



Designed for Distance

How State K-12 Finance Systems Can Support Rural Districts

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Executive Summary

Every state guarantees public education to all students, regardless of where they live, and all 50 state constitutions include language requiring the establishment of a public education system.¹ Because student need and local wealth vary considerably across districts, most K-12 state school finance systems seek to address those disparities to ensure all students have access to high-quality learning opportunities. Typically, states provide more resources to districts based on *student characteristics* associated with greater learning needs, such as the number of low-income students, students with disabilities, and English learners, and *community characteristics*, usually measured through local property wealth. However, to truly build equitable state school finance systems, policymakers must better account for *another community characteristic* that drives higher costs for providing public education in every corner of a state's geography: rurality.

In 2022, nearly 8 million U.S. public school students across virtually all states attended districts classified as rural by the National Center for Education Statistics (NCES) — the only exceptions were Hawaii and Washington, D.C., which each operate as a single, statewide district.² While rural school districts are not monolithic, they typically encounter similar fiscal pressures that increase the cost of providing public education in their communities.³ Diseconomies of scale, transportation needs, and geographic isolation all contribute to increased operating costs.⁴ Meanwhile, rural districts, on average, have less revenue-generation capacity, particularly through property taxes, since they hold less property wealth. The national median property value in rural districts is only about 64% of that in nonrural districts.⁵

For more on the nuts and bolts of how state school finance systems work, read Bellwether's [Splitting the Bill](#) series.

To help address these unique cost pressures, 36 states provide targeted assistance to rural schools and districts through either their main school funding formulas or separate categorical grants. These states use measures such as geographic isolation, student count, geographic size, and sparsity to determine which districts qualify as "rural" within their state's unique context. However, in many states, these funding approaches may not fully align with the fiscal realities rural districts face. Unless state education funding formulas fully address both cross-district disparities in local wealth *and* the unique cost pressures associated with rurality, rural districts will be constrained in their ability to provide public education services comparable to those in nonrural parts of the state. Well-designed criteria can help policymakers target funding to districts with cost pressures specific to their rural circumstances, avoid fiscal cliffs and perverse incentives, and ensure supports for rural districts complement existing adjustments for other student and community needs.

At the same time, funding is not the only tool available to states to support the provision of public education in rural communities. In some cases, districts may be unnecessarily small and other strategies — like consolidating or sharing services with neighboring districts — may deliver greater efficiencies that increase fiscal sustainability. States should therefore distinguish between unavoidable cost pressures (e.g., school transportation) tied to rurality that should be addressed through their funding formulas and correctable inefficiencies (e.g., unnecessarily small schools) that could be addressed through other policy approaches.

This report draws on prior research and publicly available data to illustrate patterns and present options for policymakers to address operational funding and supports for rural districts. Although rural districts often face distinct challenges raising capital for facility construction and maintenance, capital needs are outside the scope of this report; the focus here is the core operational funding required to sustain day-to-day schooling — staffing, administration, and programming. Because states differ in geography, population distribution, and policy goals, this analysis:

- Highlights the size of each state’s rural student population and the common cost drivers rural systems face.
- Outlines practical ways for policymakers to define and measure rurality in order to determine eligibility for additional state funding.
- Describes specific policy tools — such as funding formula adjustments, categorical grants, and technical assistance — that states can deploy to address the unique cost pressures associated with operating school districts in rural communities.

Why Rural Districts Need Dedicated Resources

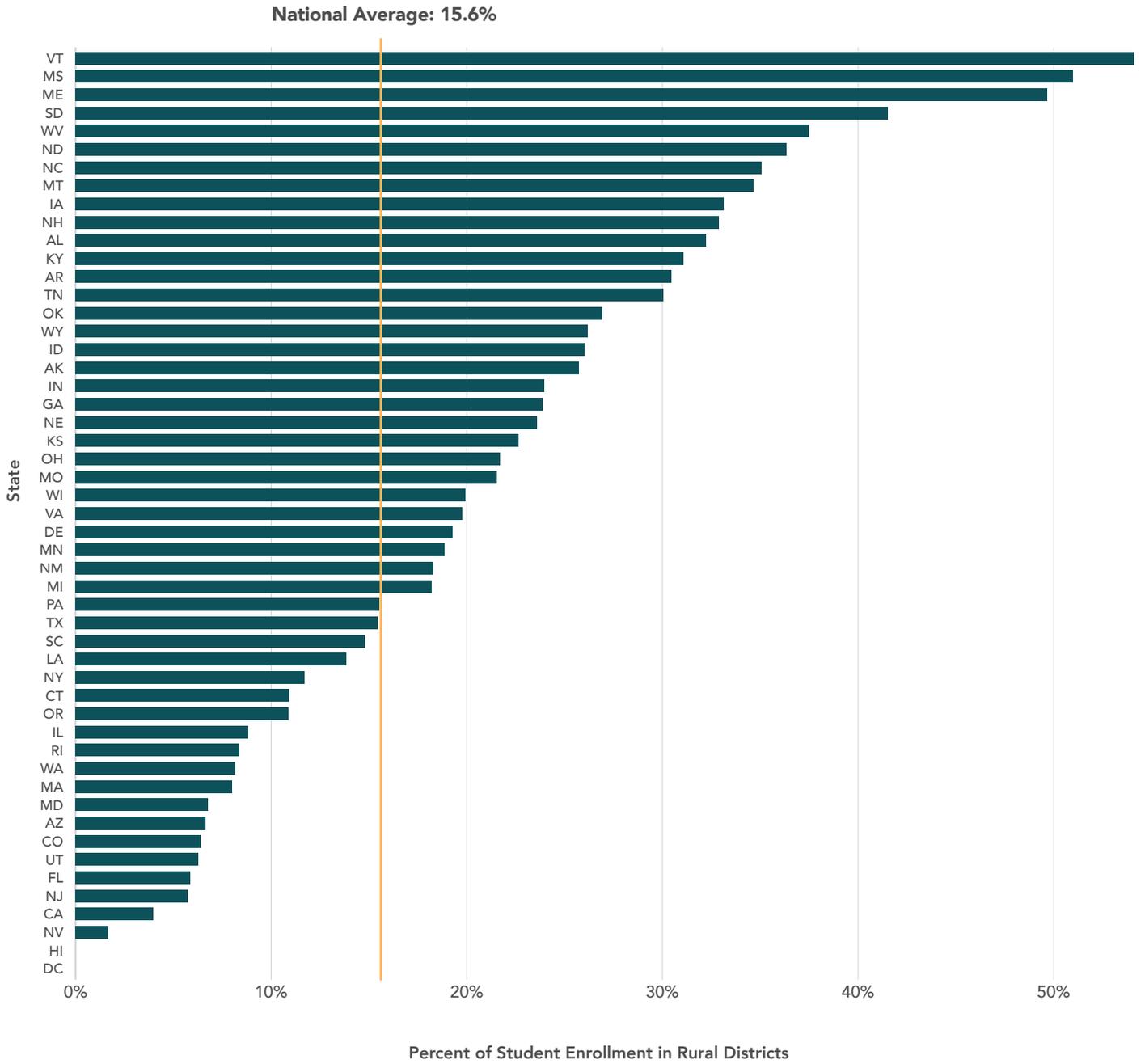
Of the nearly 49 million K-12 students attending public schools in 2022, 7.6 million were educated in rural school districts.⁶ Yet school funding systems in many states do not fully account for the challenges associated with providing public education in rural communities. Rural school districts are more likely to face diseconomies of scale, higher transportation costs, and geographic isolation — factors that raise costs and limit their ability to provide comprehensive services. Developing support mechanisms designed to address these specific cost pressures can help rural districts provide robust educational opportunities to all their students.⁷

Rural Students Represent a Meaningful Population in Most States

Rural school districts educate a significant portion of students in most states, but their relative prominence varies significantly across states. In 2022, districts classified as rural by NCEES accounted for 16% of all students across the country, with wide variation at the state level (Figure 1).⁸ The share of students enrolled in rural districts in Nevada is only 2%, but in Vermont, 54% of students are enrolled in rural districts.⁹ In some states, percentages obscure the sheer number of students educated in rural areas. For example, roughly 231,000 students are enrolled in rural districts in California, but they make up just 4% of the state’s total enrollment.¹⁰ In contrast, just under 86,000 students in Maine attend school in a rural district, but this represents about 50% of enrollment.¹¹

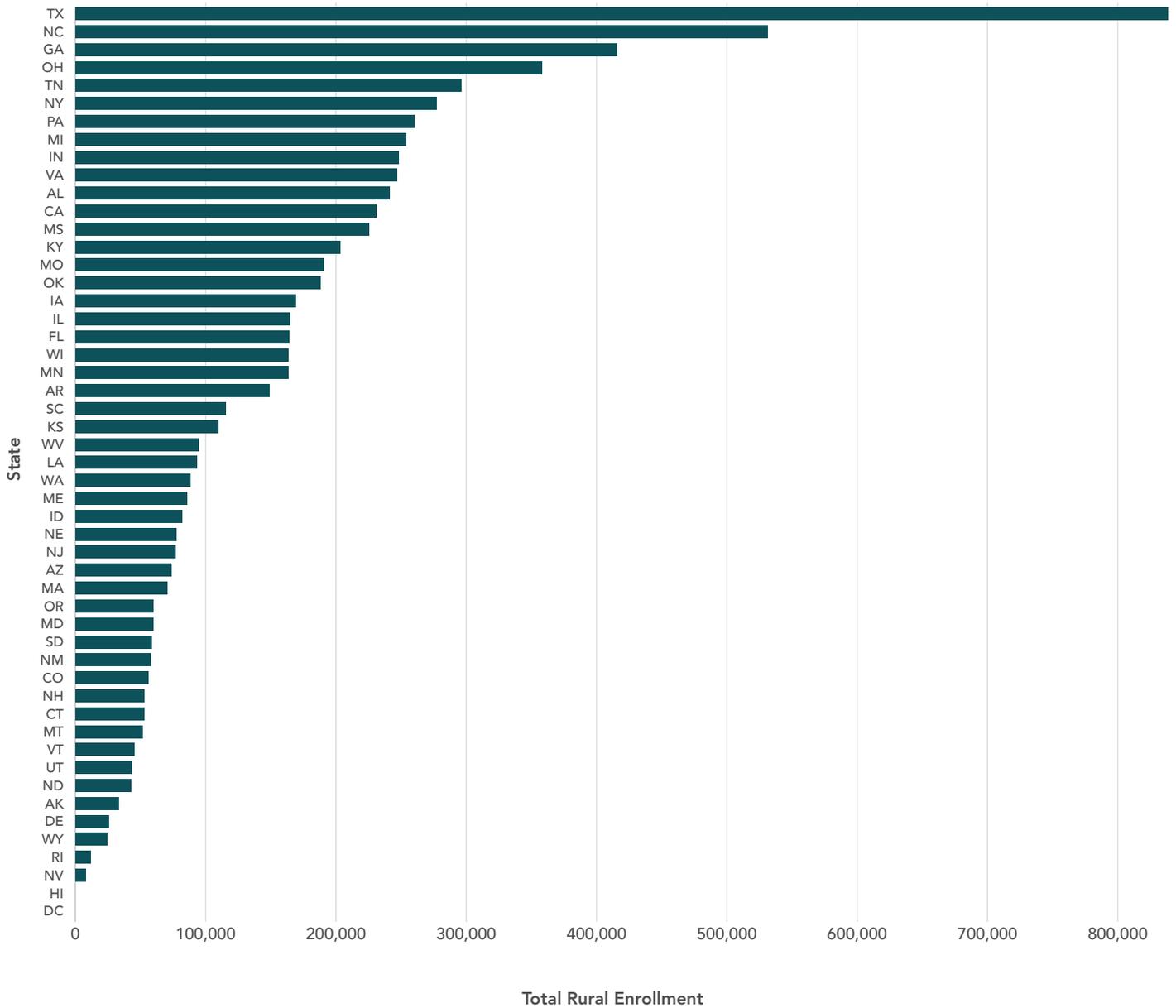
For state policymakers, one thing is clear: Rural school districts likely represent a substantial proportion of their state’s K-12 students. In fact, 24 states have more than 100,000 students enrolled in NCEES-designated rural districts, and in 37 states, at least 10% of public school students attend a district designated as rural (Figure 2).¹²

FIGURE 1: SHARE OF U.S. K-12 STUDENTS ENROLLED IN RURAL DISTRICTS, 2022



Note: Shares reflect NCES rural locale designations. **Source:** Bellwether analysis of U.S. Census Bureau and NCES data.¹³

FIGURE 2: K-12 STUDENTS ENROLLED IN RURAL DISTRICTS BY STATE, 2022



Note: Shares reflect NCES rural locale designations. **Source:** Bellwether analysis of U.S. Census Bureau and NCES data.

Rural Districts Face Distinct Challenges That Carry Financial Implications

Across and within states, rural districts vary widely in their geography, student demographics, and community resources. Despite this diversity, many face a common set of challenges that can create added cost pressures: diseconomies of scale, transportation costs, and geographic isolation. Together, these factors often raise operating costs for rural districts, requiring them to spend more to provide the same opportunities as their urban and suburban counterparts.¹⁴ At the same time, many rural districts have limited local revenue-generation capacity, making it difficult for them to absorb these higher costs without state support.

Diseconomies of Scale: Low student density and long travel distances lead many rural districts to operate multiple, smaller school sites to ensure students have reasonable commutes to and from schools. While maintaining multiple small schools may help support community cohesion and reduce student time on buses, it also limits districts' ability to realize efficiencies in operations, staffing, and programming.¹⁵ When school campuses' enrollment reaches a low enough level, the staffing required to run core classrooms is not able to shrink in proportion to enrollment, but funding often does, since most state funding systems allocate dollars on a per-pupil basis. Each school still needs a principal, front office staff, and enough teachers to cover required grade levels and courses, even if there is only one section of each. Therefore, smaller schools often receive fewer total resources to cover the same basic staffing, which limits their ability to offer a full range of academic and extracurricular opportunities, such as electives, arts programs, and athletics teams.¹⁶ These resource constraints can affect districts' talent pipelines: Rural districts often have higher nonretirement teacher turnover than nonrural districts.¹⁷

These school site-level diseconomies of scale extend to student support services. For example, rural schools are less likely than nonrural schools to employ as many mental health staff members per student, limiting the availability of supports for student mental wellness.¹⁸ Staffing challenges in these roles often reflect the scarcity of professionals in rural labor markets as well as

the difficulty of funding these positions when each campus has too few students to generate the dollars required to sustain them.

Fixed costs also consume a larger share of budgets when schools serve fewer students.¹⁹ Districts and schools can work together to share resources to lessen the impact of these diseconomies of scale, but this is not always an option, especially for more geographically isolated entities.

Transportation Costs: Many districts, rural or not, face real transportation challenges, including rising costs. However, rural school districts often manage longer, more complex transportation routes to cover large areas and navigate challenging terrain, including mountain passes, unpaved roads, and waterways. At the same time, these districts often transport fewer students across those routes. Both factors drive up per-pupil transportation costs for rural districts. In 2022, NCES rural districts spent \$706 per pupil on transportation compared to \$583 per pupil in NCES nonrural districts.²⁰

There are few options for rural districts to reduce transportation costs. While districts in dense metro areas may be able to rely on alternative forms of student transportation — such as public transit or ride-sharing services — rural districts are more reliant on traditional school bus service.²¹ Additionally, federal (and some state) safety regulations often constrain the ability of school systems to diversify their fleets with vehicles beyond traditional yellow school buses.²²

Geographic Isolation: Geographic isolation can increase the per-pupil cost of districts providing education services for students. Rural districts must still deliver the same range of services as any other district, but they are often spread across large areas with fewer students and have fewer opportunities to share these costs like other districts can. A study modeling education costs in Texas showed that, on average, districts farther away from metropolitan centers had higher education costs than districts closer to metropolitan centers.²³

Additionally, the larger distance between rural districts and economic centers often limits property tax revenue generating capacity.²⁴ Located farther from economic hubs, on average, rural districts operate in regions with lower property values compared to nonrural districts: Median property values average \$206,594 in rural districts compared with \$320,509 in nonrural districts.²⁵ Across states, rural districts generally have lower property values as compared with their state's average property values (Figure 3).

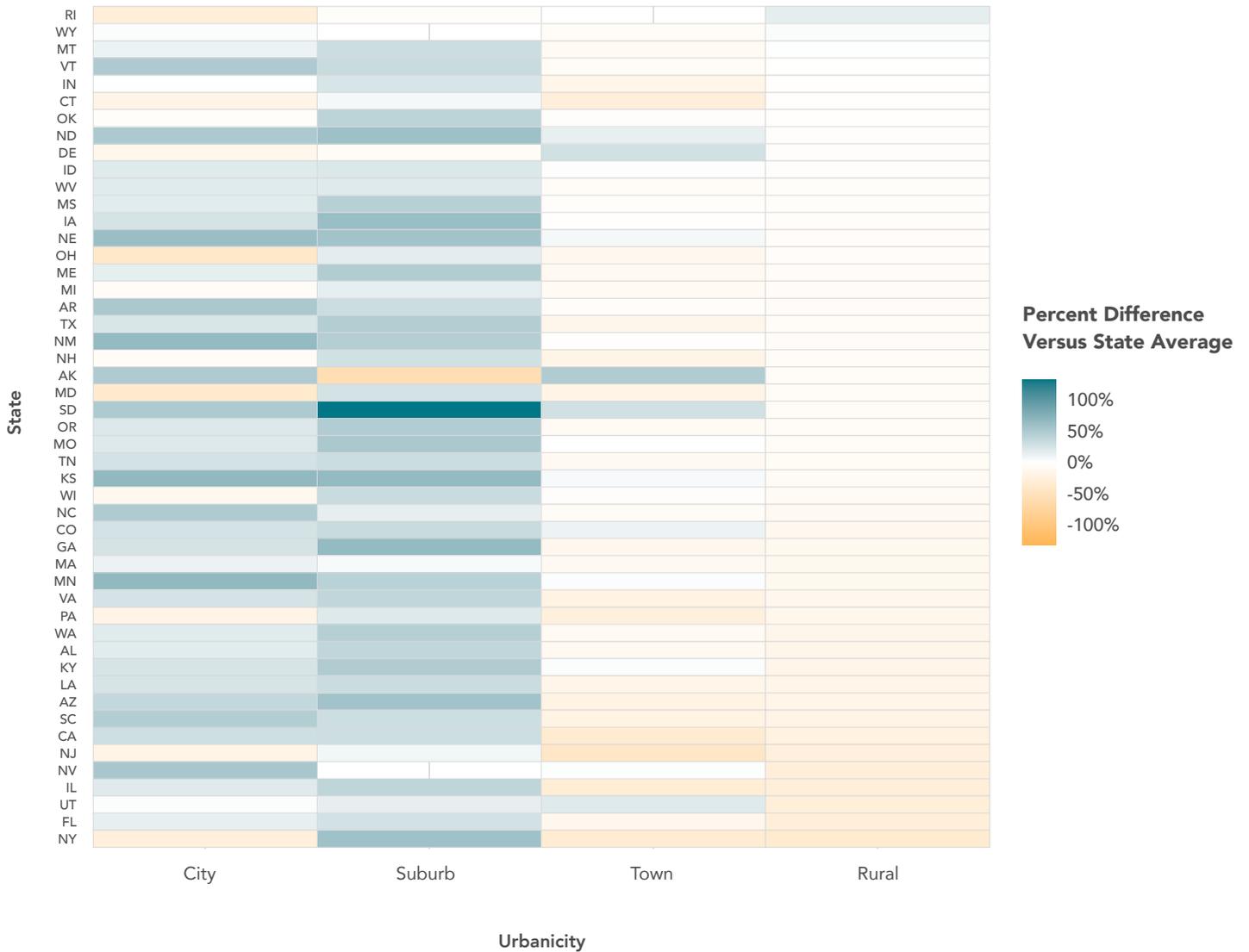
Because most U.S. public school districts rely heavily on local property taxes for revenue, these property value disparities make it harder for rural districts to keep pace with nonrural districts without state support. Limited property wealth leaves many districts with two options: levying taxes at similar rates as nonrural districts and raising less revenue, or levying higher tax rates on a population that is less able to afford higher taxes.²⁶ However, these options are not available to all states. California's Proposition 13, for example, places limits on property taxes and property tax growth, which directly constrains the ability of California school districts to generate additional local revenue.²⁷ Many state school finance systems account for district variation in assessed property value when allocating funding, but these supports may not consider the other, related cost pressures driven by geographic isolation that rural districts face.

For more on how state school finance systems can address local wealth inequities, read Bellwether's [Balancing Act](#).



FIGURE 3: MEDIAN PROPERTY VALUES COMPARED WITH STATEWIDE AVERAGES, BY URBANICITY, 2022

How to Read Figure 3: Each row is a state and each column is an urbanicity type. The color of each cell illustrates how each urbanicity type’s average district median property value compares with the statewide average (**deep green** = higher than the state average, **orange** = lower) for a given state.



Note: Positive values indicate higher median property values than the state average for that urbanicity group. Hawaii and Washington, D.C., were removed from this dataset since they each only have a single district. **Source:** Bellwether analysis of *edfinR* school finance data.

Federal and State Funding Reliance

Because rural districts have lower property values and often qualify for targeted state and federal aid, they are often more reliant on federal and state funding than their nonrural peers. Federal education finance data from 2022 show that NCES nonrural districts received about 42% of their revenue from state sources, 13% from federal sources, and 44% from local funds. In contrast, NCES rural districts depended more on state (46%) and federal (15%) revenue and less on local funding (39%).²⁸ This larger federal revenue share makes rural district budgets more vulnerable to the effects of recent policy changes, such as delayed appropriations or program changes.²⁹

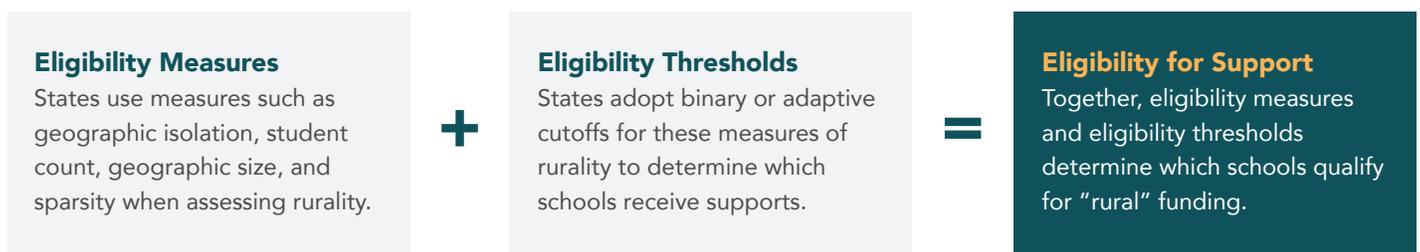
Determining Rural District Eligibility

Before states can provide resources and support to rural districts, state governments must first define which districts count as “rural.” Policymakers may know a rural district when they see one, but codifying a way to measure rurality in law is often quite complicated.

NCES provides a national framework by defining four basic local types: city, suburban, town, and rural. Each type is then separated into three subtypes, with rural communities further classified as “fringe,” “distant,” or “remote” depending on their distance from an urbanized area or urban cluster.³⁰ Although this framework allows for comparisons across states, relying on a rural-nonrural binary may not fully account for the variety of experiences that exist in rural communities within states. For example, NCES recognizes 84% of South Dakota public school districts as rural, which on its own is not enough to identify which rural districts should be prioritized for additional supports.³¹ Using the NCES rural locale subclassifications, such as “distant” or “remote,” may help states begin to prioritize support for districts, but those designations are far from the only measure of rurality available to state policymakers.

State governments often adopt criteria to define rural districts in ways that align with the features of their states’ rural contexts. Policymakers must first decide how to measure rurality in ways that align with the cost pressures that most affect rural communities in their state, then determine which districts receive support based on that measure (Figure 4).

FIGURE 4: DETERMINING ELIGIBILITY FOR RURAL EDUCATION FUNDING



Measures of Rurality

When codifying eligibility for rural supports, states assess K-12 districts using one or more of the following measures: geographic isolation, student count, geographic size, and sparsity. All of these measures aim to capture cost pressures that rural districts face. Measures of geographic isolation and sparsity often do the best job of identifying districts with uniquely rural cost pressures (Table 1). In contrast, relying solely on student count may inadvertently subsidize districts — both rural and nonrural — that simply operate inefficiently small schools.

TABLE 1: MEASURES STATES USE TO DETERMINE ELIGIBILITY FOR RURAL SUPPORTS

Measure	Description	Targeted Cost Pressures
Geographic Isolation (19 states)	Eligible schools and districts are located far away from metropolitan areas or nearby schools enrolling the same grade levels.	Accounts for cost pressures arising from greater distance from economic centers. Distance from nearby schools may account for diseconomies of scale and higher transportation costs.
Student Count (29 states)	Eligible schools and districts have lower student enrollment or average daily attendance (ADA) levels.	Supports smaller districts and schools that face diseconomies of scale.
Geographic Size (6 states)	Eligible districts cover a larger geographic area as measured by square mileage.	Serves as a proxy measure for higher transportation costs.
Sparsity (14 states)	Eligible districts have a low number of students or persons per square mile.	Addresses higher transportation costs, diseconomies of scale, and distance from economic centers.

Note: Counts are not mutually exclusive, as states may apply multiple measures of rurality when determining eligibility for rural supports.

Using Multiple Measures of Rurality: To account for different rural district cost pressures, 24 states rely on multiple criteria to determine which districts qualify as rural. For example, California’s Local Control Funding Formula provides aid to “necessary small schools” that have low ADA and are located far from nearby schools.³² Similarly, Michigan provides supplemental payments to districts that either span an area greater than 250 square miles or have fewer than 10 students per square mile.³³ Although using multiple measures can more holistically account for rural cost pressures, relying on many measures can introduce complexity and decrease transparency. For example, both South Dakota and Arkansas use more than four measures to determine eligibility for targeted rural funding, making it difficult for stakeholders to understand how these funding mechanisms actually work.³⁴

Using a Single Measure of Rurality: By contrast, 12 states use a single measure to assess rurality. Missouri uses a student count measure to provide supplemental funding to districts with ADA counts below 350 students in the preceding school year.³⁵ Mississippi uses a single “sparsity multiplier” to provide support to districts with eight or fewer students per square mile.³⁶ A one-measure approach is simple and easy to communicate, but it may not account for all the cost pressures that rural districts face.

Accounting for Charter Schools When Measuring Rurality

In 2022, 11% of all charter school local education agencies (LEAs) were located within NCES “rural” areas.³⁷ Charter school LEAs operate without formal attendance catchment areas, making it difficult to use sparsity or geographic size measures to assess rurality. Thus, policymakers should design rural eligibility criteria with charter schools in mind to ensure that all schools have equitable access to supports. Nevada offers one example: The state’s charter schools are eligible for the same population density adjustment that a traditional public school at the same location would receive.³⁸



Defining Thresholds for Rural Supports

After determining how to measure rurality, state policymakers must establish eligibility thresholds to clarify which districts qualify as rural. Policymakers frequently adopt thresholds that reflect their state’s context to provide more support to districts that face greater cost pressures than other districts in the same state: Even though Massachusetts and Arkansas both use sparsity measures as part of their eligibility definitions, Massachusetts sets its sparsity threshold at 35 or fewer students per square mile, whereas Arkansas uses a threshold of three or fewer students per square mile.³⁹ In Oklahoma, state leaders use a relative threshold to provide “sparsity-isolation” funding to districts that are geographically larger than the average district and have student density less than one-quarter the size of the state average.⁴⁰

Depending on the context of their states, policymakers may define rural districts using a single, binary cutoff point or an adaptive definition. Having a binary cutoff provides uniform support to all districts that fall on one side of a particular threshold. Binary cutoffs offer simplicity, but they may not distribute resources equitably as they treat all eligible districts the same. Furthermore, single cut-points create funding “cliffs,” which can create unpredictability for districts near cutoff points. Alternatively, state policymakers may use adaptive eligibility thresholds, which provide varying levels of support based on the degree to which a district is isolated, has a low student count, is sparse, or covers a large geographic area. These continuous measures allow policymakers to provide escalating or tiered supports that reflect how acutely a district experiences rural cost pressures, but they also introduce more complexity.

In addition to cutoffs related to rurality measures, state policymakers may mandate that rural districts meet additional requirements in order to receive targeted support. These additional requirements may target aid toward low-income rural areas or incentivize districts to adopt efficient practices, particularly regarding tax effort or school or district consolidation. For example, eligible districts in Florida must “levy the maximum discretionary operating millage” to receive the state’s Small, Isolated School Supplement.⁴¹

Providing Support to Rural Districts

To provide assistance to districts that qualify as rural, state policymakers typically provide funding or establish technical and strategic support systems. These two policy options frequently work in concert to provide rural district leaders with resources to overcome cost pressures and the support to deploy those resources effectively.

Funding Mechanisms to Support Rural Districts

There are two main ways state policymakers provide additional resources to rural districts: They can incorporate adjustments for rurality into their main school funding formula, or they can issue separate categorical grants (Table 2). Additionally, state policymakers may establish complementary funding mechanisms, such as funding for transportation⁴² or students from low-income households,⁴³ which although not designed specifically for rural areas may benefit them.

For state policymakers seeking to provide targeted supports to rural schools, integrating aid for districts with rural schools into broader K-12 school funding formulas provides transparent and consistent support. When policymakers have specific rural cost pressures they seek to alleviate, categorical grants may be appropriate, but categorical funding does not adjust automatically as new funding becomes available. Therefore, policymakers intending to support rural schools should consider using categorical programs as a complement to — and not a replacement for — formula adjustments. Currently, 12 states use multiple funding mechanisms to provide targeted support to rural schools.

Allocating funding to support rural districts is not just a question of how but also of how much. The answer to that is largely a political question: State policymakers face difficult trade-offs when determining how much aid to allocate for rural schools versus funding other important educational priorities, such as addressing wealth inequities or specific student learning needs. Receding federal funds, inflationary pressures, and other legislative initiatives have put further strain on state budgets.⁴⁴ As state policymakers consider providing aid to rural districts, they will need to consider the set of cost pressures their rural districts face relative to their state's broader educational priorities.

Key Federal Supports for Rural Schools

Alongside state and local funding, the federal government provides limited aid to rural districts through the Rural Education Achievement Program (REAP) and the Secure Rural Schools (SRS) program. REAP provided \$215 million to small, rural schools and low-income, rural schools in 2025.⁴⁵ The SRS Act provided more than \$250 million in fiscal year 2023 to support education and infrastructure in counties that have lower tax bases because their boundaries contain federal forests.⁴⁶ In addition to these two programs, the federal government offers a number of other grants that aim to support rural education.⁴⁷

While these programs are important sources of dedicated support, they represent a very small share of federal funding and of rural school districts' revenues. In practice, this means that dedicated federal programs provide only modest help in offsetting the unique budget pressures faced by districts serving rural communities, further reinforcing the important role state policymakers play in shoring up support for rural schools and districts.

TABLE 2: STATE APPROACHES TO ALLOCATING FUNDING TO ELIGIBLE RURAL SCHOOL DISTRICTS

Approach	Description	State Examples
Flat Weights (6 states)	A uniform multiplier applied to the base amount or student count in the funding formula that provides a flat percentage increase of additional resources to eligible districts.	Florida's Small District Factor program applies a flat weight of 5.54% to the student counts for eligible districts. ⁴⁸ Hawaii's Neighbor Island program applies a flat weight of 0.8% to the student counts for schools on islands other than Oahu. ⁴⁹
Tiered Weights (10 states)	A set of multipliers applied to the base amount or student count in the funding formula that is determined by defined break points to provide different levels of support to eligible districts based on relative need.	Vermont applies a sparsity weight of either 7%, 12%, or 15% to pupils in eligible districts depending on the number of persons per square mile in the district. ⁵⁰ Colorado provides a set weight between 0% and 25% depending on each district's NCES locale classification. For example, "town-fringe" districts receive a weight of 2.5% while "rural-remote" districts receive a weight of 25%. ⁵¹
Escalating Weights (10 states)	A multiplier applied to the base amount or student count in the funding formula that increases progressively without sharp break points based on each district's needs.	Louisiana uses an escalating weight that ranges from 0% to 20% and is determined by a district's student count. ⁵² Minnesota uses specific formulas to provide additional revenue to isolated schools and schools with lower student counts as part of its general education revenue system. ⁵³
Resource-Based Subsidies (9 states)	An adjustment made to the number of staffing positions or other resources that states provide funding for as part of resource-based funding formulas.	West Virginia funds a greater number of staff positions per 1,000 students in sparser districts. ⁵⁴ South Dakota sets a lower target teacher factor ratio for smaller districts, funding more staff per student. ⁵⁵
Categorical Grants (14 states)	A separate funding stream outside the main K-12 funding formula designed to address specific rural cost pressures or support particular initiatives.	North Carolina financially supports small, geographically isolated schools through a separate allotment. ⁵⁶ Georgia provides grant funding to districts with low student counts that could not merge with nearby systems. ⁵⁷
No Supports (14 states and the District of Columbia)	A state approach that provides no dedicated funding supports to rural districts.	Of these 14 states, Alabama, Connecticut, Delaware, Indiana, Iowa, Kentucky, New Hampshire, Ohio, South Carolina, and Virginia provide no dedicated funding supports for rural districts despite having more than 10% of their students enrolled in NCES-designated rural districts. ⁵⁸ Of these 14 states, Alabama, Illinois, Indiana, Iowa, Kentucky, Ohio, South Carolina, and Virginia provide no dedicated funding supports for rural districts despite having more than 100,000 students enrolled in NCES-designated rural districts. ⁵⁹

Note: Counts are not mutually exclusive, as states may apply multiple measures of rurality when determining eligibility for rural supports.

Strategic Support From State Governments

In addition to direct funding, state education agencies should also consider providing technical assistance to districts with rural schools, with a focus on helping them strategically manage resources. In Illinois, the State Board of Education provides dedicated guidance and resources to rural school districts, and the Rural Education Advisory Council convenes leaders to elevate common challenges and solutions.⁶⁰ Likewise, Georgia's Department of Education has an Office of Rural Education & Innovation that sustains capacity-building programs and broadens access to necessary services and resources for 115 rural districts.⁶¹

State governments can also offer incentives and guidance for districts considering campus or district consolidation. Closures, mergers, and other consolidation strategies may help some rural districts reduce cost pressures arising from diseconomies of scale. However, these decisions come with trade-offs, including longer transportation routes for students and disruptions to schools' roles as central institutions in their towns. Oklahoma has a School Consolidation Assistance Fund that provides resources to voluntarily or mandatorily consolidated school districts to assist with transition costs such as hiring teachers, severance packages, and aligning practices.⁶² And in 2025, the Wisconsin State Assembly passed a series of bills to provide financial incentives to school districts that consolidate or enter grade-sharing agreements.⁶³

When consolidation is not feasible, state governments can also expand the set of opportunities that rural districts provide to their students by supporting regional collaboration. While diseconomies of scale can limit what a single district can offer on its own, joint efforts across rural districts can help cut against that pressure. For example, North Dakota provides funding for districts that participate in regional education associations which pool resources among districts to share services, offer professional development, and promote school improvement.⁶⁴ By bringing districts together that share common experiences, regional collaboratives can help rural districts share common costs, apply for grants, advocate for policy changes, and exchange innovative approaches.⁶⁵



Conclusion

In nearly every state, funding rural public education is a central school finance challenge. Approximately one in six public school students in the United States attended school in a rural district in 2022.⁶⁶ **Rural students are entitled to the same educational opportunities as their peers, but providing those opportunities often costs more because of distance, scale, and staffing constraints.** For policymakers and advocates, this raises two core policy design considerations.

1. Adopt a definition of “rural” that best fits the state’s unique needs.

States should develop a shared definition of rurality in consultation with rural stakeholders. This definition could include a combination of measures such as a district’s geographic isolation, student count, geographic size, or sparsity. Ideally, definitions would allow for degrees of rurality to better target support to districts facing the highest cost pressures. **Key policy design strategies:**

- To determine eligibility for rural school supports, policymakers can **choose a limited, meaningful set of metrics** with eligibility thresholds that identify districts facing higher rural-associated cost pressures within their state context.
- To **determine eligibility based on these measures**, states can provide escalating supports that reflect how acutely a district experiences rural cost pressures, or they can use binary definitions to promote funding transparency and consistency.
- Policymakers should explicitly **make charter schools eligible** for rural supports when they face comparable cost pressures, either by applying existing eligibility criteria for rural supports or establishing parallel eligibility pathways in cases where district-based measures would exclude charters.

2. Determine how to direct additional support to rural districts.

States can provide additional resources to support rural schools either through their primary K-12 funding formulas or through separate categorical grant programs. Each approach has benefits and drawbacks that policymakers should consider in consultation with rural stakeholders. The same holds true for nonfiscal supports, such as programs and collaborative efforts to increase fiscal efficiency and effectiveness, which should be developed in close partnership with the communities they are intended to serve. **Key policy design strategies:**

- State policymakers can **incorporate supports for rural districts into their main funding formulas** to provide transparent and consistent funding to schools facing rural-associated cost pressures.
- State governments can also **provide technical assistance to rural schools and districts** through state education agencies and regional educational collaboratives. These bodies can help rural LEAs share costs, exchange ideas, and collaborate to address common cost drivers.

Ultimately, how states define eligibility for “rural” supports and direct resources to rural districts is essential to designing school finance systems that fit the needs of all communities. The approaches in this report provide policymakers with options to align definitions, dollars, and supports to address the real cost pressures of providing public education in rural communities. This work requires states to partner with communities to ensure that rural public education is treated not as an exception to be managed, but as a core responsibility of serving all students. ✨

Endnotes

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- 6 Bellwether analysis of U.S. Census Bureau and NCES data.
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- 8 Bellwether analysis of U.S. Census Bureau and NCES data. The term "district" for these descriptive statistics includes traditional public school districts and charter schools.
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About Bellwether

Bellwether is a national nonprofit that works to transform education to ensure young people — especially those furthest from opportunity — achieve outcomes that lead to fulfilling lives and flourishing communities. Founded in 2010, we help mission-driven partners accelerate their impact, inform and influence policy and program design, and bring leaders together to drive change on education's most pressing challenges. For more, visit bellwether.org.

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