



# FundEd: Sparsity and/or Small Size Policies in Each State



## Sparsity and/or Small Size

Some states provide increased funding for schools or districts that are rural, remote, isolated, sparsely populated, or small. This report indicates which states consider the rurality, remoteness, isolation, sparsity, or small size of schools or districts when allocating state education funding, and if applicable, how they do so.

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### Alabama

Alabama does not provide increased funding for sparse districts or for small schools or districts.

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### Alaska

Alaska provides increased funding for sparse districts and small schools. It does so by applying a multiplier applied to the student count for sparse districts and by adjusting the enrollment count in each school using a different formula depending on the school's size.

A multiplier between 1.000 and 2.116 is applied to the student count for sparse districts. Every other year, the Department of Education sets the value of the multiplier for each school district, subject to approval by the legislature. Moreover, the average daily membership of each school is adjusted using a formula that differs depending on the school size. Enrollment counts for schools in the smallest districts may be combined and adjusted as a single school. In schools with an average daily membership of more than 750, this adjustment may result in a lower enrollment count than the actual count.

Correspondence students are excluded from the enrollment count. Alaska funds correspondence students at 90% of the funding that district would have received for the base funding of an otherwise present student.

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### Arizona

Arizona provides increased funding for small and isolated school districts. It does so by applying a multiplier to the base per-pupil for students in these districts. The multiplier can range from 1.158 to 1.669, depending on the size of the school and the grade levels served.

In the larger education funding formula used in Arizona, these multipliers replace the ones used in most districts to differentiate funding based on students' grade levels (see "Grade Level" for a description of this allocation).

Arizona defines a school district as both small and isolated if it has fewer than 600 students and contains no school that is fewer than thirty miles from another school operated by an in-state school district (or fifteen miles if road conditions and terrain cause driving to be slow or hazardous) and that teaches one or more of the same grade levels as the school. Different multipliers are applied for students in school districts that are small and isolated than for students in districts that are small but not isolated.

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**Arkansas**

Arkansas provides increased funding for school districts with isolated schools. It does so in three ways: by applying a multiplier to the base per-pupil amount for students in these districts that varies depending on the characteristics of the district; by providing a per-pupil amount for each student in these districts; and by dividing certain transportation funding among these districts.

The multipliers applied to the base per-pupil amount for this purpose range from 1.05 for small school districts that are not classified as isolated to 1.2 for the most sparsely populated, isolated school areas within a school district. Per-pupil amounts for students in isolated districts are specified in statute for each district and ranged from \$1 to \$2,219 per pupil in FY2017. Any transportation funding remaining from the state appropriation after other transportation costs are covered is divided evenly among school districts that receive certain categories of isolated funding.

Arkansas defines an "isolated school district" as one that meets any four of the following five criteria: (1) There is a distance of twelve miles or more by hard-surfaced highway from the high school of the district to the nearest adjacent high school in an adjoining district; (2) The density ratio of transported students is less than three students per square mile of area; (3) The total area of the district is ninety-five square miles or greater; (4) Less than 50% of bus route miles is on hard-surfaced roads; and (5) There are geographic barriers such as lakes, rivers, and mountain ranges that would impede travel to schools that otherwise would be appropriate for consolidation, cooperative programs, and shared services.

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**California**

California provides increased funding for small schools. It does so in the form of a supplementary payment to eligible schools, the amount of which varies depending on the district's enrollment and its number of teachers or certificated employees.

"Necessary small schools" are identified based on a combination of factors, including total student enrollment, grade levels served, the number of students that would have to travel a certain number of miles to the nearest public school, and any conditions that might make travel difficult.

Only schools in districts with fewer than 2501 students may be classified as necessary small schools.

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**Colorado**

Colorado provides increased funding for small, remote schools and for small schools. It does so through a supplemental payment for small, remote schools and by applying a multiplier to the base per-pupil amount for small districts that can range from 1.0297 to 2.3958, depending on the district's enrollment.

Each year a cost estimate is calculated for "small attendance centers," which are schools with fewer than 200 students that are twenty or more miles from the nearest district school of the same grade level districts, and the state funds approximately 32% of this amount. In FY2017, funding for small attendance centers was just under \$1.1 million.

Small districts receive additional funding through the application of a "size factor" to the per-pupil base amount, which is determined using an enrollment-based calculation and is unique to each school district. Those with under 5,000 pupils have the highest size factor. Districts with over 5,000 pupils receive a size factor that increases their per-pupil funding by about 3%. Districts with fewer than 500 pupils that also contain a charter school receive an additional compensating adjustment through an increased size factor. In FY2017, about \$307 million was allocated through the size factor.

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**Connecticut**

Connecticut does not provide increased funding for sparse districts or for small schools or districts.

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**Delaware**

Delaware does not provide increased funding for sparse districts or for small schools or districts.

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**District of Columbia**

The District of Columbia does not provide increased funding for sparse areas or small schools.

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**Florida**

Florida provides increased funding for sparse school districts. It does so through a grant program, where the amount is calculated through a formula that considers the district's enrollment and its number of high schools. The initial calculation provides no less than \$100 per student. However, districts with high property values are subject to a wealth adjustment.

Districts with enrollment below 24,000 are eligible to receive this funding. For districts with a per-pupil property tax base above the state average, a sparsity wealth adjustment is applied: the district's Sparsity Supplement is decreased by the amount by which the district's revenue generated through non-voted discretionary taxes for operations (see "Property Tax Floors and Ceilings" for a description of this tax) exceeds the state average per student. The Sparsity Supplement is limited to \$52.8 million statewide for FY2018.

The adjustment may not decrease the district's total funding per student below the state average. After application of the wealth adjustment, the Sparsity Supplement for some districts may provide less than \$100 per student.

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**Georgia**

Georgia provides increased funding for some small school districts through a grant program.

Qualifying school districts are those that are unable to offer educational programs and services comparable to those typically offered in the state because the school district serves fewer than 3,300 full-time-equivalent students and that are not good candidates for merger with other school systems.

The amount of the grant is the cost of the resources needed for the district to offer the educational programs and services that it would otherwise be unable to provide.

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**Hawaii**

Hawaii provides increased funding for neighbor islands. It does so by applying a multiplier of 1.004 to the base per-pupil amount for students living on neighbor islands.

Neighbor islands are all Hawaii islands except Oahu.

The multiplier has been expressed this way for consistency with other states. The funding is actually provided in an amount equal to .004 times the per-pupil base amount, distributed in addition to the student's own base amount funding. The multiplier used is fixed annually by the state's Committee on Weights.

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**Idaho**

Idaho provides increased funding for remote schools or districts that submit approved petitions to the State Board of Education.

The Department of Education reviews each petition and determines whether a school or district should be considered "remote and necessary." If so, it proposes the level of funding needed for the school or district to be able to offer an acceptable education program.

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**Illinois**

Illinois does not provide increased funding for sparse districts or for small schools or districts.

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**Indiana**

Indiana does not provide increased funding for sparse districts or for small schools or districts.

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**Iowa**

Iowa does not provide increased funding for sparse districts or for small schools or districts.

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**Kansas**

The Kansas Supreme Court ruled the state's education funding formula unconstitutional on October 2, 2017 and reiterated this finding on June 25, 2018. The Court has set a deadline of June 30, 2019 for the creation of a constitutional funding system.

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**Kentucky**

Kentucky does not provide increased funding for sparse districts or for small schools or districts.

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**Louisiana**

Louisiana provides increased funding for small school systems. It does so by applying a multiplier to the base per-pupil amount that can range from 1.0 to 1.2, depending on the district's enrollment.

This funding is provided to school systems with student populations of less than or equal to 7,500. To determine each district's specific multiplier, the total student population is subtracted from 7,500 and divided by 37,500.

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**Maine**

Maine provides increased funding to remote, small schools. It does so by applying a multiplier to the base per-pupil amount that varies from district to district, depending on size and remoteness.

The amount of the multiplier is the result of adjusting the necessary student-to-staff ratios, the per-pupil amount for operation and maintenance of plant, or other essential programs and services components.

To qualify as a small elementary school, a Pre-K-8 school must have fewer than fifteen students per grade level and a non-Pre-K-8 school must have fewer than twenty-nine students per grade level. All small elementary schools must be more than eight miles from the nearest other elementary school. Isolated small secondary schools must have fewer than 200 students and be more than an average of ten miles from the nearest other high school. Island schools are also eligible for this funding.

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**Maryland**

Maryland does not provide increased funding for sparse districts or for small schools or districts.

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**Massachusetts**

Massachusetts does not provide increased funding for sparse districts or for small schools or districts.

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**Michigan**

Michigan provides increased funding for sparse districts generally, small and remote districts, and sparse districts with low and decreasing enrollment. It does so in three ways: by providing supplemental funding for small and remote districts; by providing supplemental funding for sparse districts that are not small and remote; and by modestly inflating the student count for sparse districts with low and decreasing enrollment.

Small and remote districts are those that serve grades K-12; enroll fewer than 250 pupils; and whose schools are located either on the state's Upper Peninsula at least thirty miles from any other public school or on islands that are not accessible by bridge. These districts receive supplemental funding in accordance with plans that are based on their needs and financial circumstances. Sparse districts, defined as those with 7.3 pupils or fewer per square mile that are not eligible for small and remote funding, receive a share of the funding allocated for this purpose in proportion to their enrollment.

Sparse districts with low enrollment, defined as those with fewer than 1,550 students and 4.5 pupils or fewer per square mile that are not eligible for small and remote funding, receive funding in accordance with an adjusted student count equal to the greater of its actual student count or its average student count over the previous three years. This adjustment compensates somewhat for declining enrollment.

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**Minnesota**

Minnesota provides increased funding for sparse school districts and small schools. It does so through three multi-step formulas for sparse districts and a supplemental per-student allocation for small schools.

For secondary sparsity, funding amounts are calculated such that schools serving fewer than 400 students receive additional funding. Secondary sparsity funding amounts are affected by the total district secondary enrollment, the distance between high schools in the district, and the district's total geographic area. Elementary sparsity funding amounts are affected by the total district elementary enrollment, the average elementary class size in the district, and the distance between elementary schools in the district. Transportation sparsity funding is calculated based on a ratio of the number of students transported and the total square miles of the school district.

For schools serving fewer than 960 students, the state provides an allocation in the amount of \$544 per pupil times the ratio of 960 less the district's adjusted pupil units to 960. For sparse school districts, the state provides funding using different indices for elementary sparsity, secondary sparsity, and transportation in sparse districts.

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**Mississippi**

Mississippi provides increased funding for sparse school districts. It does so through its transportation funding system.

Mississippi calculates the density for each school district by dividing the total student enrollment by the total square miles in the district, and then provides districts with a variable amount per enrolled student based on a calculated aid ratio. Per-student funding ranges from approximately \$85 to \$260 per student per year.

While all districts receive some transportation aid, student rates are highest for districts with less than 0.6 students per square mile.

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**Missouri**

Missouri provides increased funding for small districts. It does so through a flat per-student grant for all students enrolled in districts serving 350 students or less.

Each year, a \$10 million appropriation is distributed in proportion to the total number of students statewide in qualifying districts. A further \$5 million is distributed to otherwise eligible districts that levy a higher tax rate than the expected rate, in proportion with their tax rate and student count.

Acceptable uses of this funding include distance learning; defraying extraordinary transportation costs; recruiting teachers for rural schools; and providing students with learning opportunities that would otherwise be unavailable within the district.

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**Montana**

Montana provides increased funding for small school districts through the calculation of its per-student and per-district amounts.

Montana considers district size in the calculation of its per-student amount, which decreases above a certain enrollment threshold. As a result, low-enrollment districts receive a higher average per-student amount. Montana also provides a base level of funding for all districts, distributed on a per-district rather than per-student basis, including for small districts. As a result, low-enrollment districts are assured a minimum level of funding. (For more information, see "Base Amount.")

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**Nebraska**

Nebraska provides increased funding for certain schools in sparse districts and for small districts. For districts with elementary schools that are remote from one another, a supplemental allowance is calculated for all eligible students. For small districts, base funding is calculated differently than for other districts.

In elementary schools that are at least seven miles from the nearest other district elementary school, or in schools that are the only elementary schools in their districts, pupils generate an allocation that is equal to 500% of the statewide average per-pupil spending amount, multiplied by the district's total student membership and then divided by eight.

For districts with fewer than 900 students, base funding is calculated based on the average total expenditure in the comparison group, rather than per pupil expenditure. (See Base Amount for more information.)

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**Nevada**

Nevada does not provide increased funding for sparse districts or for small schools or districts.

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**New Hampshire**

New Hampshire does not provide increased funding for sparse districts or for small schools or districts.

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**New Jersey**

New Jersey does not provide increased funding for sparse districts or for small schools or districts.

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**New Mexico**

New Mexico provides increased funding for small schools and districts. It does so by inflating the student count to generate extra funding.

Qualifying schools are those serving fewer than 400 students. Qualifying school districts are those serving fewer than 4,000 students. In each case, a formula taking into account school and district enrollment is used to determine the number of students to be added to the enrollment count for funding purposes. Different formulas are used for small elementary and junior high schools, senior high schools, and districts.

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**New York**

New York provides increased funding for sparse school districts. It does so in the form of supplemental per pupil funding for districts in an amount that corresponds to their levels of sparsity. The state also provides small school funding for schools with fewer than eight teachers, and uses a transportation funding system that considers the density of students in the district.

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 the sparsity of the district along with concentrations of English-language learners and concentrations of students from low-income households in the district. The portion of this index related to sparsity considers the enrollment of the district and its number of students per square mile, producing a multiplier that is applied to the district's cost-adjusted formula funding.

Transportation funding is provided through a formula that reimburses a percentage of each district's transportation costs. The percentage is informed in part by a calculation that considers the number of students per square mile.

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**North Carolina**

North Carolina provides increased funding for small school districts. It does so through a formula that provides additional funding for teacher salaries.

Small school districts receive a supplement equivalent to the average teacher salary for additional regular teachers; the number of teacher positions funded depends on the number of students per square mile and the total enrollment in the school district. Small school districts also receive a flat allocation of funding for classroom materials and instructional supplies.

Only school districts with fewer than 3,200 students are eligible to receive additional funding.

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**North Dakota**

North Dakota provides increased funding for sparse school districts. It does so by applying a multiplier of 1.1 to base per-pupil amount for students in these districts, and for small districts, which it does by applying a multiplier to the base per-pupil amount that can range from 1.0 to 1.36, depending on the district's total student enrollment.

School districts eligible for supplemental sparsity funding are those with fewer than one hundred students and an area greater than 275 square miles. (Districts with fewer than fifty students receive additional funding.) School districts eligible for small district funding are K-12 districts with fewer than 900 students and K-8 districts with fewer than 200 students.

The multiplier applied for students in small school districts varies based on district type and size. For K-12 districts, a multiplier of 1.36 is applied to the base amount for each student in school districts with enrollment less than 110, and the multiplier decreases by 0.01 for each statutorily determined enrollment grouping. For K-8 districts, a multiplier of 1.25 is applied to the base amount for each student in districts with enrollment less than 125, and a multiplier of 1.17 is applied for each student in districts with enrollment between 125 and 200.



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**Ohio**

Ohio provides increased funding for sparse school districts. It does so through its transportation funding system.

As a part of a larger transportation funding system, the state provides supplemental transportation funding for districts with fewer than fifty students per square mile. The amount of the funding is equal to the difference between fifty and the district's actual number of students per square mile, multiplied by the state's regular rate of transportation funding per-mile, and then multiplied by 0.55.

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**Oklahoma**

Oklahoma provides increased funding for sparse or small school districts. It does so through its transportation funding system and by providing supplemental funding for sparse or small districts. Supplemental funding is calculated through either a formula that inflates the student count for sparse districts to generate extra funding or one that does the same for small school districts, whichever would produce the larger amount.

Oklahoma's transportation system provides districts with an allowance per transported pupil that is then multiplied by a sparsity factor of \$33 to \$167, depending on the density of the district. The formula for sparse districts applies only to districts with above-average square mileage and a number of students per mile that is one-fourth of the state average or less. For these districts, a district cost factor is determined based on the district's enrollments in different grade bands, an area cost factor is determined based on the district's area relative to the state average area, and the two factors are multiplied by each other to produce the multiplier to be applied to the district's total enrollment to inflate the student count. This inflated student count generates extra funding for the district.

The formula for small districts applies only to districts with fewer than 529 students. The amount of funding to which each small district is determined is calculated by subtracting the district's enrollment from 529, dividing the difference by 529, and multiplying the quotient by 0.2 to produce a multiplier to be applied to the district's total enrollment to inflate the student count. This inflated student count generates extra funding for the district.

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**Oregon**

Oregon provides increased funding for small and remote elementary schools and for small high schools. In both cases, it does so through a supplemental per-student amount calculated through a formula that considers school enrollment and the number of grades served by the school, with the elementary school formula also considering the remoteness of the school. Small high schools also receive an additional supplemental grant.

In order to qualify for remote elementary school funding, an elementary school must have no more than an average of twenty-eight students in each grade served, and the school must be located more than eight miles from the nearest other elementary school. In order to qualify for small high school funding, a high school must be in a district with less than 8,500 students and must have an enrollment of fewer than 350 students if the school has four grades, or 267 if the school only serves three grades.

The state appropriates \$2.5 million annually for the small high schools supplemental grant. The funding is divided among the qualifying schools in amounts proportional to their enrollment.

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**Pennsylvania** Pennsylvania provides increased funding for sparse or small districts. It does so by inflating the student count for these districts and then funding the district in accordance with the inflated student count.

The state calculates a combined measure of sparsity and size for each district by comparing its number of students per square mile to the state average and by comparing its student count with the average for all districts. These numbers are combined into a single ratio in which district enrollment size counts for 60% and sparsity counts for 40%. Only districts that are among the most sparse and/or smallest 30% receive this adjustment.

However, Pennsylvania's funding formula only applies to state education funds appropriated over and above FY2015 nominal funding levels. For FY2018, less than 8% of the state's total education funding (or \$453 million out of \$6 billion) was distributed through this formula. The bulk of state education aid is distributed based on historical allocation levels and is not adjusted for district characteristics.

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**Rhode Island** Rhode Island does not provide increased funding for sparse districts or for small schools or districts.

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**South Carolina** South Carolina does not provide increased funding for sparse districts or for small schools or districts.

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**South Dakota** South Dakota provides increased funding for sparse school districts. It does so by applying a multiplier, which varies depending on density, enrollment, and physical size, to the student count to generate increased funding for sparse school districts. The state also provides increased funding for small school districts by setting lower student-to-teacher ratios for smaller districts and calculating their state aid amounts accordingly.

To receive additional funding for sparsity, school districts must meet certain density, enrollment, and physical size requirements, operate a secondary school that is at least fifteen miles from that of a neighboring district, and levy property taxes at the maximum rates. South Dakota also provides increased funding for sparse school districts by inflating the district's enrollment. It does so through one of two calculations which considers the district's density, enrollment, and physical size. Sparse school districts may receive up to 1.75 times the per student equivalent, but no more than \$110,000 per district per year (see "Base Amount" for a description of the per student equivalent).

South Dakota provides increased funding for small districts by setting student-to-teacher ratios that vary depending on the district's enrollment. The target student-to-teacher ratio is 12 to 1 for districts with fewer than 200 students, compared with 15 to 1 for districts with more than 600 students. For districts with between 200 and 600 students, the target student-to-teacher ratio is set based on a sliding scale between 12 to 1 and 15 to 1.

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**Tennessee** Tennessee provides increased funding for sparse school districts. It does so through its transportation funding system.

Transportation funding is distributed according to a formula set by the Commissioner of Education that considers miles transported and density of pupils per mile traveled.

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**Texas**

Texas provides funding for small and mid-sized school districts in the form of a per-student amount that varies based on their student counts. It also provides increased funding for certain small and remote school districts by inflating their student counts to generate extra funding.

Small districts (those with fewer than 1,600 students) and mid-sized districts (K-12 districts with between 1,600 and 5,000 students) receive per-student allotments that are calculated based on formulas specified in statute; as a rule, smaller districts receive larger allotments. The small-district allotment is further increased if a district has fewer than 300 students and is the only district in its county. Separately, certain small and remote districts receive a sparsity adjustment in the form of an increased student count; this inflated count is the one used to allocate these districts' base funding.

The small and remote districts that receive the sparsity adjustment are those with fewer than 130 students that are at least a 30-mile bus ride from the nearest high school district. The small and mid-sized allotments are received in addition to, and independent of, the districts' base per-pupil funding. However, for the purposes of the special education funding calculation only, the base amount to which the multipliers are applied includes both the district's regular base amount and the district's per-pupil small or mid-sized allotment, if applicable. As such, the special education multipliers generate more funding in small and mid-sized districts than they do in larger districts.

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**Utah**

Utah provides increased funding for school districts operating small schools, including small schools in remote areas. It does so by inflating the student count to generate extra funding. The state also provides transportation assistance funding for districts transporting small student populations to remote school locations.

Small schools in remote areas (which are defined by student enrollments below 160 for elementary schools and 600 for six-year secondary schools and by the amount of time students must travel to attend them) receive additional pupil units based on a multi-step formula that considers student enrollment and grade levels served.

In addition, small schools which have no more than 5,000 students, receive between sixty and ninety-five additional pupil units, depending on their enrollments.

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**Vermont**

Vermont provides increased funding for very small districts by distributing a per-student grant of up to \$2,500 per student. The precise amount of the grant is calculated through a formula that considers the district's enrollment. The state also provides assistance to districts facing high transportation costs due to geographic dispersion.

School districts with fewer than one hundred students total and an average of at most twenty students per grade are eligible for small-district funding. The amount of the per-student grant varies depending on the district's enrollment. The state also provides assistance to districts for transportation, reimbursing up to 50% of costs, depending on the legislative appropriation.

Support for extraordinary transportation costs of up to 50% of costs in geographically sparse districts is provided upon application by the district, and is subject to the availability of funds, which were capped in statute at \$250,000 statewide in FY1997 and have been increased since then only for inflation.

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**Virginia** Virginia does not provide increased funding for sparse districts or for small schools or districts.

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**Washington** Washington provides increased funding for small school districts. It does so by providing additional funded staff positions, with the precise number of positions dependent on district grade levels and enrollment levels. The state also guarantees a minimum number of teacher positions for small districts operating only two high schools. State transportation funding is also calculated using a formula that considers district sparsity.

Small school districts with fewer than twenty-five full-time-equivalent students are guaranteed certain numbers of teacher and administrative staff positions. Small schools with more than twenty-five full-time-equivalent students but no more than one hundred full-time-equivalent students receive additional funding for staff positions. Small districts operating no more than two high schools with no more than 300 students in each also receive staff position funding, in accordance with formulas that consider the number of students enrolled and the number of students in career and technical education programs. The state then provides funding for staff positions by multiplying the state minimum salary allocation for each staff type by an adjustment for regional cost.

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**West Virginia** West Virginia provides increased funding for small school districts. It does so by inflating the student count in those districts to generate extra funding. The state also considers district sparsity in the specified student-to-staff ratios that generate funding for staff positions and in allocating transportation funding.

For small districts, defined as those with fewer than 1,400 students, the state inflates the student count using a formula in which the state subtracts the district's enrollment from 1,400 and multiplies the difference by a factor related to the district's student population density. The state also covers a greater proportion of transportation costs for sparse and lower-density districts.

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**Wisconsin** Wisconsin provides increased funding for small, sparse school districts. It does so through a grant of \$300 per student in these districts. The state also provides additional assistance with transportation costs for certain sparse districts.

School districts eligible for the per-student grants are those with fewer than ten students per square mile and 745 or fewer students in total. School districts eligible for the additional transportation funding are those with fifty or fewer students per square mile and a per-pupil transportation cost at least 50% higher than the state average. Districts are reimbursed for any transportation costs above this threshold.

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**Wyoming** Wyoming provides increased funding for small schools and districts. It does so by guaranteeing minimum numbers of staff positions for schools and districts with low enrollment.

The state provides funding for a minimum number of teachers for schools with no more than forty-nine students in any grade band (elementary, middle, or high school grades). Eligible schools are provided with at least one teacher per seven students. Districts with fewer than 244 students in total receive funding for at least one teacher for every grade level in each school.

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

