E-Rate Update

In an attempt to streamline the “universal service schools and libraries program,” generally known as the E-Rate program, the Federal Communications Commission (FCC) asked for public comment on many areas of the program’s administration. The Education and Library Network Coalition (EdLiNC), a coalition representing schools and libraries around the nation, has gone to bat for an effective program to fund telecommunications use and infrastructure nationwide. The E-Rate program uses funds collected from telecommunications carriers to cover discounts offered to schools and libraries for their telecommunications infrastructure and services. Recognizing that the program has been an especially important asset for rural schools, the Rural School and Community Trust is a member of EdLiNC.

Briefly, here are some of the key positions taken by EdLiNC and the Rural Trust:

- Funding commitments to applicant schools or libraries which are left unused at the end of any fiscal year (i.e., the applicant did not complete a project) should be added to the next funding year’s total, since the demand for discounts is running double the $2.5 million in available funds each year.
- Discounts should not be used to pay for Internet access that is “bundled” with content because the fundamental purpose of the E-Rate program is to fund telecommunications services, not content.
- Discounts should expand to cover funding for wireless services and voice mail used for educational purposes.
- Applicants should have the choice between paying the provider the full cost of the service, later claiming reimbursement from the provider through the E-Rate fund, or in the alternative, paying the provider only the discount price, leaving it to the provider to get the rest reimbursed from the fund.
- Providers or applicants who are willfully or repeatedly in noncompliance with program regulations should be suspended from participation.

As expected, several telecommunications carriers had a different perspective. For instance, many carriers wanted unused funds returned to them, or used to offset future contributions. Also predictably, wireline providers wanted to restrict the use of E-Rate funds for wireless service.

The FCC will sort it out and issue an order addressing these and other issues. Meanwhile, schools and libraries are beginning to receive their funding commitment letters for Funding Year 2002-03. The estimated demand for telecommunications and Internet access for 2002-03 is $1.817 billion, while the estimated demand for internal connections totals $2.619 billion. Since a total of only $2.25 billion is available, it is likely that for the first time the fund may be unable to meet all requests for internal connections, even for applicants falling at the 90% discount level.

Rural Nebraskans Support Their Schools

The news surrounding rural schools sometimes appears to be all bad: declining enrollments, inadequate and discriminatory state funding schemes, consolidation. However, the demonstration of support for rural schools in the state of Nebraska is good news to balance out the bad.

In 1996 the Nebraska Legislature adopted LB 806, the law containing the state’s school finance formula. A year later, the Legislature adopted LB 1114, which places state-imposed levy limits on local property taxes, including those that help finance schools. The law allows political subdivisions supported by property taxes—including school systems—to override these levy limits with the approval of the voters in the political subdivision. Essentially, citizens can choose to increase their property taxes.

Because of decreases in state aid to many school systems since the school finance formula was implemented, many school systems have faced the difficult choice of asking voters for more funding through increased property taxes. Generally, the alternative is stark: merge with another school system, significantly reduce educational programs and personnel or increase revenues. The decision is made doubly difficult by Nebraska’s economy and tax structure—property taxes hit rural citizens very hard, particularly farmers and ranchers; incomes in rural Nebraska are among the lowest in the nation and Nebraska has one of the five highest rates of agricultural property tax rates in the nation.

Since 1998, there have been 60 school property tax override elections in the state (some districts have tried twice). Forty-one override attempts have passed, with citizens agreeing to
New Reports Provide Education Data

The National Center for Education Statistics (NCES) has recently released several new reports on elementary/secondary education statistics. Each of the reports is available through the NCES website, http://nces.ed.gov.

“Digest of Education Statistics, 2001” provides a compilation of statistical information covering the broad field of education from pre-kindergarten through graduate school. 430 tables are available to view on the web, or they can be downloaded as Excel, Lotus or PDF files. Among the statistics included:

- 26.3% of U.S. public schools are located in rural places and enroll 17.2% of all public students. Rural schools make up the largest proportion of public schools in the U.S.
- 38.4% of school districts have enrollments of less than 599 students and enroll 6.1% of U.S. public school students. 1.6% of school districts have enrollments of more than 25,000 students and enroll 32.1% of U.S. public school students.
- 52% of rural schools report having at least one, less-than-adequate building feature. 70% of rural schools need to spend money to bring their buildings into good overall condition.
- 8% of rural public schools reported a serious violent crime, compared to 17% of urban schools.


“Arts Education in Public Elementary and Secondary Schools: 1999-2000” provides national data on arts education in public elementary and secondary schools for the 1999–2000 school year. Among the findings: rural schools are the least likely to offer music classes), visual arts (87% of students). 87% of suburban schools for the 1999–2000 school year. Among the findings: rural schools are the least likely to offer music classes, visual arts classes, and drama. 37% of rural schools offer drama. The report is currently only available online at http://nces.ed.gov/pubsinfo.asp?pubid=2002319.

“Public High School Dropouts and Completers From the Common Core of Data: School Years 1991-92 through 1997-98” presents dropout and four-year high school completion rates by state. Dropout and completion rate data are broken out by state, race/ethnicity, grade, and locale. Among the findings: of the states that reported dropout rates in 1997-98, Kentucky had the highest rural dropout rate at 9.9% and Wisconsin had the lowest rate at 1.3%. In general, students in rural districts are less likely to drop out than are their peers in large or mid-size cities. The full report is currently only available online at http://nces.ed.gov/pubsinfo.asp?pubid=2002319.


Nebraska Support

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raise property tax levies with an average “yes” vote of 69%. There is no better example of support for public schools.

However, given the facts of Nebraska’s economy and tax structure, one would hypothetically believe that rural Nebraskans would be reluctant—if not downright hostile—to proposals to increase property taxes, while generally more prosperous urban and suburban voters would be more amenable. In fact, the results are the opposite. Of the 60 override elections, six occurred in urban, suburban or large rural school systems. Only two of those six override attempts passed (including the first school system override attempt in 1998 by what is generally considered the wealthiest suburban school district in the state; it is also interesting to note that the two closest votes in successful override elections were these two larger school systems). The Lincoln school system—the state’s second largest district and home to the state capitol and the University of Nebraska—has failed in two override attempts by significant margins. Thus, small, rural school patrons have voted to increase their property taxes in 39 of 54 attempts.

These successful overrides were in districts with some of the smallest schools in the state. Many are also in agriculturally-based communities with low average incomes and high property tax burdens. The good news coming out of rural Nebraska is that its citizens are willing to raise their own taxes to support their schools—a demonstration of their commitment to community-school connections, to retaining community identity and, most importantly, to their children.

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Vermont School Choice Experiment May Negatively Affect Rural Schools and Communities

Most research on the effects of school open-enrollment programs is concentrated on urban and inner-city schools. Now, a recent study of a five-year experimental open-enrollment program in Rutland County, Vermont provides insight on how such programs might negatively impact small and rural schools.

Starting in 1997, the seven high schools in Rutland County, Vermont started a pilot open-enrollment program that allowed up to 10 students in each school to transfer to another high school of their choice. No money was exchanged between the schools, with the exception of excess special education costs which were borne by the home district. If there were more students wanting to transfer into or out of a particular school, a lottery was used to select participating students. Under the program, students or their parents were responsible for arranging transportation.

Four years into the program, the superintendents of schools in the Rutland Regional School Choice Collaborative conducted an evaluation of the program. Surveys were sent to all 63 students enrolled in the voucher program and 60 were completed and returned. These open-ended questionnaires asked about reasons for choosing, positive and negative features, co-curricular participation and transportation. In addition, guidance counselors provided grade point averages both before and after choosing. School level data were collected on key factors such as achievement scores, poverty and income.

Among the findings were:
- 76% of the students that participated in the program migrated from small schools to larger schools, suggesting that small high schools in Vermont could be significantly and negatively impacted particularly if money followed the student.
- 67% of the participating students moved toward a school in the center of the region rather than laterally or out to a more distant school, suggesting that the long-term viability of rural school and community connections could suffer.
- Neither participating students nor the receiving schools showed significant academic improvement under the program.
- Choosing students had average grades between a low B or high C, and they remained at this level in the choosing school. Further, the relationship between school test scores and the most popularly chosen schools was weak.
- The leading reason students chose to attend another school was related to social connections and friends, not academic concerns.
- The ability of students to participate in the Vermont school choice program was affected by the student’s access to an automobile or a parent willing and able to provide transportation. This factor could lead to further centralization of schools when parents work in the central area.

Participating students tended to choose schools in higher income areas which, when coupled with access to transportation, could lead to socio-economic separation of students.

In sum, the study concluded that gains associated with the choice experiment have, after four complete years, proven illusive. Beyond students being satisfied with their decision, no gains in academics or in other areas were attributable to the program. The study concludes that such school choice programs have the potential to negatively affect the viability of many small, rural schools and communities.

Information about the study and where to obtain copies: William J. Mathis and Deborah Etzler. “Academic, Socioeconomic and Transportation Correlates in a Rural Public School Voucher System.” Paper presented at the 2002 meeting of the American Education Finance Association. Electronic or text copies of the full report are available by calling or emailing Sid Glassner, Executive Director, Vermont Society for the Study of Education. (802) 247-3488 or e-mail at essmont@sover.net.

Census Shows Gaps Between Rural, Urban

New U.S. Census data are showing that there is an increasing economic divide between rural and urban counties across the country. By and large, rural counties missed out on the economic boom of the ‘90s, a fact that is reflected in higher poverty levels and lower educational attainment levels.

In Washington state, the income gap between rural and urban counties is the widest it has been in 30 years. Lower rural incomes are not always offset by lower housing prices. Rural residents are spending a large proportion of their incomes on rent or mortgage payments.

With manufacturing businesses leaving rural areas and agriculture becoming less viable, Nebraska’s rural towns are losing both population and economic clout.

Wisconsin, North Dakota, Minnesota, South Dakota, Nebraska, Iowa, Kansas, Missouri, Illinois and Indiana grew a continued on page 4
Idaho’s rural schools get federal funds

Idaho’s rural schools will be receiving $5.4 million in federal grants to improve safety in small districts. Grants ranging from about $7,600 to $245,000 are going to mostly small, rural school districts. Much of the money will be used to demolish unsafe school buildings, remove asbestos and remodel buildings to accommodate people with disabilities. The Idaho Statesman (5/20/02) reports that Idaho school districts have struggled with improving dilapidated buildings since a district court judge ruled in 2001 that the state’s funding mechanism for raising money to fix buildings was unconstitutional.

Colorado lawmakers approve School Finance Act

Colorado lawmakers have approved the School Finance Act, which directs $4.1 billion into K-12 education. The finance act also includes $15 million to fund a facilities lawsuit settlement. The money will mostly go to rural districts to replace school buildings. According to the Rocky Mountain News (5/10/02), the money will mean new buildings for districts like rural Las Animas, where the 86-year old Columbian Elementary schools’ brick walls are literally pulling apart and where a lack of elevators means classroom aids carry disabled students up and down stairs.

Alaska’s rural districts approved for funding increase

Alaska’s House and Senate Finance Committees have agreed to put close to $1 million in the state’s capital budget to offset the money that 22 rural districts will lose under the current funding formula. The 1998 school funding formula’s “eroding floor” provision decreases any extra district funding for new students by 40%. Districts hardest hit by the provision have been mostly rural and Native. The $1 million in supplemental funds would be for one year only, until the results of a study examining the cost differences of rural and urban districts is complete.

Census data

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combined 8.1% during the last decade, well below the national average of 13.2%. Forty-seven of North Dakota’s 53 mostly rural counties lost population.

In Mississippi, where 16.2% of the population has a household income of less than $10,000, an increasing proportion of rural younger people are driving into Jackson for jobs.

Throughout the month of May, the U.S. Census Bureau released new information about income, education, commuting and birthplace for every state.