

Finding Fairness for Rural Students

One-third
of American
children attend
school in rural
or small towns,
but we overlook
their needs and
fund their
schools **poorly.**

BY MARTY STRANGE

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One day when I was about 10 years old, I was walking down the rural road my family lived on when a bus carrying a visiting high school baseball team from a far away urban school pulled to a stop beside me. The driver opened the door and hollered, “Where’s the local high school?” I told him he had to turn around, go back to the top of the big hill, turn left, and drive another half mile. As the bus pulled away, one of the ballplayers yelled out the window at me, “Hey, Hayseed,” to the derisive roar of his teammates. I remember thinking, “I’m no hayseed, and I’m not the one who’s lost.”

Rural people remain one of the last groups about whom cultural slurs are considered politically acceptable speech. No one is criticized for calling someone a “hayseed,” not to mention hick, hillbilly, bumpkin, redneck, goober, yokel, rube, plowboy, cracker, trailer trash, or woodchuck.

Rural people are easily subjected to these cultural defamations, in part, because they’re too willing to accept them. Even the word “rural” itself is sometimes used in a sleight-of-hand manner by rural people. In a remarkable exercise in cultural relativity, rural has been defined by many as “any place smaller than where I live.” This notion runs through American culture to its core. I once asked a man who lived in a town of fewer than 1,000 residents in a remote area of the Great Plains if he considered himself “rural.” “Oh no,” he quickly protested, “I live here in town, not on a farm.”

But “rural” not only means small and remote in our cultural lexicon. It also means removed from the progressive influences of modern life. The cultural conflict between urban modernity and rural traditionalism is reflected with most ferocity in politics, where simplicity always appeals. Some argue that rural people don’t understand their own self-interest when they vote for conservative candidates (Frank 2004), while others respond that rural “elites” have fostered an anti-urban conservative political rebellion that threatens to take urban progress back to the Dark Ages (Mann 2006), and still others argue that rural voters are quintessentially pragmatic and not ideologically anything (Boyles 2007). TV political analysts and pundits, with their need to polarize, can’t seem to get enough of this divide, as when CNN commentator and Democratic strategist James Carville expressed the profoundly glib opinion (based on 2010 presidential voting) that Pennsylvania is “Philadelphia and Pittsburgh with Alabama in between.”

RURAL MATTERS

In the midst of this cultural divide, over 9 million students attended a school classified as “rural” by the National Center for Education Statistics in 2007.

This doesn’t include another 6 million who attend schools in small towns that most urbanites would definitely find “rural.”

A national statistical profile of the students in these rural districts places them pretty close to the national mean on many variables. But national averages mean very little in a rural context. The variation from state to state and place to place is so large that averages simply mask extremes. Nationally, the poverty rate (as measured by eligibility for Title I funding) for all rural and small town districts is 18.5%, slightly higher than the national average for all districts. But in the 10% of rural and small-town districts with the highest rates of disadvantaged students, over 37% of the students live in poverty (about the same rate as the Bronx). Moreover, 59% of the 1.3 million students in those high-poverty rural districts are children of color — 28% black, 23% Hispanic, and 8% Native American.



For many rural communities, the primary school funding issue now is whether they can have a school at all.

If these high-poverty rural and small-town districts were one school district, it would be the largest, poorest, most racially diverse district in the nation. But they are not one district. They are a dispersed group of generally small districts (three-fourths have fewer than 2,000 students) mostly south of a line running roughly from Washington, D.C., through Cincinnati, Kansas City, Denver, and Sacramento.

RURAL SCHOOL FINANCE

The dispersion of rural students among many small districts, coupled with the wide socioeconomic

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variation among rural regions, has political implications for the way rural schools are funded. Dispersion and poverty are two of the most virile enemies of political power, and where they coincide, they leave in their wake some of the most meagerly funded schools in America.



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Where rural people are a relatively large proportion of a state's population — as in Alabama, Arkansas, Maine, Mississippi, Oklahoma, South Carolina, South Dakota, and Vermont — they might have some political power. But, in many of these states, rural people are disproportionately poor and often divided along racial lines.

So, it's not surprising that when state legislators sit down to carve up the school funding pie, rural areas are often weakly represented, especially when pitted against themselves along racial or socioeconomic lines. In far too many states, funding systems have been crafted that systematically deprive rural schools, especially those in low-wealth regions, of the fiscal capacity to provide an education that meets contemporary standards. Usually reluctant to complain, rural people have nonetheless often gone to court to seek relief from inadequate and inequitable school funding systems. In early 2011, eight of 13 active constitutional challenges to state school funding systems involve rural plaintiffs. Twenty-seven of 32 earlier cases were brought by rural plaintiffs.

Rural plaintiffs have often prevailed in these cases, and sometimes they've made a big difference for all schools in a state. Consider the tiny Lake View School District in the Mississippi River Delta region of Arkansas. Lake View was a K-12 district with fewer than 200 students and a poverty rate approaching 100% when it filed suit in 1992 challenging the con-

stitutionality of Arkansas' miserly school funding system. Ten years later, this small district's lonely struggle was rewarded by an Arkansas Supreme Court ruling that the state funding system was both inadequate and inequitable.

In these rural cases, the facts are often compelling. The facts in the Lake View case were stunning. The uncontested testimony by witnesses for the plaintiff revealed a wasteland of education funding disparity and deprivation. By way of summary, the Arkansas Supreme Court described the situation in Lake View: "[The district] has one uncertified mathematics teacher who teaches all high school mathematics courses. He is paid \$10,000 a year as a substitute teacher and works a second job as a school bus driver, where he earns \$5,000 a year. He has an insufficient number of calculators for his trigonometry class, too few electrical outlets, no compasses and one chalkboard, a computer lacking software and a printer that does not work, an inadequate supply of paper, and a duplicating machine that is overworked" (*Lake View v. Huckabee*).

Within a few years of this decision, the Arkansas school funding system was dramatically overhauled, with significant increases in funding for operations and facilities and with more emphasis on getting the money to high-needs districts. An annual review of the minimally adequate level of funding the state must provide is conducted, and the state is obligated to fund it.

But in their enthusiasm for reform, the Arkansas General Assembly and Gov. Mike Huckabee cast a loathsome eye on persistent Lake View and other small, rural districts. In the mind of the political elite, these bothersome community schools were both bad and inefficient. So, with the new funding came a statutory mandate that all districts with fewer than 350 students be closed. Fifty-seven, including Lake View, were merged or consolidated with larger districts. Never adequately funded, the Lake View district got the death penalty for speaking the truth to power.

CONSOLIDATION

For many rural communities, the primary school funding issue now is whether they can have a school at all. The issue of state-mandated school or school district consolidation is a leading political issue in nearly half the states. It's been an on-again, off-again issue nationwide since the 1920s, when motorized transport developed to the point that children could be assembled over larger catchment areas than when they walked or rode horses to one-room schoolhouses.

In these earliest days, the push to close rural schools came primarily from professional educators

who argued on the grounds of school improvement. Rural schools were unprofessionally run and dominated by localism and backwardness. Bigger schools could offer more professional, more specialized instruction and a richer curriculum. There was no talk of efficiency or saving money. Anyone who opposed school consolidation was provincial, narrow-minded, and anti-progressive.

Although there has been an ebb and flow to the intensity of this process, it's been relentless. For most of this history, most closures have been voluntary or forced only by local political decisions. But in recent years, four factors seem to trigger the call for statutorily mandated rural school or district closings:

- Declining enrollment leading to increasing per pupil cost in rural schools (and, of course, reflected in diminished rural political power);
- Fiscal distress and budget cuts in state government;
- Disparities in the economic fortunes of the rural versus the urban areas of the state; and
- Court decisions like those in the Lake View case, forcing overhaul of school funding systems.

In various combinations, some or all of these factors have led to pressure for state-mandated rural school consolidation in many states.

While there is still lip service given to the idea that consolidation is about school improvement, it is manifest that the primary purpose is cutting spending. Professional educators are no longer at the forefront of the consolidation movement. Now, governors, legislative leaders, and chief state school officers (more policy makers than professional educators) are leading the way.

There are some fundamental political realities about state-mandated consolidation of rural schools. First, the attack is almost always launched against districts, not schools, and the target is wasteful central administration in small districts. It is often promised, and sometimes written into statute, that, at least for some grace period, schools will not be closed. But schools always are closed eventually because there really is not much money to be saved in closing districts alone. The purpose of closing districts is to de-commission the political apparatus that protects schools, because closing schools, laying off teachers, and enlarging class size is what might save money. But these expected savings are often illusory because teacher salaries are usually lower in the closed district than in the district that absorbs it, and the salaries must be leveled up as new contracts are negotiated, and because hauling all those kids longer distances to larger schools costs a lot of money.

Second, mandated consolidation is always forced on the politically most vulnerable schools — those that serve low-wealth communities, especially communities of color.

In Arkansas, for example, there were 134 schools operating in districts that were closed and those that absorbed them in 2004. Of those, 47 were closed within two years. Forty-two of those 47 school closings were in the districts absorbed into larger districts. The schools that were closed had 21% higher student poverty rates and served nearly three times higher percentages of black students than the schools allowed to remain open. If you were a black student in an annexed district, there was a 7-in-10 chance of your school being closed. If you were not black, your chances were 3-in-10.

In consolidations, schools are always closed because closing districts really doesn't save that much money.

In Maine, a mandatory school district consolidation began with the premise that all districts had to enter into good faith negotiations with other districts in their area and arrive at a consolidation plan that would ensure that the minimum enrollment in each district would be no fewer than 2,500. But as the negotiations proceeded, it became clear that some larger, wealthier districts wanted no part of absorbing lower wealth districts whose teacher salaries in the newly minted district would need to be raised to the level of their own teacher salaries. Exemptions were provided for 38 larger districts that already had the required minimum enrollment, generally high property tax bases, and over half the students in the state. In the end, the kind of consolidation envisioned by the law involves only one-fourth of the state's students. Another 15% are in 140 rural districts that simply refused to consolidate and are suffering state-aid penalties as a result (loss of half their state aid for administration, and loss of 5% of their aid for facilities and maintenance, special education, and transportation). This resistance is centered in the "Rural Rim," the small, rural communities between I-95 and the woods of northern Maine, the Down East region along the Atlantic coast east of Bar Harbor, and the far northeast, along the border with the Canadian provinces of New Brunswick and Quebec.

STATE FUNDING SYSTEMS

By far, the more conventional strategy to close rural schools is not through state mandates, but fiscal

asphyxiation. Over time, a small rural district that's inadequately funded will defer building maintenance in order to pay teachers, and it will ultimately face a major capital expenditure that requires bonding and forces the local voters to decide whether to keep the school open.

However, generalizing about state school-funding systems is dangerous. While there are some patterns, there truly are 50 unique systems. The funding formulas are largely a negotiated set of tradeoffs between variables designed to favor one group of districts over another, offset by other variables designed to mitigate the damages.

Rural areas generally benefit from provisions in many state-aid formulas that adjust aid based on district enrollment size. Often, these adjustments are limited to "necessarily" small districts, those for whom small size is a function of remote location, sparse population, or difficult terrain, and not a matter of choice. In most cases, the amount of additional aid due to these factors is very small.

The challenge of luring a teacher to a small, low-wealth rural community with limited amenities, poor housing, and few college-educated peers, and keeping that teacher there beyond the first beckoning from a better situated district, is simply daunting.

There are also many state funding formulas that soften the effect of declining enrollment on per pupil funding allocations, often by using the average enrollment over a number of previous years. This helps many rural districts, as well as some nonrural districts with declining enrollment.

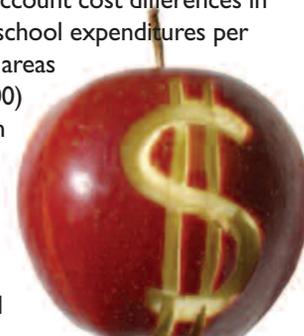
Most state funding systems also make adjustments based on the number of at-risk students, English language learners, and special education students in a district. Since these allocations are usually made based on shares from a fixed appropriation, these measures help rural districts in proportion to the presence of these students in the district, as they should.

Finally, transportation funding is often substantially supported by state aid, sometimes entirely. For rural areas, this is a two-edged sword. Such state aid is a relief to rural taxpayers, without question. But it's also a subsidy to consolidation, which makes it

Rural and remote

COST TO EDUCATE

Rural students are more expensive to educate. Even when adjusted to take into account cost differences in geographic areas, the public school expenditures per student were higher in rural areas (\$8,400) than in cities (\$8,100) and suburbs (\$7,900), though they were same as for towns (\$8,400).



However, it's still hard on poor districts in rural areas. Schools in high-poverty rural districts had lower adjusted expenditures per student (\$8,400) than rural schools located in low-poverty (\$9,100) or middle-low poverty (\$8,500) districts.

Cost per student

RURAL AREAS	\$8,400
TOWNS	\$8,400
CITIES	\$8,100
SUBURBS	\$7,900

Source: U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), "National Public Education Financial Survey," 2003-04.



ACCESS TO COMPUTERS

Rural students had slightly more access at school to a computer with Internet access.

Students per computer

RURAL AREAS	3.0/1
TOWNS	3.3/1
CITIES	4.2/1
SUBURBS	4.3/1

Source: U.S. Department of Education, National Center for Education Statistics, Fast Response Survey System (FRSS). "Internet Access in U.S. Public Schools, Fall 2005," FRSS 90, 2005.

education — by the numbers

RURAL POVERTY

Rural children are less likely to be poor than those in cities and towns, but more likely to be poor than those in the suburbs.

	Children living in families in poverty
RURAL AREAS	15%
TOWNS	25%
CITIES	25%
SUBURBS	13%

Source: U.S. Department of Commerce, U.S. Census Bureau. "American Community Survey," 2004, previously unpublished data.

NAEP COMPARISONS

More rural 4th-grade students (31%) scored at or above the *proficient* level on the 2005 NAEP reading assessment than in cities (24%) or towns (28%), but fewer than in the suburbs (34%). The results for the 8th-grade assessment were similar, with more rural students (30%) scoring at or above the *proficient* level than in cities (23%) or towns (27%), and fewer than in the suburbs (34%).

Source: U.S. Department of Education, National Center for Education Statistics. National Assessment of Educational Progress (NAEP), 2005 Reading Assessment.



PUPIL/TEACHER RATIO

More than half of all school districts and one-third of all public schools are in rural areas, but only one-fifth of all public school students are rural. The pupil/teacher ratio is better in rural districts (15.3 to 1) than in cities or suburbs (16.9 to 1).

Source: U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), "Public Elementary/Secondary School Universe Survey," 2003-04.

GRANDPARENTS' RESPONSIBILITY

Rural children are more likely to be raised by their grandparents than are urban children.

Percent of grandparents responsible for their grandchildren.

RURAL	48.6%
URBAN	38.7%

Source: U.S. Department of Commerce, U.S. Census Bureau. "2005-09 American Community Survey."

RURAL DROPOUTS

The rural dropout rate (11%) is higher than in the suburbs (9%), but lower than in the cities (13%). Similarly, the average freshman graduation rate in rural areas (75%) was higher than in cities (65%) but lower than in suburbs (79%) or towns (76%),

Source: U.S. Department of Commerce, U.S. Census Bureau. "American Community Survey," 2004, previously unpublished data.



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the least likely of “rural friendly” formula factors to come under attack when state legislatures would rather close rural schools than fund them.

Other aspects of the state school funding system often outweigh these perquisites for small and rural schools. Most damaging are school funding systems that rely too heavily on local property taxes. The local property tax is the bane of most rural schools, especially those in low-wealth regions. Because high-wealth districts have unfettered access to a strong property tax base, they can easily outbid low-wealth rural districts (and urban) in the very competitive market for teachers. Sometimes, states standardize teacher salary schedules in an attempt to level the playing field, and some states even fund teacher salary positions directly. But this attempt at equity is often undermined by a local option to “supplement” the state salary schedule from local property taxes.

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Categorical funding is also a problem. In small schools, the total funding available under categorical programs may be too small to efficiently run the required program. Moreover, mandated high-cost services that are inadequately funded can create a catastrophe in a small school system. A single high-needs special education student can bankrupt a small school.

Among the most anti-rural provisions increasingly seen in state school funding systems is using education cost adjustments to account for the undeniable fact that the cost of providing educational services varies across the state. Some states use a simple cost of living indicator, others more sophisticated economic analyses. But no matter the approach used, the common denominator is that these adjustments always seem to merely offset other formula provisions designed to send more aid to districts facing higher levels of poverty. This is simply because the best jobs, the most expensive housing, and the capacity to pay for them are not in places of poverty.

In rural areas, this is a particularly thorny issue because, whether the cost-comparison measure is cost of living, teacher salaries, or salaries of non-teachers with college educations, the challenge of luring a teacher to a small, low-wealth rural community with limited amenities, poor housing, and few college-educated peers, and keeping that teacher

there beyond the first beckoning from a better situated district, is simply daunting. So far, no attempt to adjust for local variation in cost has captured the essence of this challenge, and most cost-adjusters just take money away from high-needs schools and send it to wealthier districts.

FEDERAL ROLE

You would expect federal funding formulas to take a more deliberate look at equitable distribution of funding, especially under Title I of the Elementary and Secondary Education Act, the federal program whose explicit purpose is to increase the capacity of local school districts to meet the needs of disadvantaged students. Unfortunately, some of the most egregious school funding inequities for rural schools are buried deep in the Title I formula.

Some Title I funds are distributed using a weighting system to artificially inflate the count of disadvantaged students in a district. The purpose is to send more money to schools with “high concentrations” of poverty. That’s a good idea, but it’s been poorly applied under current law.

That’s because Congress decided that “high concentration” of poverty can mean either high *percentages* of disadvantaged students or just plain high *numbers* of disadvantaged students, even if those high numbers do not translate into high percentages. Large suburbs, for example, can pile up large numbers of poor kids, even though they’re a small percentage of the total district enrollment.

This dual meaning of “high concentration” was first used in 2002. Since then, each district’s disadvantaged student count is calculated using both the “percentage weighting” and the “number weighting” systems. The higher of the two counts is the one that goes into the formula to determine that district’s share of the Title I appropriation. Most districts gain weighted student count under one or both of these weighting schemes.

But here’s the rub. Just because a district gets a boost in student count under one or the other of the weighting systems doesn’t mean it gets more money. Why not? Because the total amount available to be distributed is fixed by congressional appropriation, so the formula is really just a way to determine shares of that pool of money. Even if a district gets an increase in student count, it can still lose funding if other districts get a proportionally bigger boost in student count. About 10,700 smaller districts suffered just that because 550 larger districts outmuscled them by number weighting, according to a 2008–09 Congressional Research Service analysis.

With number weighting, money moves from smaller districts — no matter how high their student poverty rate — to larger districts — no matter how

low their student poverty rate. Chicago, Detroit, Los Angeles, New York, and Philadelphia are among the beneficiaries of number weighting, but so are large, low-poverty suburban districts like Fairfax County, Va. (suburban Washington), Gwinnett County, Ga. (suburban Atlanta), and Baltimore County, Md. (suburban Baltimore). High-poverty rural and small-town districts and even high-poverty small-city districts, like those in Rochester, N.Y.; Laredo, Texas; Flint, Mich.; and Reading, Pa., are all damaged.

How bad is it? Fairfax County, with a 6% poverty rate, gets more Title I money for each disadvantaged student than rural Virginia's Lee County Public Schools with its 33% poverty rate.

Rural communities are real places that for generations have educated their children and sent them off to earn their living and pay their taxes elsewhere. These communities and the schools that serve them are a lot more complex than those who succumb to rural stereotypes want to acknowledge, let alone understand. But with one-third of U.S. public school students in rural or small-town schools, some of them in the poorest communities in the nation, the needs of these schools can be ignored only by dropping the pretext that the education of every child

matters. School funding systems should reflect the real differences among rural school districts, just as they should reflect the differences among all districts. "Rural" is not *per se* a favored class. But neither is it a category to dismiss as bygone or backward or insignificant, as has too often been the case. ■

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