

Southerners for Fair School Funding Advocacy Guide

Funding for Rural Schools

Why Funding Matters for Rural Schools

Roughly half of all rural students in the U.S. live in just 10 states, and according to the National Rural Education Association, 5 of the 10 states that “most urgently need education policy change to address rural schools’ and students’ needs are in the South.” The relationship between rurality and socioeconomic status is well documented. Recent research illuminates how money matters in schools. Increasing school funding can lead to higher achievement in low-income districts and increase low-income families’ educational attainment and wages.

Funding matters for rural schools because they often do not have the existing infrastructure or student enrollment to leverage cost savings compared to urban and suburban areas. For example, many rural districts have higher fixed costs for school buildings because fewer students divide the cost. In addition, there are necessary resources that all students require, like transportation and nutrition, which are more expensive in rural districts. Many rural communities face difficulties recruiting and retaining high-quality teachers. Southern states have an opportunity now to modernize how we educate our diversifying student population by ensuring that schools have the resources necessary for success.

Why a Student-Weighted Formula Matters for Rural Schools

Student-weighted formulas improve equity, increase transparency, and maintain flexibility.

Thirty-four states make some sort of adjustment in their funding formula for students who attend a small or isolated school. Often these are flat weights that recognize the general needs of isolated schools like transportation or educator salaries without taking into account the specific needs of rural or isolated students including access to resources like tutoring, broadband, early postsecondary opportunities, and community supports.

Model Funding Policies for Rural Schools

Serving students in sparse and isolated schools requires more resources to meet student needs. Therefore, students in sparse districts should receive an additional contribution to the base funding allocation on a sliding scale. Funding should be assigned based on density or the number of students per square mile. Additionally, isolated districts face unique challenges because they often cannot rely on community programming to support students. As a result, isolated districts should receive an additional weight to account for their unique costs.

Model Policies for Rural Schools Should Include:

A sliding-scale weight for each student enrolled in a sparse district, as defined by the number of students per square mile, in which districts with fewer students per square mile receive more funding.

An additional weight for students in districts that are isolated, as defined by the **U.S. Census Bureau's 'rural-remote' designation**.

Model Funding Practices in Other States

Arkansas: See AR ST § 6-20-601 and AR ST § 6-20-604. Arkansas provides increased funding for students in rural districts based on the number of schools designated as isolated using density ratios. A district may qualify for one or more additional per-pupil weights ranging from 0.05 to 0.2.

Arizona: See AZ ST § 15-943 and AZ ST § 15-901. Arizona uses size, grade levels, and categories (small or small isolated) to allocate an additional weight between .158 and .669.

[🔍 FIND YOUR STATE'S RURAL SCHOOL FUNDING POLICIES](#)

Key Questions To Ask Policymakers

- Is our state considering sliding-scale weight for students in a sparse district? Will it include additional funding for districts that are isolated?
- How will our state define rurality and distinguish between sparse and isolated districts?
- How will our state determine the appropriate weight for educating students in sparse and isolated districts?
- Will our state allocate multiple weights for students who are in rural districts and are also from a low-income background, English learners, or in another student group?
- **Rural students are often highly mobile within or across districts.** How will the formula account for student mobility?

Additional Resources

Why Rural Matters

The Rural School and Community Trust, 2023

K-12 and Special Education Funding: Small Size or Isolated Funding Adjustment

Education Commission of the States, 2021

How States Allocate Funding for Rural Schools

Education Commission of the States, 2020

Out of the Loop

National School Board Association: Center for Public Education, 2018

Common Sense & Fairness Funding Tool Builder

EdBuild, 2018