NCHEMS

Building a Rural Focus in State Higher Education

FUNDING APPROACHES

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INTRODUCTION

What does it mean to be "rural"? To some, population density determines rurality — how many people live in a community? To others, the distance to a grocery store, hospital, or school may meaningfully represent a rural community. Access to broadband internet or adequate internet speeds could also be a meaningful indicator. To others, it may depend on economic factors, such as the degree of agricultural focus in the economy or the types of jobs people hold.

If a rural community is defined as simply everything that is not an urban city, then most of America is geographically rural, with nearly a fifth of the population living in a non-metro area[1]. Using this definition, then, over half of the nation's colleges and universities are in rural areas. Despite the large number of institutions in rural areas, state higher education policy has been generally reticent to define the unique needs of rural institutions and to develop policies to meet them. This is especially true in state higher education funding policy, where institutions are more likely to be funded based on their enrollment levels or other related criteria than their urban or rural location. In some places, a lack of focus on rural institutions can result in a lack of funding for key mission-related initiatives for rural institutions, or funding disparities between urban and rurally situated campuses.

The reasons for these funding disparities are likely complex. Smaller postsecondary institutions generally receive less state support than larger ones, even while they are unable to reach the same economies of scale. Research activities and associated revenues vary between different institutional types as well.

[1] https://www.census.gov/library/stories/2017/08/rural-america.html

However, in this brief, we argue that a common challenge to advancing statewide policy support for rural students and rural-serving institutions is the lack of shared understanding of what defines "rural." Without a focused definition of rurality at the state level, it is hard to identify specific community needs and how state higher education policy can be tailored to meet them. For example, population size is not always the most important factor, as proximity to a metropolitan region, natural resources, recreation areas, or agricultural regions all play a role in the programs offered and the workforce opportunities available to students who enroll.

The struggles that stakeholders can face in aligning a definition of rurality may hinder policy development. Still, they may also be overly nuanced to be helpful in the context of higher education funding decisions. While our research located over 20 definitions of rurality in use at the federal, state, and other levels, the geographic areas covered by these definitions have significant overlap. For example, four of the most common definitions of rurality in use (Rural-Urban Commuting, Frontier and Remote Area, Metro/Non-Metro, and Locale codes) overlap the same postsecondary institution footprints over 90% of the time[2].

This brief aims to aid policymakers and stakeholders seeking pragmatic solutions to support rural higher education through strategic funding policy. It begins by exploring the connection between rurality and higher education, making the case for why focused attention on rural institutions is needed. We then pivot to how state postsecondary funding approaches impact — intentionally or not — for rurally-located institutions, and how they might shift to better meet the needs of these institutions. We conclude with recommendations for stakeholders looking to increase state higher education funding policy focus on these institutions.

RURALITY AND EDUCATIONAL ATTAINMENT

Rural communities exist in every state and region across the country. From the mountains of Appalachia to the coasts of Mendocino, there is significant heterogeneity in the economic and educational needs of America's rural residents. To be clear, on average, higher levels of educational attainment benefit people whether they live in an urban or a rural area[3]. However, gaps in attainment in rural communities are real, and there are particular challenges with increasing and sustaining attainment in areas that are far from postsecondary institutions.

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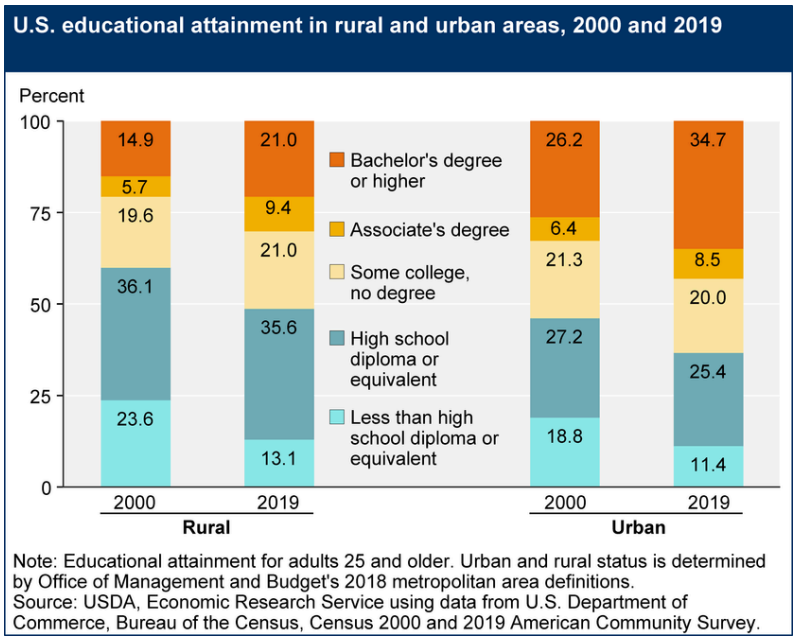
[2] Rural Urban Commuting Area (RUCA) Codes, Frontier and Remote Area (FAR) Codes, Rural-Urban Continuum Codes associated with Metro and Non-Metro Classifications, and National Center for Education Statistics (NCES) Locale Codes.

[3] https://www.ers.usda.gov/topics/rural-economy-population/employment-education/rural-education

Many students from rural high schools are just as academically ready as their nonrural peers. Students living in rural communities graduate from high school at similar rates to the national average, but they tend to have lower college enrollment rates than their urban peers[4]. In addition, students coming from rural areas are less likely to persist in completing a postsecondary credential[5]. In 2019, only 21% of rural residents aged 25 and over held a bachelor's degree, compared to 34.7% in urban areas for the same age demographic. This may be due to limited access to higher education or to differences in local labor markets between rural and urban areas[6].

Figure 1: Education Attainment by Rural and Urban Areas

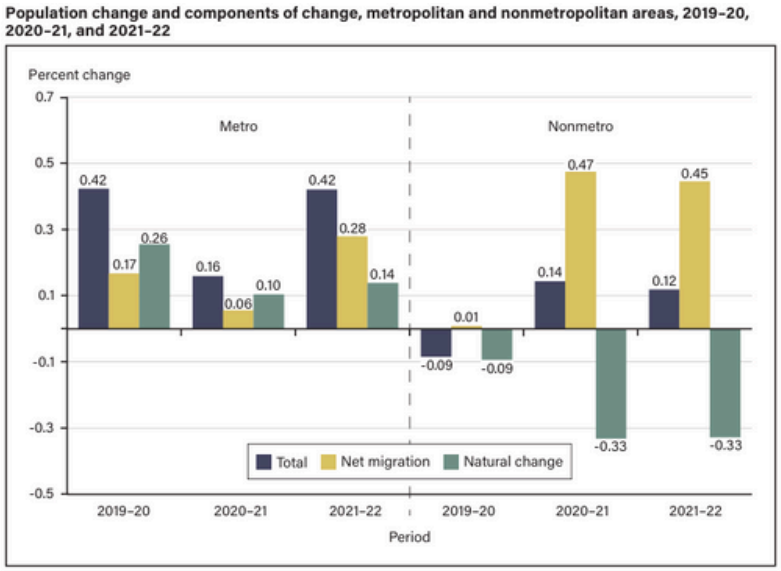


Source: https://www.ers.usda.gov/topics/rural-economy-population/employment-education/rural-education.
Chart data: https://ers.usda.gov/sites/default/files/_laserfiche/Charts/89696/Attainment2019_d.html?v=17208.

Regardless of the cause, there are consequences to allowing this educational attainment gap to persist. First, the overall population in rural nonmetro areas has increased since the pandemic. According to the U.S. Department of Agriculture (USDA), much of these increases can be attributed to migration and remote work[7]. However, as the population of rural America increases, ensuring adequate access to educational opportunity will be key.

[4] https://files.eric.ed.gov/fulltext/EJ1385063.pdf
[5] Using the National Center for Education Statistics Definitions of Urban, Suburban, Town and Rural - https://nces.ed.gov/surveys/annualreports/topical-studies/locale/definitions
[6] https://www.luminafoundation.org/focus-magazine/fall-2019/in-rural-america-too-few-roads-lead-to-college-success/
[7] https://ers.usda.gov/sites/default/files/_laserfiche/publications/107838/EIB-261.pdf?v=72600

Figure 2: Population Change and Components of Change, Metro and Nonmetro Areas



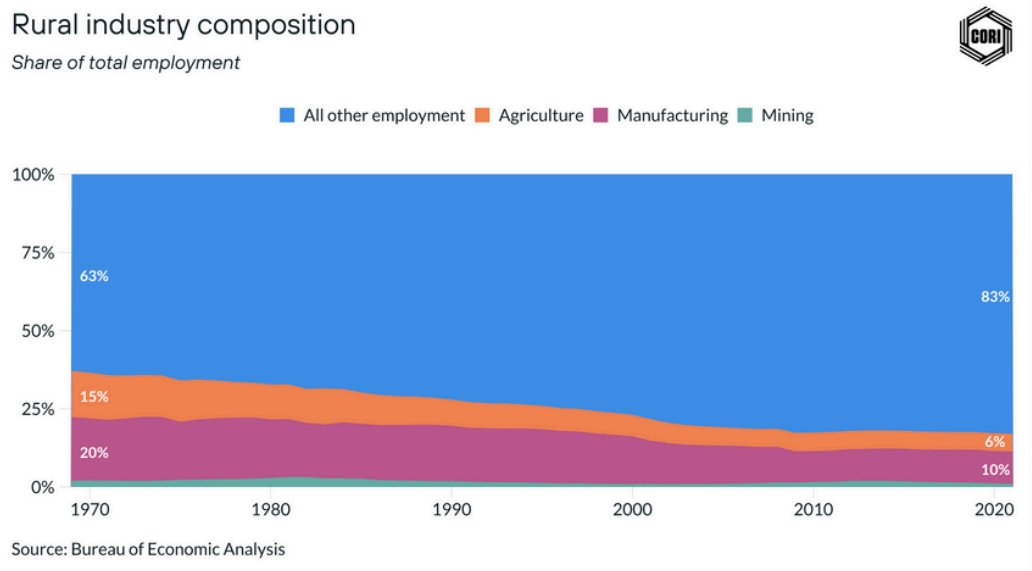
Source: https://ers.usda.gov/sites/default/files/_laserfiche/publications/107838/EIB-261.pdf?v=72600

Population influxes in rural areas may also reshape the labor market present in these areas. According to the Georgetown University Center on Education and the Workforce, the proportion of jobs that pay at least $43,000 for someone aged 25-44 or at least $55,000 for someone aged 45-64 is relatively similar in both urban and rural areas. This suggests that educational attainment may be equally important for obtaining a good job, regardless of one's home address.

If educational attainment is equally important for obtaining a good job in either a rural or an urban area, then preconceived notions about the type of work people in rural areas are engaged in should also shift. Indeed, Center on Rural Innovation (CORI) research indicates that from 1970 to 2020, the types of industries in rural regions have changed, with a slow shift away from manufacturing and agriculture. Good paying jobs in rural areas are therefore unlikely to be exclusively agricultural or manufacturing jobs of the past, but could be more closely related to the broader knowledge economy[8].

[8] https://ruralinnovation.us/blog/equity-economic-opportunity-rural-america/

Figure 3: Rural Industry Composition



Source: https://ruralinnovation.us/blog/equity-economic-opportunity-rural-america/

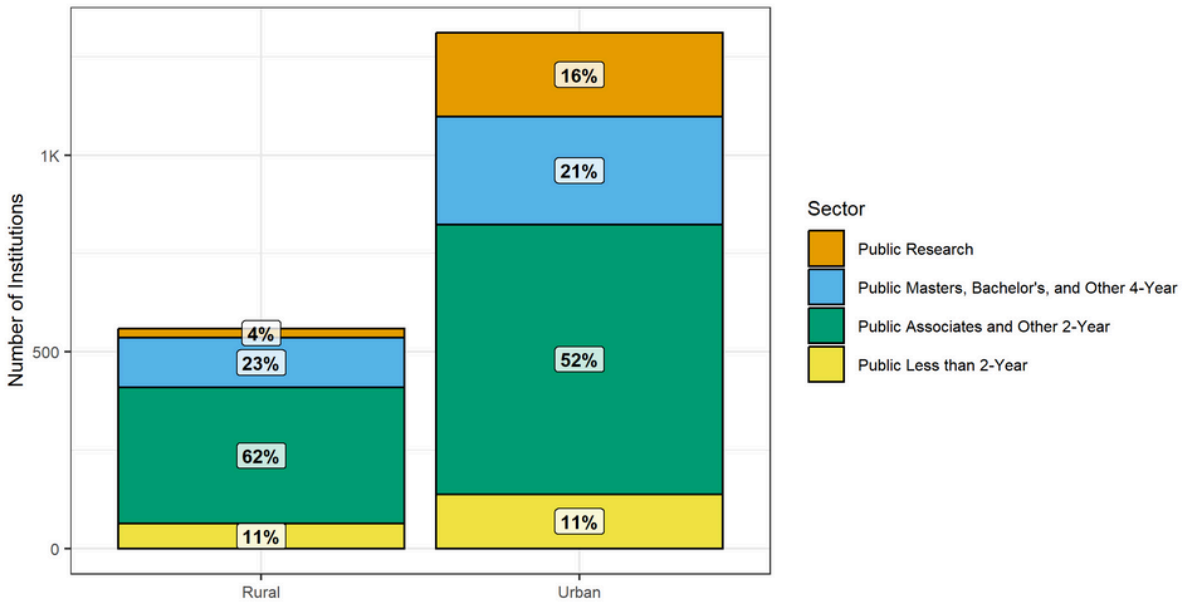
Higher education, therefore, plays a pivotal role in supporting educational attainment in rural areas, but also in supporting an apparent shift in the types of jobs available to people who live in rural areas. Three overlapping sectors of higher education — community colleges, regional public institutions, and land-grant institutions — do the lion's share of this work across rural America. In the next section, we explore the roles that these sectors play in supporting educational opportunity across the country.

Higher Education Asssets in Rural Communities

There are a wide variety of public, private nonprofit and private for-profit institutions that serve rural students and communities. Yet, most students from rural high schools who go on to pursue a two or four-year degree attend a public higher education institution[9]. Additionally, recent research suggests that the rural location of an institution may be correlated with the success of its rural students. For example, research on students within a state's public four-year institution system indicated that students from rural high schools who attended one of the system's rural institutions were more likely to attain a degree[10]. Across rural areas, not only are there fewer institutions than in urban areas, but the institutions that exist are more likely to be community colleges or public bachelor's or regional master's degree-granting institutions. The figure below, which focuses only on public institutions, illustrates the differences in the number and types of institutions serving rural versus urban areas. In the sections to follow, we explore both of these sectors in more detail.

[9] https://pnpi.org/wp-content/uploads/2023/03/RuralStudents_Mar23.pdf
[10] https://journals.sagepub.com/doi/full/10.1177/15210251221145007

Figure 4: Metro/Non-Metro Definition - Percent of Rural and Urban Public Institutions by Sector



See appendix for data sources and definition of OMB Non-Metro Area and OMB Non-Core Counties.

Community Colleges

Two-year community colleges are a critical component of rural communities and economies. In many rural regions, community colleges are considered "anchors" as each institution may be the only physical higher education resource available to residents[11]. According to the Alliance for Research on Regional Colleges (ARRC), well over half of all community colleges are considered Rural Serving Institutions[12]. An estimated 37.1% of rural high school students enrolled in a two-year institution as their first institution attended[13].

[11] https://www.richmondfed.org/-/media/RichmondFedOrg/publications/research/econ_focus/2023/q3/district_digest.pdf
[12] https://assets.website-files.com/5fd3cd8b31d72c5133b17425/61f49f1f91e41a6effe3006f_ARRC_Introducing%20Our%20Nation%E2%80%99s%20Rural-Serving%20Postsecondary%20Institutions_Jan2022.pdf
[13] https://pnpi.org/wp-content/uploads/2023/03/RuralStudents_Mar23.pdf

Rural-Serving Institutions

Rural-Serving Institution Source: Alliance for Research on Regional Colleges (ARRC). Rural-Serving includes institutions with a rural-serving index above the nationwide average. High Rural-Serving includes institutions with a rural-serving index at least one standard deviation above the nationwide average. Values are not available for graduate-only institutions, special focus institutions, or vocational and career technical colleges.

The index is based on five factors from the U.S. Census and IPEDS:

1. Percent of institution's home county population classified as rural.
2. Average percent of adjacent counties' population classified as rural.
3. Population size of institution's home county.
4. Institution's home county adjacency to a metro area.
5. Percent of institution's total awards conferred in Agriculture, Natural Resources, and Parks & Recreation.

More information here.

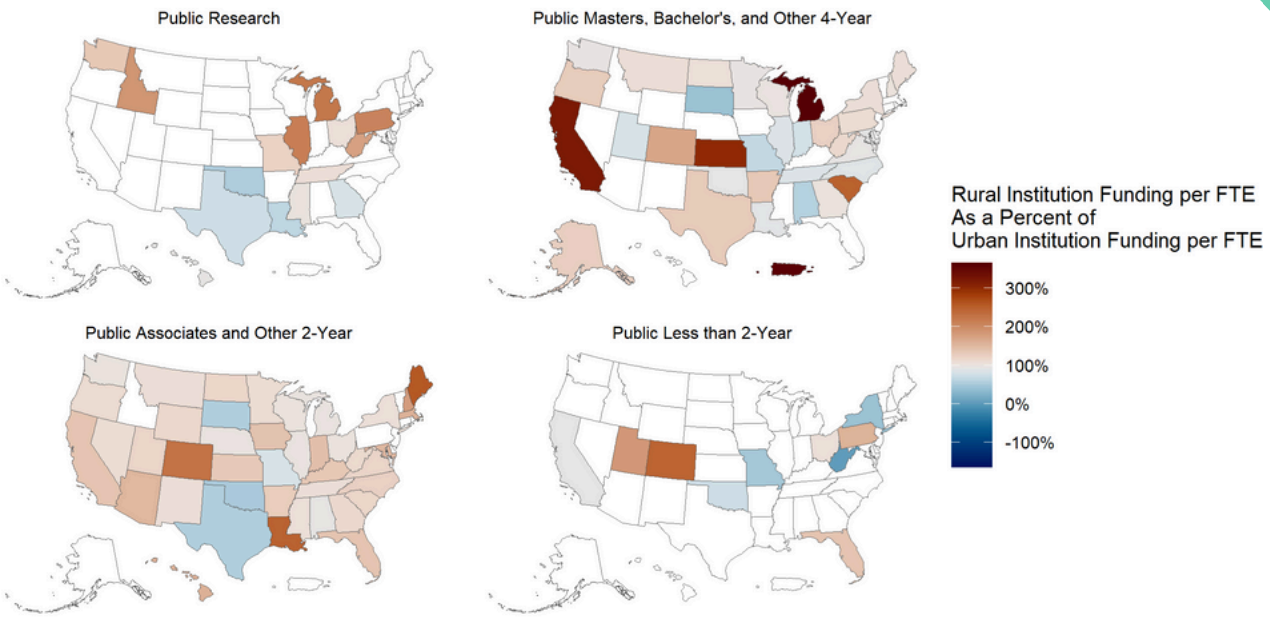
Rural community colleges are consistently smaller institutions than their urban peers. The median rural community college enrolls between 1,000 and 1,500 full-time equivalent (FTE) students per year, depending on the definition of rurality used. Across the community college sector, enrollment has been declining over the past decade. Those declines have been steeper at rural colleges. Based on our analysis of the U.S. Department of Education's Integrated Postsecondary Education Data System (IPEDS) survey data, median enrollment in rural community colleges decreased by 35% from its peak in the 2010-11 academic year to the 2022-23 academic year. Meanwhile, median enrollment in urban community colleges dropped by 31%. The changes in enrollment varied slightly depending on how rurality is defined.

Given their smaller size, rural community colleges may struggle with reaching the same economies of scale as larger institutions, regardless of their location. In other words, administrative costs, building costs, and other expenses are spread over fewer students. As a function of their size, small rural community colleges lack access to the same tuition revenue as larger institutions, which intensifies their reliance on sources of public support. This need for increased public support relative to larger campuses is a feature of their size and the importance they hold to their communities.

Across the country, some states have worked to address the revenue needs of certain rural community colleges compared to their urban counterparts, suggesting that policymakers in those states have an awareness of the value of investing in access points for rural communities. According to Metro/Non Metro and NCES Locale definitions, the median state and local appropriations per student FTE are higher at rural community colleges compared to urban ones, though this is not true in every state (Figure 5).

To be clear, on average, higher levels of educational attainment benefit people whether they live in an urban or a rural area.

Figure 5: Metro/Non-Metro Definition - Rural Institution Funding per FTE as a Percent of Urban Institution Funding per FTE



See appendix for data sources and definition of OMB Non-Metro Area and OMB Non-Core Counties. States in white do not have both rural and urban institutions in a given sector.

Rural community colleges do *not*, however, have higher levels of funding compared to their urban peers according to ARRC's rural-serving definition. We found that ARRC's methodology for identifying rural-serving institutions often categorized institutions differently than other definitions of rurality. While the ARRC definition attempts to identify the degree to which an institution serves rural areas, the other definitions in our analysis focused solely on whether an institution is located rurally. This difference is meaningful for policymakers, who will need to grapple with questions of what they are trying to achieve in identifying rural institutions and select an appropriate definition accordingly.

Regional Public Colleges and Universities and Land-Grant Universities

In 2022, 70% of all students enrolled in public four-year institutions attended a public regional college or university[14]. Public regional colleges and universities are broad-access institutions that are community-focused. They often offer programs that are highly workforce-aligned and tailored to the community where they are located. At the same time, these institutions are often located in geographic areas with multiple overlapping challenges, such as complicated access to healthcare, persistent child poverty, and low employment rates[15]. These contextual factors make regional institutions a key part of locally focused workforce development efforts. However, tailoring strategies to sustainably meet the financial needs of these institutions has been a persistent challenge for state policymakers.

Another sector of public higher education includes many large research and land-grant universities. While their missions differ from that of public regional institutions, land-grant universities also have a long history of serving rural communities. The tradition continues today through units such as Cooperative Extension, which offers noncredit education to people regardless of admission status to the institution. While policymakers' attention may focus on land-grant research institutions over public regionals, the fact is that most land-grants serve a fundamentally different student population, consisting of students from suburban and urban populations, not only within a state, but also from communities outside the state and internationally.

Despite the importance of all public regional colleges and universities, these institutions tend to receive less support from state appropriations. According to ARRC, public regional institutions receive $1,091 less per FTE student in state appropriations than public institutions that are not considered public regional colleges and universities, such as flagship research universities[16]. The state funding disadvantage is compounded by the fact that public regional institutions generally also receive less in federal grants, tuition and fees, and have accumulated smaller endowments. In addition, over the past decade, this segment has experienced declining enrollments, resulting in increased competition for students[17]. Our analysis revealed similar trends among four-year institutions. Among both public regional/comprehensive and many research universities, we found that median state and local funding per FTE is higher at urban institutions than at rural ones. This is true according to three different definitions of rurality we analyzed: ARRC's rural-serving designation, NCES Locales, and OMB Metro/Non-Metro categories.

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[14] https://aascu.org/resources/issue-summary-regional-public-universities/#:~:text=70%25%20of%20all%20undergraduates%20attend%20RPUs&text=Preparing%20tomorrow's%20workforce%2C%20most,Download%20one%2Dpager
[15] https://cdn.prod.website-files.com/5fd3cd8b31d72c5133b17425/639f1833beb26a26ffafbc8a_IADRPUs%20Full%20Report.pdf
[16] https://cdn.prod.website-files.com/5fd3cd8b31d72c5133b17425/639f1833beb26a26ffafbc8a_IADRPUs%20Full%20Report.pdf
[17] https://eric.ed.gov/?q=blurring+AND+can&ff1=dtySince_2021&id=EJ1433916

Regardless of the funding approach in place, states can take steps to recognize the unique needs of rural students and/or rural institutions within their funding models.

State Funding Role in Supporting Rural Colleges and Universities

States use a variety of strategies to allocate funding to higher education institutions, including base plus, institutional request, input-driven formula funding, and performance-or outcomes-based funding[18]. They may also use a combination of these approaches simultaneously. Each of these approaches is briefly defined in the box below and could be used in different ways to further support rurally located institutions.

[18] https://sheeo.org/wp-content/uploads/2022/10/SHEEO_2022_State_Approaches_Base_Funding.pdf

State Funding Strategies

Base Plus

- Each budget cycle, the state legislature adjusts funding for the next year based on economic or political conditions.
- May consider cost-drivers such as enrollment and facilities, but this strategy does not include a formula.
- This strategy offers stability and predictability for institutions.
- May reinforce historical funding inequities.

Institutional Requests

- A strategy similar to Base Plus, but institutions make individual direct requests to the legislature.
- The institutional request strategy allows for the accommodation of campus-to-campus differences or circumstances.
- May reinforce historical funding inequities.

Input Driven Formula

- An input-driven strategy considers factors associated with costs, such as enrollment and credit-hour production.
- Varies based on mission and changes from year to year.
- States may not consistently be able to fully fund input-driven formulas.

Performance or Outcome-Based Formula

- Performance-based or outcomes-based funding strategies emphasize institutional and student performance.
- These metrics cover topics such as student success metrics that value the completion of degrees. Other metrics focus on workforce development and workforce alignment.

None of these funding approaches include a specific focus on rural or urban institutions; nevertheless, they have an impact on the state revenue picture for each institutional type. States using predominantly base-plus approaches risk underfunding institutions relative to their needs, especially when the base amounts were established years or even decades ago. Formula-driven approaches are often primarily enrollment-driven, meaning that smaller institutions will consistently receive less funding than their larger, more urban peers.

Regardless of the funding approach in place, states can take steps to recognize the unique needs of rural students and/or rural institutions within their funding models. At present, Oregon is the sole state that recognizes rural students in its state funding formula and allocates extra funding to institutions through the outcomes portion for degrees obtained by students who come from rural high schools. For Oregon, this approach allows the coordinating board to intentionally engage the issue of rurality within its formula. In the section that follows, we cover additional ways states may consider refining their funding approaches to attend to the unique needs of rural students and institutions.

Oregon's Approach to Supporting Rural Universities

In Oregon, first-time, full-time rural students are identified by the location of the high school from which the student graduated. Institutions coordinated by the state's Higher Education Coordinating Commission (HECC) that enroll these students receive an increase in distributions from the state's public university formula funding once they graduate. This approach increases state funding to rural postsecondary institutions; however, it still has its drawbacks: rural transfer students, adult students, and students completing homeschool or GED programs are excluded.

BUILDING A RURAL FOCUS IN STATE FUNDING APPROACHES

For states seeking to enhance the focus on rurality within their funding approach, NCHEMS has developed a set of options and recommendations.

Defining, Measuring, and Weighting Rural Student Enrollment

Students coming from rural areas graduate high school at rates that outpace their urban peers, but are still less likely to complete a postsecondary credential[19]. Over time, this has led to gaps in educational attainment that persist in rural areas across the nation. States seeking to align funding policy with closing these gaps may consider defining rural student status and then adding metrics to the state's funding formula to incentivize institutions to ensure success for these students.

As explored throughout this report, defining who is — and who is not — a student from a rural area can be complicated. In our research, NCHEMS located over 20 definitions of rurality in place at the federal level. These definitions, explored in detail in an appendix to this report, use metrics such as population, income characteristics, or other drivers to determine if a certain geographic area can or cannot be considered "rural."

State and higher education agency leaders may struggle to determine which of these definitions to use. In our analysis, we found that RUCA, FAR, Metro/Non-Metro, and NCES Locale definitions consistently categorized institutions over 90% of the time — meaning an institution determined to be rural under one definition is very likely to be considered rural according to others. NCHEMS has also developed a mapping tool to assist state and institutional leaders in overlaying different definitions of rurality on a map of their state's public postsecondary institutions[20].

Once a definition is selected, finding a way to measure whether a student comes from one of these areas may also be a challenge. States have at least two possible ways in which to determine this: (1) based on reporting from the postsecondary institution and based on the student's reported permanent or home address, or (2) using state data based on the high school from which a student graduated.

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[19] https://www.luminafoundation.org/focus-magazine/fall-2019/in-rural-america-too-few-roads-lead-to-college-success/

[20] https://nchems.org/rural-definitions-and-public-institutions/

The first approach requires postsecondary institutions to report information back to the state agency administering the funding formula. This should be a headcount number of the students enrolled at the institution who report a permanent or home address in one of the areas defined as rural. . State agencies with access to K-12 data linked to postsecondary enrollment may also complete their own analysis, based on the location of the high school that granted the student's diploma. While this approach is more streamlined for institutions, it can lack accuracy and does not do a good job recognizing students who have been homeschooled, completed the GED, or are returning to college later in life.

With information about students from rural areas, state agencies administering state funding formulas must then decide what exactly to incentivize for the institutions. Institutions likely face increased costs in outreach and enrollment of rural students; therefore, adding a headcount or credit hour weight based on rural students could be an appropriate approach. Given the gaps in attainment in rural areas, states could alternatively choose to provide institutions with bonuses in the formula once students from rural areas complete their credential.

The strategies discussed above list one possible pathway to build a focus on rural students within a state's funding formula. The details outline a possible pathway at a high level, and without a doubt, states looking to define, measure, and weight rural student enrollment within their formulas will encounter obstacles along the way. To be successful, states should consider engaging and informing campuses of decisions in this area, and consulting with them about their ability and capacity to support the state in monitoring enrollment and outcomes for students from rural areas.

Institutionally-Based Metrics

While incentivizing enrollment and success for individual students can be one tactic to add a focus on rurality within a state's funding approach, states can also choose to target support to postsecondary institutions located in rural areas. Most postsecondary students attend institutions close to their homes[21], therefore providing support directly to the institutions may be a more streamlined approach. It may also cost institutions in rural areas more to provide their services, justifying that the state may need to make additional targeted investments in these institutions.

[21] https://www.acenet.edu/Documents/Education-Deserts-The-Continued-Significance-of-Place-in-the-Twenty-First-Century.pdf

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Using the definitions explored in the appendix to this report, state higher education agencies may determine which institution(s) are eligible for an adjustment based on rural status and provide an increase to base funding. The agency would need to determine the appropriate adjustment amount and whether the adjustment is one-time or recurring.

States may develop a funding amount based on what is immediately affordable, or they may take a more data-driven approach based on state funding per FTE student across institutions covered within the system.

[21] https://www.acenet.edu/Documents/Education-Deserts-The-Continued-Significance-of-Place-in-the-Twenty-First-Century.pdf

While the ARRC definition attempts to identify the degree to which an institution serves rural areas, the other definitions in our analysis focused solely on whether an institution is located rurally. This difference is meaningful for policymakers, who will need to grapple with questions of what they are trying to achieve in identifying rural institutions and select an appropriate definition accordingly.

FINAL THOUGHTS

Students from rural areas and institutions located in these areas make significant contributions to the higher education landscape; however, educational attainment levels in rural regions often fall behind those in urban regions. State funding supports many public institutions and students from rural areas in their higher education pursuits. Yet, the majority of states do not use rurality as a metric within their formulas. The result is that institutions located in rural spaces may face higher costs to provide their services, but will not receive increased state support to cover those costs. Indeed, they may actually receive less funding per FTE student than their urban counterparts. State leaders can adopt approaches to increase the focus on rurality, either by incentivizing institutions to enroll and graduate students from rural areas or by providing direct support to rurally located institutions. Moving forward, funding will be a key lever in providing accessible postsecondary educational pathways for people across states — whether they live in city centers, state capitols, or rural areas.

APPENDIX: RURAL DEFINITIONS

Definition	Type	Unit of Analysis	Rural Definition	Additional Details
U.S. Census	Population-Based	Census Urbanized Area Census Urban Clusters	Non-Urban Area – Less than 2,500.	All areas outside of Urbanized Areas (50,000 or more) or Urban Clusters (2,500-50,000).
Office of Management and Budget	Population-Based	OMB Non-Metro Area OMB Non-Core Counties	Nonmetropolitan Area – nonmetro/micropolitan areas center on urban areas of 10,000-49,999 persons and adjacent county or counties with high economic integration. Noncore counties – counties without high degrees of integration with a core county.	Nonmetro areas often include: • Open countryside. • Rural towns with less than 5,000 people. • Urban areas with populations ranging up to 50,000 people that are not part of larger labor market areas.
USDA Rural-Urban Continuum (RUC)	Population-Based	Disaggregated OMB Non-Metro	Includes six non-metro categories ranging from a population of 20,000 or more to 5,000 or more, not adjacent to a metro area.	Uses OMB metro and nonmetro classifications.

Definition	Type	Unit of Analysis	Rural Definition	Additional Details
USDA Rural-Urban Commuting Areas (RUCA)	Population-Based	Census Tract and Zip-Code	Rural – Areas with primary flow to a tract outside an urban area or urban cluster.	• The RUCA methodology is similar to the OMB definitions and methodology. • Uses Census tracts rather than the counties used by OMB. • RUCA codes provide a more detailed and alternative perspective, as Census tracts are smaller than counties.
CDC Urban-Rural Classification	Population-Based	OMB Micropolitan Counties OMB Non-Core Counties	Two micropolitan levels 1. Micropolitan counties. ◦ Associated with at least one urban cluster of at least 10,000 but less than 50,000 population. 2. Non-core counties not in a micropolitan area.	Uses OMB metro, micropolitan, noncore definitions.
Farm-Dependent Rural Community	Socio-Economic-Based	OMB Non-Metro Counties	Farming-dependent (444 total, 391 nonmetro) counties are those where 25% or more of the county's average annual labor and proprietor's earnings were derived from farming, or 16% or more jobs were in farming, as measured by 2010-2012 Bureau of Economic Analysis.	

Definition	Type	Unit of Analysis	Rural Definition	Additional Details
Mining Dependent	Socio-Economic-Based	OMB Non-Metro Counties	Mining-dependent (221 total, 184 nonmetro) counties are those where 13% or more of the county's average annual labor and proprietor's earnings were derived from mining, or 8% or more jobs were in mining, as measured by 2010-2012 Bureau of Economic Analysis.	
Manufacturing-Dependent	Socio-Economic-Based	OMB Non-Metro Counties	Manufacturing-dependent (501 total, 348 nonmetro) counties are those where 23% or more of average annual labor and proprietors' earnings are derived from manufacturing, or 16% or more of jobs were in manufacturing, as measured by 2010-2012 Bureau of Economic Analysis.	
Federal/State Government-Dependent	Socio-Economic-Based	OMB Non-Metro Counties	Federal/State government-dependent (407 total, 239 nonmetro) counties are those wherein 14% or more of average annual labor and proprietors' earnings derived from Federal and State government or 9% or more jobs were in Federal/State government as measured by 2010-2012 Bureau of Economic Analysis.	

Definition	Type	Unit of Analysis	Rural Definition	Additional Details
Recreation	Socio-Economic-Based	OMB Non-Metro Counties	Recreation (333 total, 229 nonmetro) counties were identified by calculating the percentage employed; the percentage of total earnings in entertainment, recreation, accommodations, eating and drinking places, and real estate; and the percentage of vacant housing units intended for seasonal of occasional use reported in the 2010 Census of Population.	• The RUCA methodology is similar to the OMB definitions and methodology. • Uses Census tracts rather than the counties used by OMB. • RUCA codes provide a more detailed and alternative perspective, as Census tracts are smaller than counties.
Non-Specialized Counties	Socio-Economic-Based	OMB Non-Metro Counties	Nonspecialized (1,237 total, 585 nonmetro) counties are those that did not meet the economic threshold for any other type, as measured by 2010-2012 Bureau of Economic Analysis.	
USDA Low Education	Policy-Based	OMB Non-Metro Counties	Counties with low educational attainment rates (467 total, 367 nonmetro) are those where 20% or more of the county residents age 25-64 did not have a high school diploma or equivalent, determined by the American Community Survey five-year average data for 2008-2012.	

Definition	Type	Unit of Analysis	Rural Definition	Additional Details
USDA Low Employment	Policy-Based	OMB Non-Metro Counties	Counties with low educational attainment rates (906 total, 720 nonmetro) are those where less than 65% of country residents age 25-64 were employed, determined by the American Community Survey five-year average data for 2008-2012.	
USDA Persistent Poverty	Policy-Based	OMB Non-Metro Counties	Persistent poverty (353 total, 301 nonmetro) counties, are those where 20% or more of country residents were poor, measured by the 1980, 1990, 2000 census and the 2007-2011 American Community Survey.	
USDA Persistent Child Poverty	Policy-Based	OMB Non-Metro Counties	Persistent child poverty counties (708 total, 558 nonmetro) counties are those where 20% or more of country related children under 18 were poor, measured by the 1980, 1990, 2000 census and the 2007-2011 American Community Survey.	
USDA Population Loss	Policy-Based	OMB Non-Metro Counties	Persistent child poverty counties (529 total, 467 nonmetro) counties are those where the number of country residents declined between the 1990 and 2000 censuses and between the 2000 and 2010 censuses.	

Definition	Type	Unit of Analysis	Rural Definition	Additional Details
USDA Retirement Destination	Policy-Based	OMB Non-Metro Counties	Level 1 - FAR areas consist of rural areas and urban areas up to 50,000 people that are 60 minutes or more from an urban area of 50,000 or more people. Level 2 - FAR areas consist of rural areas and urban areas up to 25,000 people that are: 45 minutes or more from an urban area of 25,000-49,999 people; and 60 minutes or more from an urban area of 50,000 or more people. Level 3 - FAR areas consist of rural areas and urban areas up to 10,000 people that are: 30 minutes or more from an urban area of 10,000-24,999; 45 minutes or more from an urban area of 25,000-49,999 people; and 60 minutes or more from an urban area of 50,000 or more people. Level 4 - FAR areas consist of rural areas that are: 15 minutes or more from an urban area of 2,500-9,999 people; 30 minutes or more from an urban area of 10,000-24,999 people; 45 minutes or more from an urban area of 25,000-49,999 people; and 60 minutes or more from an urban area of 50,000 or more people.	Developed by the USDA. Developed to highlight the demographic and economic penalties associated with small size and remoteness.

Definition	Type	Unit of Analysis	Rural Definition
NCES Locales	Education-Based	Census Urbanized Area Census Urban Clusters	Rural Fringe • Census-defined rural territory that is less than or equal to five miles from an Urbanized Area, as well as rural territory that is less than or equal to 2.5 miles from an Urban Cluster. Rural Distant • Census-defined rural territory that is more than five miles but less than or equal to 25 miles from an Urbanized Area, as well as rural territory that is more than 2.5 miles but less than or equal to 10 miles from an Urban Cluster. Rural Remote • Census-defined rural territory that is more than 25 miles from an Urbanized Area and also more than 10 miles from an Urban Cluster. Town Distant • Territory inside an urban area with population less than 50,000 that is more than 10 miles and less than or equal to 35 miles from an urban area with population of 50,000 or more. Town Remote • Territory inside an urban area with population less than 50,000 that is more than 35 miles from an urban area with population of 50,000 or more.

Definition	Type	Unit of Analysis	Rural Definition	Additional Details
Alliance for Research on Regional Colleges (ARRC) Rural Serving Institutions (RSIs)	Education-Based	Census Urbanized Area	The RSI index consists of five measures: 1. Percent of the institution's home county population classified as rural. 2. Average percent of adjacent counties' population classified as rural. 3. Population size of institution's home county. 4. Institution's home county adjacency to a metro area. 5. Percent of institution's total awards conferred in Agriculture, Natural Resources, and Parks & Recreation. Rural-Serving includes institutions with a rural-serving index above the nationwide average. High Rural-Serving includes institutions with a rural-serving index at least one standard deviation above the nationwide average. Values are not available for graduate-only institutions, special focus institutions, or vocational and career technical colleges.	The Alliance for Research on Regional Colleges (AARC) developed a metric that includes institutions that serve rural students and rural economies but might not be in a rural area.

Source for Institutional Student FTE and State/Local Appropriations: NCES IPEDS Annual Enrollment Survey efia2023 and Finance Surveys f2223_f1a and f2223_f2, provisional release files. State and local appropriations include appropriations and nonoperating grants. Colorado also includes state operating grants and contracts. Institutions with zero state or local appropriations are excluded from the Median State and Local Appropriations per FTE calculation.