

Capacity Building in Rural State Education Agencies

Frank McKay and Rebecca Stanley
RTI International

SEPTEMBER 2026



Since 2020, educators in the United States have left or intend to leave their positions at higher rates than ever before.^{1,2} The result, when paired with a dwindling recruitment pipeline,³ is a significant shortage of highly qualified educators across the country.

The Center on Strengthening and Supporting the Educator Workforce (SSEW) addresses this shortage by increasing the uptake and scaling of evidence-based practices. This series of briefs explores high-leverage solutions to improve the recruitment, preparation, and retention of American educators.

Introduction

State education agencies (SEAs) in rural states face distinct workforce capacity challenges. Although they have many of the same responsibilities as SEAs in larger states, including legislative support, policy development, federal program administration, accountability systems, data management, fiscal oversight, and support for district and school improvement, they often carry out this work with smaller teams, broader geographic service areas, and more limited access to qualified staff. These conditions can make it difficult to attract, develop, and retain the specialized expertise needed to sustain agency operations and support districts effectively. At the same time, rural SEAs can face constraints in competing for talent because of state compensation structures, legislative appropriations, and public-sector hiring systems. As a result, agency leaders may need to think beyond salary when building and sustaining workforce capacity.

This brief examines common workforce-related capacity challenges facing rural SEAs and highlights promising strategies for strengthening capacity across four interconnected areas: recruiting talent, growing and transferring expertise, retaining employees, and extending capacity through partnerships and flexible workforce models. We use “rural” broadly to refer to low-density, geographically dispersed contexts where distance, scale, and limited labor pools shape how SEAs organize and sustain their workforce.

The Capacity Challenge for Rural SEAs

Required Expertise

Regardless of context, SEAs increasingly require specialized knowledge and skills to fulfill essential agency functions. State agencies are responsible for legislative support, policy development, administering federal programs, managing grants, maintaining statewide data systems, overseeing accountability systems, monitoring compliance, supporting district and school improvement efforts, and providing a variety of technical assistance services to districts. Many rural SEAs must also support districts serving Tribal communities and navigate state–Tribal relationships, government structures, Indigenous education priorities, and culturally responsive practices. For example, Idaho, Montana, North Dakota, South Dakota, and Wyoming all have American Indian populations that exceed the national average of approximately 2.9 percent of the U.S. population, pointing to a need for agency expertise related to Tribal consultation, Indigenous education, and state–Tribal partnerships.⁴ At the same time, many rural SEAs operate with limited staffing capacity, requiring a small number of staff to carry out highly technical work and maintain critical institutional knowledge. For example, expertise related to federal reporting, accountability calculations, statewide data systems, or specialized compliance requirements may reside with only one or two employees. When expertise is concentrated in so few positions, vacancies and turnover can disrupt systems, increase workload for remaining staff, and slow support to districts.

Mission–Critical Roles: Where is Expertise Concentrated?

Given that rural SEAs often rely on limited staff to manage highly specialized functions, leaders may want to identify roles where the loss of one employee could significantly disrupt agency operations. Examples include:

- Assessment and accountability
- Data systems and federal reporting
- School finance and grants management
- Special education and compliance
- Licensure and educator preparation
- School improvement
- Career and technical education
- Technology and cybersecurity
- Tribal education
- Other specialized program areas

Key Question: If the person in one of these specialized roles retired, how would the agency maintain critical knowledge, responsibilities, and relationships?

Geographical Distance

SEAs in rural states often serve districts spanning large geographic areas that include remote communities, Tribal communities, and regions with limited access to services such as specialized professional learning, technical assistance, educator preparation programs, and other supports that help districts build capacity and improve student outcomes. These conditions shape the work of the SEA and the labor market in which agencies recruit. Competition for candidates with critical expertise can be significant as SEAs recruit against school districts, regional service agencies, institutions of higher education, state agencies, local governments, and private-sector employers. Geography can further constrain recruitment when positions are tied to a central office or state capital because qualified candidates may live elsewhere in the state and be unwilling or unable to relocate or commute long distances.⁵ Remote, hybrid, regional, and distributed workforce models can help expand access to talent, but they also require intentional approaches to supervision, team building, communication, and collaboration to be effective.⁶

Organizational Capacity

Although recruitment is essential, rural SEAs likely cannot solve capacity constraints through hiring alone. Even when positions are filled, new employees require time to learn agency systems, assume responsibilities, and build relationships across divisions and with districts and schools. Successful recruitment also does not eliminate risks associated with turnover, institutional knowledge loss, or succession challenges. For this reason, effective capacity building requires attention to the full employment life cycle, from recruiting and onboarding new staff to developing expertise, retaining experienced employees, and planning for leadership transitions and retirements. In smaller agencies, challenges at one stage of the employment life cycle can quickly affect other areas. For example, prolonged vacancies can increase workload for existing staff, while inadequate onboarding or knowledge transfer can delay an employee’s ability to assume complex responsibilities. Capacity challenges at any stage can affect an agency’s ability to sustain critical functions and support districts effectively.

Emerging Solutions

The challenges associated with specialized expertise, geographic distance, and organizational continuity suggest that workforce capacity cannot be strengthened through a single strategy. Instead, rural SEAs may benefit from a comprehensive approach that addresses recruitment, staff development, retention, and access to external expertise. **Exhibit 1** summarizes four interconnected capacity-building priorities and examples of high-impact strategies associated with each.

Exhibit 1. Capacity-building priorities for rural SEAs

PRIORITY	HIGH-IMPACT STRATEGIES
Recruit talent	Competitive compensation, flexible work arrangements, expanded geographic recruitment, and workforce pipelines
Grow and transfer expertise	Structured onboarding, scalable professional learning, mentoring and coaching, cross-training, and leadership development
Retain employees	Focus on mission, targeted retention supports, career pathways, flexible work, and succession planning
Extend capacity	Partnerships with higher education, intermediaries, regional SEAs, Regional Educational Laboratories, Comprehensive Centers, and other external experts

Recruiting Talent

Recruitment is often a key capacity challenge for rural SEAs. Competitive compensation remains important, particularly for positions requiring specialized skills in areas such as district and school improvement, assessment, accountability, data systems, finance, federal programs, information technology, and special education. Rural SEAs compete with districts, institutes of higher education, other public agencies, and private employers for staff with similar skills. When wages lag, public-sector staff may look to opportunities with better pay and benefits, which can impact overall applicant pools.⁷ Because state compensation systems may limit salary flexibility, agencies may need to explore additional tools such as recruitment bonuses, retention incentives, market adjustments, and specialized job classifications. These tools are becoming more prevalent across state and local government. For example, the 2025 MissionSquare–NASPE workforce survey found that approximately one-third of public-sector employers use targeted hiring bonuses, suggesting that recruitment incentives have become an accepted workforce strategy for hard-to-fill positions.⁴

Key Strategies

- Use targeted compensation tools for hard-to-fill roles.
- Expand access through remote and hybrid work arrangements.
- Reduce geographic barriers to recruitment.
- Build workforce pipelines through fellowships, internships, and apprenticeship-like models.

Rural SEAs can also broaden recruitment by reducing geographic barriers. Flexible work arrangements are increasingly common in state and local government and have become an important component of recruitment strategies.⁴ Several rural states have incorporated telework, distributed staffing models, and flexible scheduling into broader workforce strategies to expand the geographic recruiting pool in response to persistent staffing challenges. For example, Alaska and Montana encourage telework when it aligns with agency needs and is operationally feasible.^{8,9} The Montana Office of Public Instruction reported results from internal employee surveys indicating that teleworking employees experienced increased productivity, reduced stress, and improved work–life balance.¹⁰ These reported benefits help explain why telework is increasingly incorporated into public-sector efforts to expand applicant pools and improve employee retention.

Some rural states are addressing recruitment by developing educator and workforce pipelines through apprenticeship and grow-your-own approaches. Teacher apprenticeship models and related state policy levers in South Dakota, Vermont, and Wyoming show how rural states can credential qualified professionals who already work in schools and communities. Similar concepts can be adapted for SEA staffing through district-to-SEA fellowships, graduate internships, temporary assignments, leadership rotations, and specialized onboarding academies that help cultivate future agency talent. These apprenticeship-like pathways can help agencies recruit staff with local credibility while building specialized SEA expertise over time.

Growing Talent

Once staff are hired, rural SEAs can benefit from systems that accelerate professional learning and reduce dependence on informal knowledge transfer. Structured onboarding can help new employees develop expertise more quickly by providing role-specific training as well as clear connections between individual responsibilities and the broader agency mission and goals. This is especially important in smaller agencies, where staff often manage broad portfolios and interact across multiple divisions.¹¹

Role-aligned professional learning opportunities can be critical for staff development, particularly in rural SEAs where geography may limit access to training and peer networks. Virtual training, online or hybrid communities of practice, cross-functional projects, asynchronous learning modules, and internal knowledge-sharing sessions can help build internal expertise while reducing barriers associated with travel and distance. For example, South Dakota supports professional development through a statewide learning management system that offers on-demand, virtual, instructor-led training options for all state employees.¹² By making training available through multiple delivery formats, systems like this can help rural agencies provide consistent professional development across geographically dispersed workforces while reducing the need for frequent travel to the state capital.

Leadership development is another important component of SEA organizational capacity. Building leadership capacity throughout the agency can improve continuity and support long-term succession planning by extending leadership opportunities beyond executive positions to include supervisors, technical leads, and other emerging leaders. Rural SEAs can benefit from identifying high-potential staff in programmatic and policy-facing roles and intentionally preparing them for broader leadership responsibilities. Leadership development models like Idaho's leadership academies, supervisor training, and Certified Public Manager program pair formal leadership pathways with professional development for capacity building.¹³

Mentoring, coaching, and cross-training can be a valuable part of capacity-building infrastructure. Rural SEAs are especially vulnerable when one specialist is responsible for critical functions such as district and school improvement, federal reporting, data systems, monitoring protocols, grant processes, or compliance knowledge. Each role should have documented procedures, a backup staff member, mentoring and coaching expectations, cross-training opportunities, and a succession plan to reduce organizational risk and help ensure continuity when staff transition into new roles or leave the agency.¹⁴ Artificial intelligence and automation tools can support these efforts by helping staff draft standard operating procedures, organize and update documentation, create training materials, and capture institutional knowledge, reducing the burden associated with knowledge transfer and succession planning.

Key Strategies

- Implement structured onboarding for key SEA functions.
- Build scalable professional learning systems.
- Develop leadership capacity at multiple levels.
- Strengthen mentoring, coaching, and cross-training.
- Create systems that support knowledge management and transfer.

Retaining Talent

Retention is often determined by whether employees can envision a sustainable and rewarding future within the agency. Public-sector employees are more likely to remain in organizations when they understand and value the mission and goals, see their work as meaningful, and can connect their daily responsibilities to broader organizational goals.^{15,16} For SEA staff, this means understanding how their work contributes to improved outcomes for students, schools, districts, and communities. A clear mission and goals, coherent priorities, and visible connection between daily work and statewide improvement can help make SEA service more rewarding and sustainable.

Key Strategies

- Build staff buy-in with a clear and compelling agency mission and goals.
- Support retention through targeted compensation and incentives.
- Use flexible work strategically.
- Create meaningful career pathways.
- Invest in succession planning and continuity.

Several strategies that help rural SEAs attract employees, such as targeted incentives and flexible work arrangements, can also strengthen retention. Competitive compensation remains important because of competition from the private sector, other state agencies, and even local school districts. When targeted incentives such as retention bonuses and classification adjustments are informed by local workforce data and regular review, these incentives can help stabilize hard-to-fill positions. North Dakota's statutory authority for retention bonuses and Idaho's market-based compensation framework illustrate how states can incorporate flexibility into public-sector compensation systems to address retention challenges in hard-to-fill occupations.^{17,18} Similarly, flexible and hybrid work arrangements can support retention by improving work-life balance and reducing geographic barriers that may otherwise limit an employee's ability to remain in a position. For rural SEAs, a practical first step is to classify positions by service-delivery requirements. Some roles may require regular in-person engagement with the legislature, state board, agency leadership, or districts, while roles in other areas such as data analysis, research, grants management, curriculum support, and some technical assistance functions may be better suited for remote or hybrid settings. Aligning work arrangements with job responsibilities can help agencies retain specialized talent while maintaining accountability, collaboration, and service quality.

Career pathways and internal mobility opportunities provide an important retention lever. Employees are more likely to remain in an organization when they understand how responsibilities, competencies, and leadership opportunities connect to future advancement.¹⁹ Progression ladders, competency rubrics, development plans, mentoring and coaching, job shadowing, and project-based assignments can help staff see a future within the agency.^{5,20} Succession planning is particularly important in rural SEAs, where the departure of a single employee can create significant disruption. Effective succession planning includes identifying critical roles, documenting key processes, cross-training staff, preparing future leaders, and planning for anticipated retirements before vacancies occur.²¹ By investing in career development, internal mobility, and succession planning, rural SEAs can build a more resilient workforce that is better positioned to adapt to future staffing challenges.

Extending Capacity Through Partnerships

Even with strong recruiting, professional development, and retention strategies, there may be some capacity needs that are best met through partnerships. In rural SEAs, some areas of expertise may be too specialized or costly to sustain through full-time positions alone. Partnerships with universities, research organizations, regional SEA providers, intermediaries, Comprehensive Centers, Regional Educational Laboratories, and other technical assistance providers can help agencies access expertise, reduce workload pressures, and support implementation without adding permanent positions.²² SEA leaders in smaller and less populous states have reported particular value in partnerships that provide access to specialized expertise, evaluation capacity, and opportunities for peer learning across states that may be difficult to sustain internally.²³

Collaborations with universities, research organizations, and intermediary partners can strengthen agencies’ ability to collect and use data, solve complex problems, and sustain improvements.²⁴ Over time, these partnerships can help rural SEAs build internal expertise, support knowledge transfer, and access specialized resources that enhance support for districts and schools.^{1,21} **Exhibit 2** shows examples of the types of capacity support that partnerships can provide.

Key Strategies

- Partner with colleges and universities.
- Use regional organizations and intermediary partners.
- Leverage Comprehensive Centers, Regional Educational Laboratories, and other national and federal technical assistance providers.
- Access temporary, fractional, or project-based expertise during staffing transitions.

Exhibit 2. Capacity supports provided by partners

PARTNERS	CAPACITY SUPPORTS
Universities	Evaluation support, leadership development, and applied research
Regional organizations or service agencies	Shared professional learning, cross-district communities of practice, regional coaching, and convening support
Research organizations and intermediaries	Data analysis, implementation support, facilitation, and needs assessments
Retired SEA leaders or expert consultants	Transition support for specialized roles, mentoring, documentation, and short-term capacity during vacancies
Federal Comprehensive Centers and Regional Educational Laboratories	Technical assistance, peer learning, evidence use, evaluation support, and expertise aligned to state priorities

Recommendations

For rural SEAs, capacity building is an important strategy for building and sustaining essential expertise that may be limited due to geography; small, specialized labor pools; broad staff portfolios; and the need to support districts across large service areas. These conditions make it especially important for agencies to focus on how they attract, develop, and retain talent over time. The emerging solutions described in this brief highlight the ways in which rural SEAs benefit from a comprehensive approach. Specific recommendations include the following:

» **Expand recruitment through flexible workforce models.** Use remote, hybrid, regional, and distributed staffing approaches where appropriate to reduce geographic barriers and broaden access to talent.

» **Develop targeted incentives for hard-to-fill roles.** Use market-based compensation adjustments, recruitment and retention incentives, specialized classifications, and expanded geographic recruitment to compete for candidates.

» **Build workforce pipelines for future SEA talent.** Partner with districts, institutions of higher education, and other organizations to create fellowships, internships, leadership rotations, apprenticeship-like pathways, and other grow-your-own approaches that cultivate future agency staff.

» **Implement structured onboarding and professional learning systems.** Provide role-specific onboarding, scalable professional learning, cross-functional learning opportunities, and ongoing development to build staff expertise and reduce reliance on informal knowledge transfer.

» **Invest in leadership development, mentoring, and cross-training.** Prepare future leaders, strengthen continuity, and reduce organizational risk by providing leadership pathways, mentoring, and coaching for critical functions.

» **Strengthen retention through career pathways and workplace flexibility.** Create clear advancement opportunities, support internal mobility, and align work arrangements with job responsibilities to help retain talent and maintain workforce stability.

» **Implement succession planning and knowledge management practices.** Identify mission-critical roles, document key processes, preserve institutional knowledge, and proactively prepare for anticipated retirements and staffing transitions.

References Cited

1. Doan, S., Steiner, E. D., & Pandey, R. (2024, June 18). *Teacher well-being and intentions to leave in 2024: Findings from the 2024 State of the American Teacher Survey*. RAND. https://www.rand.org/pubs/research_reports/RR1108-12.html 
2. Levin, S., Scott, C., Yang, M., Leung, M., & Bradley, K. (2020). *Supporting a strong, stable principal workforce: What matters and what can be done*. National Association of Secondary School Principals & Learning Policy Institute. <https://learningpolicyinstitute.org/product/supporting-strong-stable-principal-workforce-report> 
3. Irwin, V., Wang, K., Tezil, T., Zhang, J., Filbey, A., Jung, J., Mann, F. B., Dilig, R., & Parker, S. (2023). *Report on the Condition of Education 2023* (NCES 2023-144). National Center for Education Statistics, Institute of Education Sciences, U.S. Department of Education. <https://nces.ed.gov/pubs2023/2023144.pdf>
4. U.S. Census Bureau. (2023). *A look at the largest American Indian and Alaska Native Tribes and villages in the nation, Tribal areas and states: 2020 Census detailed demographic and housing characteristics file A (DHC-A)*. <https://www.census.gov/library/stories/2023/10/2020-census-dhc-a-aian-population.html>
5. Choi, R., Chowdhary, S., Erdmann, D., & Ward, T. (2023). *Bridging the talent gap in state government postpandemic*. McKinsey & Company and National Association of State Chief Administrators.
6. Young, G. (2025). *2025 state and local government workforce survey results*. MissionSquare Research Institute, National Association of State Personnel Executives, and Public Sector HR Association. https://research.missionsq.org/content/media/document/2025/5/2025_State_Local_Workforce_Report.pdf 
7. Jacquinot, L. (2022, March 17). *Wages and benefits*. National Conference of State Legislatures. <https://www.ncsl.org/labor-and-employment/wages-and-benefits> 
8. Alaska Division of Personnel. (2025). *State of Alaska telework policy*. State of Alaska. https://doa.alaska.gov/dop/fileadmin/Human_Resource_Services/pdf/TeleworkPolicy.pdf
9. Montana State Human Resources Division. (2026). *Telework policy*. State of Montana. https://healthcenter.mt.gov/docs/shrd/Policies/Telework_Policy.pdf
10. Montana Office of Public Instruction. (2022, November 15). *Superintendent Arntzen saves Montana taxpayers over \$323,000 in new lease agreement*. State of Montana Newsroom. <https://news.mt.gov/Office-of-Public-Instruction/Superintendent-Arntzen-Saves-Montana-Taxpayers-Over-323,000-in-New-Lease-Agreement>
11. Kaufman, J., & Narechania, K. (2026, March 25). *A capacity agenda for state departments of education*. Niskanen Center. <https://www.niskanencenter.org/a-capacity-agenda-for-state-departments-of-education/> 
12. South Dakota Bureau of Human Resources and Administration. (n.d.). *SDLearn: South Dakota state government's official learning management system*. State of South Dakota. https://www.sd.gov/bhra?id=cs_kb_article_view&syparm_article=KB0044543
13. Idaho Division of Human Resources. (2025). *Idaho state of the state workforce report (FY2026)*. https://dhr.idaho.gov/wp-content/uploads/2025/10/FY26_SOSW.pdf
14. U.S. Office of Personnel Management. (n.d.). *Succession planning*. <https://www.opm.gov/agency-services/talent-management-services/strategic-consulting/workforce-and-succession-planning/succession-planning/>
15. Wright, B. E. (2007). Public service and motivation: Does mission matter? *Public Administration Review*, 67(1), 54–64. <https://doi.org/10.1111/j.1540-6210.2006.00696.x> 
16. Liss-Levinson, R., & Young, G. (2023). *State and local government employees: Morale, public service motivation, financial concerns, and retention: 2022 survey results*. MissionSquare Research Institute. https://research.missionsq.org/content/media/document/2023/02/59976-slg-worker-report_final.pdf 
17. North Dakota Legislative Assembly. (2025). *North Dakota Century Code § 54-06-31, State employee recruitment and retention bonus programs*. https://ndlegis.gov/files/committees/66-2019/21_9371_01000appendixb.pdf

References Cited (cont'd)

18. Idaho Division of Human Resources. (2025). *Change in employee compensation annual guidance: FY 2026*. <https://dhr.idaho.gov/wp-content/uploads/2025/04/FY-2026-Annual-CEC-Guidance.pdf>
19. Ahmed, A. (2024). Rethinking employee retention: The role of career path transparency in reducing turnover. *International Journal of Research in Human Resource Management*, 6(2), 450–456. <https://www.doi.org/10.33545/26633213.2024.v6.i2e.337> 
20. Hogarth, A., & McCartney, C. (2024). *Resourcing and talent planning report 2024*. Chartered Institute of Personnel and Development (CIPD). <https://www.cipd.org/globalassets/media/knowledge/knowledge-hub/reports/2024-pdfs/8662-resource-and-talent-planning-2024-report-web.pdf> 
21. U.S. Office of Personnel Management. (n.d.). *Succession planning*. <https://www.opm.gov/agency-services/talent-management-services/strategic-consulting/workforce-and-succession-planning/succession-planning/>
22. Gordon, D., & Worley, S. (2020). *States partnering with educational service agencies to increase capacity, coherence, and equity*. Council of Chief State School Officers. <https://files.eric.ed.gov/fulltext/ED607114.pdf>
23. Master, B. K., Wang, E. L., Bush-Mecenas, S., Wolfe, R. L., & Doan, S. (2026). *What state education agency leaders want from federal technical assistance*. RAND Corporation. https://www.rand.org/pubs/research_reports/RRA4822-1.html 
24. Doleac, J., Harvey, A., Attridge, J., Dalton, E., Kreisman, D., Merrick, W., Pipa, A. F., Owen, J., & Sullivan, J. (2025, May 16). *Building state and local government innovation capacity: Investing in university-government innovation partnerships*. Brookings Institution. <https://www.brookings.edu/articles/building-state-and-local-government-innovation-capacity-investing-in-university-government-innovation-partnerships> 

The contents of this brief were developed under a grant from the U.S. Department of Education (the Department). The Department does not mandate or prescribe practices, models, or other activities described or discussed in this document. The contents of this brief may contain examples of, adaptations of, and links to resources created and maintained by another public or private organization. The Department does not control or guarantee the accuracy, relevance, timeliness, or completeness of this outside information. The content of this brief does not necessarily represent the policy of the Department. This publication is not intended to represent the views or policy of or be an endorsement of any views expressed or materials provided by any federal agency.