



# FundEd: District Poverty

## Policies in Each State



## District Poverty

Some states provide increased funding based on the concentration of students from low-income households in the district. This report indicates which states consider concentrations of students from low-income households when allocating state education funding, and if applicable, how they do so.

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**Alabama** Alabama does not provide increased funding based on the concentration of students from low-income households in a particular district.

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**Alaska** Alaska does not provide increased funding based on the concentration of students from low-income households in a particular district.

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**Arizona** Arizona does not provide increased funding based on the concentration of students from low-income households in a particular district.

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**Arkansas** Arkansas provides increased funding to districts based on the concentrations of students from low-income households that they serve. It does so by providing an amount for every student eligible for free or reduced-price lunch (FRL) under the National School Lunch Program, with the precise award based on the concentration of such students in the district. Per-student awards ranged from \$522 to \$1,562 per student in FY2016.

For FY2016, eligible students in school districts whose populations were less than 70% FRL-eligible were funded at \$522 apiece; eligible students in school districts whose populations were between 70% and 90% FRL-eligible were funded at \$1,042 apiece; and eligible students in school districts whose populations are at least 90% eligible are funded at \$1,562 apiece.

FRL eligibility information is based on student counts from the previous school year. School districts moving from one funding level to another are transitioned to the new level over a three-year period. The state also provides a small amount of additional funding for districts experiencing at least 1% year-on-year growth in their FRL-eligible population.

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**California**

California provides increased funding to certain districts based on the concentrations of students from low-income households that they serve. It does so by providing a grant in the amount of 50% of the per-student base amount for each disadvantaged student served in the district above an enrollment threshold of 55%.

For the purposes of this allocation, a disadvantaged student is one who is either low-income or an English language learner. (Students meeting both criteria generate this supplemental funding allocation only once.) Students are considered to be low-income if they qualify for free or reduced-priced lunch (FRL) under the National School Lunch Program, are migrants, are homeless, are in foster care, participate in the Food Distribution Program on Indian Reservations, or are directly certified as eligible for free meals because they appear in the state Supplemental Nutrition Assistance Program (SNAP, known locally as CalFresh) or county welfare (CalWORKS) records.

This grant is given in addition to the state's supplemental funding for individual students from low-income households. (See "Student Poverty" for a description of this allocation.)

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**Colorado**

Colorado provides increased funding to certain districts based on the concentrations of students from low-income households that they serve. It does so by increasing the multiplier applied to the base amount for all low-income students (see "Student Poverty") for districts whose populations of low-income students are above the state average.

Students are counted for the calculation for this supplemental funding amount if they qualify for free lunch under the National School Lunch Program. In districts whose free-lunch eligibility rate exceeds the state average (approximately 37.2% in FY2016), the multiplier of 1.12 that is applied to the base amount for all low-income students is increased in proportion to the amount by which that district's rate surpasses the state average. The total effective multiplier for low-income students cannot exceed 1.3.

The weight is applied to both free-lunch-eligible students and non-free-lunch-eligible students whose dominant language is not English even if they are not eligible for free lunch.

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**Connecticut**

Connecticut is not currently making use of its education funding formula and has not done so for several years. Though the formula has not been repealed or replaced, instead of calculating district's state education aid in accordance with that formula, the state legislature now awards each district a block grant. The grant amounts are specified in legislation.

As it exists in law, Connecticut's funding formula does not provide increased funding based on the concentration of students from low-income households in a particular district.

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**Delaware**

Delaware does not provide increased funding based on the concentration of students from low-income households in a particular district.

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**Florida**

Florida does not provide increased funding based on the concentration of students from low-income households in a particular district.

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<b>Georgia</b>	Georgia does not provide increased funding based on the concentration of students from low-income households in a particular district.
<b>Hawaii</b>	Hawaii operates as a single school district and therefore cannot provide increased funding based on the concentration of students from low-income households in a district. The state does provide increased funding for individual students from low-income households. See “Student Poverty” for a description of this allocation.
<b>Idaho</b>	Idaho does not provide increased funding based on the concentration of students from low-income households in a particular district.
<b>Illinois</b>	<p>Illinois provides increased funding to certain districts based on the concentrations of students from low-income households that they serve. It does so by increasing the per-student amount provided for students from low-income households (see “Student Poverty” for a description of this allocation) as the concentration of low-income students in the district increases.</p> <p>Grant amounts range from \$355 to \$2,994.25 per student. Specifically, the grant is \$355 per low-income student if the district’s concentration of such students is less than 15%. If the concentration is 15% or higher, the following formula is used to determine the per-pupil amount: <math>[294.25 + (2,700 (DCR^2))] \times \text{low-income pupils}</math>. The per-student grant in a district made up entirely of low-income students would therefore be \$2,994.25.</p> <p>The number of students eligible for this supplemental funding is determined by a non-duplicated count of children receiving services through Medicaid, the Supplemental Nutrition Assistance Program (SNAP), the Children’s Health Insurance Program (CHIP) or Temporary Assistance for Needy Families (TANF).</p>
<b>Indiana</b>	<p>Indiana provides increased funding to certain districts based on the concentrations of students from low-income households that they serve. It does so in the form of a Complexity Grant to each district, in an amount that is calculated through a multi-step formula.</p> <p>The formula takes into account the concentration of students in the district who were receiving SNAP benefits, TANF benefits, or foster care services as of the previous fall; the previous year’s grant calculation; the district’s entire enrollment count; and the district’s percentage of English language learners (if greater than 25%).</p>
<b>Iowa</b>	Iowa does not provide increased funding based on the concentration of students from low-income households in a particular district.
<b>Kansas</b>	Kansas has suspended its student funding formula. School districts currently receive funding in the form of a block grant.
<b>Kentucky</b>	Kentucky does not provide increased funding based on the concentration of students from low-income households in a particular district.

<b>Louisiana</b>	Louisiana does not provide increased funding based on the concentration of students from low-income households in a particular district.
<b>Maine</b>	Maine does not provide increased funding based on the concentration of students from low-income households in a particular district.
<b>Maryland</b>	Maryland does not provide increased funding based on the concentration of students from low-income households in a particular district.
<b>Massachusetts</b>	Massachusetts does not provide increased funding based on the concentration of students from low-income households in a particular district.
<b>Michigan</b>	Michigan does not provide increased funding based on the concentration of students from low-income households in a particular district.
<b>Minnesota</b>	<p>Minnesota provides increased funding to certain districts based on the concentrations of students from low-income households that they serve. It does so in the form of additional funding that must be used for specified purposes related to disadvantaged students' educational needs.</p> <p>This funding is calculated by first adding the full count of students eligible for free lunch to half the count of students eligible for reduced-price lunch; then adjusting that number using a formula for the concentration of such students in the building in such a way that the state aid amount is limited in the case of very needy districts; and then multiplying that number by a dollar amount, which was equal to \$3319.80 in FY2016.</p> <p>The dollar amount used in the formula varies depending on the per-student base amount in use in the state for the year. It is equal to 60% of the difference between that base amount and \$415.</p>
<b>Mississippi</b>	Mississippi does not provide increased funding based on the concentration of students from low-income households in a particular district.
<b>Missouri</b>	Missouri does not provide increased funding based on the concentration of students from low-income households in a particular district.

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**Montana**

Montana provides increased funding to certain districts based on the concentrations of students from low-income households that they serve. It does so in the form of a supplemental allocation distributed to districts in the same manner as federal Title I funding.

The formula for Title I funding distribution considers both absolute numbers of low-income students and districts serving especially high numbers of low-income students. In this way, Montana's supplemental funding for these students includes both support for individual low-income students and districts whose populations include high concentrations of such students.

For FY2016, the state legislature appropriated \$5.3 million for this purpose. This funding is provided entirely by the state and is not subject to a state-local cost sharing arrangement.

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**Nebraska**

Nebraska provides increased funding to certain districts based on the concentrations of students from low-income households that they serve. It does so by providing supplemental funding to all districts where low-income students exceed 5% of the district population, in an amount that depends on the district's concentration of such students.

The precise amount is calculated based on a multi-step formula that incorporates a statewide average per-pupil spending figure. For the purposes of this allocation, the concentration of low-income students is calculated as the proportion of students who are eligible for free lunch under the national school lunch program, or the proportion of school system enrollment matching the proportion of local children under nineteen from families whose income is such that, if they were a family of four, their children would be free lunch eligible, whichever is greater.

However, if actual expenditures are less than 117.65% of the allowance the district received for the most recently available complete data year (two years prior to the current year), the state adjusts its distribution.

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**Nevada**

Nevada passed legislation authorizing a new funding formula in 2015, and the details of the formula are still to be determined.

The legislation does not include a specific intention to differentiate funding based on the concentration of students from low-income households in a particular district. However, the language of the legislation would permit the state to do so.

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**New Hampshire**

New Hampshire does not provide increased funding based on the concentration of students from low-income households in a particular district.

However, between 2008 and 2011, the state provided Fiscal Capacity Disparity Aid, which was supplemental aid for property-poor districts and districts with below-average median family incomes. Though this allocation was eliminated in 2011, the state now provides stabilization grants to municipalities for which the current year state aid allocation is less than the allocation received in FY2011, which includes most or all municipalities that received Fiscal Capacity Disparity Aid.

Though the stabilization grant currently makes up the entire nominal difference between a district's current-year state aid and its FY2011 state aid, starting in FY2017, the state intends to reduce the amount of the stabilization grant by 4% of the FY2012 grant amount annually until the allocation is eliminated.

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**New Jersey**

New Jersey provides increased funding to certain districts based on the concentrations of students from low-income households that they serve. It does so by increasing the multiplier applied to the per-student base amount for students from low-income households (see "Student Poverty") as the concentration of low-income students in the district increases.

Multipliers range from 1.41 to 1.46. Specifically, the multiplier is 1.41 in districts whose populations are eligible for free- or reduced-price lunch (FRL) under the National School Lunch Program at a rate of less than 20% and 1.46 for districts whose populations are FRL-eligible at a rate of 40% or higher; and in accordance with a sliding scale for districts whose populations are FRL-eligible at a rate between 20% and 40%. In practice, students are eligible for this supplemental funding if they qualify for free or reduced-price lunch under the National School Lunch Program. However, state law does not tie eligibility for this funding to the lunch program; instead, it specifies the same qualifying criteria, defining eligible pupils as those from households with an income at or below 185% of the federal poverty threshold.

In addition, the state provides a larger amount of per-pupil funding for school security for low-income students than for non-low-income students, in amounts that vary depending on the concentrations of such students in the district. While the state provides \$77 per student generally, this amount is increased on a sliding scale up to \$452 for students in districts whose students are FRL-eligible at a rate of 40% or higher.

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**New Mexico**

New Mexico provides increased funding to certain districts based on the concentrations of students from low-income households that they serve. It does so through a program-specific allocation that varies depending on the number of at-risk students (a category that also includes English language learners and mobile students) served in the district.

At-risk student funding is allocated in accordance with the following formula: three-year average enrollment counts are calculated for each of the three at-risk student categories (low-income students, as defined for the purposes of federal Title I funding; mobile students; and English language learners, as classified according to the criteria established by the federal Office for Civil Rights). Students who fit multiple at-risk criteria are counted only once. These averages are added together, and the sum is multiplied by .106 to produce an At-Risk Index. This index is multiplied by the district's entire student enrollment to produce a number of students to be added to the district's enrollment count. The state then provides the district's regular per-student funding on the basis of its inflated count rather than its true student population.

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**New York**

New York provides increased funding to certain districts based on the concentrations of students from low-income households that they serve. It does so primarily in the form of supplemental per-pupil funding for districts in an amount that corresponds to this concentration.

In New York, the student-based funding calculated for each district is first multiplied by an index that adjusts for regional cost of living, and then by the Pupil Need Index, which is a compound adjustment that considers concentrations of students from low income households along with concentrations of English language learners and the sparsity of the school district. The portion of this index related to poverty adds together 65% of the students eligible for free or reduced-price lunch under the National School Lunch Program and 65% of the students from households below the federal poverty level, and then divides the result by the total K-12 enrollment of the district. This percentage plus one becomes the multiplier that is applied to the district's cost-adjusted formula funding to provide for students from low-income households.

In addition, a district's wealth is taken into account in the calculation of several program-based allocations. The Combined Wealth Ratio, an adjustment that takes into account both the value of the district's property and the income of residents of the district, is considered in the calculation of program-based allocations, including aid for career and technical education programs, computer administration expenses, academic improvement initiatives, and high-cost special education services.

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**North Carolina** North Carolina provides increased funding to certain districts based on their communities' levels of wealth and need. It does so in the form of two allocations: one that is intended to improve districts' capacity to serve low-income students, and one intended to support districts with lower-than-average ability to raise local revenues for education.

For both allocations, the state uses a measure of wealth based on the district's anticipated property tax revenue, its tax base per square mile, and its average per capita income. The first allocation is designed to allow school districts to reduce class size in low-wealth districts. The second provides revenue to supplement districts' local receipts with the amount required to bring that district the statewide average level of local revenue per student.

Both of these allocations must supplement, rather than supplant, local funds and are limited to particular uses.

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**North Dakota** North Dakota does not provide increased funding based on the concentration of students from low-income households in a particular district.

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**Ohio** Ohio provides increased funding to certain districts based on the concentrations of students from low-income households that they serve and their communities' levels of need. It does so in the form of two allocations: one that is sensitive to the district's poverty rate relative to the poverty rate of the state as a whole, and one that is sensitive to the district's level of community wealth relative to the wealth in other districts.

The poverty-rate-based funding, which is called Economically Disadvantaged funding, uses a count of students who are eligible for free- or reduced-price lunch under the National School Lunch Program; those who are known to be recipients of public assistance; and those meeting federal Title I income guidelines. The state provides an amount to each district equal to \$272 for each such student, multiplied by a poverty index. The poverty index is the square of the ratio of the individual district's poverty percentage to the statewide poverty percentage.

The community-wealth-based funding, which is called Targeted Assistance, is calculated using a multi-step formula. The first element of the formula is a per-student local wealth measure based equally on local property valuation and local household income. This figure is divided by a parallel statewide measure to produce a wealth index. The formula uses this information, along with information about general district enrollment and about the proportion of property in the district classified as agricultural real property, to provide supplementary funding to those districts with local wealth levels below a threshold level.

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**Oklahoma** Oklahoma does not provide increased funding based on the concentration of students from low-income households in a particular district.

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**Oregon** Oregon does not provide increased funding based on the concentration of students from low-income households in a particular district.

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**Pennsylvania** The state of Pennsylvania does not have a funding formula in use at this time.

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<b>Rhode Island</b>	<p>Rhode Island does not provide increased funding based on the concentration of students from low-income households in a particular district.</p> <p>However, the percentage of students in grades PK-6 is considered in the calculation of the state's share of the district's overall funding formula. (See "Expected Local Share" for a description of this calculation.)</p>
<b>South Carolina</b>	<p>South Carolina does not provide increased funding based on the concentration of students from low-income households in a particular district.</p>
<b>South Dakota</b>	<p>South Dakota does not provide increased funding based on the concentration of students from low-income households in a particular district.</p>
<b>Tennessee</b>	<p>Tennessee does not provide increased funding based on the concentration of students from low-income households in a particular district.</p>
<b>Texas</b>	<p>Texas does not provide increased funding based on the concentration of students from low-income households in a particular district.</p>
<b>Utah</b>	<p>Utah does not provide increased funding based on the concentration of students from low-income households in a particular district.</p>
<b>Vermont</b>	<p>Vermont does not provide increased funding based on the concentration of students from low-income households in a particular district.</p>
<b>Virginia</b>	<p>Virginia provides increased funding to districts based on the concentrations of students from low-income households that they serve. It does so by increasing the multiplier that is applied to the base amount for these students in proportion to the district's percentage of students eligible for free lunch (but not reduced-price lunch) under the National School Lunch Program.</p> <p>Multipliers range from 1.01 to 1.13. The funding must be spent on approved programs for students who are educationally at-risk, including dropout prevention programs, truancy officers, reading recovery, programs for students who speak English as a second language, and other programs.</p> <p>The state also provides program-based allocations for K-3 class size reduction and 6-9 algebra readiness math intervention. The amount allocated to each school or district for these purposes is dependent on the percentage of its students eligible for free lunch.</p>

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**Washington**

Washington provides increased funding to certain districts based on the concentrations of students from low-income households that they serve. It does so primarily through its resource-based formula by specifying lower student-to-staff ratios for high-poverty elementary schools and providing funding for staff positions accordingly. It also supports high-poverty schools at a slightly higher level than other schools through a program-based academic support allocation.

For elementary schools where grades K-6, or any grade within that range, have a student population that is more than 50% eligible for free or reduced-price lunch (FRL) under the National School Lunch Program, the state specifies lower target K-3 class sizes: 18 students in kindergarten, 19 in first grade, 22 in second grade, and 24 in third grade, instead of the usual class size of 25.23 students in all grades K-3. As districts lower class sizes in these high-poverty grades, the state provides additional funding for teachers. Maximum funding is achieved through when districts attain the target class sizes.

Additionally, the Learning Assistance Program, which provides funds to support students performing below grade level in core academic subjects, allocates funding primarily on the basis of student enrollment. However, districts of equal size will receive different levels of funding in accordance with the percentage of students they serve who are FRL-eligible.

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**West Virginia**

West Virginia does not provide increased funding based on the concentration of students from low-income households in a particular district.

However, many of the state's program-based allocations consider poverty levels in the allocation of funding.

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**Wisconsin**

Wisconsin provides increased funding to certain districts based on the concentrations of students from low-income households that they serve. It does so in the form of supplemental per-pupil funding for districts whose populations are at least 50% eligible for free- or reduced-price lunch (FRL) under the National School Lunch Program.

In FY2016, the state provided \$66.17 per student in such districts. This supplemental funding is provided for all enrolled students, regardless of their FRL eligibility.

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**Wyoming**

Wyoming does not provide increased funding based on the concentration of students from low-income households in a particular district.

For a complete list of primary sources, please see the appropriate state page at [funded.edbuild.org](http://funded.edbuild.org)

