

**SUMMARY OF RULES:**  
**ARKANSAS DEPARTMENT OF EDUCATION RULES GOVERNING DATA REPORTING, THE ARKANSAS PUBLIC SCHOOL COMPUTER NETWORK, AND INFORMATION SYSTEMS**

This proposed new rule consolidates the following current rules of the Department which will be repealed with the approval of this consolidated rule:

- Arkansas Department of Education Rules Governing the Processes to Ensure the Quality, Security, Validation and Timeliness of Public School Data in the Arkansas Public School Computer Network
- Arkansas Department of Education Rules Governing the Arkansas Educational Financial Accounting and Reporting System and Annual Training Requirements
- Arkansas Department of Education Rules Governing the Issuance of Local Education Agency Numbers
- Arkansas Department of Education Rules Governing the Final Close of Public School Financial Records

Combining these rules streamlines the processes, submission dates, and procedures, and removes inconsistencies. By combining these rules into one, the requirements are easier to follow.

The combined rules largely mirror the individual rules with the following changes:

- Final submission date for the previous year's final cycle report changed from September 15 to September 10 (Act 741 of 2017)
- Removal of APSCN certification requirements
- Inclusion of Act 930 of 2017
- Inclusion of reporting requirements with the Student Management System
- Requests for LEA number assignment or changes moved to June 1
- Inclusion of the Electronic Transcripts law

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

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**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., 6-20-2100 et seq., 6-20-2201 et seq., 6-23-105, 6-80-107, 25-6-107, 25-15-204, 26-26-1907, 26-80-101, and Acts 745 and 930 of 2017.
- 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 Department of Education (“Department”), 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 Department 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 Department 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 Department to accept data with an executed Memorandum of Understanding (MOU) and/or Data Sharing Agreement (DSA) and who meets all applicable federal and state laws and rules of the Department.
- 3.07 “Deficient” or “Deficiency” means:
- 3.07.1 A finding by the Department auditors that budget or financial accountability reports do not meet the mandated expenditure requirements in effect for the appropriate year;
- 3.07.2 The budget or financial accountability reports contain one or more material misstatements of financial information; or
- 3.07.3 Budgeted revenue, expenditures and fund balances are not in compliance with law or Department rules.
- 3.08 “Electronic Transcripts” means a student transcript that is formatted and transmitted electronically in the uniform method prescribed by the Department of Higher Education and the Department of Education for use by public schools and institutions of higher education in this state.
- 3.09 “Financial Management Systems Applications” means the computer software used primarily to process and record financial transactions.
- 3.10 “Full-time Equivalent (FTE)” means the amount of time an employee works during a school year (July 1 through June 30 of 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.
- 3.11 “Local Educational Agency (LEA)” means all Arkansas public school districts, open-enrollment public charter schools, and education service cooperatives.
- 3.12 “Special Needs Categories” means the state funding categories of Alternative Learning Environments (ALE), English Language Learners (ELL), National School Lunch Act (NSLA) funding, and Professional Development (PD).
- 3.13 “State Board of Education (SBE)” means the Arkansas State Board of Education.
- 3.14 “State Funds” means all money derived from state revenues, specifically including but not limited to, distributions from the Department Public School Fund Account and uniform rate of tax ad valorem property taxes distributed to a public school or school district.
- 3.15 “Student Management Systems Applications” means the computer software used primarily to process and maintain student records.

## **4.00 COMPREHENSIVE INFORMATION SYSTEMS**

4.01 The Department shall:

4.02.1 Establish and maintain comprehensive information systems that allow reporting, analysis, and data-driven decision-making by LEA's;

4.02.2 Provide technical assistance to LEA's in the use of the data; and

4.02.2.1 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.

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

4.02.2.3 The Department may contract with providers to collect, maintain, and analyze data and prepare reports.

4.02.3 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 LEA's 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 Department.

## **6.00 LOCAL EDUCATION AGENCY (LEA) NUMBERS**

6.01 The Department is the sole and official issuer of local education agency (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 Department.

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 a LEA number.

6.04 All requests for a LEA number assignment or change must be submitted on a form supplied by the Department 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 Department 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 LEA's. All LEA's 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; and

8.01.5 Other applications as required by the Department.

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

- 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 Department 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), FTEs and Average Salaries
- 8.04.1 Information regarding FTEs and average salaries, and the AFR and AFB shall be electronically submitted to the Department by LEAs in the format required by the Department.
- 8.04.2 The official date of filing with the Department 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 Department 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 Department, 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 Department 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 adjusting entries 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 Department 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 his surety shall be liable.

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

8.04.4 Annually, by February 15, the financial accountability office of the Department 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 Department has sent written notification to the LEA regarding specific errors discovered in the financial records.

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

8.04.4.2 If deficiencies are found in any of the financial records, the Department 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.

8.07 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 Department rules, or the Arkansas Financial Accounting Handbook, then eligible State Funds shall be withheld until the financial issues have been resolved.

8.08 The SBE may require the superintendent or director and board members explain and/or appear before the SBE to explain why the district is not complying with state laws or rules.

8.09 It is the duty of the Department to monitor LEA financial records and other pertinent records.

8.10 The Department 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.

8.11 Recording audit adjustments will be the only adjustments made to previous year data after the September 30 deadline.

8.11 APSCN will document the LEA's who are allowed to make audit adjustments to the previous year data.

## **9.00 ARKANSAS FINANCIAL ACCOUNTING HANDBOOK**

9.01 The Department shall establish and implement a uniform chart of accounts and related codes known as the Arkansas Financial Accounting Handbook (Arkansas Handbook) which all LEA's 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 Department.
- 9.01.2 Prior to amending the Arkansas Handbook, the Department shall provide written notice via a Commissioner's Memo to the LEA's.
- 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 LEA's shall use the Arkansas Public School Computer Network (APSCN) to submit cycle reports to the Department using the Statewide Information System (SIS).
- 10.02 The SIS Handbook shall be published annually by the Department containing the required data elements and dates for cycle submissions.
- 10.03 All data submitted to the Department 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:
- 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 Department for consideration of a violation of the Standards for Accreditation;

10.04.4 Referral to the Department 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 Department may require the LEA superintendent, director, and/or other school personnel identified by the Department, 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 Department may withhold State Funds from any LEA that fails to file its budget or any other required report with the Department by the deadline established on the list of all required financial accountability reports, provided that the Department has met the deadline for providing information pertinent to meeting the deadlines.

## **11.00 TIER I AND II TRAINING**

11.01 The Department 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 higher education in this state, the Department, the Arkansas Association of School Business Officials, or from another provider.

11.03.2 All providers of Tier I training, except for the Department, shall apply and receive preapproval from the Department to 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 Department 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, Department 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 Department. The Department shall maintain a record of the Tier I instructional hours obtained.

11.03.5 Persons failing to obtain required Tier I training by the end of the calendar year and fails 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 Department by certified mail, return receipt requested.

11.03.5.2 The request for an extension must be received by the Department 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 Department 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 The Department will also notify the school board president.

11.03.5.4.4 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.

11.03.5.4.5 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 required training because of military service or illness as verified by a written sworn statement of the person's attending physician, the Department 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.

**QUESTIONNAIRE FOR FILING PROPOSED RULES AND REGULATIONS**  
**WITH THE ARKANSAS LEGISLATIVE COUNCIL**

DEPARTMENT/AGENCY Arkansas Department of Education  
DIVISION Fiscal and Administrative Services / Research & Technology  
DIVISION DIRECTOR Greg Rogers, Eric Saunders  
CONTACT PERSON Mary Claire Hyatt, Staff Attorney  
ADDRESS Four Capitol Mall, Little Rock, AR 72201  
PHONE NO. (501) 683-0960 FAX NO. None E-MAIL Maryclaire.hyatt@arkansas.gov  
NAME OF PRESENTER AT COMMITTEE MEETING Mary Claire Hyatt  
PRESENTER E-MAIL Maryclaire.hyatt@arkansas.gov

**INSTRUCTIONS**

- A. Please make copies of this form for future use.
- B. Please answer each question **completely** using layman terms. You may use additional sheets, if necessary.
- C. If you have a method of indexing your rules, please give the proposed citation after “Short Title of this Rule” below.
- D. Submit two (2) copies of this questionnaire and financial impact statement attached to the front of two (2) copies of the proposed rule and required documents. Mail or deliver to:

**Donna K. Davis**  
**Administrative Rules Review Section**  
**Arkansas Legislative Council**  
**Bureau of Legislative Research**  
**One Capitol Mall, 5<sup>th</sup> Floor**  
**Little Rock, AR 72201**

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- 1. Proposed ADE Rules Governing the Arkansas Data Reporting, the Arkansas Public School Computer Network, and Information Systems
- 2. REPEAL - Arkansas Department of Education Rules Governing the Processes to Ensure the Quality, Security, Validation and Timeliness of Public School Data in the Arkansas Public School Computer Network
- 3. REPEAL - Arkansas Department of Education Rules Governing the Arkansas Educational Financial Accounting and Reporting System and Annual Training Requirements
- 4. REPEAL - Arkansas Department of Education Rules Governing the Issuance of Local Education Agency Numbers
- 5. REPEAL - Arkansas Department of Education Rules Governing the Final Close of Public School Financial Records

1. What is the short title of this rule?

2. What is the subject of the proposed rule?

Data reporting, financial reporting, APSCN

3. Is this rule required to comply with a federal statute, rule, or regulation?

Yes  No

If yes, please provide the federal rule, regulation, and/or statute

N/A

citation.

4. Was this rule filed under the emergency provisions of the Administrative Procedure Act?

Yes  No

If yes, what is the effective date of the emergency rule?

N/A

When does the emergency rule expire?

N/A

Will this emergency rule be promulgated under the permanent provisions of the Administrative Procedure Act?

Yes  No

5. Is this a new rule? Yes  No

If yes, please provide a brief summary explaining the regulation. \_\_\_\_\_

Does this repeal an existing rule? Yes  No

If yes, a copy of the repealed rule is to be included with your completed questionnaire. If it is being replaced with a new rule, please provide a summary of the rule giving an explanation of what the rule does. Four rules are being repealed as they are being combined into one new rule.

Is this an amendment to an existing rule?

Yes  No

If yes, please attach a mark-up showing the changes in the existing rule and a summary of the substantive changes. **Note: The summary should explain what the amendment does, and the mark-up copy should be clearly labeled "mark-up."** See attached summary.

6. Cite the state law that grants the authority for this proposed rule? If codified, please give the Arkansas Code citation. 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., 6-20-2100 et seq., 6-20-2201 et seq., 6-23-105, 6-80-107, 25-6-107, 25-15-204, 26-26-1907, 26-80-101, and Acts 741, 745 and 930 of 2017

7. What is the purpose of this proposed rule? Why is it necessary? To incorporate provisions of Act 741 of 2017.

8. Please provide the address where this rule is publicly accessible in electronic form via the Internet as required by Arkansas Code § 25-19-108(b). <http://www.arkansased.gov/divisions/legal/rules>

9. Will a public hearing be held on this proposed rule? Yes  No

If yes, please complete the following:

Date: August 29, 2018

Time: 1:30pm

Arkansas Department of Education,  
Auditorium  
Four Capitol Mall

Place: Little Rock, AR 72201

10. When does the public comment period expire for permanent promulgation? (Must provide a date.)

September 17, 2018

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11. What is the proposed effective date of this proposed rule? (Must provide a date.)

Estimated November 2018

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12. Please provide a copy of the notice required under Ark. Code Ann. § 25-15-204(a), and proof of the publication of said notice.

13. Please provide proof of filing the rule with the Secretary of State and the Arkansas State Library as required pursuant to Ark. Code Ann. § 25-15-204(e).

14. Please give the names of persons, groups, or organizations that you expect to comment on these rules? Please provide their position (for or against) if known. School districts, AAEA, APSRC

## FINANCIAL IMPACT STATEMENT

**PLEASE ANSWER ALL QUESTIONS COMPLETELY**

**DEPARTMENT** Arkansas Department of Education

**DIVISION** Greg Rogers, Eric Saunders

**PERSON COMPLETING THIS STATEMENT** Jennifer Davis, staff attorney

**TELEPHONE** 501-682-1958 **FAX** 501-682-4247 **EMAIL:** Jennifer.davis@arkansas.gov

To comply with Ark. Code Ann. § 25-15-204(e), please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

**SHORT TITLE OF THIS RULE**

1. Proposed ADE Rules Governing the Arkansas Data Reporting, the Arkansas Public School Computer Network, and Information Systems
2. REPEAL - Arkansas Department of Education Rules Governing the Processes to Ensure the Quality, Security, Validation and Timeliness of Public School Data in the Arkansas Public School Computer Network
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5. REPEAL - Arkansas Department of Education Rules Governing the Final Close of Public School Financial Records

1. Does this proposed, amended, or repealed rule have a financial impact?      Yes       No
2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule?      Yes       No
3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered?      Yes       No

If an agency is proposing a more costly rule, please state the following:

(a) How the additional benefits of the more costly rule justify its additional cost;

N/A

(b) The reason for adoption of the more costly rule;

N/A

(c) Whether the more costly rule is based on the interests of public health, safety, or welfare, and if so, please explain; and;

N/A

(d) Whether the reason is within the scope of the agency's statutory authority; and if so, please explain.

N/A

4. If the purpose of this rule is to implement a federal rule or regulation, please state the following:



(a) What is the cost to implement the federal rule or regulation?

**Current Fiscal Year**

**Next Fiscal Year**

General Revenue     N/A      
Federal Funds \_\_\_\_\_  
Cash Funds \_\_\_\_\_  
Special Revenue \_\_\_\_\_  
Other (Identify) \_\_\_\_\_  
  
Total     N/A    

General Revenue     N/A      
Federal Funds \_\_\_\_\_  
Cash Funds \_\_\_\_\_  
Special Revenue \_\_\_\_\_  
Other (Identify) \_\_\_\_\_  
  
Total     N/A    

(b) What is the additional cost of the state rule?

**Current Fiscal Year**

**Next Fiscal Year**

General Revenue     N/A      
Federal Funds \_\_\_\_\_  
Cash Funds \_\_\_\_\_  
Special Revenue \_\_\_\_\_  
Other (Identify) \_\_\_\_\_  
  
Total     N/A    

General Revenue     N/A      
Federal Funds \_\_\_\_\_  
Cash Funds \_\_\_\_\_  
Special Revenue \_\_\_\_\_  
Other (Identify) \_\_\_\_\_  
  
Total     N/A    

5. What is the total estimated cost by fiscal year to any private individual, entity and business subject to the proposed, amended, or repealed rule? Identify the entity(ies) subject to the proposed rule and explain how they are affected.

**Current Fiscal Year**

**Next Fiscal Year**

\$     Zero    

\$     Zero    

6. What is the total estimated cost by fiscal year to state, county, and municipal government to implement this rule? Is this the cost of the program or grant? Please explain how the government is affected.

**Current Fiscal Year**

**Next Fiscal Year**

\$ \_\_\_\_\_  
    Zero    

\$ \_\_\_\_\_

7. With respect to the agency's answers to Questions #5 and #6 above, is there a new or increased cost or obligation of at least one hundred thousand dollars (\$100,000) per year to a private individual, private entity, private business, state government, county government, municipal government, or to two (2) or more of those entities combined?

Yes  No

If YES, the agency is required by Ark. Code Ann. § 25-15-204(e)(4) to file written findings at the time of filing the financial impact statement. The written findings shall be filed simultaneously with the financial impact statement and shall include, without limitation, the following:

- (1) a statement of the rule's basis and purpose;
- (2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute;
- (3) a description of the factual evidence that:
  - (a) justifies the agency's need for the proposed rule; and
  - (b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;
- (4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and
- (7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:
  - (a) the rule is achieving the statutory objectives;
  - (b) the benefits of the rule continue to justify its costs; and
  - (c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.