



REL Appalachia Ask-A-REL Response

Rural

November 2017

Question:

What are the unique financial needs of rural school districts, and what strategies or approaches do rural school districts use to address those needs?

Response:

Thank you for your request to our REL Reference Desk regarding evidence-based information about the unique financial needs of rural school districts. Ask-A-REL is a collaborative reference desk service provided by the 10 Regional Educational Laboratories (RELs) that, by design, functions much in the same way as a technical reference library. Ask-A-REL provides references, referrals, and brief responses in the form of citations in response to questions about available education research.

Following an established REL Appalachia research protocol, we searched for research reports and descriptive study articles on the financial needs of rural school districts. The sources included ERIC and other federally funded databases and organizations, research institutions, academic research databases, and general Internet search engines. For more details, please see the methods section at the end of this document.

The research team did not evaluate the quality of the resources provided in this response; we offer them only for your reference. Also, the search included the most commonly used research databases and search engines to produce the references presented here, but the references are not necessarily comprehensive, and other relevant references and resources may exist.

References

Abshier, W. C., Harris, S., & Hopson, M. (2011). Superintendent perspectives of financial survival strategies in small school districts. *Rural Educator*, 32(3), 1–10. Retrieved from <http://eric.ed.gov/?id=EJ987607>

From the abstract: “The purpose of this qualitative, narrative study was to investigate the perceptions of successful small-school superintendents in regard to maintaining or improving district efficiency and financial status. Face-to-face interviews were conducted with seven purposefully selected small-school superintendents. Findings suggest that in their efforts to increase revenues, these superintendents are seeking to understand and to

navigate the state's funding system to its maximum potential and to the greatest benefit for their districts. They are looking outside their districts for expert advice in their efforts toward improved revenue projection. Additionally, they are accepting out-of-district transfer students to generate revenue. Other areas of improved efficiency include personnel considerations, reducing district expenditures through purchasing and energy use."

Johnson, J. (2010). *Contexts and conditions of public K–12 education in Kentucky, Tennessee, Virginia and West Virginia: A descriptive report*. Washington, DC: U.S. Department of Education, Institute of Education Sciences, National Center for Education Evaluation and Regional Assistance, Regional Educational Laboratory Appalachia. Retrieved from <http://eric.ed.gov/?id=ED555560>

From the abstract: "This descriptive report is part of a broader project collecting, organizing, and analyzing multiple sources of data from the four-state REL Appalachia region, comprised of Kentucky, Tennessee, Virginia, and West Virginia. The purposes of that broader project are: (1) to increase awareness of and understanding about critical education issues in the Appalachian Region by highlighting strengths, challenges, and opportunities, and by illuminating the diversity of contexts in which schooling occurs; and (2) to facilitate high-quality empirical scholarship by providing an integrated, detailed, accurate, and comprehensive data set from which research projects can be constructed; (3) to encourage scholarship, call attention to issues and insights that are attentive to existing literature, and offer opportunities for further inquiry with the potential to inform policy and practice; (4) to provide a valuable resource guide for local, state, and federal policymakers in their efforts to develop policies and reform strategies to strengthen schools and communities in Appalachia; and (5) to provide a valuable source of data that is aggregated, disaggregated, and contextualized in ways that will be of use to education practitioners in work that requires them to characterize their school, district, region using empirical data. To accomplish this, a comprehensive data set from various sources of extant data was compiled and preliminary descriptive analyses using selected variables was conducted. Results of that descriptive analysis are presented in this report."

Note: A description of fiscal characteristics disaggregated by locale (urban, suburban, town, rural) can be found on pages 14–16.

Lamkin, M. L. (2006). Challenges and changes faced by rural superintendents. *Rural Educator*, 28(1), 17–24. Retrieved from <http://eric.ed.gov/?id=EJ783868>

From the abstract: "This research study was designed to build grounded theory about the challenges faced by rural superintendents. Participating rural superintendents identified five areas that presented a challenge but that also applied to superintendents in other settings: school law, finance, personnel, government mandates, and district or board policies. Further, these superintendents identified challenges related specifically to the rural setting and to their lack of acculturation to the demands of rural school leadership. Focus group research conducted among rural superintendents in New York, Pennsylvania, and

Tennessee indicated that the challenges of the rural superintendency were distinct enough to warrant some specialized preparation for such service.”

Levin, J., Manship, K., Chambers, J., Johnson, J., & Blankenship, C. (2011). *Do schools in rural and nonrural districts allocate resources differently? An analysis of spending and staffing patterns in the West Region states*. (Issues & Answers Report, REL 2011–No. 099). Washington, DC: U.S. Department of Education, Institute of Education Sciences, National Center for Education Evaluation and Regional Assistance, Regional Educational Laboratory West. Retrieved from <http://eric.ed.gov/?id=ED515211>

From the abstract: “This report presents the first detailed comparison of resource allocation between rural and nonrural districts in the West Region. Three regional characteristics often associated with rural districts were chosen for the analysis: district enrollment, student population density within a district (students per square mile), and drive time from the center of a district to the nearest urban area/cluster. Two other types of factors thought to be associated with resource allocation were also investigated: student need (incidence of poverty, English language learner students, and students receiving special education services) and geographic differences in labor costs. The report first examines how average regional characteristics, student needs, and labor costs differed across rural and nonrural district locale categories in 2005/06. Next it analyzes how average measures of resource allocation (per student expenditures on instruction, administration and student support, and transportation; ratios of administrative, instructional, and student support staff to students; and ratios of district central administration and maintenance and operations spending to school-level spending) varied across district locale categories. Using regression analysis, the study then models how these measures of resource allocation varied with the three regional characteristics and whether the relationship between resource allocation and regional characteristics differed across the study states. This study finds that rural districts in the West Region spent more per student, hired more staff per 100 students, and had higher overhead ratios of district- to school-level resources than did city and suburban districts. Regional characteristics were more strongly related to resource allocation than were other cost factors studied.”

Linahl, R. A. (2011). The state of education in Alabama’s K-12 rural public schools. *Rural Educator*, 32(2), 1–12. Retrieved from <http://eric.ed.gov/?id=EJ987603>

From the abstract: “The purpose of this study was to compare Alabama’s rural school districts with its city, suburban, and town districts. Descriptive statistics were used for this population study, with effect sizes calculated using Cohen’s *d*. Findings indicated Alabama’s rural school districts serve slightly less affluent student populations, with a lower percentage of minority students, than their counterparts. They are funded at slightly lower levels than their counterparts in other categories, yet spend approximately the same percentage of their budgets on administration and on instruction. They spend a considerably higher percentage on transportation. Although rural district dropout rates are similar to those of their counterparts, from the third to the eleventh grade, student

performance on standardized examinations falls gradually behind that of the students in other locale categories.”

Morton, C., & Harmon, H. L. (2011). Challenges and sustainability practices of frontier schools in Montana. *Rural Educator*, 33(1), 1–14. Retrieved from <http://eric.ed.gov/?id=EJ987611>

From the abstract: “This article reports the findings of a study commissioned by the Montana Small Schools Alliance to explore the challenges and sustainability practices of frontier schools. A Montana frontier school is defined as a school district with 200 or fewer students with its attendant community located in a county with five or fewer people per square mile. The researchers surveyed teachers, administrators, and school board chairs in 141 frontier school districts and held six focus groups of community members. The top five most important challenges noted by school district personnel were low student enrollment, inadequate financial resources, unrealistic federal expectations, academically unmotivated students, and mixed grade levels of students in the classroom. School sustainability practices included operating mixed-age or multi-grade classrooms and using school facilities to serve critical community functions. Lay citizens, compared to persons employed by the school district, were more likely to view the school as necessary for maintaining a way of life associated with agriculture and related enterprises. Twelve research questions are offered for future research on issues of frontier schools.”

Sandel, K., & Bhat, S. (2008). *Financing and sustaining out-of-school time programs in rural communities*. Washington, DC: The Finance Project. Retrieved from <http://eric.ed.gov/?id=ED501503>

From the abstract: “Leaders of programs serving rural America need to act strategically to ensure the long-term success of their initiatives. This strategy brief describes the funding landscape of rural programs and highlights the unique challenges confronting rural program leaders. It describes the different public and private resources that can support out-of-school time programming and identifies key strategies that can be used to finance and sustain these programs in rural communities.”

Shakrani, S. M. (2010). *School district consolidation study in 10 Michigan counties: Is district consolidation cost effective? What is the alternative to consolidation?* (Working Paper #15). East Lansing, MI: Education Policy Center at Michigan State University. Retrieved from <http://eric.ed.gov/?id=ED537156>

From the abstract: “As Duncomb and Yinger (2001) have stated, ‘School consolidation represents the most dramatic change in education governance and management in the United States in the twentieth century. Over 100,000 school districts have been eliminated through consolidation since 1938, a drop of almost 90 percent (NCES 1999, Table 90). This longstanding trend continues throughout the country, largely because consolidation is widely regarded as a way for school districts to cut costs’ (p. 1). The study described in the present paper applies Duncomb and Yinger’s methods to Michigan data, looking as possible to financial consequences of consolidation of school districts at the county level. Research data sets for 10 counties in Michigan are used to estimate cost-saving effects of

consolidation, as in the Duncombe and Yinger study. It appears that significant savings can be achieved in consolidating school districts at the county level. The coordination of services also produces cost savings for the districts assuming participation in a county level (ISD) coordination of services. These findings are consistent with other research studies in New York and Indiana. However, consolidation studies conducted in Arizona and New Jersey indicated that the fiscal savings hoped for did not materialize to the extent expected. Overall, consolidation seems to make fiscal sense, particularly in rural and small districts. The coordination of services seems more palatable to Michigan communities and also produces significant reduction in cost of services such as transportation and operation. The results of this study should be of interest to state and local elected officials, to state education agency staff, and to public school administrators.”

Williams, J. M., & Nierengarten, G. (2011). Recommendations from the North Star State: Rural administrators speak out. *Rural Educator*, 33(1), 15–24. Retrieved from <http://eric.ed.gov/?id=EJ987612>

From the abstract: “Administrators in America’s rural school districts are uniquely challenged to meet increased achievement expectations despite decreasing resources. Mandated reform initiatives, population decline, and the complex formulas used to distribute tax-based funding have disproportionately affected rural schools. In this mixed-methods study, researchers first surveyed K-12 administrators and then conducted focus groups across six regions in Minnesota to determine the nature of the challenges specific to rural administrators and to document their perceived needs for interventions, training, and policy changes. The study identified two categories of common concern: student achievement and fiscal management. Within the category of student achievement, administrators identified four areas of need for assistance: testing and adequate yearly progress, achievement for all, staff and professional development, and data analysis. Within the category of fiscal management, needs for assistance included balancing budgets and transportation/sparsity policy. Analysis of the data gathered indicates statewide implications for professional development and policy review.”

Additional Organizations to Consult

National Center for Research on Rural Education: <http://r2ed.unl.edu/>

From the website: “The National Center for Research on Rural Education (R2Ed), funded in July 2009 for five years by the U.S. Department of Education’s Institute of Education Sciences (IES), is housed in the Nebraska Center for Research on Children, Youth, Families and Schools (CYFS) at the University of Nebraska-Lincoln. The long-term goals of the Rural Education Center are to (a) improve in rural settings students’ acquisition of reading and science knowledge and skills by identifying effective practices that lead to the systematic provision of evidence-based instruction in rural settings; and (b) establish an infrastructure for conducting and disseminating nationally-relevant, cutting-edge research and leadership related to rural education.”

Rural School and Community Trust: <http://www.ruraledu.org/>

From the website: “The Rural School and Community Trust is a national nonprofit organization addressing the crucial relationship between good schools and thriving communities... Our mission is to help rural schools and communities grow better together by involving young people in place-based learning linked to community and economic development; conducting research and advocating for appropriate educational policies and equitable funding for rural schools; improving rural access to highly effective educators; and increasing rural capacity to design, implement, and support appropriate innovations.”

Methods

Keywords and Search Strings

The following keywords and search strings were used to search the reference databases and other sources:

- Rural AND (education OR school) AND (resource OR financ*)
- Rural AND (education OR school) AND (efficienc* OR cost-saving* OR cost effective*)

Databases and Resources

We searched ERIC, a free online library of more than 1.6 million citations of education research sponsored by the Institute of Education Sciences (IES), for relevant resources. Additionally, we searched the academic database ProQuest, Google Scholar, and the commercial search engine Google.

Reference Search and Selection Criteria

In reviewing resources, Reference Desk researchers consider—among other things—these four factors:

- Date of the publication: Searches cover the most current information (i.e., within the last ten years), except in the case of nationally known seminal resources.
- Search priorities of reference sources: Search priorities include IES, nationally funded, and certain other vetted sources known for strict attention to research protocols. Applicable resources must be publicly available online and in English.
- Methodology: The following methodological priorities/considerations guide the review and selection of the references: (a) study types—randomized controlled trials, quasi experiments, surveys, descriptive data analyses, literature reviews, policy briefs, etc., generally in this order; (b) target population, samples (representativeness of the target population, sample size, volunteered or randomly selected), study duration, etc.; (c) limitations, generalizability of the findings and conclusions, etc.
- Existing knowledge base: Vetted resources (e.g., peer-reviewed research journals) are the primary focus, but the research base is occasionally slim or nonexistent. In those cases, the best resources available may include, for example, reports, white papers,

guides, reviews in non-peer-reviewed journals, newspaper articles, interviews with content specialists, and organization websites.

Resources included in this document were last accessed on October 11, 2017. URLs, descriptions, and content included here were current at that time.

This memorandum is one in a series of quick-turnaround responses to specific questions posed by education stakeholders in the Appalachia region (Kentucky, Tennessee, Virginia, and West Virginia), which is served by the Regional Educational Laboratory Appalachia (REL AP) at SRI International. This Ask-A-REL response was developed by REL AP under Contract ED-IES-17-C-0004 from the U.S. Department of Education, Institute of Education Sciences, administered by SRI International. The content does not necessarily reflect the views or policies of IES or the U.S. Department of Education, nor does mention of trade names, commercial products, or organizations imply endorsement by the U.S. government.