



## Isolated and Special Needs Isolated Funding

Isolated funding is additional money provided to school districts with geographic challenges, such as a rugged road system or low student density, which increases certain costs. There are two types of isolated funding: **isolated funding** and **special needs isolated funding**.

### Isolated Funding

Although the state has provided some form of funding for isolated districts since 1983, the modern version of the program was established in 1997. Act 1318 of 1997 (A.C.A. § 6-20-601) created a new section of statute defining the isolated school districts and the criteria they must meet to receive isolated funding. Districts were defined as isolated if they had fewer than 350 students AND they met four of five criteria, including long distances from schools in neighboring districts, low density ratio among transported students, and low proportion of hard-surfaced roads. During the Second Extraordinary Session of 2003, legislation called for the consolidation of any school district with fewer than 350 students. To ensure that the isolated districts that were consolidated continued to receive isolated funding, Act 65 of the Second Extraordinary Session of 2003 created the definition for isolated *school areas* and provided continued isolated funding for the districts that received the former districts as part of the consolidations.

A.C.A. § 6-20-603 lists 56 isolated school areas that received isolated funding in 2003-04 and therefore qualify for continued funding. The law also specifies the per-student funding amount each areas would continue to receive. For example, the law calls for the district that received the former Hatfield School District (Mena) to receive \$42 for each student in Hatfield, and the district that merged with the former Alread district (Clinton) to receive \$2,219 per student in Alread.

When a district closes an isolated school, the district stops receiving the isolated funds for that school. This results in decreasing expenditures statewide.

Districts that receive isolated funding are allowed to spend it only on the operation, maintenance, and support of their isolated school areas.

In 2012-13, 27 districts received nearly \$2.7 million in isolated funding.

Isolated Funding	
Funding	\$2,693,633

Once the isolated funding has been distributed as specified in statute, any remaining funding is transferred to the other isolated funding program, special needs isolated funding.

### Special Needs Isolated Funding

Act 1452 of 2005 created the special needs isolated funding program (A.C.A. §6-20-604) to provide additional funding to isolated districts, defined under separate, but related criteria:

- Districts must have been part of a consolidation or annexation.
- The local school board must have determined that it would be "impractical or unwise" to combine the operation of an isolated school (one that was part of a consolidated district that qualified for isolated funding before consolidation) to one district campus.
- The school or district must meet the requirements established under the original isolated funding program (A.C.A. § 6-20-601). However, unlike the original program, districts with more than 350 students could qualify for special needs isolated funding.

Districts that qualify for special needs isolated funding receive either 20%, 15%, or 10% of the districts' foundation funding in additional funding. The percentage received depends on the district's average daily membership (ADM), student density, and number of isolated schools. In 2012-13, 11 districts received isolated special needs funding.

Another type of special needs isolated funding is referred to as small district funding. To qualify for this funding, a district must have an ADM below 500 students and a density ratio of two students or fewer per square mile. Past eligibility for isolated funding is not a requirement. In 2012-13, 11 districts received special needs isolated small district funding.

Special needs isolated funding must be spent on the operation of isolated school areas.

Any funding remaining after the special needs isolated districts and the small districts receive their funding is then divided equally among the districts that received special needs isolated funding. Districts in the small district category do not receive this second round of special needs isolated funding. All funding that districts receive as part of the second round of special needs isolated funding must be spent on transportation and is therefore referred to as special needs isolated transportation funding. In 2012-13, 11 districts received isolated special needs transportation funding in the amount of \$341,833 each.

Special Needs Isolated (SNI) Funding	
SNI Funding	\$3,017,593
SNI Small District	\$1,424,608
SNI Transportation	\$3,760,163
<b>Total SNI</b>	<b>\$8,202,364</b>

In total, 35 districts received some type of isolated or special needs isolated funding in 2012-13. The five districts that received the most isolated and special needs isolated funding are the following:

Total Isolated Funding (All Types)	
Jasper	\$1,558,118
Deer/Mt. Judea	\$1,016,473
Hillcrest	\$938,787
Ozark Mountain	\$900,073
Mountain View	\$841,657