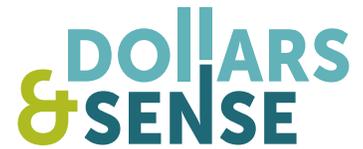


# TN Basic Education Program Review

# 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 Tennessee has the fifth-largest share of students in rural schools. The number of students attending school in a rural Tennessee district has increased by 30% over the past few years. Additionally, 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. Tennessee has 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-three states use some form of a weighted funding formula for students who attend a small or isolated school. In contrast, Tennessee provides resource-based funding to rural districts through transportation. Transportation funding is distributed according to a formula set by the commissioner of Education that considers miles transported and the density of pupils per mile traveled. However, there are so many more costs to educating students in rural districts. From 2015 to 2017, Tennessee decreased its state funding contribution for rural schools more than any other U.S. state. As a result, the Rural School and Community Trust ranked Tennessee 43rd on rural instructional expenditure per pupil.

### 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. Districts 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.

[Here are the funding policies for rural schools in all 50 states.](#)

## Key Questions To Ask Policymakers

- Is Tennessee considering sliding-scale weight for students in a sparse district? Will it include additional funding for districts that are isolated?
- How will Tennessee define rurality and distinguish between sparse and isolated districts?
- How will Tennessee determine the appropriate weight for educating students in sparse and isolated districts?
- Will Tennessee allocate multiple weights for students who are in rural districts and are from a low-income background, English learners, or in another student group?
- [Tennessee's students in rural districts are more mobile](#) compared to peer states. How will the formula account for student mobility?

## Additional Resources

- [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
- [How Can School Finance Systems Support Students With Additional Learning Needs?](#), Bellwether Education Partners, 2021
- [Why Rural Matters](#), The Rural School and Community Trust, 2018-2019
- [Out of the Loop](#), National School Board Association: Center for Public Education, 2018
- [Common Sense & Fairness Funding Tool Builder](#), EdBuild, 2018