

Proposed Recommendations for Adequacy- FY28 and FY29

The proposed recommendations for funding public schools for the 2027-2028 and 2028-2029 school years are noted below. If approved, these recommendations will be included in the 2026 Adequacy Study Final Report and will become the basis for draft legislation during the 2027 General Assembly.

Non-Funding Recommendations

Matrix Line Adjustments: Combine the Supervisory Aides and Enhanced Salary for Classified Employees matrix lines into one Supervisory and Other Aides line. BLR staff will aggregate expenses for classified salaries and benefits across instruction, student support, and any other unassigned function.

Accounting Codes: Direct the Arkansas Department of Education to require uniform, mandatory APSCN coding changes effective for the 2027-2028 school year to accurately track salaries paid for extra-duty or additional assignments.

Health Insurance: Arkansas Code § 6-17-1117(a) requires the House Committee on Education and Senate Committee on Education through the biennial adequacy review process to provide a health insurance contribution rate recommendation to the General Assembly. The Division of Elementary and Secondary Education is required to pay the Employee Benefits Division the amount enacted by the General Assembly, as recommended by the committees. Acts 2025, No. 779, required the Legislative Council to establish by rule the State Insurance Programs Oversight Subcommittee, which has oversight of all decisions of the State Board of Finance related to the State and Public School Life and Health Insurance Program and the State Captive Insurance Program. The subcommittee's powers include the review of rules promulgated by the Employee Benefits Division regarding the implementation, administration, or enforcement of the programs.

The Employee Benefits Division will make recommendations for the public school employees' health insurance contribution rates, subject to the approval of the State Board of Finance and the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee.

In accordance with our existing requirement under Arkansas Code § 6-17-1117(a), it is our recommendation that the health insurance contribution rate be the rate recommended by the Employee Benefits Division.

Foundation Funding Recommendations

Matrix Line Adjustments: Reduce funding for Technology, Central Office, and Instructional Materials based on recent BLR reports. Reallocate these funds to Operations and Maintenance, as well as the redefined Supervisory and Other Aides line.

Cost of Living Adjustments (COLA): Following reallocations, apply a 2.50% COLA increase to all lines for FY28 and a 2.34% COLA increase for FY29.

Categorical Funding Recommendations:

Dyslexia Direct Intervention Services: Establish a new categorical fund providing \$1,000 per student in FY28 and \$1,023.40 (incorporating the 2.34% COLA) per student in FY29. Establish funding formula criteria and any reporting requirements, including data collection needs and limitations on transfers.

Existing Categorical Funds: Increase Alternative Learning Environment (ALE), English Learner (EL), Enhanced Student Achievement (ESA), and Professional Development (PD) funds by 2.50% in FY28 and 2.34% in FY29.

Supplemental Funding Recommendations:

Special Needs High-Cost Occurrences: Increase funding by \$14M for FY28 and maintain this level for FY29. Establish any limitations to funding and distribution formula criteria.

Cost of Living Adjustments (COLA): Apply a 2.50% COLA increase to Enhanced Transportation and ESA Matching Grants for FY28 and a 2.34% COLA increase for FY29.

Matrix

Per-Student Foundation Funding Amounts*	FY27	FY28	FY29
Teacher, Support Staff, Principal and Secretary Salary & Benefits	\$5,614	\$5,754	\$5,889
Technology	\$235	\$138	\$142
Instructional Materials	\$216	\$196	\$200
Extra Duty Funds	\$76	\$78	\$80
Classified Staff Salary Enhancement	\$52	\$0	\$0
Supervisory and Other Aides	\$61	\$167	\$171
Substitutes	\$90	\$92	\$94
Operations & Maintenance	\$833	\$956	\$979
Central Office	\$507	\$494	\$506
Transportation	\$354	\$363	\$371
Total Foundation Funding Per Student	\$8,037	\$8,239	\$8,431

Matrix Salary and Benefits*	FY27	FY28	FY29
Teacher Base Salary	\$62,508	\$64,071	\$65,570
Teacher Other Benefits	\$14,377	\$14,736	\$15,081
Total Teacher Salary & Benefits	\$76,885	\$78,807	\$80,651
Per Student Total Teacher S&B	\$5,307	\$5,439	\$5,567
Principal Base Salary	\$87,774	\$89,968	\$92,074
Principal Other Benefits	\$20,188	\$20,693	\$21,177
Total Principal Salary & Benefits	\$107,962	\$110,661	\$113,251
Per Student Total Principal S&B	\$216	\$221	\$227
Secretary Base Salary	\$37,047	\$37,973	\$38,862
Secretary Other Benefits	\$8,521	\$8,734	\$8,938
Total Secretary Salary and Benefits	\$45,568	\$46,707	\$47,800
Per Student Total Secretary S&B	\$91	\$93	\$96

*Due to FTEs, some per-student amounts require rounding.

Matrix FTEs	FY27	FY28	FY29
School Size	500	500	500
K = 8% of students	40	40	40
Grades 1-3 = 23% of students	115	115	115
Grades 4-12 = 69% of students	345	345	345
Staffing Ratios			
Kindergarten 20:1	2.0	2.0	2.0
Grades 1-3 23:1	5.0	5.0	5.0
Grades 4-12	13.8	13.8	13.8
PAM = 20% of classroom	4.16	4.16	4.16
Total Classroom Teacher FTEs	24.96	24.96	24.96
Special Ed Teachers	3.20	3.20	3.20
Instructional Facilitators	2.5	2.5	2.5
Librarian / Media Specialist	0.85	0.85	0.85
School Counselor	1.61	1.61	1.61
Nurse and Health Services Staff	0.67	0.67	0.67
Student Support Staff	0.72	0.72	0.72
Total Pupil Support Personnel FTEs	9.55	9.55	9.55
Total Classroom Teachers & Pupil Support FTEs	34.51	34.51	34.51
Principal	1.0	1.0	1.0
Secretary	1.0	1.0	1.0
Total School-Level Personnel FTEs	36.51	36.51	36.51