	2901000	4,307,756	4,573,930	(266,174)	6.18%
	Spring Hill School District	2906000	2,974,894	2,722,520	252,374	8.48%
	Mineral Springs School District	3104000	1,518,612	1,328,360	190,252	12.53%
	Nashville School District	3105000	2,708,609	2,523,683	184,926	6.83%
Howard	Murfreesboro School District	5504000	300	5,664	(5,364)	17.88%
Sebastian	Fort Smith School District	6601000	344,957,650	363,782,580	(18,824,930)	5.46%
	Greenwood School District	6602000	67,321,260	49,284,500	18,036,760	26.79%
Union	Strong Huttig School District	7009000	13,363,705	17,421,403	(4,057,698)	30.36%

# Differences in Utility Property Valuations Reported

The differences between the Department of Education utility property original charge valuations and those submitted by the county on the ACD Reporting Template were calculated and analyzed. Below are the statistics of these differences.

Mean	1.74%	Percentiles	5	0.00%
Median	0.00%		10	0.00%
Std. Deviation	12.77%		90	0.00%
Minimum	-28.66%		95	0.00%
Maximum	100.00%			

**Utility Differences**



## Differences in Utility Property Valuations Reported

Below are the county/school district observations that had a difference in utility valuations reported of greater than 5%.

County	School District	LEA Number	Dept of Education Utility Valuation	Template Utility Valuation	Difference	% of Dept of Education Valuation
Columbia	Emerson Taylor School District	1408000	5,131,206	-	5,131,206	100.00%
Hempstead	Blevins School District	2901000	1,808,310	2,129,340	(321,030)	-17.75%
Howard	Murfreesboro School District	5504000	5,365	-	5,365	100.00%
Johnson	Clarksville School District	3601000	6,882,600	6,393,025	489,575	7.11%
Phillips	Marvell School District	5404000	3,873,475	3,678,816	194,659	5.03%
Prairie	Carlisle School District	4303000	134,264	26,860	107,404	79.99%
	Clarendon School District	4802000	9,841	1,970	7,871	79.98%
	Des Arc School District	5901000	2,838,124	567,630	2,270,494	80.00%
	Hazen School District	5903000	5,561,535	1,112,340	4,449,195	80.00%
	Beebe School District	7302000	87,997	17,600	70,397	80.00%
Union	Strong Huttig School District	7009000	3,017,937	-	3,017,937	100.00%
Yell	Danville School District	7503000	3,962,186	5,097,936	(1,135,750)	-28.66%
	Western Yell County School District	7509000	1,831,853	1,721,079	110,774	6.05%

# **Appendix A**

## **Associated Laws & Agency Rules**

# **Act 27 of 2006 First Extraordinary Session**

State of Arkansas

As Engrossed: S4/4/06

Call Item 14

85th General Assembly

A Bill

First Extraordinary Session, 2006

SENATE BILL 6

By: Education Committee - Senate

By: *Representatives Elliott, Pickett*

**For An Act To Be Entitled**

AN ACT TO ADDRESS THE ISSUES RAISED IN THE MOST RECENT LAKEVIEW OPINION REGARDING THE NINETY-EIGHT PERCENT (98%) COLLECTION RATE FOR PROPERTY TAXES BY CREATING A MECHANISM TO PROVIDE FOR UNIFORM ACCOUNTING BY ADOPTING A STATEWIDE SET OF REPORTING INSTRUCTIONS FOR EACH COUNTY; TO ALLOW THE ASSESSMENT COORDINATION DEPARTMENT TO CREATE A UNIFORM STATEWIDE SET OF INSTRUCTIONS FOR REPORTING COUNTY PROPERTY TAX COLLECTION INFORMATION; AND FOR OTHER PURPOSES.

**Subtitle**

TO ADDRESS THE ISSUES RAISED IN THE MOST RECENT LAKEVIEW OPINION REGARDING THE NINETY-EIGHT PERCENT (98%) COLLECTION RATE FOR PROPERTY TAXES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 6-20-2202(g), regarding the budget and expenditure reports prepared by school districts, is amended to read as follows:

(g)(1) The Treasurer of State shall withhold the monthly distribution of county aid provided under § 19-5-602(c) from any county whose ~~county clerk~~ county official who is the preparer of the tax books fails to provide by March 15 of each calendar year information ~~to the department~~ concerning the annual abstract of assessment that reflects the aggregate value of the real and personal property for each school

district located wholly or in part in the county as follows:

(A) If the county is capable of providing the information electronically, then the information shall be provided to both the Department of Education and the Assessment Coordination Department; and

(B) If the county is not capable of providing the information electronically, then the information shall be provided only to the Assessment Coordination Department.

(2) The information transmitted to the department shall also include:

(A) The previous calendar year's property assessment that will be used for ad valorem tax collections in the current year; and

(B) The millage rates, which shall be listed by the type of millage, levied against that property assessment.

SECTION 2. Arkansas Code Title 26, Chapter 26, is amended to add an additional subchapter to read as follows:

#### **Subchapter 20.**

##### **Coordination of Uniform Reporting.**

###### 26-26-2001. Uniform reporting requirements.

(a) The county official who is the preparer of the tax books shall annually report to the Assessment Coordination Department and the State Board of Education the county's property tax assessment, settlement, and collection information as provided under this section.

(b)(1) By June 15, 2006, the Assessment Coordination Department shall adopt and implement by rules a statewide set of instructions for reporting county property tax assessment, settlement, and collection information.

(2) In developing the statewide set of instructions, the Assessment Coordination Department shall:

(A) Collaborate with the Division of Legislative Audit, State Board of Education, the Department of Education, the Commissioner of State Lands, and the appropriate county officials;

(B) Consider the comments and suggestions from school districts and other interested parties; and

(C) Comply with the Arkansas Administrative Procedure Act, § 25-15-201 et seq., which may include the adoption of emergency rules as necessary to comply with the June 15, 2006, deadline under subdivision (b)(1) of this section.

(c) The statewide set of instructions shall address issues relating to the property tax assessment, settlement, and collection processes to assure uniformity in reporting. In addition to any other instructions relevant to the processes, the statewide set of instructions shall include how to report items related to the county collector's original charge or assessed value used to determine state foundation funding aid under

the Public School Funding Act of 2003, § 6-20-2301 et seq.

(d)(1)(A) By November 15, 2006, the Assessment Coordination Department shall present its preliminary report to the House Interim Committee on Revenue and Taxation, the Senate Interim Committee on Revenue and Taxation, the House Interim Committee on Education, and the Senate Interim Committee on Education regarding the implementation of this section.

(B) The preliminary report shall include:

(i) The proposed or promulgated rules;

(ii) The status of implementing the rules; and

(iii) If the rules have been implemented, a list of the counties that have complied with the rules.

(2) By December 15 of each following year, the Assessment Coordination Department shall present an update to the preliminary report that shall include:

(A) Any changes to the rules;

(B) The status of implementing the rules;

(C) A list of the counties that have complied with the rules; and

(D) Any additional information requested by a chair of a committee to be included in the update.

SECTION 3. Arkansas Code Title 25, Chapter 28, Subchapter 1 is amended to add an additional section to read as follows:

25-28-109. Additional authority.

The Assessment Coordination Department shall promulgate the necessary rules to fully implement the provisions of uniform reporting requirements as required under § 26-26-2001 with input from all of the following:

(1) The State Board of Education;

(2) The Department of Education;

(3) The Division of Legislative Audit;

(4) The Commissioner of State Lands;

(5) The appropriate county officials; and

(6) The appropriate school district officials.

SECTION 4. EMERGENCY CLAUSE. It is found and determined by the General Assembly of

the State of Arkansas that the Arkansas Supreme Court declared the public school funding system to be inadequate and that the public schools are operating under a constitutional infirmity which must be corrected immediately; that to correct the constitutional infirmity and to ensure adequate funding for public education, the General Assembly must have more accurate and timely information regarding the assessment, settlement, and collection of property taxes by the counties; and that this act is necessary to allow the Assessment Coordination Department, the Department of Education, and the counties sufficient time to make all necessary rules, adjustments, calculations, and reports that will be necessary prior to the convening of the 86th General Assembly. Therefore, an emergency is declared to exist and this act being necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.

*/s/ Education Committee - Senate*

**APPROVED: 4/11/2006**

**Act 272 of 2007 Regular Session**

By: Representatives Kenney, Abernathy, Blount, T. Bradford, Cheatham, Cook, Dickinson, Everett, Harris, J. Johnson, Lamoureux, M. Martin, Norton, Petrus, Pickett, Rainey, Rosenbaum, Saunders, Walters, Wood, Wagner, Adcock, Allen, Anderson, T. Baker, Berry, Bond, Breedlove, E. Brown, J. Brown, Burkes, Burris, Cash, Chesterfield, Cooper, Cornwell, L. Cowling, D. Creekmore, Davenport, Davis, S. Dobbins, Dunn, Edwards, D. Evans, L. Evans, Flowers, Garner, Gaskill, George, Glidewell, R. Green, Greenberg, Hall, Hardwick, Hardy, Harrelson, Hawkins, House, Hoyt, D. Hutchinson, Hyde, Jeffrey, D. Johnson, Key, Kidd, King, W. Lewellen, Lovell, Lowery, Maloch, Maxwell, Medley, Moore, Overbey, Pace, Pate, Patterson, Pennartz, Pierce, Powers, S. Prater, Pyle, Ragland, Reep, Reynolds, J. Roebuck, Rogers, Sample, Schulte, Shelby, L. Smith, Stewart, Sullivan, Sumpter, Thyer, Webb, Wells, Wills, Woods, Wyatt

By: Senators Broadway, Critcher, Baker, Bookout, B. Johnson, Wilkins, Womack, Argue, Bisbee, G. Jeffress, J. Jeffress, Capps, Laverty, J. Taylor, Salmon, Miller, Hendren

**For An Act To Be Entitled**

*AN ACT IN CONCORDANCE WITH THE 2006 ACT 57 ADEQUACY STUDY; TO AMEND THE PUBLIC SCHOOL FUNDING ACT OF 2003 TO INCREASE THE AMOUNT OF PER STUDENT FOUNDATION FUNDING AND CATEGORICAL FUNDING; TO ENSURE THAT EVERY PUBLIC SCHOOL DISTRICT IN THE STATE RECEIVES THE FULL AMOUNT OF FOUNDATION FUNDING; AND FOR OTHER PURPOSES.*

**Subtitle**

AN ACT TO AMEND THE PUBLIC SCHOOL FUNDING ACT OF 2003 AND TO ENSURE THAT EVERY PUBLIC SCHOOL DISTRICT IN THE STATE RECEIVES THE FULL AMOUNT OF FOUNDATION FUNDING.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. DO NOT CODIFY. ACT 57 COMPLIANCE.

The General Assembly declares this act to be in concordance with the study of the state's system of public education conducted in 2006 by the Adequacy Study Oversight Subcommittee, the House Interim Committee on Education, and the Senate Interim Committee on Education in compliance with Act 57 of the Second Extraordinary Session of 2003.

SECTION 2. Arkansas Code § 6-20-2303(11) through (22), concerning the definitions relating to public school funding, are amended to read as follows:

(11) "Miscellaneous funds" means the average of those funds collected either in the average of the previous five (5) school years or in the previous school year, whichever is less, and reported to the Department of Education by April 15 of each school year, consisting of:

(A) from funds Funds received by a school district from federal forest reserves, federal grazing rights, federal mineral rights, federal impact aid, federal flood control, wildlife refuge funds, severance taxes; and

(B) funds Funds received by the school district in lieu of taxes, and local sales and use taxes dedicated to education pursuant to §§ 26-74-201 et seq., § 26-74-301 et seq., § 26-75-301 et seq., and the Local Government Bond Act of 1985, § 14-164-301 et seq.;

(12)(A) "National school lunch students" means those students or the percentage of enrolled students from low socioeconomic backgrounds as indicated by eligibility for free or reduced-price meals under the National School Lunch Act as determined on October 1 of each previous school year and submitted to the department, unless the school district is identified by the ~~department~~ department as participating in the special assistance certification and reimbursement alternative implemented under 42 U.S.C. § 1759a, as interpreted in 7 C.F.R. § 245.9.

(B)(i) If the school district is participating under 42 U.S.C. § 1759a, then for purposes of funding under § 6-20-2305(b), such a school district's annual percentage of national school lunch students shall be equal to the percentage submitted in the base year, which means the last school year for which eligibility determinations were made and meal counts were taken by type ~~except for the 2005-2006 school year as explicated in subdivision (12)(B)(ii) of this section.~~

~~(ii) If a school district received funding for national school lunch students in the 2004-2005 school year as though one hundred percent (100%) of its students were eligible for free meals because of the school district's participation under 42 U.S.C. § 1759a, then that school district shall be funded for the 2005-2006 school year based upon the October 1, 2005, submission by a school district to the department if the school district has completed a new student eligibility determination and submitted that new eligibility determination to the department by October 1, 2005;~~

(13) "Net revenues" means actual revenues received from ad valorem taxes collected on behalf of a school district, multiplied by the uniform rate of tax over the total millage rate of the school district.

~~(13)~~(14) "Previous year" or "previous school year" means the school year immediately

preceding the school year or fiscal year in which funds are allocated;

~~(14)(A)~~(15)(A) "Professional development" means a coordinated set of planned learning activities for teachers and administrators that are standards-based.

(B) Professional development shall result in individual, schoolwide, and systemwide improvement designed to ensure that all students demonstrate proficiency in the state academic standards;

(16) "Quarterly average daily membership" means the average daily membership for one (1) quarter of a school year used for calculating student growth funding and as determined by rule established by the Department of Education;

(17)(A) "Revenues" means:

(i) The following items collected or received on behalf of a school district:

(a) Current year ad valorem taxes; plus

(b) Delinquent ad valorem taxes; plus

(c) Homestead tax credit; plus

(d) Interest earned on any tax funds held in trust; less

(ii) All costs and net commissions relating to the collection of ad valorem taxes authorized by law that are collected or withheld for later distribution by the county offices.

(B) On or before March 31 of each year, the Assessment Coordination Department shall compile the revenues for each school district for the calendar year preceding the end of the school fiscal year.

(C) The calculation of revenues shall be made in accordance with rules established by the Assessment Coordination Department.

~~(15)~~(18) "School district" means a geographic area with an elected board of directors that qualifies as a taxing unit for purposes of ad valorem property taxes under title 26 of the Arkansas Code, which board conducts the daily affairs of public schools pursuant to the supervisory authority vested in it by the General Assembly and title 6 of the Arkansas Code;

~~(16)~~(19) "Secondary vocational area center" means a public secondary vocational institution organized for the specific purpose of educating high school students in specific occupational or vocational areas and serving students from more than one (1) participating school district;

~~(17)~~(20) "Special education catastrophic occurrences" means individual cases in which special education and related services required by the individualized education program of a particular student with disabilities are unduly expensive, extraordinary, or beyond the routine and normal costs associated with special education and related services provided by a school district and funding is pursuant to rules promulgated by the state board;

~~(18)~~(21) "State foundation funding aid" means the amount of state financial aid provided to each school district and computed as the difference between the foundation funding amount established by the General Assembly and the sum of ninety-eight percent (98%) of the uniform rate of tax multiplied by the property assessment of the school district plus ~~seventy-five percent (75%) of the~~

miscellaneous funds of the school district;

~~(19)(A)(22)~~ "Student growth funding" means the amount of state financial aid provided to each school district from funds made available for ~~that purpose~~ the growth in the average daily membership for the school district.

~~(B)~~ For school years 2005-2006 and 2006-2007, student growth funding is calculated as five thousand four hundred dollars (\$5,400) multiplied by the increase, if any, in the school district's two-quarter average of the average daily membership of the current school year over the local school district's two-quarter average of the average daily membership for the previous school year, excluding any increase resulting solely from consolidation or annexation with another school district;

~~(20)(23)~~ "Teachers of the gifted and talented" means individuals certified by the state board to teach students identified as gifted and talented;

~~(24)(24)~~ "Technology" means any equipment for instructional purposes that is electronic in nature, including, but not limited to, computer hardware, computer software, Internet connectivity, and distance learning; and

~~(22)(25)~~ "Uniform rate of tax" means a uniform rate of ad valorem property tax of twenty-five (25) mills to be levied on the assessed value of all taxable real, personal, utility, and regulated carrier property in the state to be used solely for the maintenance and operation of the public schools as required by Arkansas Constitution, Article 14, § 3, as amended by Arkansas Constitution, Amendments 11, 40, and 74.

SECTION 3. Arkansas Code § 6-20-2305(a) through (b)(4)(A), concerning foundation funding and categorical funding, are amended to read as follows:

~~(a)(1)(A)~~ For each school year, each school district shall receive state foundation funding aid computed as the difference between the foundation funding amount pursuant to subdivision (a)(2) of this section and the sum of ninety-eight percent (98%) of the uniform rate of tax multiplied by the property assessment of the school district plus ~~seventy-five percent (75%)~~ of the miscellaneous funds of the school district.

(B) The Department of Education shall distribute state foundation funding aid to each school district in eleven (11) equal monthly payments.

~~(2)(A)~~ For the 2005-2006 school year, the foundation funding amount is equal to five thousand four hundred eighty-six dollars (\$5,486) multiplied by the district's average daily membership for the previous school year.

~~(B)(2)(A)~~ For the ~~2006-2007~~ 2007-2008 school year, the foundation funding amount is equal to ~~five thousand six hundred twenty dollars (\$5,620)~~ five thousand seven hundred nineteen dollars (\$5,719) multiplied by the school district's average daily membership for the previous school year.

(B) For the 2008-2009 school year, the foundation funding amount is equal to five thousand seven hundred eighty-nine dollars (\$5,789) multiplied by the school district's average daily membership for the previous school year.

~~(C)~~ For the 2005-2006 school year and the 2006-2007 school year, the

~~foundation funding amount provided under subdivisions (a)(2)(A) and (B) of this section shall be increased by forty-two dollars (\$42.00) multiplied by the district's average daily membership for the previous school year to pay for increased school district costs resulting from the 2005-2006 and 2006-2007 increases in the employer's rate of contribution to the Arkansas Teacher Retirement System from thirteen percent (13%) to fourteen percent (14%).~~

~~(3)(A) During the 2006-2007 school year, a A school district with an that has experienced a decline in average daily membership over the two (2) immediately preceding school years that is less than the school district's previous year's average daily membership shall receive:~~

~~(i) Declining enrollment funding equal to the difference between the average of the two (2) immediately preceding years' average daily memberships and the average daily membership for the previous school year multiplied by five thousand six hundred twenty dollars (\$5,620) the amount of foundation funding set forth in subdivision (a)(2) of this section; or~~

~~(ii) Special needs isolated funding under § 6-20-604.~~

~~(B) Any funding appropriated and available for declining enrollment funding under subdivision (a)(3)(A)(i) of this section or special needs isolated funding under § 6-20-604 that is not distributed under subdivision (a)(3)(A) of this section shall be prorated and distributed equally per average lost student to school districts that meet the qualifications for both declining enrollment funding under subsection (a)(3)(A)(i) of this section and special needs isolated funding under § 6-20-604.~~

~~(C) No school district shall receive both declining enrollment funding under subdivision (a)(3)(A)(i) of this section and student growth funding under § 6-20-2305(c).~~

~~(4)(A) By the end of each school fiscal year, for a school district whose net revenues are less than the sum of ninety-eight percent (98%) of the uniform rate of tax multiplied by the property assessment of the school district, the department shall distribute to the school district the difference between:~~

~~(i) The net revenues of the school district; and~~

~~(ii) The sum of ninety-eight percent (98%) of the uniform rate of tax multiplied by the property assessment of the school district.~~

~~(B) For a school district whose net revenues are more than the sum of ninety-eight percent (98%) of the uniform rate of tax multiplied by the property assessment of the school district, the department, under the authority of § 6-20-2306, shall recoup from the school district an amount equal to the difference between:~~

~~(i) The net revenues of the school district; and~~

~~(ii) The sum of ninety-eight percent (98%) of the uniform rate of tax multiplied by the property assessment of the school district.~~

~~(b)(1) In addition to state foundation funding aid, each school district shall receive funding for additional education categories as provided in ~~subdivisions (b)(2)-(6) of this section~~ subsection (b).~~

~~(2)(A)(i) For school years 2005-2006 and 2006-2007 Beginning with the 2007-2008 school year, alternative learning environment funding and secondary vocational area center funding shall be three thousand two hundred fifty dollars (\$3,250) four thousand sixty-three dollars (\$4,063) multiplied by:~~

~~(i) The~~ the number of identified alternative learning environment students enrolled during the previous school year; ~~and~~

~~(ii) The number of students enrolled in a secondary vocational area center during the previous school year.~~

~~(B)(ii)~~ Funding for students in alternative learning environments shall be distributed based on rules promulgated by the State Board of Education.

~~(C)(B)(i)~~ Beginning with the 2007-2008 school year, secondary vocational area center funding shall be three thousand two hundred fifty dollars (\$3,250) multiplied by the number of students enrolled in a secondary vocational area center during the previous school year.

(ii) Funding for students in secondary vocational area centers shall be distributed based on rules promulgated by the State Board of Workforce Education and Career Opportunities.

~~(3)(A) For school years 2005-2006 and 2006-2007, the English-language learners funding~~ Beginning with the 2007-2008 school year, funding for students who are identified as English-language learners shall be one hundred ninety-five dollars (\$195) two hundred ninety-three dollars (\$293) for each identified English-language learner.

~~(B) Funding for English-language learner students~~ English-language learners shall be distributed to school districts for students who have been identified as not proficient in the English language based upon a state-approved English proficiency assessment instrument.

~~(C) Funds allocated for English-language learners to school districts under this subchapter shall be expended only for eligible activities as identified in current rules promulgated by the State Board of Education and are a supplement to funding for national school lunch students provided in subdivision (b)(4) of this section.~~

~~(4)(A) For school years 2005-2006 and 2006-2007~~ Beginning with the 2007-2008 school year, national school lunch student funding for each identified national school lunch student shall be as follows:

~~(i) For a school districts district in which ninety percent (90%) or greater of the previous school year's enrolled students are national school lunch students, funding shall be one thousand four hundred forty dollars (\$1,440)~~ one thousand four hundred eighty-eight dollars (\$1,488);

~~(ii) For school districts in which at least seventy percent (70%) but less than ninety percent (90%) of the previous school year's enrolled students are national school lunch students, funding shall be nine hundred sixty dollars (\$960)~~ nine hundred ninety-two dollars (\$992);

and

~~(iii) For school districts in which less than seventy percent (70%) of the previous school year's enrolled students are national school lunch students, funding shall be four hundred eighty dollars (\$480)~~ four hundred ninety-six dollars (\$496).

SECTION 4. Arkansas Code § 6-20-2305(b)(5), concerning categorical funding for professional development, is amended to read as follows:

(5)(A) Beginning with school year 2007-2008, Professional professional development funding for school years 2005-2006 and 2006-2007 shall be equal to an amount of up to fifty dollars (\$50.00) multiplied by the school district's previous school year average daily membership.

(B) Funding for professional development for teachers in Arkansas public schools shall be used for professional development ~~training conferences, materials, and other professional development~~ activities and materials that improve the knowledge of teachers, administrators, and paraprofessionals concerning effective instructional strategies, methods, and skills for improving teaching practices and student academic achievement and training for school bus drivers as outlined in rules promulgated by the State Board of Education.

SECTION 5. Arkansas Code Title 6, Chapter 20, Subchapter 23 is amended to add an additional section to read as follows:

6-20-2307. Property tax report.

In order to provide relevant information to the General Assembly impacting the funding of public education, upon approval of the Legislative Joint Auditing Committee, the Division of Legislative Audit shall prepare a report regarding the assessment and collection of property taxes.

SECTION 6. Arkansas Code § 6-20-2305(c), concerning isolated funding, student growth funding, and special education-catastrophic occurrences funding, is amended to read as follows:

(c) Isolated funding under § 6-20-601, student growth funding, and special education-catastrophic occurrences funding shall be funded as follows:

(1) Isolated funding and special education-catastrophic occurrences funding shall be allocated and funded to school districts in a line item appropriation within the Public School Fund pursuant to law or rules promulgated by the State Board of Education-; and

(2)(A) Student growth funding is calculated as the sum of the following amounts:

(i) One quarter (1/4) of the per student foundation funding for the school district under § 6-20-2305(a)(2) multiplied by the increase, if any, of each of the following:

(a) The school district's quarterly average daily membership for the first quarter of the current school year over average daily membership of the previous school year;

(b) 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;

(c) 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; and

(d) 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

(ii) ~~excluding~~ Excluding any increase resulting solely from consolidation

or annexation with another school district.

(B)(i) The State Board of Education shall establish by rule the timing of distributions of student growth funding and the mechanism for determining the quarterly average daily membership to be used in calculating student growth funding under this subsection (c).

(ii)(a) As the fourth quarter average daily membership count will not be available until the following school fiscal year, the final distribution for each school year shall include one half (1/2) of the per student foundation funding for the school district under § 6-20-2305(a)(2) multiplied by the increase, if any, of 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.

(b) As a result of calculating the distribution in subdivision (c)(B)(ii)(a) of this section, either an adjustment shall be made in the initial distribution of growth funding for the district in the following school year to be based on the actual fourth quarter growth determined in subdivision (c)(2)(A)(i)(d) or the school district shall refund the overpayment in growth funding.

SECTION 7. Arkansas Code § 6-17-2403(b) and (c), concerning the minimum teacher compensation schedule, is amended to read as follows:

~~(b)(1) In school year 2004-2005, each school district in the state shall have in place a salary schedule with at least the following minimum levels of compensation for a basic contract:~~

<del>Years of Experience</del>	<del>BA Degree Salary</del>	<del>MA Degree Salary</del>
<del>0</del>	<del>\$27,500</del>	<del>\$31,625</del>
<del>1</del>	<del>27,950</del>	<del>32,125</del>
<del>2</del>	<del>28,400</del>	<del>32,625</del>
<del>3</del>	<del>28,850</del>	<del>33,125</del>
<del>4</del>	<del>29,300</del>	<del>33,625</del>
<del>5</del>	<del>29,750</del>	<del>34,125</del>
<del>6</del>	<del>30,200</del>	<del>34,625</del>
<del>7</del>	<del>30,650</del>	<del>35,125</del>
<del>8</del>	<del>31,100</del>	<del>35,625</del>
<del>9</del>	<del>31,550</del>	<del>36,125</del>
<del>10</del>	<del>32,000</del>	<del>36,625</del>
<del>11</del>	<del>32,450</del>	<del>37,125</del>

<del>12</del>	<del>32,900</del>	<del>37,625</del>
<del>13</del>	<del>33,350</del>	<del>38,125</del>
<del>14</del>	<del>33,800</del>	<del>38,625</del>
<del>15</del>	<del>34,250</del>	<del>39,125</del>

~~(2) In school year 2005-2006, each school district in the state shall have in place a salary schedule with at least the following minimum levels of compensation for a basic contract:~~

<del>Years of Experience</del>	<del>BA Degree Salary</del>	<del>MA Degree Salary</del>
<del>0</del>	<del>\$27,940</del>	<del>\$32,131</del>
<del>1</del>	<del>28,390</del>	<del>32,631</del>
<del>2</del>	<del>28,840</del>	<del>33,131</del>
<del>3</del>	<del>29,290</del>	<del>33,631</del>
<del>4</del>	<del>29,740</del>	<del>34,131</del>
<del>5</del>	<del>30,190</del>	<del>34,631</del>
<del>6</del>	<del>30,640</del>	<del>35,131</del>
<del>7</del>	<del>31,090</del>	<del>35,631</del>
<del>8</del>	<del>31,540</del>	<del>36,131</del>
<del>9</del>	<del>31,990</del>	<del>36,631</del>
<del>10</del>	<del>32,440</del>	<del>37,131</del>
<del>11</del>	<del>32,890</del>	<del>37,631</del>
<del>12</del>	<del>33,340</del>	<del>38,131</del>
<del>13</del>	<del>33,790</del>	<del>38,631</del>
<del>14</del>	<del>34,240</del>	<del>39,131</del>
<del>15</del>	<del>34,690</del>	<del>39,631</del>

~~(c) In school year 2006-2007 and each school year thereafter, each school district in the state shall have in place a salary schedule with at least the following minimum levels of compensation for a basic contract:~~

<i>Years of Experience</i>	<i>BA Degree Salary</i>	<i>MA Degree Salary</i>
0	\$28,611	\$32,902
1	29,061	33,402
2	29,511	33,902
3	29,961	34,402
4	30,411	34,902
5	30,861	35,402
6	31,311	35,902
7	31,761	36,402
8	32,211	36,902
9	32,661	37,402
10	33,111	37,902
11	33,561	38,402
12	34,011	38,902
13	34,461	39,402
14	34,911	39,902
15	35,361	40,402

(b) In school year 2007-2008, each school district in the state shall have in place a salary schedule with at least the following minimum levels of compensation for a basic contract:

<i>Years of Experience</i>	<i>BA Degree Salary</i>	<i>MA Degree Salary</i>
0	\$28,897	\$33,231
1	29,347	33,731
2	29,797	34,231
3	30,247	34,731
4	30,697	35,231
5	31,147	35,731
6	31,597	36,231

7	32,047	36,731
8	32,497	37,231
9	32,947	37,731
10	33,397	38,231
11	33,847	38,731
12	34,297	39,231
13	34,747	39,731
14	35,197	40,231
15	35,647	40,731

(c) In school year ~~2006-2007~~ 2008-2009 and each school year thereafter, each school district in the state shall have in place a salary schedule with at least the following minimum levels of compensation for a basic contract:

<i>Years of Experience</i>	<i>BA Degree Salary</i>	<i>MA Degree Salary</i>
0	\$29,244	\$33,630
1	29,694	34,130
2	30,144	34,630
3	30,594	35,130
4	31,044	35,630
5	31,494	36,130
6	31,944	36,630
7	32,394	37,130
8	32,844	37,630
9	33,294	38,130
10	33,744	38,630
11	34,194	39,130
12	34,644	39,630
13	35,094	40,130

14	35,544	40,630
15	35,994	41,130

SECTION 8. NOT TO BE CODIFIED. The amendment to the minimum teacher compensation schedule contained in Section 5 of this act reflects the overall increase in foundation funding. This amendment is a significant step in closing the teacher salary gap. The increased minimum teacher compensation schedule helps in recruiting and retaining teachers in Arkansas. Most importantly, it makes Arkansas more competitive for quality teachers when compared to surrounding states and Southern Regional Education Board member states.

SECTION 9. NOT TO BE CODIFIED. The document attached hereto titled "Education Funding Recommendations for the 2007-2009 Biennium", contains the Education Funding Recommendations of the Adequacy Study Oversight Subcommittee, the House Interim Committee on Education, and the Senate Interim Committee on Education. Since January 22, 2007, when those recommendations were adopted by the House Education Committee and the Senate Education Committee, some calculation errors were identified and recalculations were made. The recalculations are also contained in this document in narrative form. This document and its final recommendations are specifically adopted by the House Education Committee and the Senate Education Committee and recommended to the General Assembly. The document, "Education Funding Recommendations for the 2007-2009 Biennium", shall be filed in the journals of the House and Senate.

SECTION 10. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the 2006 Act 57 study recommended that foundation funding and categorical funding be increased for the 2007-2008 and 2008-2009 school years; that the method of calculating the state foundation funding aid should be changed to ensure that all public school districts receive the full amount of foundation funding; and that this act is immediately necessary to ensure that public school districts receive adequate foundation funding for the 2007-2008 school year. Therefore, an emergency is declared to exist and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on July 1, 2007.

/s/ Kenney

**APPROVED: 3/14/2007**

**Act 1218, Section 10 of 2007 Regular Session**

# Act 1218 Section 10

## of the 2007 Regular Session

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SECTION 10. *SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. CONCERNING TAX COLLECTION DATA NECESSARY TO MEET ADEQUACY. Failure by the preparer of the tax books to report the information necessary to comply with Rule 5.03 of the Rules of the Assessment Coordination Department by February 15 of each calendar year, shall result in the loss of all reappraisal funding provided under ACA 26-26-1907 until the preparer of the tax books complies with Rule 5.03. Such funds shall be forfeited under the following provisions:*

*a) Failure to comply with this section shall result in the forfeiture of twenty percent (20%) of the total reappraisal funds every two (2) months of noncompliance;*

*b) After ten (10) months of noncompliance, the total amount of reappraisal funds shall be forfeited.*

*c) No county will be relieved of the requirement to reappraise property, and funding will be by local taxing unit sources until such time as the county comes into compliance with this section.*

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# **Assessment Coordination Department Rules**

RULE 5.01

**UNIFORM REPORTING OF ASSESSMENTS**

STATUTORY AUTHORITY ACA 26-28-108

STATUTORY AUTHORITY ACA 26-28-304

On or before March 15th of each year the Preparer of the Tax Books for each county shall provide a copy of the Abstract of Assessments to the Assessment Coordination Department. Said copy of Abstract of Assessments shall be the same as reported to the Arkansas Department of Education on or before March 15th of each year and shall include the total assessment by school district that was delivered to the County Tax Collector (Tax Books) for tax collection purposes.

*Adopted and implemented 6/16/06 by emergency procedure  
Amended 12/20/06*

RULE 5.02

**UNIFORM REPORTING OF DELINQUENT TAXES**

If not included in the above Abstract of Assessments as defined in rule 6.01, the following items relating to real property assessments shall be added:

Previous year delinquent real estate assessments

If included in the above Abstract of Assessments as defined in rule 6.0, the following items relating to real property assessments shall be **deleted**:

Delinquent assessment certified to the State of Arkansas Office of Commissioner of State Lands (two year delinquent).

*Adopted and implemented 6/16/06 by emergency procedure  
Amended 12/20/06*

RULE 5.03

**UNIFORM REPORTING OF COUNTY TAX SETTLEMENTS**

STATUTORY AUTHORITY ACA 26-26-2001

On or before February 15 the Preparer of the Tax Books shall provide to the Assessment Coordination Department:

1. A copy of the final tax settlement filed with and approved by the County Court on or before December 31 of the previous year.
2. Delinquent personal tax collected in the previous calendar year as reflected on the County Clerks monthly distributions to the taxing districts;

3. Delinquent real estate taxes collected in the previous calendar year as reflected on the in the County Clerks monthly distributions to the taxing districts. The monthly distribution information provided shall be for January through December collections, regardless of actual distribution date.
4. Delinquent real estate taxes distributed in the previous calendar year by the County Treasurer from real estate taxes collected by the State of Arkansas Office of the Commissioner of State Lands;
5. Homestead taxes received by the State of Arkansas distributed in the previous calendar year to the taxing districts by the County Treasurer;
6. Interest earned on funds by the County Tax Collector and or County Treasurer for the previous calendar year that were distributed to the taxing districts;
7. The net County Treasurer's commission allocated to the taxing districts for the previous calendar year;
8. County Tax Collector's excess commission for the previous year that was distributed to the taxing districts.
9. The preparer of the tax book shall use the template provided in ACD Rule 5.02 P-1 for reporting purposes.

*Adopted and implemented 6/16/06 by emergency procedure  
Amended 12/20/06*

#### **RULE 5.04 RESPONSIBILITIES OF THOSE PROVIDING INFORMATION**

The County Assessor, County Collector of Taxes, the County Clerk, the County Treasurer, and any other county official having possession of the information specified in Rules 6.01, 6.02, and 6.03 shall turn such information over to the Preparer of the Tax Book at least 14 days prior to the deadlines specified in Rules 6.01, 6.02, and 6.03. The county official providing the information shall be solely responsible for its accuracy. The Preparer of the Tax Book shall be responsible only for the accuracy of information generated solely by him or her and not that which was compiled from the information provided by others.

*Adopted 12/20/06*

# **Appendix B**

## **Forms**



COMBINE											
SCHOOL DISTRICTS	LEA NUMBER	NET TAX COLLECTED REAL	NET TAX COLLECTED PERSONAL	NET TAX COLLECTED UTILITY REAL	NET TAX COLLECTED UTILITY PERSONAL	MISC DEBITS/ CREDITS	HOMESTEAD CREDIT	COLLECTOR'S/ TREASURER'S INTEREST	***NET TREASURER'S COMMISSION TAKEN	**EXCESS COLLECTORS COMMISSION	DELINQUENT PERSONAL COLLECTED
Hoxie School District	3804000										
Sloan Hendrix School District	3806000										
Hillcrest School District	3809000										
Lawrence County School District	3810000										
Westside Consolidated School District	1602000										
Pocahontas School District	6103000										
Twin Rivers School District	6806000										
Total Schools		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Rule 6.2.1	Rule 6.2.1	Rule 6.2.1	Rule 6.2.1	Rule 6.2.1	Rule 6.2.1, Rule 6.2.5	Rule 6.2.6	Rule 6.2.7	Rule 6.2.1	Rule 6.2.2 Rule 6.2.8

SCHOOL DISTRICTS	LEA NUMBER	DELINQUENT REAL COLLECTED	COMMISSIONER OF STATE LAND	*COLLECTOR'S COMMISSION (Regular + Homestead)	ASSESSOR'S SALARY AND EXPENSE	COST PRORATED REAL	COST PRORATED PERSONAL	CLERK'S FEES	EQUALIZATION BOARD	REAPPRAISAL EXPENSE	MISC
Hoxie School District	3804000										
Sloan Hendrix School District	3806000										
Hillcrest School District	3809000										
Lawrence County School District	3810000										
Westside Consolidated School District	1602000										
Pocahontas School District	6103000										
Twin Rivers School District	6806000										
Total Schools		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Rule 6.2.3	Rule 6.2.4								

\*Collector's Commission should be regular commission plus 4% Homestead Credit Commission

\*\*Excess Collector's Commission reported separately.

\*\*\*Net Treasurer's Commission Taken is Commission minus Excess Commission.

Receipt of this template does not initiate or imply any financial or legal relationship with the state of Arkansas.

# Completing the Act 27 Reporting Template

Written by the Assessment Coordination Department

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## Completing the Act 27 Reporting Template

Welcome to your customized Act 27 Reporting Template. This document will help you to complete your template with accuracy. The instructions are listed in order of appearance on the template, but are also sectioned into topics that you may scroll through to find specific topics you need clarification for. Each section describes a field to be entered on the template and provides some possible locations for the data needed. These locations may not be the same in every county and therefore, are presented here with the caution that your county may house data differently.

This template represents a three year cycle of data. You will complete the template by the 2009 deadline using the 2008 final tax settlement. This means you will be using data for collections during the calendar year 2008. These collections are from the 2007 assessments.

If you have further questions while completing this report, please do not hesitate to call the Assessment Coordination Department for assistance. You can contact Amy Gilbert at 501-324-9121 or [Amy.Gilbert@acd.state.ar.us](mailto:Amy.Gilbert@acd.state.ar.us).

The Act 27 Reporting Template is an Excel file containing three worksheets (tabs). You will only need to enter data on the first tab, "County Data Entry." The other two tabs, "Calculations" and "Report," are automatically calculated based on your entries in the first tab. Here is a basic description of each worksheet:

County Data Entry – This is the worksheet the county must complete. All fields to be entered by the county are highlighted in yellow. The data entered should be for 2008 collection information. This worksheet is subdivided into four sections: Real Estate, Personal Property, Utility Real/Personal, and Combine.

Calculations – This worksheet contains all of the formulas needed to calculate the disbursement rates from the data entered. No changes or entries are needed on this tab.

Report – This tab can be viewed by the county as an estimation of its disbursement rates. There will be some differences between these rates and those that will be calculated by ACD. These differences result from ACD using the original charges on the Abstract of Assessment submitted to the Department of Education. These differences should be minor. No changes or entries are needed on this tab.

This template has been customized for your county. The county name has been entered. Also, the county's school districts have been entered, including any fringe districts. The district names come from the Department of Education. If there are any issues with these names (school districts missing from the template, county reports consolidated districts separately, etc.) please contact ACD. Note: each school district should only be listed once with all of its millages combined.

Column totals are automatically calculated on the template. There is no need for the county to enter these sums.

All formulas contained in the template serve a specific purpose. Please do not edit or delete any cells or formulas on the template.

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## REAL ESTATE SECTION

**Millage Rate** – Enter each school district’s millage rate. The millage rate should be school district millage only. Enter the millage rate as mils. For example, a millage rate of .0345 should be entered as 34.5 mils on the template. This figure should be found on the 2008 final tax settlement.

**Original Charge Valuation** – Enter each school district’s original charge real estate valuation. This is the total (2007) assessments for real estate property for that school district in your county. This figure should be found on the 2008 final tax settlement.

The template will calculate the original charge tax dollar amount.

**Added Real Valuation** – Enter each school district’s added real estate valuation. This is the (2007) assessment value added to the original charge valuation for real estate property for that school district in your county. This figure should be found on the 2008 final tax settlement.

The template will calculate the added tax dollar amount.

**Errors and Credits Valuation** – Enter each school district’s errors and credits real estate valuation. This is the (2007) assessment value to be subtracted from the original charge valuation for real estate property for that school district in your county. Enter errors and credits as a positive number. The template will subtract appropriately. This figure should be found on the 2008 final tax settlement.

The template will calculate the errors tax dollar amount.

**Disabled Veterans Valuation** – Enter each school district’s disabled veterans real estate valuation. This is the (2007) assessment value contained in the original charge that is owned by disabled veterans. Enter the disabled veterans as a positive number. The template will subtract appropriately. This figure should be found on the 2008 final tax settlement.

The template will calculate the disabled veterans tax dollar amount.

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## PERSONAL PROPERTY SECTION

**Millage Rate** – Enter each school district’s millage rate. The millage rate should be school district millage only. Enter the millage rate as mils. For example, a millage rate of .0345 should be entered as 34.5 mils on the template. This figure should be found on the 2008 final tax settlement.

**Original Charge Valuation** – Enter each school district’s original charge personal property valuation. This is the total (2007) assessments for personal property for that school district in your county. This figure should be found on the 2008 final tax settlement.

The template will calculate the original charge tax dollar amount.

**Added Real Valuation** – Enter each school district’s added personal property valuation. This is the (2007) assessment value added to the original charge valuation for personal property for that school district in your county. This figure should be found on the 2008 final tax settlement.

The template will calculate the adds tax dollar amount.

**Errors and Credits Valuation** – Enter each school district’s errors and credits personal property valuation. This is the (2007) assessment value to be subtracted from the original charge valuation for personal property for that school district in your county. Enter errors and credits as a positive number. The template will subtracted appropriately. This figure should be found of the 2008 final tax settlement.

The template will calculate the errors tax dollar amount.

**Disabled Veterans Valuation** – Enter each school district’s disabled veterans personal property valuation. This is the (2007) assessment value contained in the original charge that is owned by disabled veterans. Enter the disabled veterans as a positive number. The template will subtract appropriately. This figure should be found on the 2008 final tax settlement.

The template will calculate the disabled veterans tax dollar amount.

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## UTILITY SECTION

Millage Rate – Enter each school district’s millage rate. The millage rate should be school district millage only. Enter the millage rate as mils. For example, a millage rate of .0345 should be entered as 34.5 mils on the template. This figure should be found on the 2008 final tax settlement.

Utility Real Original Charge Valuation – Enter each school district’s original charge utility real estate valuation. This is the total (2007) assessments for utility real estate property for that school district in your county. Many counties place all utility property in utility personal. In this situation, the utility real estate will be blank. This figure should be found on the 2008 final tax settlement.

The template will calculate the original charge tax dollar amount.

Utility Personal Original Charge Valuation - Enter each school district’s original charge utility personal valuation. This is the total (2007) assessments for utility personal property for that school district in your county. This figure should be found on the 2008 final tax settlement.

The template will calculate the original charge tax dollar amount.

Utility Added Personal Valuation – Enter each school district’s added utility personal valuation. This is the (2007) assessment value added to the original charge valuation for utility personal property for that school district in your county. This figure should be found on the 2008 final tax settlement.

The template will calculate the added tax dollar amount.

Utility Errors Personal Valuation – Enter each school district’s errors for utility personal property valuation. This is the (2007) assessment value to be subtracted from the original charge valuation for utility personal property for that school district in your county. Enter errors as a positive number. The template will subtract appropriately. This figure should be found on the 2008 final tax settlement.

The template will calculate the errors tax dollar amount.

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## COMBINE SECTION

Net Tax Collected Real – Enter each school district’s net tax collected for real estate property. This is the **total tax dollars collected** in the 2008 calendar year for 2007 assessments. This figure should be found on the 2008 final tax settlement.

Net Tax Collected Personal – Enter each school district’s net tax collected for personal property. This is the **total tax dollars collected** in the 2008 calendar year for 2007 assessments. This figure should be found on the 2008 final tax settlement.

Net Tax Collected Utility Real – Enter each school district’s net tax collected for utility real estate property. This is the **total tax dollars collected** in the 2008 calendar year for 2007 assessments. This figure will be blank if the county values all utility property as utility personal. This figure should be found on the 2008 final tax settlement.

Net Tax Collected Utility Personal – Enter each school district’s net tax collected for utility personal property. This is the **total tax dollars collected** in the 2008 calendar year for 2007 assessments. This figure should be found on the 2008 final tax settlement.

Misc Debits/Credits – Enter any other **dollars received** by each school district from sources not accounted for anywhere else on this template. This is additional funds received and will be added to the total county funds.

Homestead Credit – Enter each school district’s Homestead credit. This is the **dollar amount received** by the school district from the state as payment for property taxes. This figure should be found on the 2008 final tax settlement.

Collector’s/Treasurer’s Interest – Enter the **dollar amount received** by each school district from collector’s and/or treasurer’s interest. This is the dollar amount earned in interest from collector’s and/or treasurer’s accounts during the 2008 calendar year. This figure may be found on the 2008 final tax settlement.

Net Treasurer’s Commission Taken – Enter net treasurer’s commission **dollar amount prorated** to each school district. This is the total treasurer’s commission minus any excess that was returned to county funds. In most cases, excess commissions are returned to county funds in March for the previous calendar year. Therefore, this entry should be the current year’s total treasurer’s commission minus any excess from the previous year that was returned to county funds in the current year (i.e. 2008 total treasurer’s commission minus 2007 excess returned in 2008). This figure may be found in the treasurer’s office.

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COMBINE SECTION CONT'D.

Excess Collector's Commission – Enter excess collector's commission **dollar amount received** by each school district. This is the dollar amount returned to county funds from the collector's commission. In most cases, excess commissions are returned to county funds in March for the previous calendar year. Therefore, this entry should be the previous year's excess returned to county funds in the current year (i.e. 2009 report will show 2007 excess returned in 2008). This figure may be found in the collector's office.

Delinquent Personal Collected – Enter each school district's tax collected for delinquent personal property. This is the **total tax dollars collected** in the 2008 calendar year for late assessments. This includes all delinquent collections regardless of assessment year for which they were paid. Penalty fees may also be included in this figure.

Delinquent Real Collected - Enter each school district's tax collected for delinquent real estate property. This is the **total tax dollars collected** in the 2008 calendar year for late assessments. This includes all delinquent collections regardless of assessment year for which they were paid. Penalty fees may also be included in this figure.

Commissioner of State Lands – Enter the **dollar amount received** by each school district from the State Land Commissioner. This figure includes funds created from the redemption of property certified to the state in the 2008 calendar year.

Collector's Commission – Enter the **dollar amount prorated** to each school district for the collector's commission. This is the total dollar amount used to fund the collector's office for the 2008 calendar year. This is not a net figure; excess commission is entered separately on the template (see Excess Collector's Commission). This figure should be the total of regular Collector's Commission and the 4% Collector's Commission on Homestead Credit dollars received.

Assessor's Salary and Expense – Enter the **dollar amount prorated** to each school district for the assessor's salary and expense. This figure includes all money used to staff and operate the assessor's office. This figure should be found on the 2008 final tax settlement.

Cost Prorated Real – Enter the **dollar amount prorated** to each school district for the cost of collecting real estate taxes. This includes expenses incurred above office operations and salaries (i.e. newspaper advertising). This figure should be found on the 2008 final tax settlement.

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COMBINE SECTION CONT'D.

Cost Prorated Personal - Enter the **dollar amount prorated** to each school district for the cost of collecting personal property taxes. This includes expenses incurred above office operations and salaries (i.e. newspaper advertising). This figure should be found on the 2008 final tax settlement.

Clerk's Fees – Enter **dollar amount prorated** to each school district for clerk's fees. This figure should be found on the 2008 final tax settlement.

Equalization Board – Enter **dollar amount prorated** to each school district for Equalization Board expenses.

Reappraisal Expense – Enter **dollar amount prorated** to each school district for reappraisal expenses. This is county funds spent on reappraisal above the state funded \$7 per parcel per year. A county whose reappraisal is completely paid for by state funds will not have this expense.

Misc – Enter other **dollar amounts prorated** to each school district for miscellaneous expenses not accounted for anywhere else on this template. This is additional funds prorated and will be subtracted from total county funds.