

**ARKANSAS DIVISION OF ELEMENTARY AND SECONDARY EDUCATION RULES
GOVERNING DATA REPORTING, THE ARKANSAS PUBLIC SCHOOL COMPUTER
NETWORK, AND INFORMATION SYSTEMS**

1.00 REGULATORY AUTHORITY

1.01 These rules are promulgated pursuant to Ark. Code Ann. §§ 6-11-105, 6-11-128, 6-13-620, 6-15-2918, 6-17-410, 6-18-213, 6-20-1805, 6-20-1904, 6-20-2001 et seq., 6-20-2101 et seq., 6-20-2201 et seq., 6-23-105, 6-80-107, 25-6-107, 25-15-204, 26-26-1907, and 26-80-101.

1.02 These rules shall apply to all public school districts, open enrollment public charter schools, and education service cooperatives.

2.00 PURPOSE

2.01 The purpose of these rules is to identify and define the rules, procedures, and practices regarding the Arkansas Public School Computer Network (APSCN) and other related systems relating to the Arkansas Division of Elementary and Secondary Education (“Division”), public school districts, open enrollment public charter schools, and education service cooperatives.

3.00 DEFINITIONS – For purposes of these rules, the following mean:

3.01 “Annual Financial Budget (AFB)” means the annual budget of expenditures and receipts required by Ark. Const. Art. 14, § 3, and Ark. Code Ann. §§ 6-11-128, 6-13-620 and 6-20-2202.

3.02 “Annual Financial Report (AFR)” means the fiscal year annual report of financial information as required by Ark. Code Ann. § 6-20-2202.

3.03 “Approved Budget” means an AFB that has received the required written notification from the Division that the AFB presented was not identified as deficient as of February 15 of the current year.

3.04 “Arkansas Financial Accounting Handbook” means the uniform chart of accounts and related codes which are established by the Division and incorporated into these rules as the “Arkansas Handbook, and used for accounting and financial reporting of all public schools, school districts, open enrollment charter schools, and education service cooperatives as referenced in Ark. Code Ann. § 6-20-2202.

3.05 “Athletic Expenditures” means all direct and indirect expenses related to interschool athletic programs, prorated if necessary.

- 3.06 “Authorized Entity” means an entity recognized by the Division to accept data with an executed Memorandum of Understanding (MOU), a Data Sharing Agreement (DSA), or both, and that meets all applicable federal and state laws and rules of the Division.
- 3.07 "Cycle Reports" are mandatory reports that summarize financial and student information and that are certified and submitted to the state. The purpose of these reports is to ensure that every school district has access to comparable administrative computing systems and services with which to meet all local and state requirements, to promote increased compatibility of the administrative records and data maintained by each school district, to reduce the paperwork and reporting burden of school sites and districts, and to increase the accuracy and timeliness of data submitted by school districts. These reports are used for reporting to state and federal agencies, as well as legislative committees. These reports are also used for purposes of calculating funding for school districts.
- 3.08 “Deficient” or “Deficiency” means:
- 3.08.1 A finding by the Division auditors that budget or financial accountability reports do not meet the mandated expenditure requirements in effect for the appropriate year;
- 3.08.2The budget or financial accountability reports contain one or more material misstatements of financial information; or
- 3.08.3Budgeted revenue, expenditures, and fund balances are not in compliance with law or Division rules.
- 3.09 “Electronic Transcripts” means a student transcript that is formatted and transmitted electronically in the uniform method prescribed by the Division of Higher Education and the Division for use by public schools and institutions of higher education in this state.
- 3.10 “Financial Management Systems Applications” means the computer software used primarily to process and record financial transactions.
- 3.11 “Full-time Equivalent (FTE)” means the amount of time an employee works during a school year (July 1 through June 30 of the following calendar year) as a percentage of the amount of time a full-time employee in the same position would work during a school year.
- 3.12 “Local Educational Agency (LEA)” means all Arkansas public school districts, open-enrollment public charter schools, and education service cooperatives.

3.13 “Special Needs Categories” means the state funding categories of Alternative Learning Environments (ALE), English Language Learners (ELL), Enhanced Student Achievement Funding (ESA funding), and Professional Development (PD).

3.14 “State Board of Education (SBE)” means the Arkansas State Board of Education.

3.15 “State Funds” means all money derived from state revenues, specifically including but not limited to, distributions from the Department of Education Public School Fund Account and uniform rate of tax ad valorem property taxes distributed to a public school or school district.

3.16 “Student Management Systems Applications” means the computer software used primarily to process and maintain student records.

4.00 COMPREHENSIVE INFORMATION SYSTEMS

4.01 The Division shall:

4.01.1 Establish and maintain comprehensive information systems that allow reporting, analysis, and data-driven decision-making by LEAs;

4.01.2 Provide technical assistance to LEAs in the use of the data; and

4.01.2.1 Provide data access to any authorized entity for analyzing computations and posting public school, public school district, and state student achievement, if the disclosures are not in conflict with applicable federal and state law.

4.01.2.2 The Division shall provide electronic resources for educators to support and augment student achievement, efficiency, and educational initiatives.

4.01.2.3 The Division may contract with providers to collect, maintain, and analyze data and prepare reports.

4.01.3 Implement the use of policies, procedures, and personnel to provide for data quality and security of all data transmitted over APSCN.

5.00 REQUIRED USE OF THE STUDENT MANAGEMENT SYSTEM APPLICATIONS

5.01 All LEAs must use the following student management systems applications of the Arkansas Public School Computer Network (APSCN):

5.01.1 Demographics;

5.01.2 Attendance;

5.01.3 Scheduling;

5.01.4 Mark Reporting;

5.01.5 Discipline;

5.01.6 Medical; and

5.01.7 Other applications as required by the Division.

6.00 LOCAL EDUCATION AGENCY (LEA) NUMBERS

6.01 The Division is the sole and official issuer of LEA numbers to educational entities in the State of Arkansas.

6.02 These numbers shall be issued, activated, deactivated, or changed according to the annual schedule and in a format established by the Division.

6.03 An educational entity shall not be recognized as a public school district or entitled to the rights and privileges of a school district solely because the educational entity has been assigned an LEA number.

6.04 All requests for an LEA number assignment or change must be submitted on a form supplied by the Division by June 1 in order for the assignment or change to be effective for the following school year.

7.00 TRANSCRIPTS

7.01 An Arkansas public school shall use an electronic transcript in lieu of a paper transcript to:

7.01.01 Provide to the Division of Higher Education as necessary to process state financial aid applications for students in grades nine through twelve (9-12); and

7.01.02 Transmit a transcript between public schools to correctly enroll and place students in grades kindergarten through twelve (K-12) transferring between public schools.

8.00 FINANCIAL INFORMATION REQUIRED BY APSCN

8.01 APSCN shall be the official financial record of all LEAs. All LEAs shall, at a minimum, use the following financial management systems applications of APSCN as described in Ark. Code Ann. § 6-11-128(a)(2):

8.01.1 Fund Accounting (including all activity funds);

8.01.2 Budget Preparation;

8.01.3 Human Resources;

8.01.4 Fixed Assets;

8.01.5 Attendance;

8.01.6 Discipline;

8.01.7 Mark reporting;

8.01.8 Medical; and

8.01.9 Scheduling.

8.02 The ex officio financial secretary of each LEA shall keep a record of the following information in a format required by the Division:

8.02.1 The daily expenditures and receipts of the LEA;

8.02.2 Information on fund balances maintained by the LEA, including, but not limited to:

8.02.2.1 Sources of the funds maintained as fund balances, to the extent practicable; and

8.02.2.2 Reasons for maintaining, instead of spending, the fund balances; and

8.02.3 The amount of funds transferred between various funds during the past year.

8.03 The LEA shall identify the funds transferred between and the amount of funds transferred, including, but not limited to:

8.03.1 The amount of fund balances dedicated for the construction, maintenance, or repair of academic or athletic facilities.

8.03.2 Any information necessary for the Division to verify whether funds allocated for educational purposes, including, but not limited to, student

academic needs and the maintenance and operation of public school district facilities, are used for their intended purposes or retained by the school district in its fund balances.

8.04 FTEs and Average Salaries, Annual Financial Report (AFR) and Annual Financial Budget (AFB).

8.04.1 Information regarding FTEs and average salaries, and the AFR and AFB shall be electronically submitted to the Division by LEAs in the format required by the Division.

8.04.2 The official date of filing with the Division shall be the date and time received by APSCN.

8.04.3 The Board of Directors of each LEA shall:

8.04.3.1 Electronically file the AFR in the required format with the Division by August 31 of each year.

8.04.3.1.1 The data to be reported in the AFR is outlined in Ark. Code Ann. § 6-20-2202(d)(1)(A) and includes, but is not limited to, daily expenditures and receipts of the LEA.

8.04.3.1.2 If material errors are discovered in the AFR by either the LEA or the Division, a corrected AFR must be resubmitted by September 10. Otherwise, no changes shall be made to the LEA's financial data after it has been submitted to the Division as part of the AFR.

8.04.3.1.3 Each LEA shall perform a final close of its fiscal year immediately following submission of the AFR. Closing activities would include any entry adjusting applicable to the previous year, balancing the bank statements, all reconciliations, and journal entries required. If a final close has been performed before errors are discovered, APSCN should be contacted to reopen the fiscal year.

8.04.3.2 Approve, by board resolution (signed by the ex-officio financial secretary and board president), and electronically file the AFB in the required format with the Division by September 30 of each year.

8.04.3.2.1 If the approved AFB and board resolution are not filed by September 30, all warrants or checks issued after September 30 are invalid and the superintendent and the superintendent's surety shall be liable.

8.04.3.3 State Funds may be withheld if the AFB and AFR have not been received by the Division.

8.04.3.3.1 State aid may only be withheld if the Division met all deadlines for providing pertinent information to school districts, open-enrollment charter schools, or education service cooperatives.

8.04.3.3.2 The Division may only withhold funds until the reporting requirements of Ark. Code Ann. § 6-20-2202 et seq. and these Rules are met.

8.04.4 Annually, by February 15, the financial accountability office of the Division shall review the LEAs' most currently submitted AFR, AFB, FTEs, and average salaries for deficiencies in the financial records. Any errors related to the coding and reporting of financial information that causes a material misstatement of financial information will be cause for determining a deficiency. A material misstatement occurs whenever the submitted data has more than a ten percent (10%) variance from the correct data or when corrective action is not taken after the Division has sent written notification to the LEA regarding specific errors discovered in the financial records.

8.04.4.1 The Division review will include, but not be limited to, the items listed in Ark. Code Ann. § 6-20-2203(c).

8.04.4.2 If deficiencies are found in any of the financial records, the Division shall notify in writing, via certified mail, the superintendent or director of the LEA the specific deficiencies found.

8.04.4.2.1 The LEA will have thirty (30) days to respond to the notification of deficiency. The response must include:

8.04.4.2.1.1 A proposed corrective action plan;

8.04.4.2.1.2 A training schedule to educate all pertinent personnel, if necessary;

8.04.4.2.1.3 A procedure to prevent a repeat of the deficiency; and

8.04.4.2.1.4 Any other information necessary to explain and correct the deficiency.

8.04.4.3 The response shall not be considered a right of appeal.

- 8.05 If the review determines the financial records are not properly maintained, submitted, or administered by the LEA in accordance with state or federal laws, State Board and Division rules, or the Arkansas Financial Accounting Handbook, then eligible State Funds shall be withheld until the financial issues have been resolved.
- 8.06 The SBE may require the superintendent or director and board members to provide a written explanation, appear before the SBE, or both, to explain why the district is not complying with state laws or rules.
- 8.07 It is the duty of the Division to monitor LEA financial records and other pertinent records.
- 8.08 The Division shall have the authority to review, analyze and inspect the financial records of any LEA in order to verify that an LEA is correctly and accurately reporting revenues and expenditures in accordance with the Arkansas Financial Accounting Handbook.
- 8.09 Recording audit adjustments will be the only adjustments made to previous year data after the September 30 deadline.
- 8.10 APSCN will document the LEAs that are allowed to make audit adjustments to the previous year data.

9.00 ARKANSAS FINANCIAL ACCOUNTING HANDBOOK

- 9.01 The Division shall establish and implement a uniform chart of accounts and related codes known as the Arkansas Financial Accounting Handbook (Arkansas Handbook) which all LEAs shall use for reporting actual and budgeted revenues and expenditures.
- 9.01.1 The amendments, annual revisions, and financial accounting updates to the Arkansas Handbook shall be developed with representatives from the Arkansas Association of School Business Officials, the Education Service Cooperatives, and other school district officials as designated by the Division.
- 9.01.2 Prior to amending the Arkansas Handbook, the Division shall provide written notice via a Commissioner's Memo to the LEAs.
- 9.01.3 Amendments, annual revisions, and financial accounting updates shall be effective on July 1 of the next fiscal year or 90 days from the date of the issuance of the Commissioner's Memo, whichever is later, unless:

9.01.3.1 The Commissioner declares an emergency, at which time the change shall be effective immediately upon the date specified in the Commissioners Memo;

9.01.3.2 A new program or revenue source requires new accounting codes, at which time the change shall be effective immediately upon the date specified in the Commissioner's Memo; or

9.01.3.3 Upon mutual agreement between the affected districts, at which time the change shall be effective immediately upon the date specified in the Commissioner's Memo.

10.00 CYCLE SUBMISSIONS

10.01 All LEAs shall use the Arkansas Public School Computer Network (APSCN) to submit cycle reports to the Division using the Statewide Information System (SIS).

10.02 The SIS Handbook shall be published annually by the Division containing the required data elements and dates for cycle submissions.

10.03 All data submitted to the Division by cycle submission (Cycle Data) is considered to be certified. The superintendent or director of each LEA shall review and ensure the accuracy of all data submitted.

10.04 Failure to submit Cycle Data by the prescribed date or the submission of inaccurate or incomplete data may result in one or more of the following:

10.04.1 Withholding of State Funds;

10.04.2 An increased risk factor in determining whether additional auditing or an increased level of support is needed;

10.04.3 Referral to the Division for consideration of a violation of the Standards for Accreditation;

10.04.4 Referral to the Division for consideration of fiscal distress;

10.04.5 Referral to the Professional Licensure Standards Board;

10.04.6 Possible reporting to the appropriate authorities;

10.04.7 The Division may require the LEA superintendent, director, and/or other school personnel identified by the Division, to attend additional training on proper data submission to address any deficiencies. Failure to attend the required training may result in any of the actions listed in Section 10.04.

10.05 Any district that fails to file the attendance record reports required by Ark. Code Ann. § 6-18-213 shall have the remainder of its state foundation funding withheld, placed in escrow, and released when the reports are received.

10.06 The Division may withhold State Funds from any LEA that fails to file its budget or any other required report with the Division by the deadline established on the list of all required financial accountability reports, provided that the Division has met the deadline for providing information pertinent to meeting the deadlines.

11.00 TIER I AND II TRAINING

11.01 The Division shall establish two (2) tiers of required training that apply to all LEAs in accordance with Ark. Code Ann. § 6-20-2204.

11.02 Failure to complete the required trainings may result in sanctions in accordance with Ark. Code Ann. § 6-20-2204.

11.03 Two (2) persons per LEA are required to attend the initial and annual Tier I trainings by December 31 of each year.

11.03.1 The trainings may be provided by an institution of higher education in this state, the Division, the Arkansas Association of School Business Officials, or from another provider approved by the Division.

11.03.2 All providers of Tier I training, except for the Division, shall apply and receive preapproval from the Division prior to offering the training.

11.03.2.1 The provider must submit a request for approval which shall include the form and content of the training.

11.03.2.2 The Division will review the request and issue an approval or denial of the training.

11.03.2.3 If additional information is requested, the provider will be responsible for providing an immediate response in order to gain approval in a timely manner.

11.03.2.4 If the provider is granted approval to offer the training, Division staff shall be allowed to attend all training sessions, without being required to pay for registration, in order to monitor for quality and completeness.

11.03.3 Approved training sessions may be held throughout the state, via distance learning, or from an online course.

11.03.4 The provider shall submit a list of all persons who have attended the Tier I training to the Division. The Division shall maintain a record of the Tier I instructional hours obtained for each individual.

11.03.5 Persons failing to obtain required Tier I training by the end of the calendar year and who fail to cure the deficiency by March 1 of the following calendar year without filing a request for an extension shall not be able to continue in their position in accordance with Ark. Code Ann. § 6-20-2204.

11.03.5.1 The request for an extension must be sent to the Division by certified mail, return receipt requested.

11.03.5.2 The request for an extension must be received by the Division prior to March 1.

11.03.5.3 The request shall include the reason why the required training was not obtained and a corrective action plan for obtaining the required training in a timely manner.

11.03.5.4 Unless an extension has been granted, for each person failing to obtain the required training by March 1, the Division shall immediately:

11.03.5.4.1 Notify the superintendent or director of the employing LEA and the board president.

11.03.5.4.2 Notification shall be sent by certified mail, return receipt requested.

11.03.5.4.3 Any person who has failed to obtain the required training shall be unable to continue in their position from the date of receipt of notification by the superintendent or director of the employing school district, open enrollment charter school, or education service cooperative.

11.03.5.4.4 Any person receiving notification that they are unable to continue in their position solely because of the failure to obtain the required training may request a hearing before the State Board prior to his or her permanent dismissal.

11.04 If the person fails to obtain all required training by December 31, the failure shall constitute one (1) citation under the Standards for Accreditation against the LEA, or shall constitute an admonishment to the education service cooperative.

11.04.1 If the person is unable to obtain the required training because of military service or illness as verified by a written sworn statement of the person's attending physician, the Division shall grant an extension permitting additional time to obtain the required training.

11.04.2 The issuance of an extension shall not constitute a citation under the Standards for Accreditation to the LEA or an admonishment to the education service cooperative, and shall not operate as a removal of the person from their position.

11.05 Persons employed as of July 1 must obtain the required training by December 31 of that year.

11.06 Persons employed after July 1 must obtain the required training by December 31 of the following year.

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