



Division of Elementary and Secondary Education

Transforming Arkansas to lead the nation in student-focused education

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Jacob Oliva
Secretary

January 5, 2026

Stacy Smith
Deputy
Commissioner

Senator Jonathan Dismang, Co-Chair
Representative Jeffrey Wardlaw, Co-Chair
Arkansas Legislative Council State Capitol, Room 315
Little Rock, AR 72201

**State Board of
Education**

Adrienne Woods
Bentonville
Chair

RE: Educational Adequacy Fund Distribution and Fund Balance Report

Lisa Hunter
White Hall
Vice Chair

Senator Dismang and Representative Wardlaw:

Dr. Gary Arnold
Little Rock

Pursuant to Act 792 of 2025, Section 24, the Department of Education Division of Elementary and Secondary Education is submitting the attached Report of Educational Adequacy Fund Distribution Balance through December 2025 and the Division of Elementary and Secondary Education Public School Fund Distribution and Balance Report through the second quarter of Fiscal Year 2026.

Randy Henderson
Blytheville

Jeff Wood
Little Rock

Respectfully,

Ken Bragg
Sheridan

Greg Rogers, CFO
Arkansas Department of Education

Leigh Keener
Little Rock

Dr. Aaron Abbott
Springdale

GR:kh

EDUCATIONAL ADEQUACY FUND
DEPOSITS FROM TAX COLLECTIONS
DECEMBER 2025

	<u>December 2024</u>	<u>December 2025</u>	<u>% CH</u>	<u>YTD FY 2025</u>	<u>YTD FY 2026</u>	<u>% CH</u>
7/8% Sales Tax	\$57,796,722.34	\$59,857,106.57	3.6%	\$345,343,840.97	\$360,226,819.96	4.3%
Additional Services	\$3,516,604.83	\$3,564,697.08	1.4%	\$21,099,628.98	\$21,388,182.48	1.4%
Vending Decal	\$47.75	\$665.38	1293.5%	\$112,419.10	\$127,608.61	13.5%
Dyed Diesel Tax	\$69,429.71	\$90,799.54	30.8%	\$987,686.12	\$1,032,626.07	4.6%
Franchise Tax	\$0.00	\$0.00	N/A	\$0.00	\$0.00	N/A
Total Tax Collections	\$61,382,804.63	\$63,513,268.57	3.5%	\$367,543,575.17	\$382,775,237.12	4.1%
Less: SCS/COF	-\$1,735,985.99	-\$1,798,457.14	3.6%	-\$10,393,318.39	-\$10,841,611.63	4.3%
Deposit to Educational Adequacy Fund	<u>\$59,646,818.64</u>	<u>\$61,714,811.43</u>	3.5%	<u>\$357,150,256.78</u>	<u>\$371,933,625.49</u>	4.1%
PLUS: Carry-forward from previous year				\$658,760,621.69	\$802,905,055.54	21.9%
TOTAL DEPOSITS				<u>\$1,015,910,878.47</u>	<u>\$1,174,838,681.03</u>	15.6%
Less: Transfers to Public School Fund	\$0.00	\$0.00	N/A	-\$594,468,551.00	-\$594,468,551.00	0.0%
Less: Transfers to Dept. of Education	\$0.00	\$0.00	N/A	-\$4,296,593.00	-\$4,296,593.00	0.0%
Less: Other Transfers	\$0.00	\$0.00	N/A	\$0.00	\$0.00	N/A
Balance (December 31)				<u>\$417,145,734.47</u>	<u>\$576,073,537.03</u>	

Act 107 increases the state sales and use tax by 7/8%, effective March 1, 2004; expands the sales and use tax base to new services, effective July 1, 2004; increases the wholesale vending tax rate and decal fees, effective July 1, 2004.

Act 94 increases the minimum corporate franchise tax and the tax rate, effective for calendar years beginning January 1, 2004.

Act 87 of 2007 exempted dyed diesel from sales tax and levied 6 cent/gallon tax on dyed diesel.

EDUCATIONAL ADEQUACY FUND DISTRIBUTION AND BALANCE - PRIOR YEAR FUND BALANCE

Fiscal Year	Beginning Balance
FY2020	286,461,342
FY2021	220,810,970
FY2022	220,802,987
FY2023	349,042,595
FY2024	528,536,549
FY2025	656,001,874
FY2026	802,905,056

EDUCATIONAL ADEQUACY FUND DISTRIBUTION AND BALANCE - FY26 MONTHLY

	July	August	September	October	November	December	January	February
Monthly Beginning Fund Balance	802,905,055.54	265,361,375.90	329,740,674.21	391,657,031.60	453,518,205.27	514,358,725.60		
TOTAL DEPOSITS	61,221,464.36	64,379,298.31	61,916,357.39	61,861,173.67	60,840,520.33	61,714,811.43		
Less: Transfers to Public School Fund (FY25)	(594,468,551.00)	-	-	-	-			
Less: Transfers to Dept. of Education (FY25)	(4,296,593.00)	-	-	-	-			
Less: Other Transfers (FY25)	-							
Balance	265,361,375.90	329,740,674.21	391,657,031.60	453,518,205.27	514,358,725.60	576,073,537.03	-	-

Restricted		Expenditures			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
JAA1006	Transit Tax	-	-	-	-
JAA1011	PS AR Better Chance	32,230,602	32,755,079	-	-
JAA1019	RISE Arkansas	-	-	-	-
Subtotal Restricted		32,230,602	32,755,079	-	-
Unrestricted					
JAA0000	Public School Fund Holding	-	-	-	-
JAA0200	Education Excellence	-	-	-	-
JAA1001	State Foundation	535,410,956	535,151,642	-	-
JAA1002	Public School Fund Grants and Aid	135,012,132	218,287,769	-	-
JAA1004	APSCN	9,498,181	6,279,389	-	-
JAA1009	Public School Education Renewal Zone	28,698	572,744	-	-
JAA1013	98% URT Coll Adj	-	-	-	-
JAA1014	E-Rate Credit	-	-	-	-
JAA1018	Open Enrollment Charter School Facilities	918,403	3,082,502	-	-
JAA1021	Teacher Salary Equalization Fund	13,743,840	13,743,213	-	-
JAA1023	Merit Teacher Incentive	-	-	-	-
JAA1024	Minimum Teacher Salary Fund	181,497,370	-	-	-
JAA1025	Free Breakfast Program	-	3,215,701	-	-
Subtotal Unrestricted		876,109,580	780,332,960	-	-
Total		908,340,182	813,088,040	-	-

Ending Balance	
2020	195,280,681
2021	299,891,948
2022	311,666,026
2023	347,300,755
2024	409,657,291
2025	525,080,351
Current Balance	989,100,374