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Isolated and Special Needs Isolated Funding and Expenditures

Isolated funding is distributed to school districts with geographic challenges, such as rugged road systems or low-student density, which increase certain districts' costs. There are three types of isolated funding: **isolated funding, special needs isolated (SNI) funding, and SNI-transportation funding.**

For more than a decade, \$11 million has been appropriated and funded for all isolated/SNI funding. Any balance remaining after the \$7.9 million in isolated funding is disbursed to districts is added to the \$3 million appropriated for school districts qualifying for SNI funding. There is no specific appropriation for SNI – transportation funding, but the money that remains after all isolated and SNI districts have been funded is then divided and distributed evenly to qualifying districts for transportation expenses.

Isolated Funding

When isolated funding was first created in 1983, a district was required to meet certain criteria to be identified as an isolated school district. Once identified as an isolated district, a district was required to meet the following criteria to receive isolated funding: certain budget criteria, minimum standards for accreditation, and **have a prior-year three quarter average daily membership (ADM) of 350 students or less.**

Act 60 in the 2nd Extraordinary Session of 2003 removed the ability for districts to qualify for isolated funding because it mandated districts with an ADM under 350 for 2 consecutive years would be annexed into or consolidated with another district. Act 65 of that same session protected these consolidated districts by identifying their schools as

"isolated school areas." Consolidated districts that previously received isolated funding were identified by name in statute along with the funding amount the consolidated district would continue to receive if they met funding criteria, including a 350 ADM.

Special Needs Isolated Funding

The closure of schools due to Act 60 meant less isolated funding. However, legislators argued there were continued isolated funding needs. **Special needs isolated (SNI) funding** was then created with Act 1452 of 2005. There are 4 levels of SNI funding a district may receive. Districts that meet existing requirements for isolated funding (and provided an affidavit to that effect), acquired isolated schools through reorganization, and their local school board voted that combining

the isolated school with another school in the district would be "impractical or unwise" could qualify for an additional **20%, 15%, or 10%** of the foundation funding amount per student depending on which criteria they met regarding land area, enrollment, student density, and the number of isolated schools they operated. A **5% category** was also created for small school districts (under 500 enrollment and fewer than 2 students per square mile) even if they contained no isolated schools.

Special Needs Isolated Funding – Transportation

SNI districts in the 20%, 15% and 10% categories are also eligible for additional funds to help with transportation costs.

