

**Arkansas Department of Education**  
**Rules Governing the School District Educational Excellence Trust Fund**  
**January 2014**

**1.00 PURPOSE**

- 1.01 These rules shall be known as Arkansas Department of Education Rules Governing the School District Educational Excellence Trust Fund.
- 1.02 The purpose of these rules is to provide the process and procedures necessary to calculate and allocate the Educational Excellence Trust Fund available to school districts.

**2.00 AUTHORITY**

- 2.01 The Arkansas State Board of Education promulgated these rules pursuant to the authority granted to it by Ark. Code Ann. §§ 6-11-105, 6-5-301 et seq., 6-20-2301 et seq., 19-5-942, and 25-15-201 et seq., and Acts 1138 and 1278 of 2013.

**3.00 DEFINITIONS**

As used in these rules:

- 3.01 “Educational Excellence Trust Fund” (Trust Fund) means a fund for the Arkansas Department of Education made available to school districts for teacher salaries as provided for by Ark. Code Ann. § 6-5-301 et seq.
- 3.02 “State Foundation Funding” means the same as the definition set forth in Ark. Code Ann. §6-20-2303(21) and is the amount of state financial aid provided to a school district under Ark. Code Ann. § 6-20-2305 (a).

**4.00 CALCULATION**

- 4.01 Divide the Arkansas Department of Education total educational excellence trust fund available for distribution by the state total distribution of state foundation funding to determine the percentage of state foundation funding that is the educational excellence trust fund.
- 4.02 Calculate each district's educational excellence trust fund amount by multiplying the result of Section 4.01 by each district's state foundation funding amount.

- 4.03 Changes to the total educational excellence trust fund available for distribution or changes to the state foundation funding amount in one or more school districts may result in revised educational excellence trust fund amounts.

## 5.00 ALLOCATION

- 5.01 To determine if a “salary increase” is required:

- 5.01.1 Compare the Trust Fund amount shown on the final State Aid Notice for the current school year with the highest Trust Fund amount since the establishment of the Trust Fund (1991-1992 school year).
- 5.01.2 If the current school year Trust Fund amount is the highest amount on record since the 1991-1992 school year, subtract the previous highest amount from the current school year amount. The district is obligated to pay this increase in Trust Fund amount in the form of salaries, social security and retirement matching for current licensed personnel positions.
- 5.01.3 To determine the amount of the increase in Section 5.01.2 to allocate to salaries, social security (FICA), and retirement matching, first determine the current year percentage of social security (FICA) and retirement matching.

- 5.01.3.1 Using for example, 2012-2013 school year, the social security rate of 7.65% and the retirement matching of 14.00%, the amount of Trust Fund increase to be paid in salaries is the Trust Fund increase less the 7.65% social security and the 14.00% retirement matching. Divide the Trust Fund increase by 1.2165 (1+.0765+.14) to determine the salary obligation.

Example: If Trust Fund increase to be paid in salaries is: \$12,000

12,000 / 1.2165 = \$9,864  
 FICA 7.65% = 755  
 RET 14.00% = 1,381  
 Total obligation: 12,000

- 5.01.3.2 The difference between the trust fund increase and the calculated salary obligation should be exactly enough to cover the Social Security (FICA) and the retirement obligations.

- 5.02 If the amount obligated to be paid in salaries is less than the annual increase provided by the district for experience or advanced hours or degrees, there is no obligation to provide an additional salary increase or to change the salary schedule as a result of the Trust Fund increase.