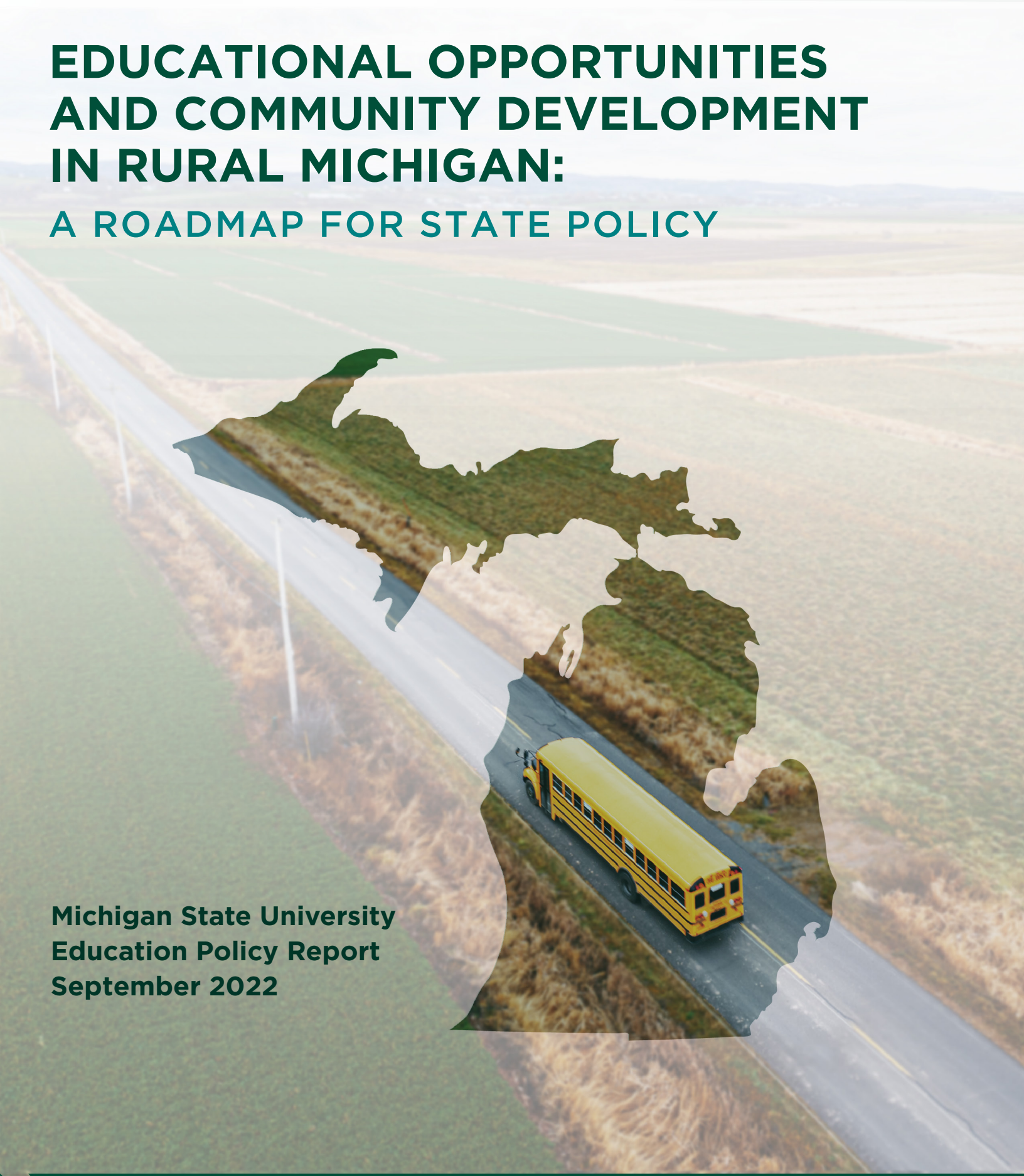
EDUCATIONAL OPPORTUNITIES AND COMMUNITY DEVELOPMENT IN RURAL MICHIGAN:

A ROADMAP FOR STATE POLICY



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Education Policy Report
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Executive Summary

Setting the Stage

State governments now exercise much more control over schools than they did in the past. But state officials are often unfamiliar with the distinctive needs and circumstances of rural communities. Michigan's education policy reforms over the past two decades have had a decidedly urban emphasis. Meanwhile, policymakers have largely ignored rural schools, even though these schools endure some of the most challenging contexts. As a result, statewide policies meant to improve schools are often poorly aligned with rural circumstances and may exacerbate the problems rural schools face.

This report highlights key areas in which current state policies are failing Michigan's rural schools and communities. Too often, current policies do not provide the opportunities we know are important for students to thrive as adults, while truncating community growth and development. To remedy these shortcomings, one-size-fits-all, statewide education policies will not suffice. Michigan must develop rural-conscious policies that give more attention to the specific circumstances and needs of rural students, families, and educators.

We place our Michigan study in the context of national developments. Over the last quarter century, the nation's economic dynamism has increasingly concentrated on the coasts and metropolitan areas in the country's interior. Meanwhile, employment and population growth have stagnated in rural areas. Rural residents are older, have less higher education, and have less access to health care than their nonrural counterparts. Rural life expectancy has declined relative to urban areas, including sharp increases in deaths of despair—due to suicide, drug overdose, and alcoholism—among prime-age, white, working-class Americans.

The American Dream is premised on opportunity. Harvard economist Raj Chetty and colleagues have revolutionized our understanding of geography of opportunity by showing that the neighborhood where a child grows up has significant impacts on their chances of upward mobility and many other adult outcomes. Children raised in Detroit and other Michigan central cities have very low chances of achieving upward mobility. However, children raised in many rural areas in Michigan have similar, low rates of upward mobility.

Research by Chetty and others show that high-opportunity neighborhoods have common characteristics, including lots of supportive adults and, most policy relevant, good public schools. Children do not need to grow up in wealthy settings to be successful; they need childhood environments that provide good schools and broad basic supports.

Thriving communities and public schools tend to coexist, as do distressed communities and schools. But the community-school link is especially tight in rural areas. Apart from being the primary institutions to establish excellent educational opportunities for

children, public schools play an integral role in rural community life and economic development. They are one of the largest, if not the largest, employers in any rural community. Schools are important purchasers of services from local businesses, and they prepare youth for a range of critically important jobs in a prosperous local economy. Good schools help draw families and businesses to a community. State policies can and should strengthen the linkages between improved educational opportunities and community development in rural Michigan.

Study Design

This report is based on a three-year study. We collected and analyzed data for all Michigan rural schools and communities on a range of educational and socioeconomic measures. This quantitative evidence complements a much more intensive examination of 25 diverse and geographically representative Michigan rural school districts.

In each of these 25 districts we turned to the people who local citizens had selected to lead the education of their children, the local district superintendents, to help us understand the nature of the challenges their schools and communities face. We did not set out to test academic hypotheses, but rather took our bearings from what these community leaders told us about the factors that most limit opportunities for their students and communities.

Through two surveys, along with interviews and focus groups, we sought to learn what the most important challenges facing Michigan's rural schools were and how superintendents have tried to overcome them. We also focused on how current state policies help or hinder their efforts to address these challenges. We then studied in detail state policies pertaining to issues that superintendents identified as being most troublesome and thought carefully about policy changes that could better address these problems.

Profile of Michigan's Rural Schools and Communities

Michigan's rural school districts comprise over 88 percent of Michigan's total land area, yet they enroll less than a third of the state's K-12 students. Meanwhile rural school districts comprise roughly two-thirds of the state's school districts.

We present evidence on the many ways in which Michigan's rural schools matter greatly for community life. They are very important as sites for sporting, cultural, and recreational activities. They are crucial settings in developing and enhancing social ties among local residents and are intricately tied to a community's identity. Schools also serve as vital sites for civic engagement and democratic decision making.

On average, residents of Michigan's rural communities are older, have lower levels of postsecondary educational attainment, and lower incomes than nonrural residents. Employment growth in rural Michigan lags far behind job growth in nonrural areas. Between 2011 and 2021, total employment increased by 7.3 percent in Michigan's nonrural counties, but declined in rural counties.

Michigan's rural communities are diverse on multiple dimensions. We present maps that depict this diversity across several measures, including family income, educational attainment, and elderly share of the population. In general, rural areas in the northwest Lower Peninsula and those nearest the state's major metropolitan areas are more prosperous than other rural areas.

Key Problem Areas

From a wide range of areas of district operation, superintendents identified those that were most challenging for their schools. We found a high degree of consensus among superintendents regarding their most pressing and difficult challenges. Each was highly problematic before the pandemic and grew more so during the pandemic. Importantly, in each of these most challenging areas superintendents broadly agreed about the ways in which state policies are poorly aligned with local rural circumstances. This suggests that better alignment of state policies with rural circumstances could substantially diminish the most serious constraints on educational opportunities in rural schools.

Teacher Recruitment and Retention

Problems with teacher recruitment and retention are now receiving considerable attention nationally. In Michigan these challenges are especially acute in rural schools. Rural schools often receive few, if any, applicants for open teaching positions, despite devoting a great deal of time to recruiting. Many positions go unfilled or are covered by long-term substitute teachers. Superintendents pointed to a common set of contributing factors: low salaries, their districts' geographic isolation, declining attractiveness of the teaching profession, and restrictive state certification requirements.

Serving Students with Mental Health Needs

Even with growing national awareness of student mental health needs, we were struck by the urgency of this challenge in rural schools. Mental health issues are a major challenge, more so now than in the past. Two key factors are at play. First, an increase in traumatic circumstances in students' homes. And second, the scarcity or absence of professional mental health services in rural communities. In response to growing evidence of need, the state has recently established grant programs for schools to hire mental health service providers. But increased funding, while necessary, is not sufficient. Without targeted efforts to increase the supply of providers, there simply are not enough qualified mental health professions in the state's rural regions.

Broadband Access

In many rural districts a third or more of students do not have broadband access at home. This poses a major inequity for these students relative to students with home broadband. The absence of reliable and affordable broadband also severely limits families' opportunities in many other ways (e.g., mental and physical health care) and dramatically limits community economic development prospects in an era when telework options coupled with good broadband would otherwise permit many more people to live and work comfortably in rural Michigan. Rural school leaders work diligently to expand connectivity for their local families, but too often their effort is insufficient to overcome a

basic market failure problem: it is currently unprofitable for private internet service providers to run fiber-optic cable to low-population-density areas.

Funding

Funding is a major concern for most rural districts. In Michigan, most operational funding available to local schools is controlled by state school-funding policies. Those policies could be designed, as they are in many other states, to better reflect distinctive funding challenges in rural schools. Key among these challenges are higher per-pupil costs associated with lack of scale economies, rural isolation, student transportation, and declining enrollment. Unless the actual costs of educating students in rural schools are recognized in state funding, students in rural communities will not have equitable access to educational opportunities on par with their peers in nonrural schools.

State Reporting Requirements

The volume of required state and federal reporting requirements is a potent and underappreciated source of frustration and discontent in rural schools. In large school districts, most required reporting is typically delegated to central-office staff. But rural superintendents who typically have little or no central-office support staff must complete these detailed reports themselves. Rural school administrators' time is spread very thin. Extensive time devoted to completing compliance forms significantly diminishes time available for important work that directly impacts teaching and learning.

Policy Options

In Section 4 of this report, we offer a detailed discussion of policy options to address each of the key problem areas above. Our primary goal is to improve the opportunities of children in rural Michigan, and our secondary goal is to promote rural community development. Importantly, these two goals are characterized by a self-reinforcing dynamic. Better opportunities in local schools enhance community development prospects, and community development, in turn, brings new resources and opportunities to schools, which spurs further community development. And so on. Whenever possible, policies should seek to promote virtuous cycles on this front.

Our consideration of policy options is guided by three normative principles: equity, efficiency, and local control. If state policies can establish basic conditions of equity and efficiency, then a great deal of the specific features of policy implementation should be left to local decision making and initiative. Effective place-based state policies must address market failures (as in the case of broadband access) and offset market forces that powerfully disadvantage rural communities (as in recruitment of teachers and mental health providers). If state policies can accomplish this, then the stage is set for local discretion.

Lead responsibility falls to the legislature and governor in setting state laws. The Michigan Department of Education must play a key role in helping to inform policy priorities and supporting and monitoring implementation of policies passed by the legislature and governor. Joint efforts among state-level actors in recent years, particularly on the budgetary front, have established a foundation for beginning to

address the rural challenges we analyze. Effectively addressing those challenges, however, will require ongoing collaboration that extends beyond the promising steps taken thus far.

In summary, we offer three core propositions to inform rural education policy design. First, place-based, rural-conscious state education policies are essential. Universal state education policies will not suffice in meeting the challenges facing rural schools. Second, policy strategies should recognize the linkages across key rural-school challenges and seek to coordinate solutions across issue areas. And third, whole-community policy approaches are needed. Schools are inextricably linked with the economic and social well-being of rural communities. To succeed in areas with scarce extant resources, education policies should be integrated with community-development strategies.

In research and policy circles, we are accustomed to thinking about how communities (e.g., families' socioeconomic status) affect schools. But we also need to be much more mindful of how schools affect communities. In this report, we explain how integrated efforts to advance educational opportunities in Michigan's schools will spur needed development in the state's rural communities.

Section 1

Introduction

Any educator who has worked in K-12 public schools for a quarter century or more knows that state governments now assume much greater control over school operations than in the past. Through funding, curriculum, student assessment, personnel policies, and more, states now heavily influence local school district operations. And to be sure, increased state involvement can bring many benefits, including more equitable and adequate funding for under-resourced schools and districts. Yet state officials often know little about local needs and conditions outside their own hometowns. Because many officials hail from metropolitan areas, they do not understand well the challenges faced by rural communities, which leads them to make education policies that are poorly aligned with rural circumstances.

The leading education policy reforms of the current era—test-based accountability and school choice—have had a decidedly urban emphasis. Implementation of these strategies in urban settings (by way of charter schools, state takeovers, and efforts to narrow racial-achievement gaps) has dominated education-policy debates over the last two decades. Meanwhile, policymakers in most states have largely ignored educational conditions in rural areas, even though these areas endure some of the country's most challenging contexts. As a result, policies that are meant to improve schools often exacerbate the problems rural schools face. And, in turn, rural educators often struggle in vain to find ways to make the policy context "work" for their schools and communities.

In this report, we highlight several key areas in which current state policies are failing Michigan's rural schools and communities. In too much of rural Michigan, current policies do not provide the opportunities we know are important for kids to be successful in adult life, while also truncating community growth and development. To remedy the many challenges in rural communities, one-size-fits-all statewide education policies will not suffice. Michigan must develop rural-conscious policies that give more attention to the specific circumstances and needs of rural students, families, and educators. With this report we aim to start a discussion that produces better policies and conditions in Michigan's rural communities.

The core of this report is built around a study of schools in 25 Michigan rural communities. We describe in Section 3 what we learned from local school leaders in these communities about the biggest challenges they face. In Section 4, we advance ideas about how changes in state policies and local practices could address those challenges. Before getting there, however, we need to lay a proper foundation. In Section 2, we describe how we define "rural," and present a statistical profile of the social, economic, and educational contours of all rural communities in Michigan. In the remainder of this Section 1, we seek to place our Michigan study in the context of: (1) national developments impacting rural areas, (2) leading scholarship on the determinants of opportunities for children, and (3) prevailing ideas about schools and communities in

present-day research and policy. We conclude this first section with a description of our study design.

Changing Context of Rural America

The last quarter century has been "hard times" for much, though certainly not all, of rural America. Sweeping economic and social forces are reshaping residents' lives, often in unwelcome ways. Social science experts have taken notice. In a sympathetic feature article, New York Times economic analyst Eduardo Porter characterized the story of rural America over this period as "one of relentless economic decline." Portions of this story are familiar. The nation's economic dynamism and growth have increasingly concentrated on the coasts and metropolitan areas in the country's interior. Urban centers offer large markets, large pools of workers with specialized skills and specialized suppliers. And they are hubs for technological innovation.

Meanwhile, in the rural heartland, mechanization, consolidation of corporate ownership, and shifts in government policies have sharply reduced employment in farming and mining and other primary industries that once sustained networks of services in small towns and hamlets. This employment restructuring moved many livable-wage jobs out of rural communities while concentrating high-wage, high-skill service, finance, and technology-based employment in urban cores. Rural employment is increasingly dominated by precarious low-wage service work, with higher rates of underemployment and informal work than metropolitan areas.[1]

The U.S. has grown by 75 million people since 1990, but, overall, this growth has occurred entirely in metropolitan areas. Total rural population, by contrast, has fallen. Growing rural areas are mostly new bedroom communities where residents commute to jobs in adjacent urban centers or natural-amenity destinations that draw retirees and associated service workers.[2] Those remaining in rural America are getting old. The median age is 43, seven years older than that of city dwellers. Owner-occupied homes are the primary wealth holding of most American families, yet those assets appreciate much more rapidly in areas with increasing rather than decreasing population.

Rural residents have less access to preventative and emergency health care and are more likely to be uninsured and delay seeking care. For many decades before the 1990s, mortality rates in rural areas were lower than or similar to those in urban areas. Numerous studies have documented a stunning decline in rural life expectancy relative to urban areas that started in the 1990s and has grown since. The rural-urban mortality gap has widened across all major racial and ethnic groups over the past 20 years but has widened

[1] See Conner Bailey, Leif Jensen, and Elizabeth Ransom, *Rural America in a Globalizing World* (Morgantown, WV: West Virginia University Press, 2014); Leif Jensen, Ann Tickamyer & Tim Slack, "Rural-Urban Variation in Informal Work Activities in the United States," *Journal of Rural Studies* 68, (2019): 276–284; Tim Slack, Brian Thiede, and Leif Jensen, "Race, Residence, and Underemployment: Fifty Years in Comparative Perspective, 1968–2017," *Rural Sociology*, 85, no. 2 (2020): 275–315; Kristin E. Smith & Ann R. Tickamyer, *Economic Restructuring and Family Well-Being in Rural America* (University Park, PA: The Pennsylvania State University Press, 2011).

[2] Kenneth M. Johnson & Daniel T. Lichter, "Rural Depopulation: Growth and Decline Processes Over the Past Century. *Rural Sociology*, 84, no. 1 (2019): 3–27; Shaun Golding & Richelle Winkler, "Tracking Urbanization and Exurbs: Migration Across the Rural–Urban Continuum, 1990–2016," *Population Research and Policy Review* 39, (2020): 835–859.

most among working-age non-Hispanic whites. Rural women have been especially plagued by rising mortality.[3]

Princeton University economists Anne Case and her Nobel laureate husband, Angus Deaton, carefully document a striking increase in deaths of despair—due to suicide, drug overdose, and alcoholism—among prime-age, white, working-class Americans over the last two decades. They link these deaths of despair to an increase in "social pain," particularly in rural areas (including those in Michigan) associated with the slow disintegration of peoples' economic and social lives, which in their account, is often experienced with a profound sense of loss and loneliness. Since the 1990s, problems such as crime and opioid abuse have been increasing in rural communities.[4]

These growing disparities in the lived experiences of rural and metropolitan-area residents are accompanied by cultural differences and their depiction in popular media, which focus more on life in nonrural settings. The portrayal of lifestyles, values, and pursuits of metropolitan residents in television programs and movies may seem ever more remote from the daily lives of rural residents. Meanwhile, relatively affluent, cosmopolitan, trendsetting, tech-immersed urbanites might understandably view rural life as increasingly alien and backward.

Yet despite all these changes and challenges, most rural residents remain committed to their communities and would like to stay in them if circumstances permit. They value the natural beauty of their surroundings, the durable and close relationships with family and friends, and, perhaps, a simpler, less stressful lifestyle than one finds in metropolitan areas. And they are not the only ones. After all, many metropolitan residents imagine rural life as an appealing alternative to their own, and many reveal their preferences when they retire. No longer bound to metropolitan areas by their jobs, many move to rural areas.

The Geography of Opportunity

The American Dream is premised on opportunity, the idea that with hard work one can attain a good living standard.

In a series of remarkable recent studies, Harvard University economist Raj Chetty and colleagues have revolutionized our understanding of the geographical dimensions of opportunity in the U.S.[5] Their research has shown that, apart from parental

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[3] Shannon M. Monnat, "Trends in US Working-Age Non-Hispanic White Mortality: Rural-Urban and Within-Rural Differences," *Population Research and Policy Review* 39, no. 5 (2020): 805–834.

[4] Anne Case, and Angus Deaton, *Deaths of Despair and the Future of Capitalism* (Princeton: Princeton University Press, 2021).

[5] See Raj Chetty, Nathaniel Hendren, and Lawrence F. Katz, "The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment," *American Economic Review* 106, no. 4 (2016): 855–902; Raj Chetty and Nathaniel Hendren, "The Impacts of Neighborhoods on Intergenerational Mobility I: Childhood Exposure Effects," *The Quarterly Journal of Economics* 133, no.3, (2018): 1107–1162; Raj Chetty and Nathaniel Hendren, "The Impacts of Neighborhoods on Intergenerational Mobility II: County-Level Estimates," *The Quarterly Journal of Economics* 133, no.3, (2018): 1163–1228; Raj Chetty, John N. Friedman, Nathaniel Hendren, Maggie R. Jones, and Sonya R. Porter, *The Opportunity Atlas: Mapping the Childhood Roots of Social Mobility*, no. 25147, (National Bureau of Economic Research, 2018, Revised February 2020); The Opportunity Atlas Interactive Map is available at: www.opportunityatlas.org.

characteristics, the neighborhood in which a child grows up has substantial causal effects on their prospects of upward income mobility, family stability, incarceration, and other adult outcomes, whereas where one lives as an adult has smaller effects. Where one grows up matters, even if a child moves during childhood. Indeed, family moves powerfully strengthen the results, because the researchers can show how each additional year spent during childhood in a high-opportunity setting translates into additional adult benefits.

Chetty and colleagues accomplished this by analyzing 20.5 million children born nationwide in the 1978–1983 birth cohorts and observed these children in de-identified Census and federal income tax–return data on these children's adult outcomes in the period 2010–2015. With this information they have measured average outcomes (for example, adult earnings, marriage, incarceration, etc.) of children who grew up in each neighborhood in America, by demographic subgroup (race, gender, parental income).

Consider one useful way to measure opportunity: the odds that a child born into a family in the bottom quintile of the national income distribution attains an adult income in the top quintile. This is a precise way to capture the familiar Horatio Alger idea that with hard work one can rise from a humble background to a life of (upper) middle-class security and comfort. The researchers have found that the likelihood of attaining this rags-to-riches story (and other adult outcomes) varies substantially by geography. At a very broad regional level, for example, upward mobility is quite low in the Southeast U.S. by comparison to the Midwest plains states. Moreover, nationally, rural areas do not perform uniformly better or worse than urban areas. For instance, even comparing children from similar family backgrounds, rural areas in Eastern Iowa show high levels of upward mobility compared to the state's urban centers, while the opposite pattern holds in North Carolina, where cities such as Charlotte, Greensboro, and Raleigh stand out as islands of opportunity relative to lower outcomes in rural areas.

More fascinating and revealing, however, is that in every state, the researchers observe extraordinary within-state variation in opportunity, right down to the census tract or neighborhood level.

Let's briefly consider some of this variation in local opportunity in Michigan. Wayne County is Michigan's most populous county and includes the state's largest city, Detroit, which is among the nation's poorest and most racially segregated. The average rate of upward mobility for people in Wayne County places it in the middle of the pack, but below the median, of Michigan counties. But there is very substantial within-county variation. Rates of upward mobility are quite high in several suburban Wayne County communities, like Canton, Dearborn Heights, Grosse Pointe Woods, or Livonia. By comparison, upward mobility for children growing up in the City of Detroit is much lower. Indeed, statewide one observes strikingly low opportunity levels in much of Detroit, Flint, Benton Harbor, and other urban centers. This pattern should not surprise many Michigan residents. It reflects long-standing racial segregation and layer upon layer of racial discrimination in many areas of life. But even within Detroit, several neighborhoods offer good prospects of upward mobility for black and white children alike, including North Rosedale Park, Grandmont, Sherwood Forest, Hamtramck, and the midtown area near Wayne State University.

What may be less apparent, however, is that many areas in rural Michigan have rates of upward mobility that are as low as or lower than Detroit's lowest opportunity neighborhoods. This includes rural areas in Benzie, Berrien, Charlevoix, Cheboygan, Dickinson, Lake, Luce, Mackinac, Manistee, Marquette, Mason, Montcalm, Oceana, St. Joseph, and other counties. In fact, some of the state's lowest rates of upward mobility can be found near some of Michigan's most picturesque Up North destinations. One wonders if the relatively affluent residents of places like Oakland and Washtenaw Counties and suburban Ingham and Kent Counties realize as they visit or drive through these communities that the opportunities for children in them are on a par with inner-city Detroit.

What factors account for the variation in opportunity across neighborhoods? Chetty and colleagues have analyzed the data. According to them, high-opportunity neighborhoods have: (1) lower poverty and a substantial middle class, (2) greater family stability, (3) more social capital, and (4) better public schools. While these factors are often correlated across neighborhoods, that is they rise or fall together, with statistical procedures, the researchers can isolate the independent effect of each.

Let's consider these factors in turn. Compared to low-income families, middle-class families have more resources, more options, more advantageous social connections, and fewer toxic stressors than poor households. Middle-class families are better able to invest in their kids: high-quality early childhood care and education, private lessons, athletic training, good nutrition and healthcare, travel. Kids in poor families, by contrast, enjoy fewer of these advantages, but they are also more likely to encounter daily stressors such as food insecurity, parental unemployment, and unstable childcare arrangements. Some experience trauma in other forms (e.g., homelessness, physical or emotional abuse, substance abuse, parental imprisonment). We know from other research that all these experiences are cumulative for children. Indeed, extreme stress unbuffered by supportive adults interrupts executive function development in the brain, so kids exposed to ongoing toxic stress and trauma have trouble concentrating, controlling impulses, and following directions.[6]

Family fragmentation (single-parent households, multi-partner fertility, teenage births) is a powerful compounding factor. Intact, two-parent families, even if they are poor, are better able to provide a supportive childhood environment. Indeed, extensive research indicates that family fragmentation is a key intervening variable in the intergenerational transmission of poverty.

Chetty describes social capital with the old adage that "it takes a village to raise a child," that is, kids do better where people look out for their neighbors. Such environments have people outside the family who can serve as informal support systems and mentors: teachers, family friends, religious leaders, coaches, counselors, neighbors. All children, but especially those in poor or fragmented families, need trustworthy adults who can lend a helping hand in tough times or, even in good times, who can make connections to beneficial enrichment opportunities, travel, training, jobs, or professional services. Children benefit from durable connections to people who know from experience how to

[6] Jack P. Shonkoff and Andrew Garner, "The Lifelong Effects of Early Childhood Adversity and Toxic Stress," *Pediatrics* 129 (2012): e232–246.

make the system work for oneself, or alternatively who will simply lend a sympathetic ear and provide hopeful reassurances. Resilience for any child comes from a supportive environment, not one in which most of one's childhood peers are short on caring adults.

Schools are organized places of learning and socialization. They serve both private and public goals. On the private side, schools equip students with skills that enable them to compete effectively in adult labor markets and serve as a basis of upward mobility. But it is the public benefits of education that justify public funding of schools. Chief among them are the learning and dispositions that citizens need to participate effectively in a democratic society: literacy and shared knowledge of democratic institutions and participation. We also turn to schools to offset large inequalities in family economic circumstances, so youth enter the competitive adult labor-market race on more equal footing. These are all fundamental responsibilities of schools in establishing opportunities for young people.

We now have compelling evidence that community social contexts are extremely important for kids' development. A child doesn't need to grow up in a wealthy community to do well in adult life but can do well by growing up in a community that provides broad basic supports for healthy emotional, cognitive, and social development. What they need is a childhood environment characterized by stable families, with decent jobs, lots of supportive adults outside the family, and excellent public schools. These are the types of childhood environments enjoyed in many middle-class communities, and Chetty's research dramatically demonstrates how inequalities in these environments are reproduced from one generation to the next. On reflection, however, what the high-powered social scientists are showing would strike most as common sense.

Chetty's research suggests that we can tackle upward mobility at the local level, not just the national level, by improving the childhood environments and primary education of low-opportunity areas. Doing so not only makes sense on fairness or equity grounds, but it is also beneficial to economic growth, because children who grow up in high-opportunity areas are more likely to be highly productive adults.

Where can public policy intervene to provide better environments for children in low-opportunity neighborhoods? One option might be to help families move to higher-opportunity settings. While this strategy is currently being explored in some policy experiments, and may be beneficial for some, it obviously cannot be done at scale as a comprehensive solution to low-opportunity settings.

Effective policy strategies for Michigan's low-opportunity urban and rural settings will likely differ, even though they share some common features. In both settings too many children live in poverty surrounded by other financially insecure families, separated from beneficial resources and social connections. But important underlying conditions and challenges differ. Key among them: racial discrimination and segregation in urban settings, and isolation in rural settings.

We are belatedly, but thankfully, beginning to gain a fuller understanding of the many profound and interrelated ways in which the history of American racism has systematically denied opportunities to people of color. Research to understand, and policies to address, these injustices are long overdue and critically important. In this report, however, we focus on opportunities in rural areas. This focus in no way reflects a

sentiment on our part that rural problems are more important or more pressing. We need to make progress in improving opportunities in both urban and rural settings.

Rural areas are characterized by limited human and material resources by comparison to nonrural areas. Most are not magnates for inflows of private investment. Helpful public policies need to counteract the disruption and stagnation of being on the wrong side of national and global economic forces. In principle, this could be done in multiple ways. The state might seek to encourage higher-income families to move to low-opportunity rural communities. But that is a difficult place to start. Likewise, it is difficult for government policies to influence family stability or social capital in an area. In rural communities, public schools are the obvious and best policy lever for improving childhood environments and opportunity. Policies to improve childhood environments through schools are also a key link to local economic development.

Greater attention to childhood environments in rural Michigan is urgently needed. After all, Chetty's mapping of local opportunities is based on children born before the deterioration of rural economic and social conditions over the last quarter century. When the story of rural Michigan children born in this century is told, it could very well be far worse.

Schools and Communities

In any region, thriving communities and public schools tend to coexist, as do distressed communities and schools. But the community-school link is especially tight in rural areas. Schools assume an integral role in rural community life and economic development. State education policies can strengthen or undermine local development and the opportunities available to local residents.

Here we briefly note two overriding dimensions of contemporary education policy that are not particularly well aligned with rural development. Interestingly, the ascendance of these defining elements of present-day education policy occurred simultaneously with the relative economic decline of rural America.

First, since the passage of the federal No Child Left Behind Act in 2001, state and federal education policies have focused much more narrowly than ever before on improving students' cognitive achievement as measured by standardized tests. But schools, especially those in rural areas, serve many other healthcare, counseling, civic, cultural, recreational, and social functions in their local communities. These functions are broadly supported by local residents and are important for community development and young peoples' opportunities. Many have argued that the narrow and incessant education policy imperative to raise student achievement has diverted resources and educators' attention from these other important goals.[7] We also have discovered, regrettably in retrospect, that overall those policies, so intrusive in school operations, did not raise test scores.

[7] Richard Rothstein, Rebecca Jacobsen, and Tamara Wilder, *A Report Card on Comprehensive Equity: Racial Gaps in the Nation's Youth Outcomes*, (Washington, DC: Economic Policy Institute, 2008). http://www.epi.org/publications/entry/racial_gaps.

Second, over this same period, education policies embraced "college for all" as a desirable goal. The push to increase college-going rates among high school graduates seemed a reasonable response to clear evidence of growing inequalities in the life prospects (family stability, income, health, life expectancy) of people with and without an undergraduate degree. Harvard University political scientist Robert Putnam usefully assembled and analyzed the compelling evidence from many fields on the college/non-college divide in household circumstances and kids' lives.[8] But the college-for-all movement posed a distinctive tension for rural communities because it so often meant that the best and brightest students would go off to college and never return to their home communities, in large measure because these communities offered so few jobs for college graduates.[9]

But this geographically specific pattern has an important self-reinforcing or cumulative dynamic. College graduates compose a crucial portion of the employment structure of any diversified and stable local economic base in the new economy. While in college, students encounter people from outside their hometown who have new ideas and contacts that can be beneficial for employment, investment, and entrepreneurship. If college graduates from rural areas do not return to rural communities, this not only diminishes the growth prospects of those communities, it also means they cannot serve as role models and mentors in the daily lives of other young people who might seek upward mobility through higher education. So, it diminishes the prospects that others in their home community will follow their path. Meanwhile, college attendance may be seen by young and old rural residents as triggering a potential, if not likely, abandonment of one's home community. Educational attainment in rural settings continues to lag well behind levels in nonrural settings.

In addition, the college-for-all movement sat very awkwardly with the reality that most jobs in the U.S. economy today, and for the foreseeable future, do not require a college degree. If schools do not value future employment in jobs that do not require college degrees, how can they effectively prepare students for them or avoid stigmatizing those students who chose this path?

Michigan's rural communities need to become higher-opportunity settings for children and families. They need a richer diversity of employment options that offer family-supporting wages for people both with and without four-year college degrees. And in settings where this happens, rural Michigan will not only retain residents but draw new ones, because high-opportunity communities are desirable places to live and work.

In a piece entitled, "Getting Real about Rural America," Nobel Prize–winning economist Paul Krugman wrote, "no one knows how to reverse the heartland's decline." We respectfully disagree with Professor Krugman's conclusion. We recognize the powerful market forces that have shifted private investment, employment, and economic growth away from rural areas, while simultaneously diminishing opportunities in these communities. But we are much more optimistic about the prospects for counteracting

[8] Robert Putman, *Our Kids: The American Dream in Crisis* (New York: Simon & Schuster, 2015).

[9] Patrick J. Carr, and Maria J. Kefalas, *Hollowing Out the Middle: The Rural Brain Drain and What It Means for America* (Boston: Beacon, 2009).

these forces, at least in Michigan. In later sections of this report, we will describe how this can happen, but it will require bringing fresh thinking to long-standing problems.

For starters, it will require that state policymakers broaden their thinking of the purpose of schools beyond raising test scores. In fact, public schools have never been strictly about equipping students with basic academic skills. We rely on schools to develop students' social skills and work ethic, to teach citizenship and civic values, to promote students' physical and behavioral health, to prepare them for skilled work, and to expose them to literature and the arts. We should recognize the failures and collateral damage of our recent policy obsession with test scores and return to this broader definition of schooling.

Moreover, in research and policy circles, we are very accustomed to thinking about the impacts of communities (particularly resident families' socioeconomic status) on schools. But we devote remarkably little attention to the influence of schools on communities. This needs to change. Apart from being the primary institution to establish baseline opportunities for children, public schools are one of the largest, if not the largest, employer in any community. This is particularly true in rural areas. Very often they are a rural community's foremost employer of college graduates, while also providing employment for many without college degrees. As a key part of a community's economic base, schools have forward and backward linkages with other local employers and businesses. Schools are important purchasers of services from local businesses, and they prepare youth to enter a wide range of critically important occupations in a thriving local economy.

If Michigan policymakers hope to expand opportunities and spur increased growth and development in the state's rural areas, if they seek to keep residents and businesses in these communities while attracting new entrants, a few conditions are essential: good schools and good broadband access. In comparison to many other states in the center of the country, Michigan is blessed with extensive rural areas characterized by striking natural beauty—lakes, trees, hills—and quaint towns. We stand now on the cusp of two transformative changes: expanding opportunities for remote work at home and e-commerce for consumer purchases. These changes in the business world facilitated by technological innovations open new opportunities for rural development. With supportive state policy, history may mark the pandemic as a turning point for Michigan's rural communities.

Throughout this report we use the term "policies" as a convenient, shorthand expression. It is essential to recognize, however, that schools operate in a complex policy environment. The "policies" that impact public schools take a variety of forms and originate from multiple government entities. They encompass federal laws and regulations, state laws and regulations, state administrative rules, state board of education model policies (which are not binding), state department of education guidance (which is not binding unless stipulated by federal or state statute), judicial rulings by courts at multiple levels, intermediate school district policies, local school board policies, and local school district administrative policies.

In this report we focus primarily on state policies. While the federal role has grown over the past half century, states have constitutional authority for the provision of public education. At this level, the legislature and governor are responsible for creating state

policies (state laws) and the state education agency (the Michigan Department of Education) is responsible for the implementation and enforcement of these policies, in conjunction with intermediate and local school districts. While MDE works to inform policy design, the department is primarily tasked with the enforcement of federal and state laws. Later in this report, we emphasize the importance of these key state-level actors embracing a shared goal of improving educational opportunities and community development in rural Michigan and coordinating their efforts to design and implement policies to achieve these objectives.

Can We Talk?

With this report we aim to initiate a conversation among Michigan citizens. We recognize, of course, that we live in a highly partisan and contentious age. Open-minded dialogue across political, cultural, and geographical boundaries is often fraught.

In an important book, *The Politics of Resentment*, University of Wisconsin political scientist Katherine Cramer draws on extensive ethnographic research in rural Wisconsin to better understand significant rural-urban divides in the state's politics. She argues that political differences are grounded in core identities of rural residents, or what she designates "rural consciousness."[10]

Rural identities are rooted in place and class and are shared through causal stories told among rural residents. They reflect shared values of self-reliance, hard work, and devotion to kin and community relationships. They frequently entail a place-based sense of injustice and perceptions of powerlessness that interact with economic insecurity. Rural identity often involves a sense that government decision makers routinely ignore rural places. And, importantly, that urbanites and government officials misunderstand and disrespect rural citizens.

Like Wisconsin and many other "battleground" states in national elections, partisan political maps of Michigan show the state's vast rural areas as solid red, while blue shading is mostly restricted to metropolitan areas. Yet, neither the state Republican nor Democratic party devotes much explicit attention to rural concerns. Michigan has nothing resembling a rural education policy agenda. Our own public land-grant institution, Michigan State University, had no College of Education professors with specialization in rural education until two years ago.

We believe that more rural-conscious state education policymaking will not only benefit rural areas. It will bring positive change to state politics and policy in general by establishing bridges across chronic cultural and partisan divides between urban and rural constituencies. Citizens of rural and nonrural settings alike will come to understand their shared challenges and goals and the ways improved state policies can create more equitable opportunities for all Michiganders, regardless of geography.

[10] Katherine J. Cramer. The Politics of Resentment: Rural Consciousness in Wisconsin and the Rise of Scott Walker (Chicago: University of Chicago Press, 2016).

Study Design

Because rural schooling in Michigan had not received much attention, we set out to better understand the following research questions:

1. What are the important challenges faced by Michigan's rural school districts, and what efforts have they made to address these challenges?
2. How do state policies help or hinder these efforts?
3. What policy options are available to address the most pressing challenges facing Michigan's rural schools and communities?

In studying these questions, we sought to explore the relationships between schools and the rural communities in which they are situated.

We rely on qualitative and quantitative analysis. The qualitative portion draws on the experience and expertise of superintendents in 25 rural Michigan school districts. The districts are diverse on multiple dimensions. They include districts in the western, central, and eastern Upper Peninsula, the northern Lower Peninsula, mid-Michigan, West Michigan, the Thumb, and southern Michigan along the Ohio and Indiana border. The districts vary in their funding levels and enrollment size and trends. The communities in which these schools are situated vary in terms of their economic prosperity, population growth or decline, and remoteness from metropolitan areas.

The project required that we listen to what rural educators had to say. Superintendents completed two surveys, were interviewed, and participated in focus groups. As a condition for their participation, superintendents and their districts were granted anonymity.

The participating superintendents had considerable experience. On average, they have served as superintendent in their current district for just shy of five years. They averaged 18 years of experience working in their current districts. Roughly a third were hired as superintendents from outside their current district. The superintendents averaged 13.5 years of administrative experience and 18 years of experience as an educator in any capacity or district. Fifty-five percent of the superintendents grew up in or very near the district in which they currently work.

We supplement our qualitative evidence with a range of quantitative administrative data from federal and state government sources. We also spoke with several state government officials to better understand features of state policy and its implementation.

Within the research team, David Arsen provided overall leadership of the project. Rebecca Jacobsen led the design and analysis of the qualitative research, and Tanner Delpier led the quantitative research.[11]

[11] Dr. Delpier is economist for the Michigan Education Association. To avoid potential conflicts, he did not have access to any of the study's survey, interview, or focus group data, and does not know the identity of participating superintendents or local districts.

Section 2

Socioeconomic Context of Michigan's Rural Schools and Communities

In this section we start by explaining how we define rural areas. We then present a statistical profile of Michigan's rural and nonrural areas on several socioeconomic dimensions, plus a more fine-grained analysis of variations in socioeconomic conditions across Michigan's rural communities. Lastly, we draw on the study's participating superintendents to portray the relationship of schools in their district to their broader community.

Defining Rural

To analyze rural schools and communities one must define which areas are rural. By far, the most widely used definitions in research and policy are based on classifications of the U.S. Census Bureau, which defines rural areas as those that are not urban. That is, after defining individual urban areas, rural is what is left. In the early twentieth century, the Census Bureau adopted an official definition that identified incorporated cities and towns with at least 2,500 people as urban. In 2000, the Census Bureau refined its classification to include two types of urban areas: "urbanized areas" (those with 50,000 or more people) and "urban clusters" (areas with at least 2,500 but less than 50,000 people). Several federal agencies, including the Department of Agriculture, the Department of Health and Human Services, and the Department of Veteran's Affairs, follow the Census Bureau's definition of rural in distinguishing which areas are and are not eligible for program funds targeted to rural communities.

The National Center for Education Statistics (NCES) creates the most widely used geographical classification for education research, and it too is based on the U.S. Census Bureau's classifications. The NCES classification has two significant advantages: 1) because it is based on Census definitions, it permits researchers to incorporate a vast array of administrative data collected by the Census, and 2) the NCES data are available at the school district level. The NCES uses four primary "locale" classifications: urban, suburban, town, and rural, which are further differentiated based on size or distance to either an urbanized area or urban cluster. Figure 2.1 maps Michigan school districts by their NCES locale classification.

While the NCES definition is rigorously defined and ubiquitous in education research, it does not always align well with common perceptions of rurality in Michigan. As Figure 2.1 shows, the NCES classifies many Michigan areas with very low-population density as towns. To take just one example, the Tahquamenon Area School District in the eastern Upper Peninsula is the state's largest geographic district (1,281 square miles) with one of the lowest population densities, yet it is classified as a "town" not a "rural" area. While the speed limit on the highway going through the district's largest town, Newberry, is reduced, there is no stoplight.

Figure 2.1: National Center for Education Statistics District Locale Map

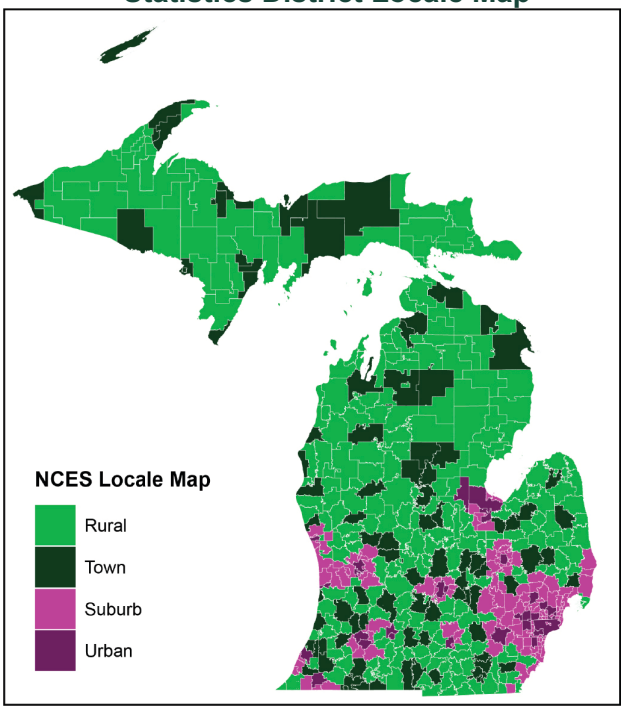
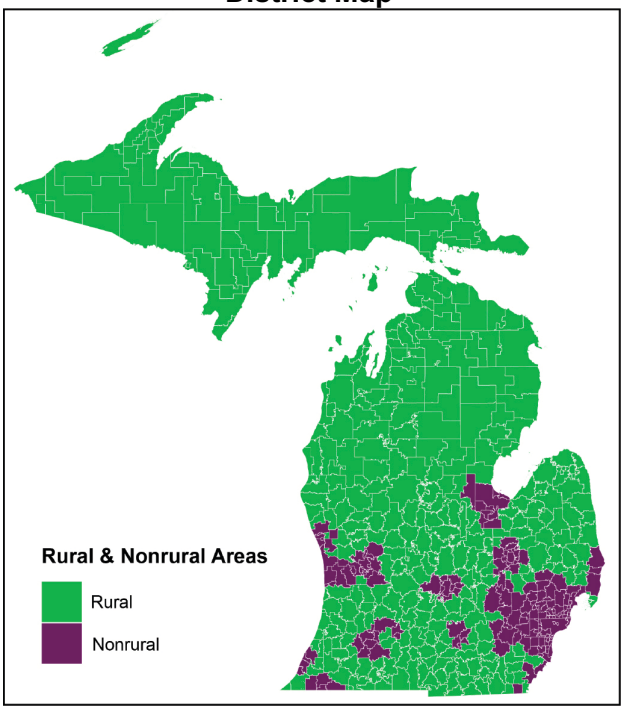


Figure 2.2: Rural and Nonrural District Map



Source: Center for Educational Performance and Information (CEPI), Education Entity Master Data (EEM)

In this study, as displayed in Figure 2.2, we combine all districts that the NCES classifies as "rural" or "town" as rural, while defining "nonrural" as the NCES's urban and suburban districts. This definition of "rural" is more reflective of the shared challenges experienced by these districts and, importantly, is consistent with perceptions of people who live in rural places.

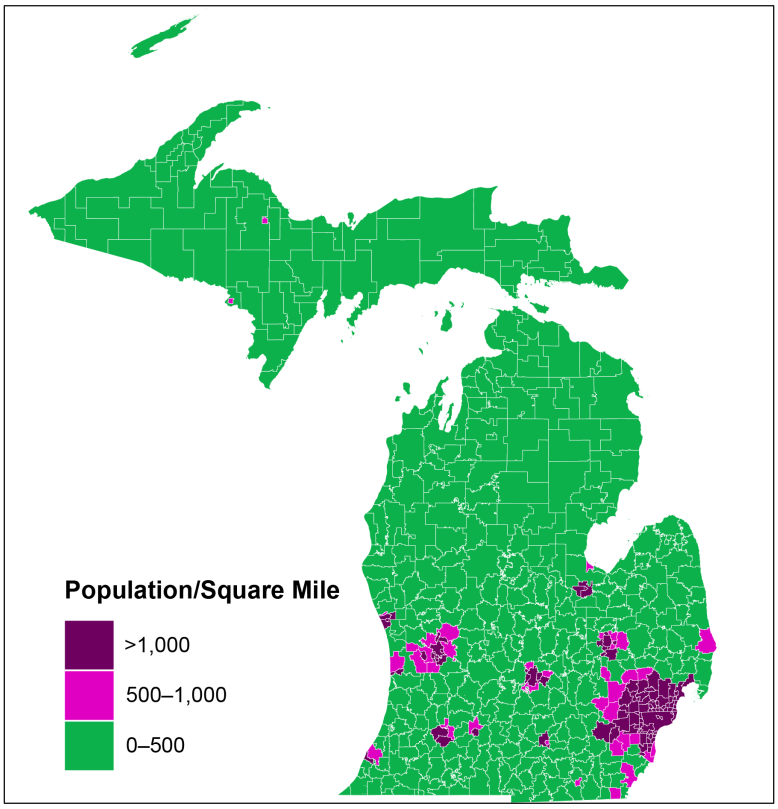
Socioeconomic Profile of Rural Michigan

We provide here a brief descriptive overview of Michigan's rural areas, focusing on population density, resident demographic characteristics, and employment. Afterward, we highlight some of the diversity in socioeconomic circumstances across rural Michigan.

Population Density

The primary demographic characteristic that distinguishes rural from nonrural areas is population density, which is much lower in rural areas. Figure 2.3 displays population density across Michigan. The map's shading of low-population-density areas is very similar to the areas we previously defined as rural in Figure 2.2. Only a handful of rural communities (school districts) have a population density greater than 500 per square mile. These few instances arise primarily where a rural district's geographical area is quite small and encompasses an area of settled housing development.

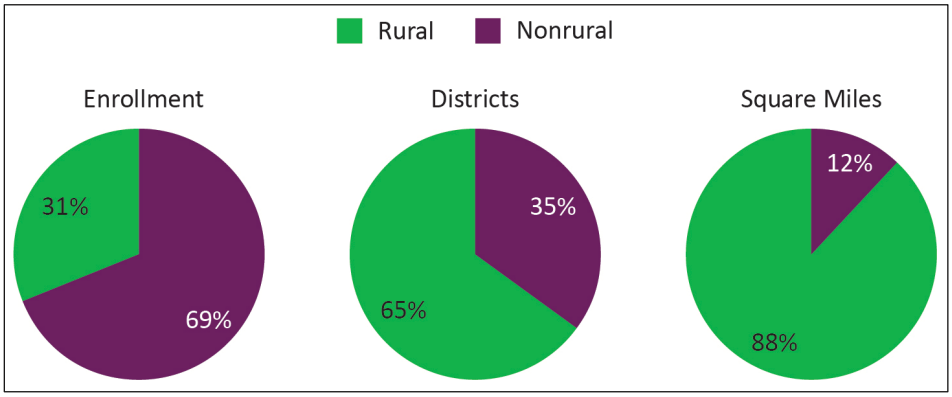
Figure 2.3: Michigan Population Density by School District



Source: U.S. Census Bureau, American Community 5-year Survey

Rural areas' low-population-density translates directly to low enrollment density (students per square mile) in rural schools. Figure 2.4 shows some key consequences of this. Michigan's rural school districts comprise over 88 percent of Michigan's total land area (square miles), yet they enroll less than a third of the state's K-12 students. Statewide, the average enrollment density for rural districts is 8 students per square mile, compared to 137 students per square mile in nonrural districts. Meanwhile rural school districts comprise roughly two-thirds of the state's school districts. Rural districts on average have much smaller enrollments, serving about 1,200 students, whereas the average enrollment in nonrural districts is 5,100.

Figure 2.4: Enrollment, Districts, and Square Miles of Rural and Nonrural Districts



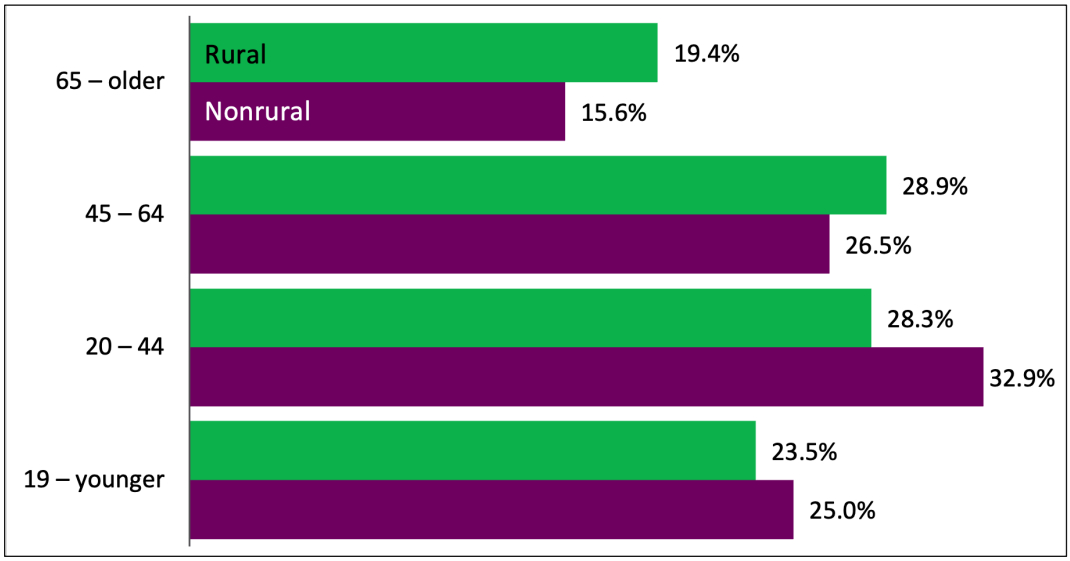
Source: State Aid Status Report Data

Population sparsity in rural communities is a fundamental aspect of most of the policy challenges we will discuss in Section 3, including educator recruitment and retention, affordable broadband, higher transportation costs, and the sparsity of nonschool supports for students.

Demographics

Overall, residents of Michigan's rural communities are older than nonrural residents. Figure 2.5 shows the age distributions of rural and nonrural Michigan residents.

Figure 2.5: Age Distribution for Rural and Nonrural Districts

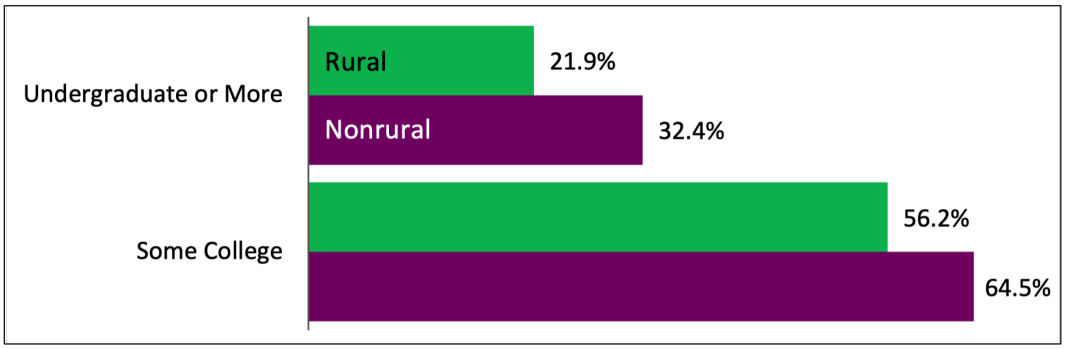


Source: U.S. Census Bureau, American Community 5-year Survey

Michigan's rural communities also have lower levels of postsecondary educational attainment, which, as noted earlier, has become an ever more significant demarcation in families' socioeconomic standing and life prospects. Figure 2.6 shows the shares of rural residents who have attended some college or have a four-year undergraduate degree is much lower than the corresponding shares for nonrural residents. In a three-part series of feature articles for the *Detroit Free Press* and *USA Today Network*, David Jesse portrays many of the roadblocks Michigan's rural youth face in attaining higher education. Among other factors, his reporting highlighted the roadblocks created by long distances to community and four-year colleges in much of rural Michigan.[12]

[12] David Jesse's three-part series for the *Detroit Free Press* and *USA Today Network:* "College, a Way Out of Poverty, Is a Distant Dream in Much of Rural Michigan," October 16, 2019, https://www.freep.com/in-depth/news/education/2019/10/16/college-rural-michigan-poverty/3836576002/; "Poverty in Rural Michigan: Relentless Aging and Few Opportunities for Those of Working Age," October 21, 2019, https://www.freep.com/in-depth/news/education/2019/10/21/michigan-rural-poverty-aging-jobs-education/3828207002/; "Getting to College from Rural Michigan Is Tough. Staying Is Tougher," December 16, 2019, https://www.freep.com/in-depth/news/education/2019/10/22/college-education-rural-michigan/3911331002/.

Figure 2.6: Educational Attainment for Rural and Nonrural Districts



Source: U.S. Census Bureau, American Community 5-year Survey

As noted in Section 1, postsecondary education is often a double-edged sword for rural communities. While higher education may be beneficial to young people, in rural areas it often means they will leave their home communities after high school graduation. As one superintendent we interviewed noted:

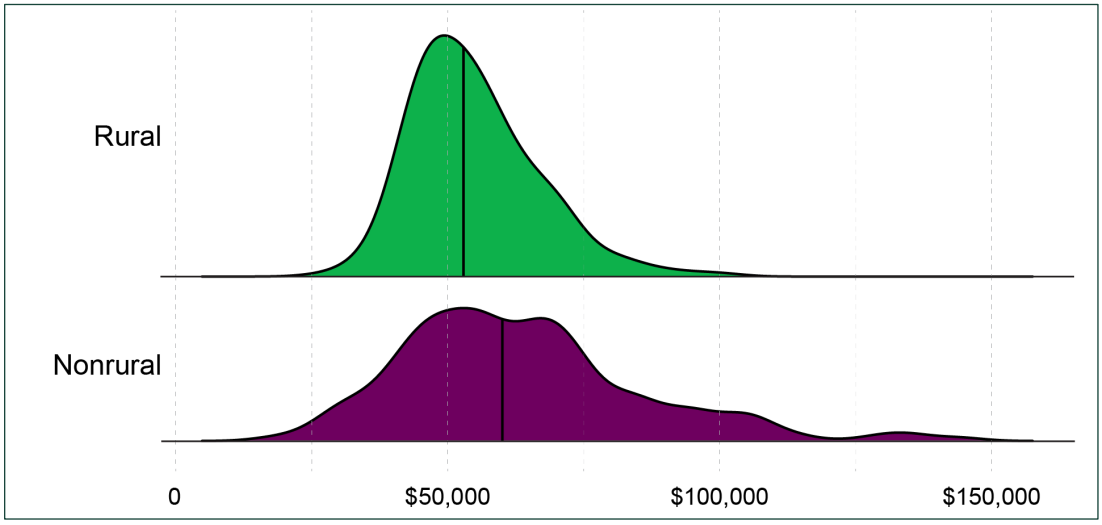
> "One of the things that I think that we do, unfortunately, better than lots of places is export talent. We have these incredible kids that we nurture, and we work with all the way through until graduation. And they're getting scholarships … and we never see them again."

Or as another superintendent explained:

> "There's not much for the younger group of people that would attract them back. The jobs are not attractive … And there's no night life, so why not go live in Royal Oak where the bars are open and theaters are right there."

Statewide, median family income is lower in Michigan's rural than nonrural communities. Figure 2.7 displays the distributions of Michigan's rural and nonrural communities by median family income. (The vertical height of the ridgelines increases with the number of communities at each income level on the horizontal axis.) The median community in each of these two distributions is represented by the vertical lines in Figure 2.7. The average median family among nonrural communities is 16 percent higher than the corresponding average for rural communities.

Figure 2.7: Median Income Distribution for Rural and Nonrural Districts



Source: U.S. Census Bureau, American Community 5-year Survey

Figure 2.7 also shows that median incomes across rural communities are less variable. More nonrural communities have very low or very high median income than in rural areas. On the right side of Figure 2.7, one observes many nonrural communities with income levels that surpass incomes in any rural community. Likewise, the left side of this distribution reveals nonrural communities with lower median incomes than any rural community. All of the high-income, nonrural communities are affluent suburbs. The low-end nonrural communities include both central cities and low-income suburbs. On average, median family income is slightly higher in Michigan's rural than urban communities ($54,636 versus $53,280) and roughly 20 percent below the median income in suburban communities ($65,762).

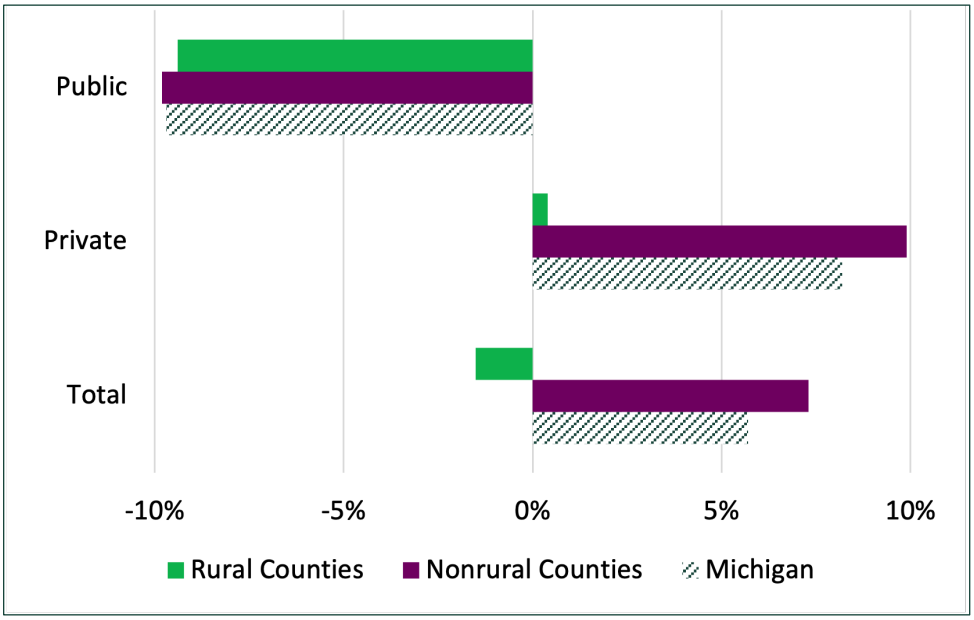
The wider income variation among nonrural communities directly reflects the inequality characteristic of Michigan's metropolitan areas. This inequality intersects powerfully with race: residents of the low-income nonrural communities are predominantly people of color. This is a clear legacy of racial discrimination in housing markets and housing policies that systematically segregated people of color in high-poverty urban areas and denied them homeownership opportunities elsewhere. The long-term consequences of these policies and practices, and their extremely damaging impacts on the opportunities available to children of color are only recently receiving long-overdue recognition.

As in other northern states, the vast majority of Michigan's rural population is white (93 percent). By comparison, overall, 83 percent of the state's suburban residents and 55 percent of urban residents are white.

Employment

Employment growth in Michigan's rural communities, as a whole, lags well behind job growth in nonrural areas. Figure 2.8 summarizes changes in private- and public-sector employment in Michigan's rural and nonrural counties over the last decade.[13] Between 2011 and 2021, Michigan's private-sector employment increased by 268,434 jobs. Over 99 percent of this net employment growth, however, took place in Michigan's nonrural counties. Michigan's rural areas, meanwhile, had a net increase of only 2,160 jobs.

Figure 2.8: Net Employment Change for Rural and Nonrural Counties, 2011 to 2021



Source: U.S. Census Bureau, Quarterly Workforce Indicators

These increases in private-sector employment were offset by fairly substantial declines in public-sector employment (federal, state, and local government employees) in both rural and nonrural areas. Public-sector employment fell between 9 and 10 percent in both rural and nonrural Michigan over the decade. This decline in public-sector employment was more than offset by robust private-sector employment growth in nonrural areas. By contrast, in rural Michigan, the decline in public-sector employment swamped the meager private-sector job growth, so total employment declined by 10,636, or -1.5 percent over the decade.

Public-sector employment represents a much larger share of total employment in rural than nonrural Michigan. In 2021, public-sector employment comprised 17.6 percent of rural jobs, but only 11.1 percent of nonrural jobs. These public-sector jobs cover a broad spectrum: federal military bases, regional offices of state government (Department of

[13] Employment data, unlike other data we analyze in this section, are available at the county but not school district level. Accordingly, for this analysis of employment data, we modified our definition of rural and nonrural areas. We define nonrural counties as those that contain nonrural school districts, that is counties that contain metropolitan areas, or the purple-shaded areas in Figure 2.2. The primary difference between this county-level definition of rural/nonrural areas and the one depicted in Figure 2.2 is that it shifts some rural areas on the outskirts of metropolitan counties to the nonrural category.

State, DNR, prisons, state police), county employees, and municipal firefighters and police. But the single largest source of public-sector employment is K-12 public schools.

Figure 2.8 averages rural employment as a whole and therefore masks important variation in employment trajectories across the state's rural areas; some rural areas are growing while others are losing jobs at a rapid pace. Geographically, most rural counties with growing employment are located in the northwest quadrant of the Lower Peninsula. Employment also has held up pretty well in the Thumb and in most, but not all, counties in southern Michigan bordering Indiana and Ohio. By contrast, 13 of the 15 Upper Peninsula counties lost employment over the decade. Three U.P. counties lost at least a quarter of their total jobs in just 10 years. Other rural areas with significant job loss are in the northeast portion of the Lower Peninsula along Lake Huron, and the mid-Michigan region between metropolitan Lansing and Clare.

These economic challenges were forefront in the minds of the superintendents with whom we spoke. The numbers above cannot convey their anxiety and concern. We'll let a few superintendents offer color commentary on current economic circumstances in their communities.

> "I'm very concerned. I would say we're one of the more depressed counties in Michigan … In regard to jobs, aside from farming, there is not an identifiable industry here in town. There's not a basis for a lot of work."
>
> "The vitality of our community job-wise stinks. I don't hold back words on that one very much. We have people leaving our area. There are no jobs that offer a huge wage. We have the hospital, we have the prison, we have the school … So there isn't a lot to keep people here."
>
> "We don't have the courthouse, we don't have the county seat, we don't have a hospital, any of those things that might attract people with a college degree. So that's kind of the job market. We have a couple local doctors, but as a whole, it's not a highly educated workforce. It's a good workforce with a lot of farmers and hands-on types of jobs, but they're more hourly than salary."
>
> "Our school district is the largest employer in the community."

Although it is beyond the scope of this report, future research should take a much closer look at the type of jobs (by industry, occupation, and earnings) that are being created and lost in rural Michigan.

Variation among Rural Communities

While it is useful to compare characteristics of rural and nonrural Michigan, it is important to consider diversity across the state's rural communities. We pursue this through a series of maps that depict four key demographic variables: population change, population age, income, and educational attainment. Because we focus on variation across rural areas, we omit nonrural communities, which are grayed out. Together, these maps show striking geographic patterns.

Figure 2.9 displays rates of resident population change between 2009 and 2019 in Michigan's rural communities (defined here as school districts). Green-shaded areas are gaining population, red areas are losing population. Most Upper Peninsula communities are losing population, even though several U.P. communities are growing. In the northern Lower Peninsula, one observes a clear distinction between the eastern and western sides of the state. Population is declining in most communities on the eastern side of the northern Lower Peninsula. By comparison, a much larger share of communities on the western side of the northern Lower Peninsula has stable or growing populations, even though many communities are losing population in this region as well. Most of Michigan's Thumb region is losing population. The mid-Michigan region contains a mixture of growing- and declining-population communities. Michigan's southern region along the Indiana and Ohio border has more communities with declining rather than growing populations.

Figure 2.9: Population Change in Rural Districts, 2009 to 2019

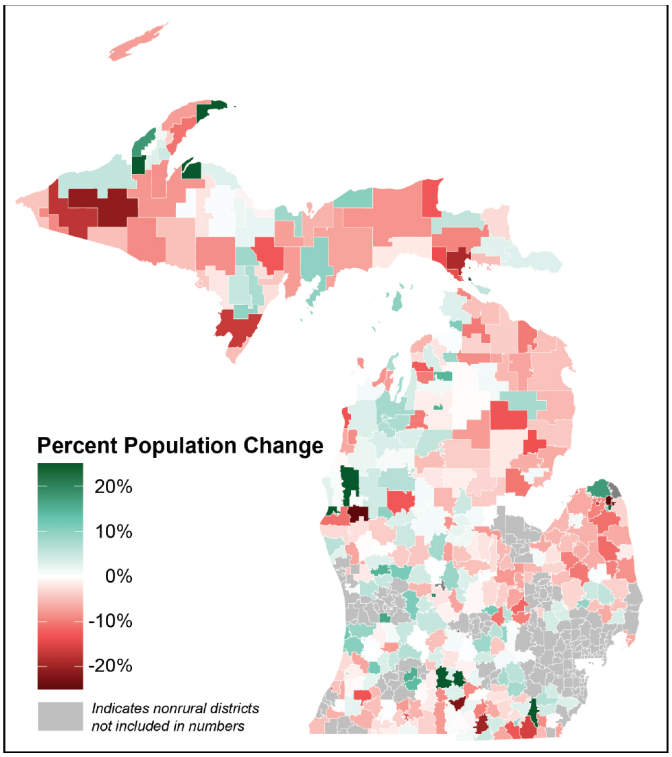
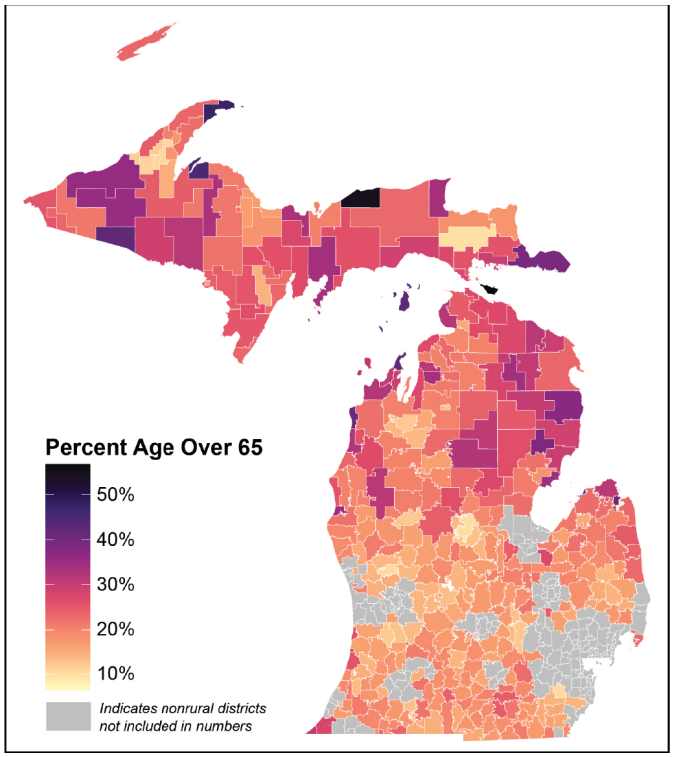


Figure 2.10: Percent of Population 65 or Older in Rural Districts, 2019



Source: U.S. Census Bureau, American Community 5-year Survey

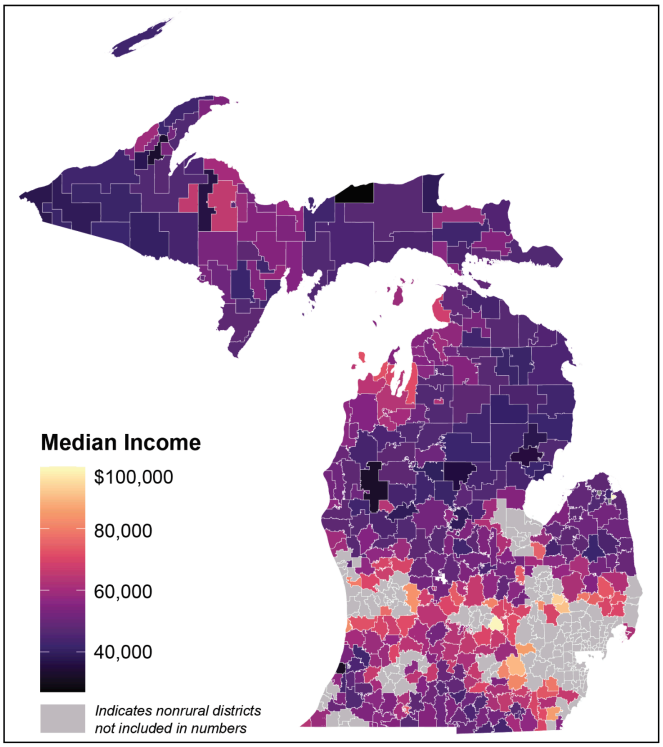
These patterns in population change across Michigan's rural areas are consistent with patterns of rural population change nationally. While most rural communities are losing population, growing communities fall primarily into two categories: (1) communities on the fringes of metropolitan areas (Detroit, Lansing, Grand Rapids, and other urban centers in the southern half of the Lower Peninsula), where residents can commute to metropolitan area jobs, and (2) natural-resource amenity destinations (in the northwest Lower Peninsula and other areas near the Great Lakes, inland lakes, and hilly wooded areas).

Among this second group of growing rural communities, a substantial portion have relatively old populations, which is consistent with retirees moving to these areas. Figure 2.10 shows the share of population that is 65 or older in each rural community. A large portion of the residents in growing-population communities in the U.P., the northern Lower Peninsula, and tip of the Thumb, are relatively old. By comparison, the population tends to be younger in rural areas in the southern Lower Peninsula, specifically communities in closer proximity to the state's metropolitan areas.

Family income also varies across Michigan's rural communities, as shown in Figure 2.11. On the whole, median family income is much higher in rural communities located in the more urbanized portions of the state stretching broadly from metropolitan Detroit to metropolitan Grand Rapids. Rural areas outside this I-96/I-94 corridor tend to have much lower family incomes, with the notable exception of the northwest Lower Peninsula (Traverse City/Petoskey region) and some communities near Marquette in the U.P.

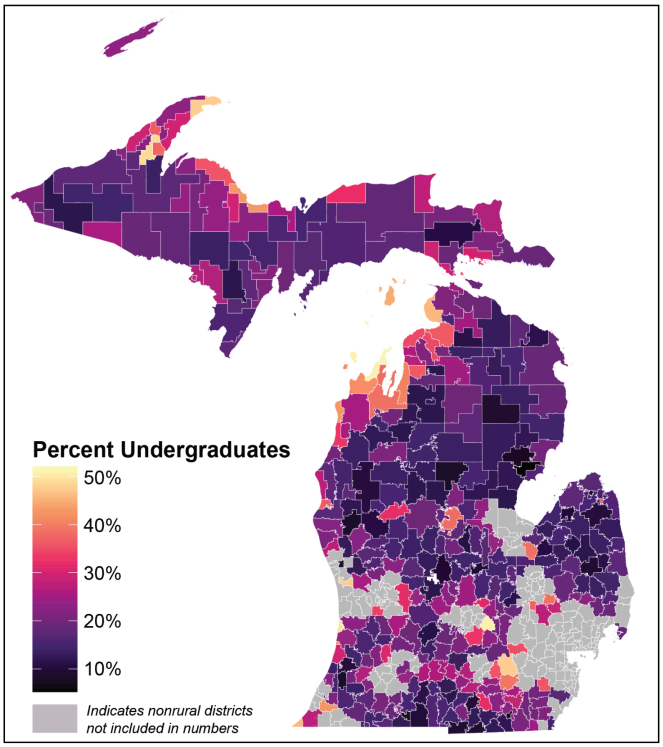
Finally, Figure 2.12 displays the share of adult residents in Michigan's rural communities who have an undergraduate degree or more. College graduation rates are very low in most rural areas, often below 10 percent. The major exceptions are areas on the outskirts of the state's major metropolitan areas, the Traverse City/Petoskey region, and university towns, like Mount Pleasant, Big Rapids, Marquette, and Houghton/Hancock.

Figure 2.11: Median Income in Rural Districts



Source: U.S. Census Bureau, American Community 5-year Survey

Figure 2.12: Percent of Population with Undergraduate Degree in Rural Districts



Source: U.S. Census Bureau, American Community 5-year Survey

In short, while some of Michigan's rural areas appear to be progressing well on standard socioeconomic indicators of community development, others are consistently

disadvantaged. Specifically, the Traverse City/Petoskey region, areas adjacent to metropolitan areas in the southern half of the Lower Peninsula, and to a lesser extent communities in the Marquette area of the U.P. appear to be doing relatively well by comparison to the state's other rural areas.

Insiders and Outsiders

Michigan's rural communities vary substantially in their degree of contact and integration with metropolitan Michiganders and others outside of their community. These connections can be helpful for bringing innovative ideas, business connections, services, and jobs to rural communities. Some areas are relatively isolated. Other areas have long-standing and extensive connections. For example, because of its rich deposits of underground bromine, Herbert Dow chose Midland as the site to establish production processes incorporating major technological advances in chemical production. Midland became a prosperous, globally significant, and integrated center of chemical manufacturing.

Given its abundance of lakes and picturesque natural terrain, in much of rural Michigan a primary connection to outsiders comes through vacationers, seasonal residents, and retirees. These long-standing connections helped to drive population inflow and economic growth in the northwest quadrant of the Lower Peninsula. Many other areas of rural Michigan could pursue this as part of a development strategy, particularly in the current era of remote work.

But not all of rural Michigan wants to become Traverse City. In response to an interview question, "Do local residents want more people to move here?" superintendents we spoke to repeatedly characterized an ambivalence among residents in their communities to outsiders moving in. Residents take pride in their communities and want them to thrive. While most recognize that new residents could be beneficial to their local economies and schools, they also want to preserve their communities' small-town character. And the changes brought by outsiders moving in are "not always welcome." A few superintendents noted seasonal residents and visitors who are noisy, rude, or littered cherished public places.

Similarly, one U.P. superintendent described a surprising recent influx of relatively affluent outsiders who were purchasing local properties, often paying cash and sometimes without even viewing the property in person. That superintendent added:

> "Those aren't people who have kids in our schools. Those aren't people who really, ultimately care whether the community thrives or doesn't thrive. What they want is to make sure that there's a grocery store, and that there's a restaurant, and that there's a bar."

Another superintendent whose community has attracted numerous retirees, who show little support for the local schools, worried that they could become sufficiently numerous to act on a circulating proposal to dissolve the local school district.

Such sentiments were certainly not universal among the superintendents we interviewed, some of whom served in communities that draw few outside vacationers, seasonal residents, or transplants. However, in other rural communities that do have substantial

connections of this sort, we heard about better integration of insiders and outsiders. Where it happens, it seems to unfold over time, aided by growing familiarity, friendships, and trust between insiders and outsiders. We heard accounts of how this integration was aided, for example, through farmer's markets or downtown development groups. It also takes place, significantly, through school cultural, social, and sporting activities that draw together old and new residents, even those who do not have children in the local schools.

As noted, the pandemic has brought sweeping changes to the organization of work and made telecommuting or homeworking feasible for many more people. Amazon deliveries of consumer items, likewise, have made us less tied to metropolitan-area stores and malls. Rural areas once regarded as too far removed now draw more serious attention from outsiders (and even "insiders" who might have left in the past), so long as these areas have good internet access. When asked about his community's prospects for growth, in a 2021 interview, one superintendent answered:

> "Well, yeah, if you would ask me this back in February last year, we were stagnant, getting older. Up and down the lakefront, every third house was for sale. Now, after COVID, we actually have new families, young families moving in. We have families that are coming to us from areas like Grand Rapids, from Adrian, Troy, that are able to telework. So they escape everything, come up here, and they're still working for their companies downstate. And their children are coming to our school now."

Finally, we were struck by the number of superintendents who pointed to a lack of affordable housing as a problem for their communities and a constraint on economic development.

> "When people say 'how come we're not growing'? we say, well, there's, there's no affordable housing. There's either housing that isn't livable, or there's lakefront housing that isn't affordable."

It is easy to see how lack of affordable housing could be a problem in areas facing an influx of relatively affluent urbanites who bid up prices of the existing housing stock or build high-end new homes and condominiums. Such changes in a local housing market can limit the availability of affordable housing for local residents, especially those without college degrees, who are needed to staff crucial service-sector and construction-industry jobs. We heard from several superintendents that the lack of affordable housing also constrains their ability to hire new teachers from outside the community. Housing needs to be a part of the discussion of rural community challenges and economic-development strategies.

Michigan Rural Schools: Center of Community Life

While all communities value their local public schools, rural communities especially value them. A large body of scholarly research literature clearly documents that rural schools are far more than the educational center of rural communities. Schools serve multiple functions in rural areas that are essential for community vitality and well-being.

Naturally, schools are the educational epicenter of rural communities. Our research findings on this count were broadly similar to what community stakeholders seek in most rural and nonrural areas alike. Superintendents reported parents in their districts want high-quality learning opportunities and safe and supportive schools. Other community residents and businesses share these goals while also prioritizing positive school-community relations, low taxes, and efficient operation, and preparing students for employment. On all these dimensions, residents of Michigan's rural communities have much in common with their counterparts in nonrural areas.

All the superintendents with whom we spoke, however, emphasized in their own words that their schools were the "heart of the community." The notion of being the "heart of the community" is represented by the physical location of most rural schools as well as the way educators and community members think about their schools. Often located in the center of the community, schools in rural areas serve as both the literal and metaphorical hub of community life. When asked to describe the relationship of their schools to the broader community, one superintendent began by noting that one could "view the entire town from the doors of the high school."

The superintendents we spoke with emphasized that their schools are "community buildings" because of their multiple functions. As one noted,

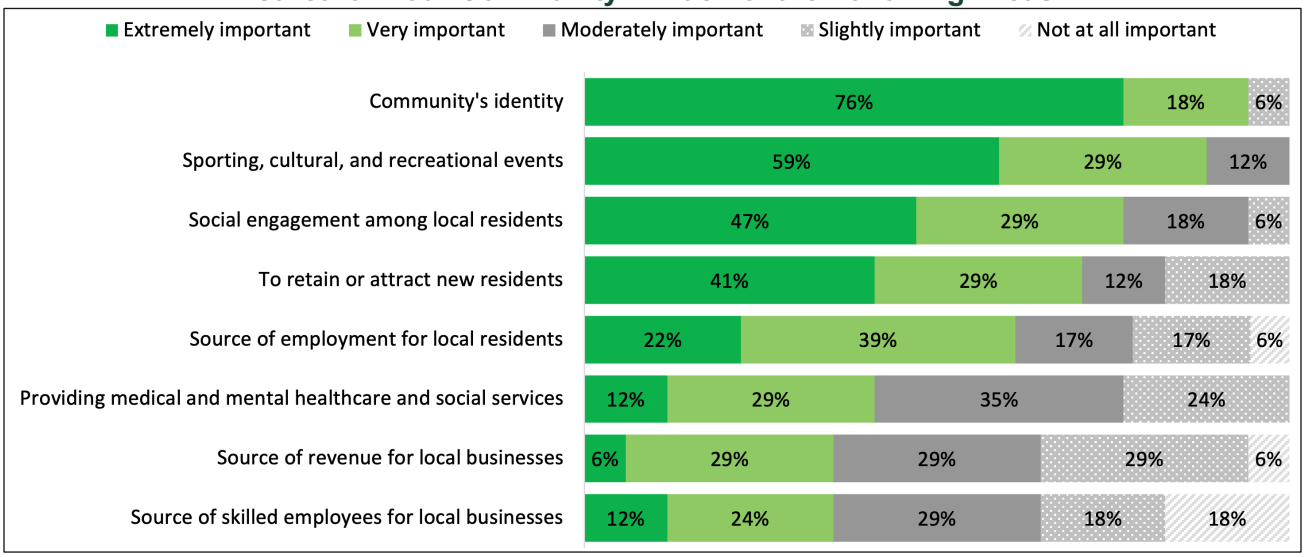
> "We make sure that we envision this building as a community building, as the hub of our community, and I keep the doors open for our community to come in and use our building as much as possible."

Schools are often the only space available in rural communities for public and private events and gatherings. Michigan's rural schools are widely used around the clock for nonschool cultural activities, religious gatherings, and family events. In at least one of our sample communities, the school is even the gathering place for funeral services. One superintendent noted, "our schools are the only place in our community in the wintertime for people to get some exercise, to walk around, to hold meetings."

Eighty-eight percent of the superintendents in our study rated schools as "extremely" or "very" important as sites for sporting, cultural, and recreational events, noting team sports, school concerts, and theater productions as being held there (See Figure 2.13). Such school events are often the main evening or weekend social event in rural communities, attended by many community members without children in the schools or long after their children have graduated.

Through these activities, superintendents repeatedly noted the critical role that their schools play in developing and enhancing social ties in their communities, something no other entity or organization can provide to the same extent. There is a "familiarity that everybody" has with the schools because they are "more in touch with people in the community than any other entity."

Figure 2.13: School District Importance to Community—How Important Is Your School District for Your Community in Each of the Following Areas?



Source: Superintendent Survey

Because of their central role in community life, schools are intricately tied to a community's identity. In fact, it is often the school district boundaries, not municipal boundaries, that are used when people talk about "we" or "our community." Our survey underscores this critical role, with 94 percent of superintendents rating their schools as "extremely" or "very" important for community identity, while not a single superintendent rated this as "not as all important" (See Figure 2.13). School symbols, such as the high school mascot, become synonymous with a community's identity. Through sustained interactions in events and activities such as those noted above, community members come to share a sense of identity beyond their immediate family and friends. It is experienced in the annual spring plant sale to support high school clubs and the annual winter concert that serve as community rituals that bring people together. As one superintendent shared:

> "My parents went to this school and graduated from the school. Their pictures are outside on the wall. It's a small family. We're the [Viking] nation—it's what we call ourselves. Everybody is related to everybody up here. You don't talk poorly about somebody because it'll come back to haunt you, because you're related to somebody. It's a very unique environment."

Or as another superintendent observed, "As a 4th generation graduate, I can attest that those relationships are very important."

These superintendent observations are consistent with a great deal of academic research. William Fischel writes that schools are neighborhood organizers for both children and adults, providing hubs for community activities and enhanced social networks. Those social networks overlap substantially with what Raj Chetty, as discussed in Section 1, characterizes as social capital, which he has shown is crucial for establishing high-opportunity environments for children. Howley, Johnson, and Petrie argue not only

that schools are the central organizing social hubs of communities, but that communities without local schools are inhibited in their ability to establish community bonds.[14]

Schools serve as vital sites for civic and political engagement and democratic decision making. School board elections and deliberations are often the most intimate experiences that citizens have with democracy. Local public-school governance offers an opportunity for average citizens to work with fellow citizens to serve their community in the pursuit of a very important goal: their children's education. School board meetings also provide important opportunities for citizens to develop their political voice. Unlike state and national elections and policymaking, local school governance allows citizens to experience representation and political agency in the most up-close and personal way, and not mediated by political parties. Such experiences can lay the groundwork for further engagement and improve trust and confidence in not only local schools, but also government in general.

In addition to these important social impacts, schools are also a critically important component of rural communities' economic base, with key linkages to community economic growth and sustainability. In most rural communities, the local school system is a major source of nonlocal income injected into the community from state and federal sources. In an era when employment opportunities in many rural communities are diminishing or precarious, schools provide a significant source of relatively stable jobs for those with and without undergraduate degrees. Over three-quarters of the superintendents surveyed indicated that their local schools were an important source of employment for local residents. In fact, in many rural areas, the local public school system is the largest employer.

Beyond the direct employment benefits, local schools are also associated with other indirect economic benefits for a community. Local public schools purchase a wide range of goods and services from local businesses such as facility repairs, classroom supplies, or bus fuel. Proximity to schools also increases the sales of local restaurants and shops that serve school employees, students, and parents. And, of course, schools can provide exposure to and training for a range of occupations that are important for local economic development: nursing, computer repairs, construction trades. Teachers and counselors can also help mold students' perceptions of the prospects for successful future employment within their hometown (for better or worse).

Realtors and economic-development specialists understand the importance of high-quality local public schools in drawing new businesses or skilled professionals to their communities. Academic research shows that the presence of and proximity to local schools in rural communities provides significant economic benefits, including increased housing values and per capita income, and reduced income inequality.[15]

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[14] Craig Howley, Jerry Johnson, and Jennifer Petrie, *Consolidation of Schools and Districts: What the Research Says and What It Means*, (National Education Policy Center, 2011).

[15] Thomas A. Lyson, "What Does a School Mean to a Community? Assessing the Social and Economic Benefits of Schools to Rural Villages in New York" *Journal of Research on Rural Education* 17 (2002): 131–137; John W. Sipple, Joe D. Francis, and Peter Cody Fiduccia, "Exploring the Gradient: The Economic Benefits of 'Nearby' Schools on Rural Communities," *Journal of Rural Studies* 68 (2019): 251–263; Kai A. Schafft, "Rural Education as Rural Development: Understanding the Rural School-Community Well-Being Linkage in a 21st-Century Policy Context," *Peabody Journal of Education* 91, no. 2 (2016): 137–154.

Superintendents in our study were extremely aware of the multiple and critical functions that their schools provided to their communities, and this awareness often informs their decision making. They regularly consider not only how their choices will affect teaching and learning, but how they will impact these many important community functions.

Section 3

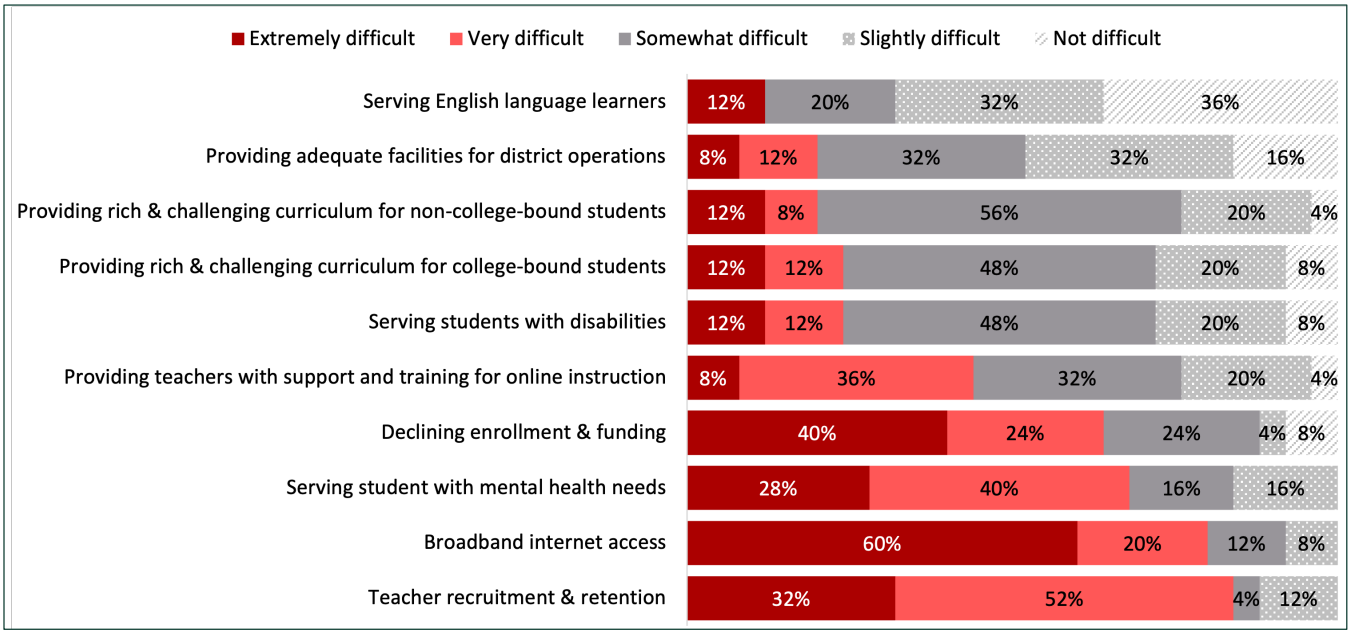
What Are the Big Challenges for Michigan's Rural Schools, and Does State Policy Help?

Michigan citizens select the leaders of their local public schools. What do superintendents in rural Michigan view as their most serious challenges in providing high-quality opportunities for children and families in their communities? And how supportive are state policies to their efforts? This section sets out to answer these questions.

How Difficult Are Various Dimensions of District Operation?

We did not presume to know what rural school leaders regard as their most difficult and pressing challenges. In a survey, we presented superintendents with a wide-ranging list of specific aspects of district operation and asked them to rate how difficult each is for their districts, ranging on a five-point scale from "Not difficult at all" to "Extremely difficult." We were interested in durable challenges, and our survey questions were careful to distinguish their assessments before and during the COVID pandemic. Figure 3.1 summarizes our sample superintendents' responses.

Figure 3.1: Rural District Challenges—How Difficult Do You Feel Each of the Following Issues Is for Your District?



Source: Superintendent Survey

Superintendents highlighted four areas as most problematic: teacher recruitment and retention, broadband internet access, serving students with mental health problems, and declining enrollment and state funding. Each of these four areas was either "extremely difficult" or "very difficult" for the majority of districts, ranging from 84 percent in the case of teacher recruitment and retention to 64 percent for declining enrollment and funding. Because operational challenges were most widespread and serious in these four areas of district operations, we focused our attention on them.

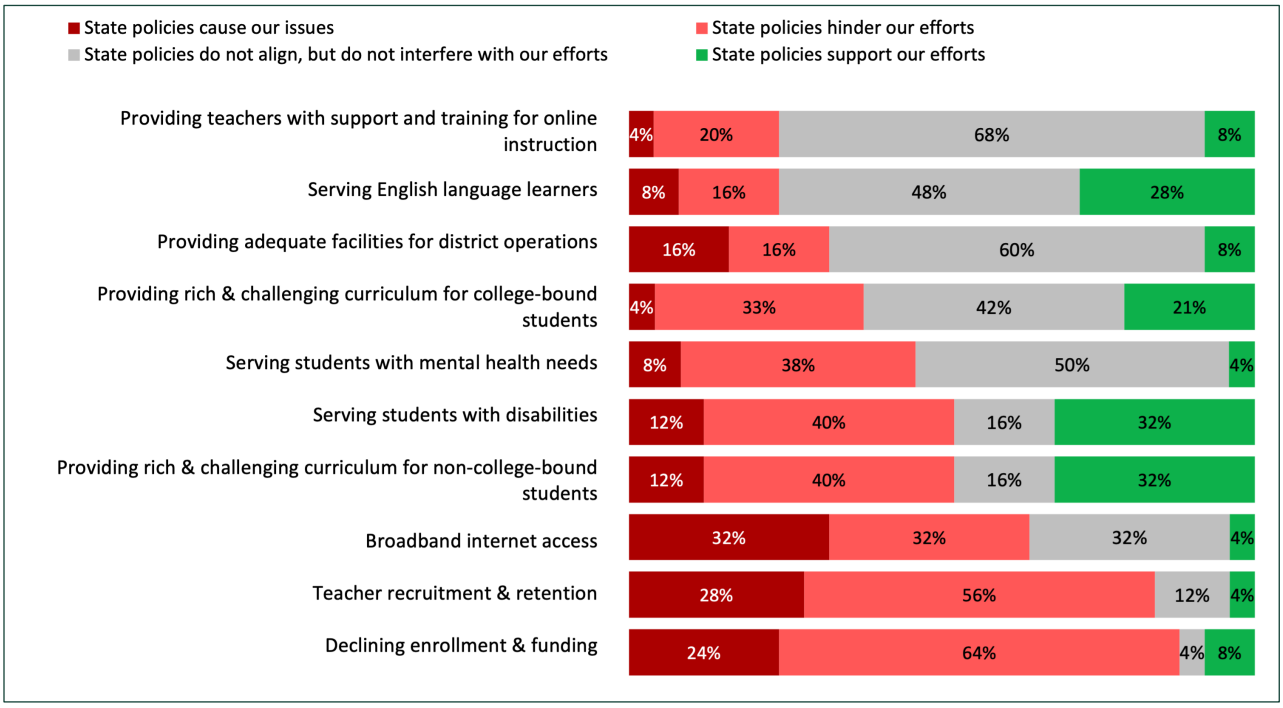
Other areas of district operation were very difficult for a much smaller portion of rural districts. Serving English language learners or students with disabilities and providing adequate facilities, rich curriculums for college-bound and non-college-bound students were each extremely or very difficult for less than 24 percent of the districts. We learned more about schools' challenges in each of these areas through our interviews but focused less intensively on them since they posed very tough challenges for a much smaller portion of sample districts.

The COVID pandemic also increased the urgency of each of the top-four challenges for most rural districts.[16] Nearly every superintendent noted the pandemic made broadband access and serving students' mental health needs more urgent priorities. Three-quarters of the superintendents said the pandemic made funding and teacher recruitment and retention more challenging. Not surprisingly, most superintendents also indicated that the pandemic made serving students with disabilities and providing teachers with support and training for online instruction more urgent priorities.

Given our study's focus on the alignment of state policies with rural community circumstances, we were particularly interested in learning superintendents' assessments of how well state policies support their efforts in each area of district operation. Did they view state policies as helpful and supportive or not? The relevant survey results are presented in Figure 3.2.

[16] Our surveys were conducted in the second half of 2020. We asked superintendents, "How did the COVID pandemic impact the importance and priority of each area of district operation." (The areas of operation were the same as those listed in Figure 3.1). Possible responses were: "Much higher," "Higher," "Lower," and "Not a priority now."

Figure 3.2: State Policy Support for Rural Districts—How Well Do State Policies Support and Assist with Your Efforts to Address Each Issue?



Source: Superintendent Survey

Figure 3.2 reveals quite varied assessments of state policies' supportiveness across different facets of district operations. The figure's red shading corresponds to negative assessments by superintendents, instances where they viewed state policies as either hindering their local district's efforts or causing their problems. Importantly, there is substantial overlap between the areas of state policy that superintendents view most negatively and the areas of school operation that are most difficult for their districts. Superintendents were most critical of state policies corresponding to three of the top-four challenging areas—funding, teacher recruitment and retention, and broadband access—while only 4 percent of superintendents viewed state policy as supporting their efforts in the fourth area, serving students with mental health needs. This suggests that better alignment of state policies with rural circumstances could be an important step in diminishing the most serious challenges facing rural schools. We turn now to detail rural-school challenges and corresponding state policies in each of these four areas.

Teacher Recruitment and Retention

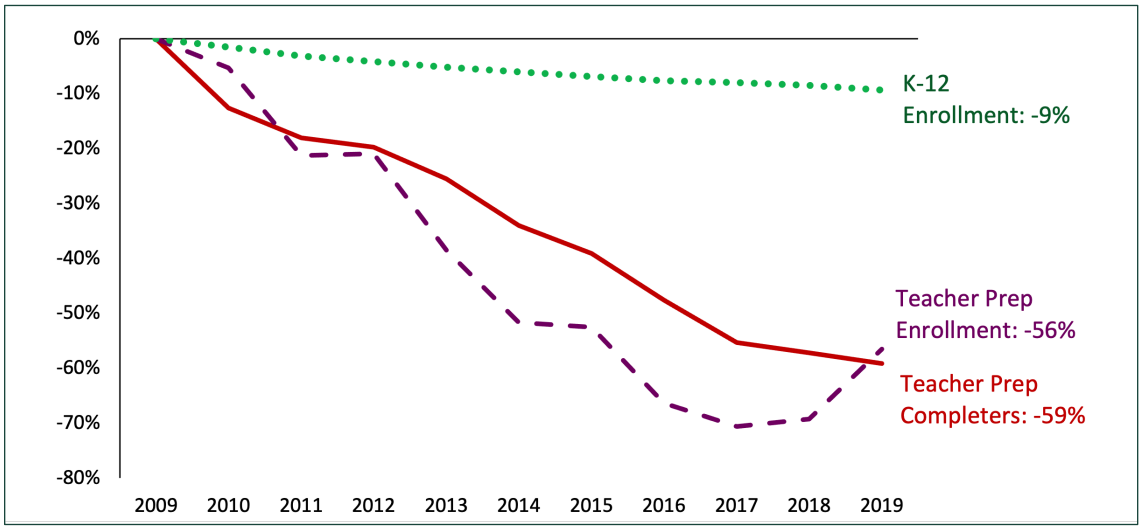
Over 80 percent of the superintendents reported that teacher recruitment and retention is "very" or "extremely" difficult for their districts. While Michigan was once an exporter of teachers to other states, producing far more educators than our schools needed, now, as shown in Figure 3.3, the state leads the nation in the rate of decline in teacher preparation program completers. As Figure 3.4 shows, this decline in new teachers far outpaces the decline in Michigan's K-12 enrollment, which has contributed significantly to a growing statewide teacher shortage.

Figure 3.3: Percentage Change in Teacher Preparation Completers, 2006 to 2019



Source: U.S. Department of Education, Title II Data

Figure 3.4: Change in K-12 Enrollment, Teacher Preparation Enrollment, and Teacher Preparation Completion, 2009 to 2019



Source: U.S. Department of Education, Title II Data

The challenge of teacher recruitment and retention, however, is particularly acute for rural districts. Superintendents in our sample report that hiring is much more challenging than in the past. They often receive few, if any, applicants for open teaching positions. Consequently, they also devote a great deal of effort to finding suitable candidates to fill open positions. One superintendent noted, "It's my biggest summer nightmare—a massive headache. I cringe every time I get a resignation, or I get a retirement letter, because I don't know if I'll ever fill that position."

This superintendent was not alone—several superintendents described positions that they could not fill because no one applied for them, forcing the superintendents to either cut courses or hire long-term substitute teachers. Indeed, the use of long-term substitutes—who in Michigan need no teacher education training and only 60 college credit hours in any subject—has grown in the state's rural schools.[17] Some districts currently do not have sufficient teachers to teach the state's required curriculum. Lacking qualified teachers places rural students at a significant disadvantage.

Retaining teachers is also a challenge. Some superintendents characterized their districts as training grounds for teachers who get some experience and then leave for more attractive jobs elsewhere. As one noted,

> "That's significantly difficult. We have a great culture; people want to be a part of it. It's like a supportive community. But when it comes to retaining at some point, these teachers have families, they have life goals, they want to retire someday with a meaningful retirement. And those aren't things that we can offer."

And when staff depart, the burden is often aggravated in rural districts because departing employees assume multiple roles. As one superintendent noted, "My guidance

[17] M. Wilkinson, and R. French. "Michigan School Leaders Decry Explosion of Untrained Teachers in Classrooms," *Bridge Magazine* (2019, August).

counselor left last year. So I lost a Spanish teacher, a guidance counselor, and an online instructor. I lost essentially three staff members in one."

These observations by rural school leaders are reinforced by available quantitative research. A recent study found that while the statewide supply of active teachers in Michigan public schools will meet demand through the 2022–2023 school year, teacher shortages will persist in the state's northern rural regions.[18]

What makes hiring so tough? Superintendents pointed to a common set of factors: low salaries, geographic isolation, declining attractiveness of the teaching profession in general, and state certification requirements.

Financially, rural superintendents feel they are at a competitive disadvantage compared to their metropolitan peers. As one superintendent noted, "We don't have the resources to be able to attract the high-quality candidates that you could in larger districts with greater resources." This sentiment is reinforced by academic research, which also has found that teachers do not generally respond to small salary increases. To attract new hires, compensation would need to be much greater to induce teachers to move to high-need rural areas.[19]

While superintendents pursue creative strategies to find funding to attract educators, their remote location remains a serious obstacle. Many superintendents pointed directly to their location as a primary challenge when trying to attract new teachers. One superintendent expressed a sentiment we heard from many:

> "It's hard to get young people up here, because of our geographic isolation … I can't control living 60 miles away from the nearest services. Or they will miss the city, miss being able to go out in the evening, go to dinner and stuff like that."

Single teachers fear being unable to find a partner or spouse in small, remote communities. Superintendents describe aggressively pursuing prospective teachers, only to have the recruiting end abruptly once candidates identify their district's location on a map.

Yet rural districts have always been characterized by relatively low teacher salaries and geographic isolation. Why is staffing more challenging now? Based on their experiences, many superintendents believe that in recent years teaching, in general, has become less attractive as a career to young people due to stagnating salaries, less generous retirement and health benefits, more demanding classroom responsibilities, and a general decline in the teaching occupation's status. These explanations strike us as plausible. They come from individuals who are uniquely well-qualified to understand the preferences of prospective teachers, and they are consistent with the declining trends in teacher preparation program completers portrayed in Figures 3.3 and 3.4. Wayne State University professor Michael Addonizio's recent book provides an excellent overview of long-term changes in the national policy landscape that have adversely impacted the

[18] Yinmei Wan, Max Pardo, and Sarah Asson. "Past and Projected Trends in Teacher Demand and Supply in Michigan. REL 2019–009," *Regional Educational Laboratory Midwest* (2019).

[19] Thomas S. Dee, and Dan Goldhaber. "Understanding and Addressing Teacher Shortages in the United States," *Hamilton Project* 5 (2017): 1–28.

teaching occupation's attractiveness, including an analysis of Michigan's problematic policy path compared to high-performing Massachusetts.[20]

Superintendents noted that state policy measures to improve teacher quality by strengthening certification requirements have only contributed to the problem. In small-enrollment rural districts, teachers must often take on a wide range of classroom assignments. Fewer candidates are able to become certified in multiple subject areas and grade levels under the state's more rigorous and specialized certification requirements. As one superintendent explained, "I can no longer take a really high-quality biology teacher and have them teach a physics class." Likewise, several superintendents described former teachers who had left the profession for some years to raise children only to discover that their return to teaching was blocked by more extensive certification requirements. As one noted:

> "She's got a degree in teaching science. It seems like I could just pop her in there. It was awful. They made her go back and take classes and we could not hire her as a professional. We had to hire her as a long-term sub making $14 an hour."

Some superintendents regret that certification requirements block them from hiring skilled community members, sometimes with advanced degrees, to teach specialized content such as career and technical education classes, because they lack teaching certification. (The state allows certification waivers for Career and Technical Education, or CTE, teachers who meet certain requirements, but some superintendents view the process as overly burdensome.)

Serving Students with Mental Health Needs

The growing mental health needs of young people has recently gained national attention. One in five adolescents nationally have a diagnosable mental health disorder, and suicide is now the second leading cause of death for people between the ages of 10 and 34 years. Rates of depression and suicide among Michigan's youth surpass the national averages.[21] These figures correspond to circumstances before the pandemic. Many analysts have documented a sharp increase in mental health problems associated with children's increased anxiety and social isolation since the start of the pandemic. The Citizen Research Council of Michigan reports that among Michigan youth experiencing any mental illness, more than a third are not receiving care.

Despite growing awareness of student mental health issues, the urgency of this challenge in Michigan's rural districts is striking. Superintendents repeatedly noted that mental health issues are "definitely a huge and growing challenge." Two-thirds of superintendents surveyed reported that meeting the mental health needs of their students is "very" or "extremely" difficult, and nearly all superintendents reported that

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[20] Michael Addonizio, Exalted and Assaulted: Conflicting Sentiments about the Profession of Classroom Teachers in America (Kalamazoo, MI: W. E. Upjohn Institute for Employment Research, 2022).

[21] National Institute of Mental Health, Information Resource Center, "Statistics," (June, 2022) https://www.nimh.nih.gov/health/statistics/suicide; Citizens Research Council of Michigan, Meeting the Mental Health Needs of Michigan Youth with School-Based Health Services, Report 410 (2021). https://crcmich.org/wp-content/uploads/Youth-Mental-Health-Crisis-Final-1.pdf.

meeting student mental health needs is of higher priority now than it was prior to the pandemic. Some superintendents also expressed concerns about the well-being of exhausted teachers and staff who are operating under increased stress, particularly during the pandemic.

Educators are encountering serious classroom challenges associated with violent or dangerous behaviors by students who cannot help themselves because their behavior is a manifestation of a disability or mental health need. Some teachers experience this on a regular basis. As one superintendent noted:

> "Educators may care about their troubled students deeply. But when circumstances escalate and a child takes a swing at caring adults, breaks glasses, kicks, or bites, it takes a toll on these educators and may lead some to leave the profession. This is so, even if, as is often the case, the student regrets their behavior afterwards."

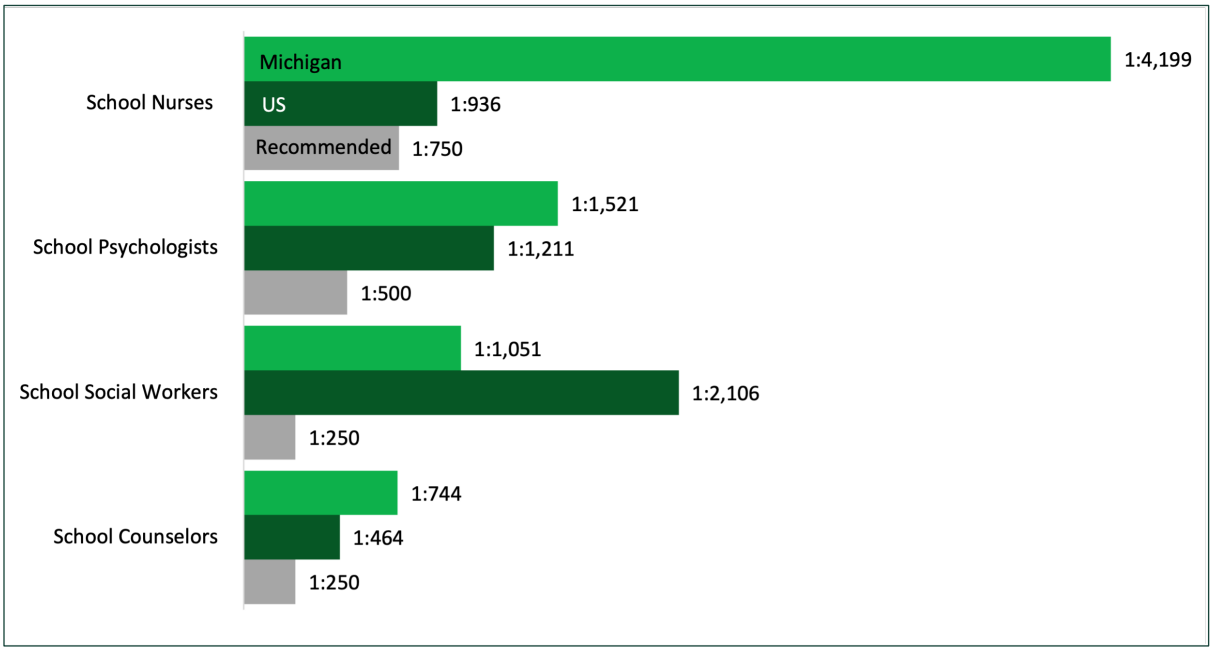
Superintendents note two key factors when discussing the increase in need for mental health services. First, educators are seeing an increase in traumatic circumstances in students' homes. Abuse and neglect, as well as parental divorce, substance abuse, domestic violence, incarceration, and homelessness are all traumatic circumstances students face outside of school that contribute to the need for mental health services in schools. One superintendent noted that not a single student in his district lived with both of their biological parents. Another superintendent noted:

> "Students are coming [to school], I would say, with far fewer coping abilities, carrying family issues from home with them. We see more signs of depression, suicidal behaviors, lack of ability to form relationships, lack of ability to focus on learning and instruction, non-compliance behavior, or refusal to work. So, you know, their backpacks are definitely full when they're coming to school with a lot of mental health issues."

Second, the scarcity or absence of professional mental health services in rural communities greatly contributes to the growing mental health problem. As outside researchers, we were caught by surprise by the scope of this challenge in much of rural Michigan.

Overall, Michigan has a dearth of health professionals working in schools. Figure 3.5 shows recommended and actual staffing ratios of counselors, social workers, psychologists, and nurses. Staffing of each of these occupations in Michigan schools falls well below national averages, and much further below recommended staffing levels. Michigan's staffing of counselors and school psychologists are one-third the recommended levels. Social worker staffing is one-fourth the recommended level. And the number of nurses in Michigan schools is less than one-fifth the recommended level. The very low rates of health professionals staffing Michigan schools are one unfortunate consequence of a sustained period of declining inflation-adjusted funding in Michigan schools that started around 2002.

Figure 3.5: Recommended and Actual Ratios of Health Professionals to Students in Michigan Schools



Source: Citizen Research Council, op cit., based on data from the National Association of School Psychologists, Education Trust Midwest, and American Civil Liberties Union

Figure 3.5, however, understates the shortage of mental health services in rural areas because not all districts are similarly resourced. The availability of services is much worse in most rural communities compared to the state as a whole. There are two main reasons for this. First, the average enrollment in rural school districts (1,200) is less than one-fourth of the average enrollment in nonrural districts. Even though the superintendents we spoke to would be delighted to have full-time social workers or psychologists on staff, the associated costs are difficult to cover in small-enrollment districts. Second, and more importantly, rural areas face much greater scarcity of local mental health care providers outside of school.

According to Health Resources and Service Administration data, every rural Michigan county has a countywide mental health–provider shortage, except for Emmet, Leelanau, and Oceana Counties where shortages exist in just parts of the counties. Data from County Health Rankings also show a mental health–provider shortage is concentrated in rural areas. Six mostly urbanized Michigan counties are in the 90th percentile of staffing levels for counties nationwide, with population-to-provider ratios of 250:1 or better. Meanwhile, 16 rural Michigan counties have staffing ratios of 1,000:1 or worse. The staffing ratio in Ontonagon County in the western U.P. is 5,660:1.[22]

To address the youth mental health problem, state policymakers established the Caring for Students program and 31n grant funding in 2019 and have increased funding for these programs each year thereafter. The 31n funding is allocated to intermediate school

[22] See U.S. Department of Health and Human Services, Health Resources and Services Administration, *Health and Professional Shortage Areas* https://data.hrsa.gov/tools/shortage-area/hpsa-find; and University of Wisconsin Population Health Institute, *County Health Rankings & Roadmaps* https://www.countyhealthrankings.org/app/michigan/2022/measure/factors/62/map.

districts that in turn may provide mental health services to students in constituent local districts or pass the funds to local districts to contract services on their own. Funds can be used for existing and new Child and Adolescent Health Centers, to hire providers, and for administrative costs. In 2020–2021, 31n grant funds provided services for over 10,000 students with behavioral health needs in over 300 school districts across Michigan.

Rural superintendents appreciate the state's efforts on this front, but they and the state have discovered that increased funding alone is insufficient, especially in rural Michigan. There are simply not enough skilled mental health providers available in most rural areas. Superintendents described job postings for school psychologists, social workers, and nurses that failed to draw a single applicant. One district went through seven rounds of interviews before finding a qualified candidate. Moreover, with such shortages of skilled providers, professionals hired under 31n funds are often drawn from other nearby schools or community mental health centers, exacerbating challenges in those organizations. This problem requires targeted efforts to expand the number of trained providers in rural communities.

Broadband Access

The absence of high-speed broadband infrastructure is not exclusive to rural areas, but in Michigan the problem is clearly most acute there. Connectivity varies across rural areas, but in many rural districts a third or more of students cannot access the internet at home. Superintendents are acutely aware of the disadvantage this poses for students: "Every day … a child in a town who has high-speed internet can just look something up and get their schoolwork done. That puts those students one step farther ahead of our students. And that's, that's not okay."

Of course, this inequality unfolds within rural districts as well because some students have broadband access at home while others do not. One U.P. administrator noted that this disparity is analogous to schools "giving some students access to their books at home but not to others." Districts receive government funding to support technology purchases for student use, but that funding is irrelevant to some students once they leave school.

An estimated 368,000 of Michigan's rural households do not have access to broadband. Statewide, roughly 10 percent of households are without broadband access, a higher percentage than in several other large-area states, including California, Colorado, Illinois, Iowa, Minnesota, North Dakota, and Texas. The majority of the Upper Peninsula's land area is unserved by infrastructure that supports current broadband requirements. The northern Lower Peninsula has extensive unserved areas, and the connections in much of the rest of this region fall below the 25 Mbps download speed and 3 Mbps upload speed that the Federal Communications Commission (FCC) currently defines as broadband. (Currently one student working at home would need this capacity. Two students in the same home would need more.) Even the more urbanized southern Lower Peninsula has many unserved or low-quality access areas.[23]

23 Michigan Consortium of Advanced Networks, Michigan Broadband Roadmap. 2018

In a well-designed study of students in rural Michigan schools, MSU researchers Johannes Bauer and colleagues found that, regardless of socioeconomic status, middle school and high school students who cannot access the internet from home or are dependent on a cell phone for internet access have lower grades and standardized test scores, are less interested in STEM field careers, and are less likely to attend college.[24]

The absence of reliable and affordable broadband also severely limits families' opportunities in many other ways: mental and physical health care, employment options, and communication among community organizations and their members. And, in an era when telework options coupled with good broadband would otherwise permit many more people to live and work comfortably in rural Michigan, it dramatically limits community economic-development prospects.

Rural school leaders work diligently to expand connectivity for their local families. They provide hot spots for students to use at home or set them up in school parking lots for the entire community's use. They also negotiate with internet service providers on behalf of their communities to bring greater connectivity. Too often, however, it is not enough to fix the problem. As one superintendent states, "[The student] can turn on the Verizon hotspot [at home] and it's not gonna get a signal, or if it does, it's not going to be strong enough to use Zoom or get on Google Classroom."

School leaders understand that it is currently unprofitable for private internet service providers to run fiber-optic cable to low-population-density areas. Most believe that this inherent market failure can only be surmounted with concerted government policy initiatives. The broadband policy landscape, however, is quite complex, with many relevant entities whose actions are not always well coordinated.

At the federal level, the FCC oversees the universal service funds, a system of subsidies and fees intended to promote universal access to telecommunications services. Several other federal government agencies, including the National Telecommunications Information Administration, the Department of Agriculture, and Department of Education, provide funding to support broadband access, as did numerous components of the federal government's massive allocations of pandemic-relief funding (CARES, CRRSA, and ARPA) to state and local governments. Much of that appropriated funding has not yet been spent. The Infrastructure Investment and Jobs Act has $64 billion in funding to support broadband infrastructure, which can be matched by state and local units with CARES and ARPA funds. At the state level, the Michigan Public Service Commission has statutory responsibilities to structure telecommunications service-delivery markets and regulations for internet service providers and customers. The Michigan Consortium of Advanced Networks (MCAN) served in an advisory capacity to the governor and was the planning project for the creation in 2022 of the Michigan High-Speed Internet Office, which now provides guidance on statewide broadband access and connectivity. The State of Michigan also regularly provides funding to support broadband

24 J. M. Bauer, K. N. Hampton, L. Hernandez, and C. Robertson, "Overcoming Michigan's Homework Gap: The Role of Broadband Internet Connectivity for Student Success and Career Outlooks" (Quello Center Working Paper No. 06–20), Michigan State University, 2020. Available at https://quello.msu.edu/broadbandgap.

infrastructure through its annual state-budget appropriations, which typically include restrictions on eligible uses and recipients of the funding.

Several organizations play key roles in the Michigan broadband landscape. We note a few. Connected Nation Michigan is the Michigan branch of Connected Nation, which is associated primarily with private internet service providers. With over 4,000 miles of fiber-optic infrastructure in Michigan, Merit Network (formerly MERIT) is a long-standing nonprofit organization initially established by Michigan State University, the University of Michigan, and Wayne State University that provides high-quality computer networking and broadband services to nonprofit organizations (educational, government, health care) across the state. Merit Network, in collaboration with MSU and MSU's Quello Center, has recently received federal funding to build the MOON-Light program, which will provide open access "middle-mile" connectivity (analogous to freeways) to privately and publicly owned and operated "last-mile" local networks (analogous to surface streets) in currently unserved regions of Michigan. The Michigan Education Technology Leaders consists primarily of senior administrators of intermediate school district technology services. ISDs coordinate the broadband services for many local schools, especially in rural areas, and ISD may also seek local voter approval of property tax millages to support technology services.

Coordination of broadband policy can be challenging with so many involved government entities and organized actors. Yet for Michigan's students and communities that lack broadband access, it is extremely important that policymakers identify key areas of coordination to expedite progress toward universal broadband access. Doing so, however, will bring huge economic-development returns beyond those households. All that many areas of rural Michigan need to spur sustained growth are good broadband access and good schools. (Affordable housing would help too.)

School Funding

Since the passage of Proposal A in 1994, Michigan has used a per-pupil foundation-grant system to allocate discretionary operating revenue to local districts. Nearly all operating revenues are based on student enrollment, and local districts have little control over funding beyond efforts to increase enrollment. For roughly 15 years following 2001, state funding failed to keep pace with inflation. Indeed, over this span the state was 50th among states in school-funding growth. The state's school funding is also very poorly matched with variations in local costs over which districts have no control.[25]

In the last few years, Michigan's state policymakers have made progress in increasing the base foundation grants for all students and providing additional revenue for high-cost, at-risk and special education students. But funding remains a major concern for most rural districts. Superintendents highlight higher per-pupil costs associated with lack of scale economies, rural isolation, student transportation, and declining enrollment.

[25] David Arsen, Tanner Delpier, and Jesse Nagel. *Michigan School Finance at the Crossroads: A Quarter Century of State Control*, Michigan State University Education Policy Report, (College of Education, Michigan State University, 2019). https://education.msu.edu/ed-policy-phd/pdf/Michigan-School-Finance-at-the-Crossroads-A-Quarter-Center-of-State-Control.pdf

Unless the actual costs of educating students in rural schools are recognized in state funding, students in rural communities will not have equitable access to educational opportunities on par with their peers in nonrural schools. Differences in educational costs can be conceptualized as a set of factors that affect the level of spending required for students to achieve specified outcomes *and* that are outside the control of local school and district administrators.

Many rural districts have relatively small enrollments. Small-enrollment districts have higher per-pupil costs because they cannot spread fixed costs (e.g., operations and maintenance, administration) over more students. Research suggests that diseconomies of size are experienced in districts with fewer than around 1,500 students.[26] For example, per-pupil costs may be 50 percent higher in districts with 100–300 students compared to districts with 2,000 students or more.

If higher per-pupil costs are not recognized in state funding, small-enrollment districts must curtail their service levels. For example, these districts may operate with no counselors or no curriculum coordinator. The lack of scale economies is also realized in the high (often prohibitive) per-pupil cost of specialized instructional programs. For some districts, this means offering "an AP class every other year and [students] have to hope it fits their schedule." In other districts, students simply face far fewer educational opportunities because it is "not economically feasible to run a class with a handful of kids, even though you know it would benefit them when they go to college." These inequities severely limit the range of course offerings, and therefore students' educational opportunities.

Special education services are expensive for all school districts, but when combined with lack of scale, they are especially difficult for rural districts. Every superintendent in our study talked about the financial challenges of providing required special education services.

Rural isolation, typically measured by low-population density, presents a distinct set of cost challenges. One dimension of this is increased input prices due to higher costs of transporting goods and services to remote schools. But the more pressing disadvantage of school isolation arises due to the relative scarcity of complementary nonschool services in these settings. For example, because children in isolated settings have less access to, for example, physical and mental health services, public libraries, or computer-repair shops, the cost of meeting these needs are more likely to fall to schools in isolated rural communities, or not be addressed at all.

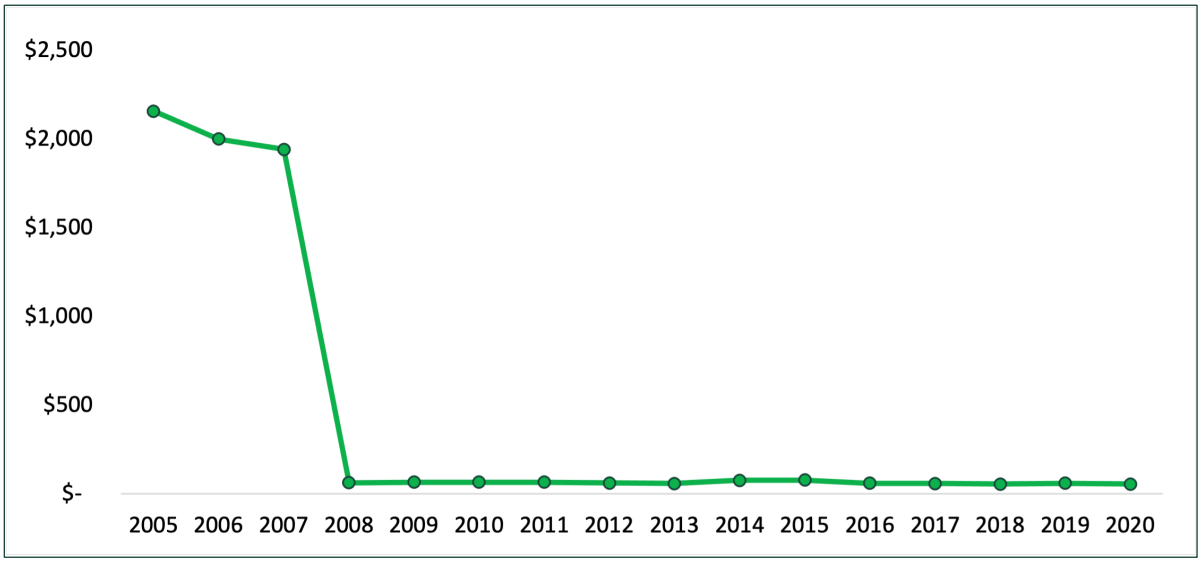
Currently roughly half of states provide some sort of additional funding for small-enrollment districts and 13 do so for sparsely populated districts. Despite the prevalence of these cost adjustments in state funding formulas, most are made without regard to

[26] See Matthew Andrews, William Duncombe, and John Yinger. "Revisiting Economies of Size in American Education: Are We Any Closer to a Consensus?" *Economics of Education Review* 21, no. 3 (2002): 245–262; Bruce Baker, and William Duncombe, "Balancing District Needs and Student Needs: The Role of Economies of Scale Adjustments and Pupil Need Weights in School Finance Formulas," *Journal of Education Finance* 29, no. 3 (2004): 195–221.

actual information on cost differentials. Most school-funding adequacy studies do not consider differences in cost associated with small size or sparsely populated areas.[27]

Michigan currently provides a very small revenue supplement for small or rural schools through the state's Section 22d funding. In 2005, only five districts qualified for 22d funding, which translated to about $2,000 per pupil in those districts. Between 2005 and 2015, the state increased 22d funding fivefold (530 percent), from $1,099,368 to $6,92,016 (in 2020 inflation-adjusted dollars), while simultaneously increasing the number of districts eligible to receive the funding to 202, without any recognition of the very wide dispersion in enrollment size and degree of isolation among the funded districts. As a result, as Figure 3.6 shows, per-pupil 22d funding declined dramatically in 2008 and has averaged only $61.80 per-pupil ever since. This is a very low, poorly calibrated, and inadequate recognition of the cost disadvantages experienced by rural schools.

Figure 3.6: Isolated District Funding (22d), Revenue Per Pupil, 2005 to 2020



Source: State Aid Status Report Data

Almost universally rural superintendents discuss the financial burden of student transportation, which is not reflected in state funding. Districts pay for transportation with their foundation-revenue funding. However, given their low-population density and large geographical areas, rural districts must devote a larger share of their discretionary foundation funding to transportation than metropolitan-area schools. Figure 3.7 shows Michigan's rural schools have higher rates of bus ridership and spend nearly $200 more per enrolled student on student transportation than nonrural districts. Of course, transportation costs in some rural districts are much higher. The 25 rural districts with the

[27] Tammy Kolbe, Bruce D. Baker, Drew Atchison, Jesse Levin, and Phoebe Harris, "The Additional Cost of Operating Rural Schools: Evidence from Vermont," *AERA Open* 7, no. 1 (2021): 1-16; Anabel Aportela, Lawrence O. Picus, Allan Odden, and Mark Fermanich. "A Comprehensive Review of State Adequacy Studies since 2003," APA Consulting, (2014). https://www.marylandpublicschools.org/Documents/adequacystudy/AdequacyReviewReport_rev_091214.pdf

highest transportation spending averaged an extraordinary $2,170 per pupil annually. These districts must devote nearly a quarter of their foundation funding to student transportation. By contrast, the 25 nonrural districts with the highest student-transportation spending averaged only $529 per pupil.

Figure 3.7: Transportation Costs for Rural and Nonrural Districts

	Nonrural	Rural
Enrollment	909,268	413,324
Total riders	322,969	194,804
Riders percent of enrollment	35.5%	47.1%
Transportation expenditure	$279,899,772	$204,748,814
Annual miles	51,492,703	49,792,226
Dollars per mile	$5.44	$4.11
Dollars per rider	$866.65	$1,051.05
Dollars per enrollment	$307.83	$495.37

Source: Financial Information Database Form 4094

Under Michigan's school-funding system, declining enrollment poses serious financial challenges for districts because revenues decline faster than costs—some costs are relatively fixed in the short run—forcing cutbacks in services for remaining students. This problem resonates powerfully in rural areas, where nearly 85 percent of districts are losing enrollment. Combined with their small scale, the loss of even a few families can generate large percentage declines in their revenues. As one superintendent noted:

> "When my enrollment goes down, my costs don't drastically decrease. You know, it's hard, it's just really hard when you take a loss. I think it was my second year as a superintendent, we lost 35 kids. It was huge, huge! And for me to reassess and reallocate resources to still meet the needs of the district—yeah—I don't know what else to say. It's just hard."

There are relatively easy ways to adjust state-funding formulas to provide transitional relief to declining enrollment districts as they downsize their operations and service provision. Many states adopt these practices, but Michigan has yet to do so.

Finally, several superintendents in districts with considerable presence of retired and seasonal homeowners noted a lack of support for school millage proposals. As one described,

> "I battle with the fact that my local population is becoming majority over 65 and they are snowbirds, which means they are only here half the year. They don't want to pay any more in school taxes and repeatedly vote down any bond or millage proposal for my district."

A variety of factors influence voter-approved millage rates for capital facilities, in addition to the preferences of retired and seasonal property owners. Foremost among them are a district's property wealth (taxable value per pupil) and the preferences of year-round parents and resident-voters. We note, however, that nonrural districts on average tax themselves at higher rates to pay for school facilities. In 2019, the nonrural districts levied an averaged 0.748 sinking fund mills and 5.781 debt retirement mills, whereas rural districts averaged 0.513 and 4.259, respectively.

State Reporting Requirements

Our initial survey of superintendents did not inquire about how difficult state and federal reporting requirements are for their districts, but several superintendents noted it as a significant challenge in open-ended survey responses, and it surfaced consistently in our interviews. Over 70 percent of the superintendents we interviewed expressed frustration with the volume of state and federal required reporting. As one superintendent noted, "Rural districts have fewer people to do the same number of required reports. And this year that has grown exponentially to the point where my head is about ready to explode!" Consequently, we pursued this issue further in our focus groups.

While every district must devote considerable employee time to meeting compliance and reporting requirements from federal and state offices, the burden falls particularly hard on superintendents in small-enrollment rural districts.[28] Unlike superintendents from their larger counterparts, who typically delegate most reporting duties to various central-office personnel, most superintendents in small districts, who are already stretched very thin, must fulfill reporting and compliance duties themselves. Superintendents reported spending many hours of their days—and nights—completing reports. One suggested that compliance reporting was itself a "full-time job."

Superintendents explained in detail the ever-expanding number of reports they must complete. They noted the vast array of systems to which they must submit data. During one focus group, superintendents easily rattled off nearly a dozen different reporting systems they needed to access, expressing frustration that, "quite often, the state is asking me to report to them numbers that I have to pull from some other wing of the state. I collect this information, package it together, and send it to the office next door to the office that asked me for it." One superintendent summarized the feelings of many when she stated, "You're really trying to comply, but [the state] makes it so hard."

In some cases, rural districts had to complete even *more* paperwork than larger districts. For example, the state requires districts to submit waivers for students engaged in career and technical education off campus. The state sets maximum travel times allowed by students to engage in these activities. But in isolated, rural districts, travel time to training locations can easily exceed the state's permissible maximums simply due to the district's geography. This means more paperwork for superintendents. As one

[28] Holly Yettick, Robin Baker, Mary Wickersham, and Kelly Hupfeld, "Rural Districts Left Behind? Rural Districts and the Challenges of Administering the Elementary and Secondary Education Act," *Journal of Research in Rural Education* 29, no. 13 (2014): 1–15.

superintendent explained, “I’m sorry that [the nearest welding center] is 40 minutes away. Don’t punish us … with some silly travel time waiver.”

While they recognized “the value behind the intent,” superintendents almost universally expressed that even their best efforts to comply with reporting requirement often fell short because they lacked the time and capacity. Their exasperation was clear, and not just because of the irrationality of some of the tasks, but more importantly because these requirements took time away from other important tasks. “I find myself chasing those compliances more so than caring about kids and their education,” expressed one superintendent. Another noted, “rather than focusing on curriculum and instruction, we are spending an inordinate amount of time doing pupil accounting, teacher reporting, and writing lengthy school improvement plans.” Instead of focusing on work that directly impacts teaching and learning, superintendents find themselves completing lengthy reports they aren’t even confident anyone will read.

Patterns in School and Community Conditions across Rural Michigan

We have focused thus far on areas of district operation that rural superintendents broadly agree are very difficult for them. But Michigan’s rural school districts vary in the range and intensity of the challenges they face. We sought to understand whether these differences conform to any patterns.

Figure 3.8 stratifies our sample school districts into three groups (A, B, and C) based on the number of areas of district operation that superintendents reported by survey were “extremely” or “very” difficult for them. Group A districts face serious difficulties in the most areas, Group C in the fewest.

Figure 3.8: District Groups by Difficulty of Operational Challenges

District Group	Number of “Extremely” and “Very” Difficult Areas of District Operation	% of Sample School Districts
A	7–9	24
B	4–6	44
C	1–3	32

Source: Superintendent Survey

As a first cut, we observe no simple geographical patterns in districts’ assignment to these three groups. Our sample includes districts in each of these groups (A, B and C) in each of Michigan’s broad regions—the Upper Peninsula, northern Lower Peninsula, and southern Lower Peninsula. The average number of “very” and “extremely” difficult areas of operation varied slightly by region: Upper Peninsula (4.7), northern Lower Peninsula (4.0), southern Lower Peninsula (4.2). But while our U.P. districts on average face slightly more areas of difficult challenges compared to their Lower Peninsula counterparts, these differences are not statistically significant.

Another possibility is that difficult school challenges vary systematically with underlying community characteristics. An enormous body of research, focused mainly on metropolitan settings, has established the strong positive correlation between family income (and related measures of socioeconomic status) and school quality across school districts. Do we observe similar patterns in rural areas?

Perhaps most policy-relevant in the context of rural communities is the possibility that school challenges are greatest in districts that are both low-income and geographically isolated. To test this hypothesis, we identified the poorest and most isolated rural districts in Michigan, which we defined as districts that fall in the bottom 25 percent of all rural districts (statewide) in both median family income and population density. Seven (28 percent) of our sample districts fell into this group of relatively poor and low-density rural communities. Did these seven districts, regardless of regional location, face more areas of serious difficulties than other districts in our sample?

The answer, in short, is "yes." The mean number of "very" or "extremely" difficult areas of district operation in poor, low-density districts (5.4) was significantly higher—at the 95 percent confidence level—than the mean number of these difficult challenges in other rural districts in our sample (3.7). Closer examination reveals that while poor and isolated rural communities, like most rural districts, face serious difficulties in the areas of district operation we have highlighted above, they also face serious challenges in additional areas, such as curricular offerings and school facilities.

We wondered whether these low-income, low-density districts also face more difficult challenges in the top-four challenging areas of district operation (teacher recruitment and retention, mental health services, broadband access, and funding). The answer here is more mixed. On average, superintendents report that each of these four areas of district operation is more difficult in poor, isolated districts, but only marginally so. Only the difficulty of teacher recruitment and retention was significantly different in poor, isolated districts than in other rural districts in our sample, and only at the 90 percent confidence level.[29]

These findings based on survey responses are reinforced by our superintendent interviews, which we analyzed to determine if the way superintendents described their challenges differed in the poorest, most isolated districts. We found no differences in superintendents' descriptions of their funding and student mental health challenges. However, superintendents of the poorest, most isolated districts described their challenges with teacher recruitment and retention and broadband access with greater frustration and more vivid examples.

In sum, we are confident that the district challenges we have focused upon are broadly shared among Michigan's rural school districts and not restricted to or markedly different in specific regions. Nevertheless, there is suggestive evidence that operating challenges are somewhat more formidable in the state's poorest and lowest-density rural districts.

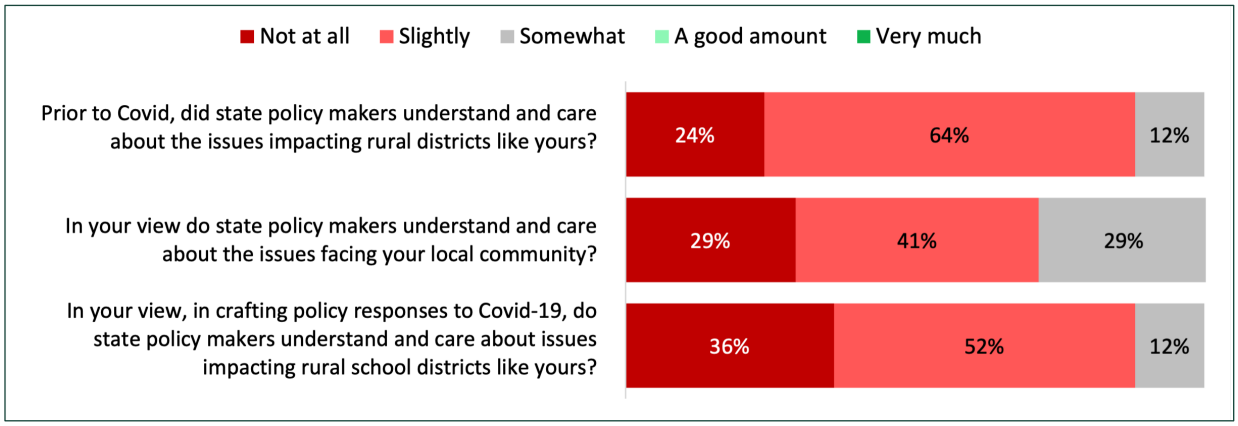
[29] These measures of statistical significance are based on the relatively small number of districts (seven) in the low-income, low-density group. The small sample size weakens the prospects of identifying significant differences between groups. Measures of statistical significance might differ with larger samples of districts.

Are Rural Preferences Addressed in State Policy Formation?

Rural superintendents are frustrated to varying degrees with state policy. As noted, we found a high degree of consensus on the ways in which state policy requirements are at odds with local realities in the most challenging areas of rural school operation. So how do rural superintendents, obliged to work within state policy requirements, make sense of the disjuncture between state policies and their local circumstances? Overwhelmingly, superintendents feel that state policymakers routinely ignore and misunderstand rural districts like theirs.

This sentiment was clear in our surveys, interviews, and focus groups, and it echoes perceptions of being overlooked by state policymakers that Katherine Cramer documents among Wisconsin's rural residents.[30] Figure 3.9 presents relevant information from our two superintendent surveys, both of which were completed in the second half of 2020. When asked, "Do state policymakers understand and care about the issues impacting rural districts like yours," 88 percent responded, "Not at all" or "Slightly." Upper Peninsula superintendents were disproportionately represented in the "Not at all" category, but superintendents across rural Michigan felt state education policies generally ignore the unique nature and needs of rural districts.

Figure 3:9: Rural Superintendent Perceptions of State Policy Formation



Source: Superintendent Survey

Superintendents felt state policymakers were slightly more attentive to the concerns of rural communities, as opposed to rural schools, but *no* superintendent felt state policymakers understand rural schools or rural communities "A good amount" or "Very much." By contrast, as one superintendent noted, "when it comes to influencing state policies, who's going to be heard? Usually your largest districts." Consequently, as one superintendent noted, "There is a significant disconnect between the mandates of the state education department and the values and circumstances of rural residents."

We do not want to give the impression that rural superintendents were consistently unhappy with or hostile to state policy decisions. That is not what we observed. Indeed,

[30] Katherine J. Cramer, The Politics of Resentment: Rural Consciousness in Wisconsin and the Rise of Scott Walker (Chicago: University of Chicago Press, 2016).

even with respect to the state's contentious spring 2020 mandate to suspend face-to-face instruction in Michigan schools in response to the pandemic, a clear majority of our respondents agreed with the decision. Rather, what we observed was a feeling among most rural superintendents that state policymakers are not thinking much about the distinctive and challenging circumstances rural districts face or how statewide policies may have differential and unwelcome consequences for rural districts like theirs.

We note an additional example of this disconnect, related to career and technical education, that surfaced frequently in our interviews. Many superintendents noted that a college-prep curriculum is not well aligned with what substantial segments of their resident families want from their schools. No superintendent argued against the need to provide strong instructional opportunities that prepare students who want to go on to college to do so. Rather many we spoke to wish they could provide more and stronger offerings for their non-college-bound students interested in occupations, particularly skilled trades, that provide family-supporting incomes without four-year college degrees. As one superintendent noted,

> "You feel a groundswell here toward more skilled trades, industry-based education with real-life application. You hear a lot of people here really promoting the value of skilled trades certifications, that can feed a kid right into these local workspaces and have them enter at a respectable hourly wage versus minimum wage as they might have otherwise."

Many superintendents felt that high-quality CTE programs would open promising career paths for some students, help address local labor shortages in skilled trades, and enable more students who would like to stay near family and friends to do so. "We need electricians, we need plumbers, we need pipefitters, we need people that can work on cars. And so getting into a skilled trade is really important for us," explained one superintendent. Furthermore, several superintendents expressed frustration with the state's Michigan Merit Curriculum because mandated courses constrained opportunities for students to pursue CTE programs. "They're regimented to go sit in class, do a worksheet, go through an assignment … yet, there's no hands-on work ethic that's taught. And that's frustrating to our community."

Again, we would not characterize the superintendents we met as whiners. They discuss state policies and policymaking in a professional, nonpartisan, and nonideological way. They are straight talkers and well informed. Yet most share a deep sense that as state education policy has come to increasingly regulate local district operations, serious consideration of rural school circumstances and needs have been repeatedly overlooked. As one superintendent observed,

> "For many rural communities, public policies focused on addressing urban issues have largely been inconsequential or, at times, damaging by shifting effort and resources toward priorities that do not fit the community."

One can see why well-intentioned, experienced, and talented school leaders could be frustrated by state policies. Rural superintendents work tirelessly to "make it work," often in highly creative ways. They try to mediate between the demands of state policy and local needs. And to be sure, good superintendents figure out ways to make

improvements despite the challenges, typically after years of work and experience to develop the necessary relationships and trust among relevant parties.

Yet for most, despite their sometimes heroic efforts, their success is limited. Although they powerfully impact their schools, ultimately the challenges we have highlighted are largely beyond the control of local school administrators. Superintendents express feelings of failing their students because of their inability to adequately address these challenges, and it takes a personal toll on them and their sense of efficacy as school leaders. For many, it underscores a place-based sense of injustice for the children and communities they serve.

Teacher shortages, student mental health, broadband access, and school funding are all areas of ongoing statewide concern which have received considerable attention by the legislature, governor and MDE in recent years. Progress has been made in each of these issue areas. A great deal more is needed. Generic statewide policy initiatives, however, will not solve the specific challenges faced by rural areas. In addition to the recent efforts, more focused policies directed to the distinctive circumstances of rural communities are needed. We turn now to consider some possible policy solutions.

Section 4

Place-Based Policy Options for Rural Schools

In this section we consider changes in state policies and local practices that we believe hold promise for addressing the difficult challenges currently facing Michigan's rural schools and communities. We recognize that rural educators and citizens will have their own insights, and hope that by discussing policy options across a range of issue areas we may help advance more serious and sustained attention to the education policy concerns of rural Michigan among state officials in Lansing and local constituencies.

Guiding Principles

Any discussion of policy options should be guided by (1) the policy goals and (2) the normative principles by which policy options are assessed.

As we noted at the outset, our primary goal is to improve the opportunities of children in rural Michigan, and our secondary goal is to promote rural community development. Importantly, these two goals are characterized by a self-reinforcing dynamic. Better opportunities in local schools enhance community-development prospects, and community development, in turn, brings new resources and opportunities to schools, which spurs further community development. Of course, this cumulative causation can work in reverse: poor opportunities in an area's schools discourages community development, which means fewer families and students, fewer resources, and fewer schooling opportunities, which further constrains community development, and so on. Whenever possible, policies should seek to promote virtuous, not vicious, cycles on this front.

In this report we have focused on a set of challenges that rural superintendents reported are their most troublesome. Their characterization of these problems makes clear that each diminishes opportunities for their students. To establish a more acceptable foundation for the opportunities of Michigan's rural children, state policies must ensure there is: (1) a supply of highly qualified educators who are ready to work in rural schools, (2) adequate staffing of behavioral health and counseling specialists, (3) reliable high-speed broadband access in the homes of rural families, and (4) adequate funding to provide high-quality instruction and support services for rural children.

Our consideration of policy options is guided by three normative principles: equity, efficiency, and local control. *Equity* is a fairness principle. To the extent possible, all children should have equitable access to schooling opportunities. *Efficiency* relates to the effective use of resources. Two dimensions of efficiency are particularly germane. First, in the presence of market failures, resource allocation will be inefficient and require government action to attain efficiency. Some challenges facing rural communities (e.g., broadband access) are due to market failures in low-population-density areas. Second,

the use of public funds should maximize desired outcomes per dollar spent. The principle of *local control* recognizes the benefits of drawing upon local constituencies to shape policy implementation. This does not mean that state and federal involvement is not needed. Rather, by drawing on the preferences, ingenuity, and collective deliberation of local constituencies, policymaking and implementation can be better matched to local circumstances, can better engage local citizens because they have the opportunity to coproduce policies that fit their desires, and are more accountable to local stakeholders.[31]

While state policy must establish the resource conditions for equity and address market failures in order to improve opportunities in rural communities, the implementation of those initiatives should rely on considerable local input. Top-down mandates from Lansing will not produce the best results. As we detail above, the challenges rural superintendents identified cut across multiple policy domains. One of the distinctive features of locally governed public schools is that they are already organized in every community and can coordinate across multiple domains.

We noted in this report's introduction that policies are in fact crafted across multiple levels of government, by multiple government entities, and take multiple forms. Our goal here is not to parse credit or blame. We do not doubt that the relevant government actors sincerely seek to advance solutions to the challenges we have discussed. Effective strategies in highly complex policy environments, however, require extensive coordination. Lead responsibility falls to the legislature and governor in setting state laws. The Michigan Department of Education must play a key supporting role in helping to inform policy priorities and providing insights on which policy designs are most likely to be successful. MDE is also charged with supporting and monitoring the implementation of policies passed by the legislature and governor. The state's system of intermediate school districts, likewise, has the institutional status and experience to assume crucial roles in state policy implementation in local school districts that lack scale and capacity. We are encouraged by current prospects. As we will note below, joint efforts among state-level actors in recent years, particularly on the budgetary front, have established a foundation to initiate significant progress on the issues we have discussed. Effectively addressing the challenges that rural districts face, however, will require ongoing collaboration that extends beyond the promising steps taken thus far.

Teacher Recruitment and Retention

Access to excellent teachers is unambiguously an essential dimension of opportunity for young people. Michigan's rural schools face serious challenges in attracting and retaining teachers. State policies to address these challenges are needed and justified on equity grounds. State policies that facilitate this will not only improve opportunities for rural youth, but also promote rural community development. We begin our discussion, however, with considerations that influence the overall supply of teachers in Michigan.

[31] Jeffrey Henig, Rebecca Jacobsen, and Sarah Reckow, *Outside Money in School Board Elections: The Nationalization of Education Politics* (Cambridge, MA: Harvard Education Press, 2019).

Attractiveness of Teaching Occupation

As noted in Section 3, the attractiveness of teaching as a career has diminished in recent years. National surveys indicate a 15-year decline in teacher job satisfaction.[32] More teachers are leaving the occupation and fewer students are completing teacher preparation programs. Many analysts, including rural superintendents in our study, have pointed to a perceived decline in the public's respect for teachers as a contributing factor. Though salary is not the only factor that will improve the attractiveness of the teaching profession, studies of why teachers leave the occupation regularly identify low salaries as the top factor. Teacher pay is not only the most important factor, but also has the most direct connection to state policy.

Inflation-adjusted funding for Michigan schools declined for 15 years following 2002. The starting salaries of Michigan teachers declined over this period as well. This funding decline also adversely affected teacher working conditions since schools had less money to spend on classroom aides, social workers, and classroom materials, or to avoid increases in class size. To improve the attractiveness of teaching, this statewide disinvestment must be reversed. Recent state budgets, particularly the state's FY 2023 school aid budget, have begun to reverse the damage. To improve the attractiveness of teaching, the state's recent financial commitment to education must be sustained and improved upon. Policymakers can also help by respecting the importance of teachers and the complexity of their work.

Retention

Teacher turnover is very costly for schools and renders the delivery of high-quality instruction and educational services much less efficient. Studies of teacher turnover point to a common set of key strategies to reduce turnover: better compensation, better principal leadership and mentorship, and better training in teacher preparation programs. Effective mentoring and good working conditions are crucial for teachers' sense of success and play a big role in whether they stay in or leave their school or the profession. District human relations practices designed to recognize people, build staff morale, and build a positive school culture can help. Apart from these helpful district practices, increased state funding is the key policy lever. Recent increases in state funding, if sustained and strengthened, should slowly begin to diminish turnover in Michigan's rural areas.

Recruitment: Incentives

In Michigan's rural schools, teacher recruitment is a more pressing challenge than retention. We distinguish two broad policy approaches to improve recruitment: incentives and "grow-your-own" strategies.

A variety of financial incentives have been proposed to encourage people to enter the teaching profession, including student-loan forgiveness, tuition reimbursement, paid internships, and signing bonuses, among others. Any of these may improve the supply of teachers, but the effectiveness of any incentive strategy will depend crucially on the

[32] Madeline Will, "Teacher Job Satisfaction Hits an All-time Low," *Education Week,* April 27, 2022, 15.

specifics of policy design. How large is the signing bonus? What are the eligibility conditions for tuition reimbursements?

We note with approval that the passage of Michigan's FY 2023 school aid budget represents a watershed moment in the state's efforts to address the teacher shortage problem. The budget appropriates $575 million to several programs aimed at recruiting new teachers into the profession. (Of this total, $175 million is designated for grow-your-own programs.) Roughly three-quarters of this new funding is designed to be spent over time, not just in FY 2023. At the time of this writing, these programs have yet to be implemented but include elements that will pay college tuition costs up to $10,000 per year for eligible students and pay $9,600 per semester for student teachers.

Thus far, these overdue and promising new incentive programs do not assure that newly trained educators will take positions in high-need rural schools. We think greater attention to the geographical placement of those receiving this public support is warranted as state officials implement these programs. The MDE, for its part, has advocated a number of place-based strategies to address teacher shortages, including recommendations submitted to the state legislature in November 2021 that were not incorporated in the 2023 budget. With the implementation of new teacher recruitment initiatives in the 2023 state budget (and future budgets), more attention can and should be directed to addressing teacher shortages in rural schools.

Recruitment: Grow Your Own

Grow-your-own (GYO) programs are often conceived as strategies to train support staff currently employed in schools to become certified teachers. This is the case with the $175 million allocated to GYO programs in Michigan's 2023 state aid budget. A key consideration in GYO programs is the design of part-time and accelerated training for people holding full-time jobs. To be effective in isolated rural areas, this may require universities to develop special online or hybrid training options oriented to meeting this need.

We suggest, however, that in the case of rural communities the focus of GYO strategies be broadened to include local high school students and other community members. Because it is so difficult to draw outsiders to many rural communities, it makes sense for these communities to pursue deliberate strategies to encourage other local residents, besides current school staff, to become teachers. If rural schools actively seek to identify local high school students or other community members as promising future teachers, they could facilitate their access to and use of financial incentives like payment of college tuition costs. In that case, the GYO strategy embodies a significant incentive component.

From the perspective of rural communities, this type of GYO strategy is likely to be more efficient than a generic incentive strategy alone. This is because the resources devoted to it are more likely to deliver sustained benefits if local residents have a greater propensity than outsiders to remain in the community long-term. This sort of GYO strategy is also consistent with the goal of community development by upgrading the skills and nonlocal contacts and experiences of residents who are already deeply connected to the local community.

The MDE has developed some model GYO program curricula for local school districts to consider as they develop their own efforts. Those efforts can now be supported with substantial new funding appropriated in the FY 2023 state education budget.

Certification

As noted in Section 3, state teacher certification requirements, narrowly structured to specific grades and subjects, greatly complicate teacher hiring in small rural districts. We think this issue warrants careful consideration from the state. Teachers must be properly trained to perform their jobs effectively. But this worthy consideration needs to be balanced against the current scarcity of available teachers in rural Michigan. Greater flexibility in certification requirements could take many forms, including all-grade certification, multi-subject certification, and alternative certification conditional on the recipient following a designated time-limited path to full certification. Certification reciprocity with other states might also play a role in addressing rural school staffing needs. Implicit in all such efforts is an element of local control. Within proper boundaries, the state should defer a bit more to the professional judgment of local school administrators in making decisions about who can be effective teachers in their schools without creating overburdensome paperwork to request such discretion.

University-Based Teacher Preparation Programs

University-based teacher preparation programs assume a crucial role in the state's teacher pipeline, and they need to be part of the solution to teacher shortages in Michigan's rural schools. To be successful, teacher preparation programs must have a good understanding of circumstances in rural schools and communities, reinforced by established outreach connections with educators in rural settings. Public university teacher prep programs cannot merely contribute to the establishment of lofty state certification requirements without assuming some responsibility for assisting isolated rural districts to meet those standards.

To meet rural-school staffing needs, colleges of education can actively recruit promising rural high school students to enroll in their programs. They can establish precollege summer programs that bring rural high school students to campus and inspire them to become teachers. They can develop and provide supervisory support for field placements of student-teacher internships in rural schools. Such internships can provide vital training for effective teaching in schools that may differ, say, from suburban schools, in terms of their instructional resources and support. Research suggests that schools that host student-teacher internships are less likely to confront teacher shortages.[33]

Colleges of education can also be mindful of rural areas in designing their courses and programs. New teachers in rural schools often feel unprepared to meet the range of educational, social, and behavioral needs of students and struggle to provide specialized services in schools where they are required to cover many bases.[34] They can also experience professional isolation since there is frequently only one teacher per grade in

[33] Dan Goldhaber, John Krieg, Natsumi Naito, and Roddy Theobald, "Student Teaching and the Geography of Teacher Shortages," *Educational Researcher* 50, no. 3 (2021): 165–175.

[34] David H. Monk, "Recruiting and Retaining High-Quality Teachers in Rural Areas," *Future of Children* (2007): 155–174.

rural schools. More generally, ed schools can be alert to ways in which a widely accepted concept—culturally relevant instruction—applies to rural settings.

Finally, more research on rural schools is needed. Do research findings based on urban or suburban schools apply in rural settings? Universities reveal their priorities by the training and expertise of faculty they recruit and promote to tenured positions. These hiring decisions shape the design of courses and programs offered, the focus of doctoral dissertations, and research interests of outside speakers brought to campus. When it comes to expertise on rural education, our impression is that there is room for improvement among Michigan's Research 1 universities. Aside from efforts to become more inclusive, fuller consideration of rural schools and communities may provide new scholarly insights and traction on fundamental research issues such as the intersection of race, class, and geography in schools.

Serving Students with Behavioral Health Needs

Schools represent a primary institution where youth with behavioral health problems can establish deep connections with caring adults (teachers, counselors, coaches) who listen and offer advice, guidance, encouragement, and referrals. These relationships can help establish a sense of belonging, which is so important for students' mental health. Currently, Michigan's rural school children do not have equitable access to behavioral health services.

Behavioral Health Wellness Curricula

For the last several years, the Michigan Department of Education has required local districts to implement Multi-Tiered System of Supports (MTSS) to improve behavior and learning outcomes. We regard this as a positive development. MTSS is a three-tiered framework that provides lessons and resources for all students in Tier 1, with more focused interventions in Tiers 2 and 3 for students in need. Universal access to Tier 1 instruction is designed to reduce the need for more intensive interventions later in a child's education and life.

Michigan schools and educators are learning and implementing MTSS practices. TRAILS (Transforming Research into Action to Improve the Lives of Students) is a leading MTSS behavioral health program. Developed at the University of Michigan Medical School's Depression Center, professionals associated with TRAILS are training school staff in evidence-based practices such as cognitive behavioral therapy and mindfulness in rural and nonrural districts across the state. Tier 1 provides classroom social and emotional learning to build students' self-regulation, resiliency, and relationship-building and self-care strategies for staff. Tier 2 comprises early interventions for students experiencing mental health concerns, and Tier 3 focuses on suicide risk management and care for students in crisis.[35] The state's FY 2023 budget recognizes the importance of this type of training with a one-time allocation of $50 million for TRAILS programming.

[35] Transforming Research into Action to Improve the Lives of Students, *TRAILS Program Overview 2020.* https://storage.trailstowellness.org/documents/TRAILS-Overview.pdf.

It is important to recognize the broader benefits of social and emotional learning on school performance, attendance, graduation rates, and school safety. In addition, skills promoted through this learning, such as resilience, self-regulation, and collaboration, are very important as youth prepare for the workforce. Finally, even though the opportunities for participation are more limited in rural than nonrural schools, extracurricular activities (athletic teams, school clubs, and the performing arts) can reinforce classroom social and emotional learning and equip students with a sense of belonging, teamwork, and resiliency.

State Funding for Behavioral Health Services

Before 2020, Michigan had virtually no designated state funding to support the mental health of students. Since then, with the bipartisan support of state policymakers, substantial additional resources have been devoted to these services. The 2023 state education budget allocates $313 million to behavioral health services. This includes increased funding for school-based mental health grants (31n), Child and Adolescent Health Centers, the TRAILS program, and $150 million for Per-Pupil Mental Health Grants, which will allocate approximately $110 per student to local schools to support behavioral health services. This increased state funding has started to reverse long-standing neglect and begun to build the capacity of Michigan schools to address behavioral health problems. Progress has been made; a great deal more is needed.

We note, however, two limitations of these policy initiatives with regard to rural schools. First, central-office administrators in small, rural districts often lack the time and personnel needed to apply for and administer grants. Allocation of funds through block grants or per pupil allotments, such as the Per-Pupil Mental Health Grant (sec. 31aa), can help ease this administrative burden that disadvantage small-enrollment districts. Second, and more important, given the acute shortage of trained providers in rural Michigan, this increased funding is necessary but not sufficient. Without more targeted measures to ensure an increase in the number of mental health professionals in rural communities, schools will be unable to hire sufficient providers to meet student needs, even if they have funding to do so. Without changes, it will be difficult for many rural schools to effectively implement Tier 2 and Tier 3 supports for their students.

Increased Number of Providers

Citizens Research Council of Michigan estimates that to reach recommended staffing ratios, Michigan schools would need approximately 4,300 additional social workers, 1,900 additional school psychologists, and 1,500 additional school nurses. Yet, currently, the annual number of graduates with terminal degrees in these fields from Michigan higher education institutions falls substantially short of meeting *existing* annual job openings, let alone expanding to meet actual need.

In response to clear evidence of a statewide shortage of mental health service providers, the State of Michigan has initiated a remarkable multi-department initiative to increase the supply of trained mental health service providers in the state. The initiative coordinates input from the Michigan Department of Health and Human Services, the Michigan Department of Education, and the department of Labor and Economic Opportunity-Workforce Development. The initiative has solicited input from a wide range of provider professional associations. The effort utilizes the U.S. Chamber of Commerce's

Talent Pipeline Management (TPM) tool to project future job demand, analyze current sources of trained talent, and identify and implement strategies to fill workforce gaps.

Though very promising in our view, the TPM has yet to be fully implemented, so it is too soon to assess results. To solve the current shortage of trained providers in rural communities, the initiative will need to develop targeted strategies to increase the supply of mental health professionals specifically in rural areas. Strategies that expand training, pay competitive wages, and build career pathways for mental health professionals, and place and retain them in rural areas are needed.

University-based training programs assume a vital role in efforts to increase the supply of behavioral health professionals. More people need efficient access to the training universities provide. The behavioral health specialists currently working in schools have been trained in a variety of different academic departments and programs—e.g., psychology, social work, counseling, nursing—each with different degree requirements and aligned with different professional licensure requirements. For some professions, additional education is required to practice in schools. For example, a social worker with a bachelor's degree could practice outside of school but would need a master's degree and an additional license to practice as a school social worker.

Academic departments or units within universities frequently operate in a siloed fashion. As the state faces a serious long-term need to increase the supply of trained mental health providers, universities can help by exploring cross-department coordination of course and program degree requirements that provide expeditious pathways to practice without sacrificing high-quality preparation. Efforts along these lines could dramatically increase the efficiency of state funds currently being allocated to meet student mental health needs. Such effort might also coordinate with units of state government that establish occupational licensure requirements. Some streamlining of those requirements may be compatible with easing barriers to entry while preserving appropriate training for behavioral health specialists serving Michigan youth.

Support for School-Based Health Centers

School-based health centers (SBHCs) are located within or near schools and provide a wide range of services including preventative and primary care, referrals to health specialists, and, importantly, mental health services to both students and community members. There is very strong research support for SBHCs in the public health field. They are located in a familiar place where students spend a great deal of time. SBHCs help overcome numerous barriers to students in need of professional care, including stigma, scheduling conflicts, transportation, and parental neglect. Typically staffed by a local health system or health department, there are currently nearly 200 SBHCs in Michigan, most of which, however, are in suburban and urban areas.[36]

SBHCs are especially valuable in rural settings, where access to physical and mental health care outside of school tends to be much more limited than in metropolitan areas.

[36] Mir M. Ali, Kristina West, Judith L. Teich, Sean Lynch, Ryan Mutter, and Joel Dubenitz, "Utilization of Mental Health Services in Educational Settings by Adolescents in the United States," *Journal of School Health* 89, no. 5 (2019): 393–401; Citizens Research Council of Michigan, *Meeting the Mental Health Needs of Michigan Youth with School-Based Health Services*, Report 410 (2021).

Nearly 60 percent of our study's superintendents disagreed with the statement: "Most residents of my community have adequate health care." Most of Michigan's Upper Peninsula and large sections of the northern Lower Peninsula are over 30 minutes from the nearest hospital. That reality limits opportunities for timely access to care and discourages households for whom this is an important consideration from deciding to live there. SBHCs also ease coordination among critical adults in the client's life (e.g., classroom teachers, school administrators, parents). Only two of the rural districts we studied had SBHCs. In both cases, superintendents noted how important they were in providing needed supports for their students. The contracted providers benefited as well, however, through increased billings for services provided.

A key barrier to expanding SBHCs is that neither districts nor hospitals typically have personnel with the time and expertise to establish them. This is especially true in rural areas. Overcoming this barrier requires an entity with knowledge of how SBHCs work to facilitate these partnerships, to champion the importance of health access, to help draft letters of agreement, and gain community buy-in. Different entities could take on such a role, but, given their local knowledge and connections, those at the county or regional level may be better suited than state departments or agencies.

Broadband Access[37]

Universal broadband access is extremely important for resident opportunities and community development in rural Michigan. Broadband access in many rural areas is currently inhibited by a market failure: it is unprofitable for private internet service providers to establish needed infrastructure in low-population-density areas. Government action is needed and justified on equity and efficiency grounds. In the design of potential solutions, we believe that local control, cooperation, and coordination will serve as key guiding principles.

The most scalable broadband infrastructure is fiber-optical networking. New technological advances—low-orbiting satellites, terrestrial 5G wireless, fixed wireless, and wide-area Wi-Fi—will likely also contribute to the closing of broadband-access gaps.[38] With the integration of these technologies, the quality of access in Michigan's currently unserved areas will improve, gaps will be closed, and costs will fall. However, making best use of available technologies will require coordination among local, state, and federal government agencies and service providers in the private and nonprofit sectors. With the various connectivity options provided by technological advances, each community, given their particular circumstances, can develop the most efficient combination of networking technologies.[39]

[37] Jason Kronemeyer, Director of Technology and the Regional Educational Media Center 22 at the Eastern Upper Peninsula Intermediate School District was a co-author of this subsection.

[38] J. M. Bauer, K. N. Hampton, L. Hernandez, and C. Robertson, "Overcoming Michigan's Homework Gap: The Role of Broadband Internet Connectivity for Student Success and Career Outlooks," (Quello Center Working Paper No. 06–20), Michigan State University, 2020.

[39] Ibid.

Given this report's focus on schools and community development, we concentrate here on some public and public-private partnership options that may hold promise in underserved rural Michigan communities.

Connecting Unserved Communities through Local Cooperation

Many rural communities are essentially waiting for private internet service providers to participate in an FCC auction or competitive grant program to provide subsidized broadband service to local residents and businesses. An alternative approach would be for local nonprofit entities in rural communities to pool their resources to establish local connectivity and to link (that is, partner) with private or public broadband networks. Many nonprofit entities have access to funds that can be leveraged to enhance local broadband access, including schools, libraries, hospitals, and local governments. Each of these entities may operate in a vacuum, with none envisioning approaches to local connectivity that would be possible if they instead pooled their resources and coordinated their efforts. Such coordination would also greatly enhance efficiency in the use of public funds in comparison to uncoordinated spending.

These nonprofit and public entities are deeply connected to their communities. Indeed, they provide much of the connective tissue of local community life. They understand community needs and assets and have long-standing associations with local residents. The basic coordinating activities required to establish and operate a local cooperative would itself build a community's social capital. To facilitate such public-private partnerships and public solutions, however, Section 484.2252 of the Michigan Telecommunications Act of 1991 as amended, which imposes limits on the ability of public entities to offer telecommunications services, should be reviewed. Likewise state government funding streams to promote broadband connectivity should avoid arbitrary restrictions that prevent use of funds by public entities.

Affordability

One-third of Michigan households without broadband internet say the cost of service is too expensive.[40] Among the Federal Communication Commission's universal services initiatives, the Lifeline program is the primary policy to subsidize the cost of internet service for low-income households where they live. The Lifeline program, however, is structured to provide the subsidy payments not to individual households but rather their internet service providers. But the Lifeline program's participation requirements and subsidies do not provide strong incentives for private internet service providers to build out infrastructure to serve currently unserved areas. And if a household eligible for Lifeline support lives in a location without broadband access, they cannot take advantage of the federal government's financial support.

One important advantage of local cooperative arrangements among nonprofit and public entities is that they could facilitate broadband services to local residents who could then participate in any support program they are eligible for. Local public schools would likely be a key component of any such local network. Access to subsidized home broadband for eligible households could then operate in a similar fashion to the national school lunch

[40] Michigan Consortium of Advanced Networks, Michigan Broadband Roadmap.

program, in which schools verify students' eligibility for free- and reduced-price lunch and then provide the subsidized meal to them. Likewise, if schools and other community partners such as townships cooperatively facilitate broadband connectivity in their communities, they could simply verify household eligibility for Lifeline support and provide the subsidized service. Essentially, the funds to support broadband infrastructure in a region would flow through the regional collaborative organization.

Digital Literacy and Skilled Local Technical Support

In most rural areas, many households and businesses will need assistance in using information technology service once broadband becomes available. Digital literacy is key for all to be successful in the digital economy. How does one connect to the internet from home? Where does one turn for assistance with internet use or equipment breakdowns? A small business might need technical service for, say, an internet connection, a website, cyber security, or help configuring a wireless network. In a metropolitan area a small business can contact a nearby IT services firm to address the need. In many parts of rural Michigan, however, there are no such services available in the vicinity or even region. Who do rural households and businesses call for help? One cannot simply go downtown to explain one's need to trained experts. The prospect of handling such concerns among families without digital literacy can be daunting, and perhaps not readily addressed through phone calls to faraway consultants who might not even be in the U.S.

It is important to anticipate, when broadband service comes to previously unserved rural communities, how that service will be supported. Local schools and other community institutions are best situated to develop programs to teach digital literacy to their students and other community members. They are designed as learning organizations. Have an IT problem? Bring it to the local school to have it addressed by IT professionals and local students in training. Local students thus trained in IT services can then establish their own business to also service local community needs. Such homegrown learning and skill acquisition could within a generation dramatically expand opportunities and community economic development prospects across rural Michigan.

School Funding

Funding poses a major challenge for most of the rural districts we studied. We organize our discussion of funding policy options with respect to Michigan's 2018 School Finance Research Collaborative (SFRC) adequacy study. The SFRC was a major undertaking that identified revenues needed to establish equitable and adequate funding for schools across Michigan. (Adequacy is defined as the minimum funding necessary for schools that are operating as efficiently as possible to provide students with realistic opportunities to meet the state's ambitious achievement goals.) Two of the authors of this current report contributed to a 2019 report, *Michigan School Finance at the Crossroads,* which described and analyzed the SFRC study and its recommendations in detail. Overall, we rated it as a very well-done adequacy study. As we noted in Section 3, since its completion, the SFRC has helped to guide school-funding policymaking in Michigan. In line with SFRC recommendations, base (foundation) funding for all students has increased and funding for high-cost, special-needs students has improved, as has funding for early childhood education. Additional progress is needed in each of these

areas to meet the SFRC recommendations. Doing so will be beneficial for children in rural and nonrural schools alike.[41]

Regarding the specific funding needs of rural schools, we note first with approval policy changes already addressed by the SFRC.

- *Student transportation*. Because these costs vary so greatly across local districts, and on average are much higher for rural schools, transportation costs should be funded by the state through a separate categorical grant, not through districts' foundation funding. The SFRC included fairly crude estimates of district transportation costs. The SFRC subsequently generated better, more refined student transportation cost estimates for local districts.
- *Declining enrollment*. When funding is based on student enrollment, declining enrollment generates a cost-mismatch because revenues decline faster than costs, forcing districts to cut services for remaining students. The most common policy to address this problem in state funding formulas, and one endorsed by the SFRC, is to base pupil counts for state aid on a retrospective three-year moving average of district enrollment. This would not eliminate the cost disadvantages of declining enrollment, but it will mute them.

In our view, some components of the SFRC study were not as strong as they should be and have particular significance for rural schools. These features of the SFRC study have not received much attention since the study's release. Additional research is required to inform needed policy changes.

Small Enrollment and Rural Isolation

The SFRC recommended an increase of nearly $2,000 per pupil in the base funding of very small districts (less than 670 students) and an increase of about $700 in small districts (671 to 1,700 students.) While high-quality academic studies of scale economies in K-12 education do find higher costs in very small enrollment districts, adjusting for this in state funding formulas is complicated by the fact that local options exist to diminish diseconomies of scale. Foremost among them are district consolidation or contracting service provision through a district's ISD. Indeed, there are many longstanding and creative arrangements among rural districts to partner with their ISDs for the provision of specific services. Small districts should evaluate the potential benefits of consolidation or ISD service provision. We think it unwise for the state to create disincentives for local districts to explore these options where they might be beneficial. In keeping with the principle of local control, however, we think decisions to pursue either option should remain with local districts.

Meanwhile, to address rural isolation, the SFRC proposed an additional funding weight of 0.04. That is, under this proposal, qualifying districts would receive additional funding equal to 0.04 times their foundation grant, or $348 per pupil in a district with an $8,700 foundation grant. This rural isolation (or population sparsity) weight is striking low.

[41] Palaich Augenblick and associates, and Odden Picus and associates, *Costing Out the Resources Needed to Meet Michigan's Standards and Requirements*. Report prepared for the Michigan School Finance Research Collaborative, January 12, 2018. https://www.fundmischools.org/wp-content/uploads/2021/06/School-Finance-Research-Collaborative-Report.pdf.

Indeed, it is a small fraction of the rural isolation weights that have been estimated in academic studies. The nationally prominent contractors who performed the SFRC study subcontracted the estimation of this rural weight to another research entity. In our view, this piece of the SFRC study does not appear to have received the attention that it deserves, and we cannot defend the study's recommended rural isolation weight.

We view the provision of additional state funding to address rural isolation as a far superior approach to aid rural districts than small-enrollment weights. Isolation weights are designed to adjust for the sparsity of nonschool resources and opportunities in low-population-density areas. This sparsity imposes additional costs on rural schools if they are to provide equitable opportunities for their students. Unlike district enrollment size, isolation is a true "cost" in the formal sense that it is beyond the control of local schools. To properly fund Michigan's rural schools, we strongly recommend that a new study of just the costs of rural isolation be conducted. With more robust measures of rural-isolation costs, state funding could include new rural-isolation weight(s) and replace the current funding allocated through the poorly calibrated and targeted 22d categorical grants.

Supply of Teachers and Behavioral Health Support Staff

The SFRC performed its cost estimates and funding recommendations on the assumption that prevailing wages and salaries of school employees remained fixed in real terms. (Of course, the base funding recommendations can be easily adjusted over time to account for inflation.) Overall, the increased revenue needed to meet the study's adequacy recommendations would expand the number of people working in Michigan schools and the services they provide to children, but not increase their compensation. Adequate funding, for example, was calibrated to the staffing needed to attain cost-effective class sizes and to meet professional guidelines for student/counselor or student/social worker ratios, and to provide in-school nurses and technology support. But, like most adequacy studies, the SFRC funding recommendations were based on prevailing compensation of school employees when the study was conducted. The study essentially assumed a ready supply of trained educators to fill these positions at prevailing salaries and wages. We now know this assumption was wildly unrealistic for Michigan as a whole. Nowhere is this challenge more pressing than in Michigan's rural schools, which face critical shortages of teachers, behavioral health specialists, and others.

We have outlined above policy options for increasing the supply of teachers and behavioral health specialists in Michigan's rural schools. Money is certainly not the only element of these strategies, but durable solutions to these problems will certainly require additional state resources.

School Facilities

Like most statewide adequacy studies, the SFRC did not consider the funding of school facilities. This was a major omission, however, since Michigan is one of 11 states that provides no state aid to pay for school facilities. Funding for capital infrastructure is left entirely to local districts and financed primarily by local property taxes. Variations in per-pupil property wealth across communities create huge variations in local districts' ability to pay for school facilities. This poses a serious inequality for students and taxpayers in low-property wealth districts in rural and nonrural communities alike. Addressing this

unfinished business of Proposal A will likely require the establishment of (1) a guaranteed-tax-base grant system to distribute equalizing state aid to low-property-wealth communities (a funding approach that preserves local discretion through capital millage approval), supplemented by (2) targeted categorical facility funding grants to address chronic underinvestment in school facilities in some districts.

Another landmark element of the 2023 state education budget is a $500 million appropriation for a "School Consolidation and Infrastructure Fund." This appropriation creates an opportunity for Michigan to finally begin to address serious inequalities in school facilities. The budget allocates $20 million of this fund to pay for a school infrastructure audit, and another $5 million to a district consolidation study.

Competitive State Grants

The State of Michigan has established many categorical grants to help fund activities that policymakers wish to encourage and support, but which local districts can only secure by submitting proposals in competition with other school districts. This way of allocating special-purpose state revenues places rural districts with very thin administrative staff at a decisive disadvantage relative to larger districts. State policymakers might reasonably diminish their use of competitive grants or consider revisions in the awarding of funds that give small districts a better chance on equity grounds.

State Reporting Requirements

Nitpicky government rules and reporting requirements are a potent and underappreciated source of frustration and discontent in rural areas. In large school districts, most required state reporting is typically delegated to central-office staff. But rural superintendents who typically have little or no central office support staff must complete these detailed reports themselves. School administrators' time is valuable. Rural superintendents must wear many hats and fulfill many roles in their schools. Devoting extensive time to state compliance and reporting is probably not the best or most efficient use of their time.

Local superintendents' frustration is often directed towards the state education department to whom they must submit many of these reports. In fairness, however, the MDE very often is merely enforcing state or federal laws that require the reporting, even if it regards a law as problematic or in need of modification.

Efforts at the state level to create better designed, less extensive, and less time-consuming district reporting requirements strike us as justified. The underlying challenge, it seems to us, is not insufficient effort among rural school leaders. These people are working hard, and we suspect they will continue to do so if state reporting is made less burdensome. But more of their time could be devoted to important work that improves services for their students. (We also got the impression that rural school leaders would be happy to offer helpful suggestions on how reporting could be streamlined for interested state agencies.) Small-enrollment districts could also partner with their intermediate school districts to perform some required reporting on their behalf. In the absence of changes to reporting requirements, the state may alternatively consider

providing additional funding to small-enrollment districts specifically for the purpose of hiring staff to perform state reporting.

Career and Technical Education: Registered Apprenticeships

We noted that many rural school leaders would like to offer more and better CTE opportunities for students. This disposition stands alongside a growing awareness of skilled labor shortages among Michigan's business leaders and policymakers.[42] Perhaps these three groups, along with employee organizations, could find a basis for promising discussions of their shared interest in this issue. Not everyone would view such a meeting of minds with enthusiasm, but we think the prospects for constructive, transformative analysis and planning are quite good. Many good jobs that are crucially important for community economic development do not require undergraduate degrees. State education policy could devote more serious attention to establishing opportunities for high-quality CTE training that draw on analyses of the skill requirements, compensation, and employment trajectories in a wide range of occupations. Such analyses should be informed by the diverse economic development strategies of Michigan's rural and nonrural communities. Although this was not a focus of our research, we believe high-quality CTE is an educational issue worthy of additional serious attention.

We note, however, a key institutional consideration. For some CTE training, particularly training that requires use of costly capital equipment, it may be more efficient for intermediate school districts to provide instruction for students of constituent local districts. ISD provision could also help to attain more cost-effective class sizes in CTE areas where student demand in individual districts is insufficient to run a course. Many local and intermediate school districts have long pursued such partnership arrangements. Importantly, ISDs can also ask voters to approve dedicated property tax millages to support CTE programing. This provides citizens of local areas that wish to strengthen CTE offerings a funding mechanism to do so. Because ISDs are defined by county (or multi-county) boundaries, efforts to plan and pass a CTE millage will naturally facilitate discussion across local communities on regional workforce training and economic development priorities. Because ISD's vary considerably in their taxable property wealth, the state could make this form of CTE funding more equitable by instituting a guaranteed-tax-base state aid program specifically for CTE millages.

A few of our sample districts had impressive CTE offerings, which superintendents reported were highly valued by their communities. One of our districts has established registered apprenticeships for students that may be of interest in other communities.

Registered apprenticeships are structured training programs to provide workers, particularly young workers, with the skills and attitudes needed to succeed in jobs that provide family-supporting compensation and, on successful completion, places them in these jobs. Supported by private-sector employers and employees, apprentices receive on-the-job and classroom training without cost to themselves. They are paid while working. Registered apprenticeships are overseen by the U.S. Department of Labor or

[42] Kurt Nagl, "Skilled Labor Crunch: Contractors Left Scrambling to Meet Demand," *Crains Detroit Business*, April 4, 2022, 1.

state apprenticeship agencies, which approve the curricula and the administration of these programs to assure that apprentices are provided high-quality instruction and that money is spent in accord with program guidelines. Apprenticeship instructors are experienced journey workers in their craft who must receive rigorous training in both craft-specific skills and educational methods.

The guidelines for entry into registered apprenticeships and the required number of years of training vary by occupation. Currently enrolled high school students may enter some registered apprentices, such as medical assistants, pharmacy techs, advanced manufacturing, software engineering, aircraft mechanics, firefighters, and graphic design, while they complete their other graduation requirements. Entry into registered apprenticeships in the construction trades, however, is restricted to high school graduates. For these occupations, Apprenticeship Readiness Programs (ARPs) for high school students have an established record of helping students meet the apprenticeship entry requirements.

Designing Good Policies

In summary of this policy-option discussion, we offer three core propositions to inform rural education policy design.

1. **Place-based, rural-conscious state education policies are essential.** Universal state education policies will not suffice in meeting the challenges facing rural schools.
2. **Policy strategies should recognize the linkages across key rural-school challenges and seek to coordinate solutions across issue areas**. Improved broadband access would facilitate telehealth services such as consultation with psychiatric experts. Better staffing of behavioral health providers should ease the classroom management strain on teachers who might then be less likely to leave the profession. More equitable and adequate funding, effectively spent, will help address challenges in each of the other focus areas.
3. **Whole-community policy approaches are needed.** Schools are inextricably linked with the economic and social well-being of rural communities. To succeed in areas with scarce extant resources, education policies should be integrated with community-development strategies.

The rural education challenges we have highlighted (teacher recruitment and retention, behavioral health services, broadband access) are community-wide concerns. Progress on each is important for a community's well-being and prosperity. Efforts to make rural communities more attractive to teachers, social workers, and psychologists (whether homegrown or imported) will enhance a community's desirability to other college graduates. Those professionals will need skilled tradesmen and tradeswomen in their communities. As noted, the rural superintendents we met longed to provide stronger career and technical education programs for interested students, rather than adhere to state curricular requirements that presume (incorrectly) that college is for all.

The school-community link should be much more prominent in Michigan's thinking about education policies. In research and policy circles, we are accustomed to thinking about how the community setting of schools (e.g., families' socioeconomic status) affects

schools. But we also need to be more mindful of how schools affect communities. And as we have argued, this is especially important in rural settings.

Most rural communities need to increase the number of skilled local residents. We have focused on teachers and behavioral health specialists. But rural communities also need plumbers, carpenters, nurses, and IT specialists. Rural communities can either seek to train, or initiate the training, of local residents to assume these roles or draw in outsiders with these skills to the community. Certainly, there are benefits to rural communities if a significant portion are local residents, including those who may go away to college and return with new learning and experiences. But attracting outsiders who bring new ideas, different skills, and contacts is also beneficial. The appropriate balance between these two approaches will vary across rural communities and depend on their historical development, natural features, and location.

Effective place-based state policies must establish some basic conditions. They must address market failures (as in the case of broadband access) and offset market forces that powerfully disadvantage rural communities (as in recruitment of teachers and mental health providers). If government policies can accomplish this, then these respective service and labor markets can function more equitably and efficiently in rural areas. Targeted public resources are necessary to realize these objectives, and our discussion of policy options above point to ways that this can be accomplished. If state policies can establish these conditions, however, it sets the stage for local discretion.

We believe that a great deal of the specific elements of policy implementation should be left to local decision making and initiative. If state policies can establish proper conditions, local actors should be entrusted to figure out solutions. Want to implement a grow-your-own initiative for future teachers? Local educators and community members can offer promising suggestions and help realize the goal. Want to organize a public-access broadband cooperative to partner with private internet service providers, or establish a school-based health center? That cannot be done in Lansing. It has to happen at the local level. Want your educational programming to be better aligned with community economic-development goals? And so forth. Moreover, the process of this local deliberation contributes importantly to a community's civic life and social capital.

We envision a future scenario in which Michigan's rural communities, properly supported by state policies, establish a wide variety of education and community development initiatives. Different paths will appeal to different outsiders who might consider moving in. Indeed, our study included some exceptionally high-functioning districts, yet they differed in significant ways. Each had highly effective school administrators in addition to unusually beneficial local circumstances. But the innovative educational programming and successful initiatives these districts pursued differed from one another. They aligned very well, however, with local residents' needs and preferences, and the economic conditions in their respective communities.

Effective innovation and policy implementation will likely require additional supports beyond state policy and local initiative. Universities will need to develop or expand training programs to increase the supply of teachers and behavioral health specialists who are prepared to work in rural areas. Many local districts will benefit from entities that can provide guidance on how to set up a school-based health center or registered apprenticeships, even if they ultimately make the arrangements themselves. The state

can also help by seeking to minimize unnecessary bureaucratic reporting and compliance and streamlining certification requirements.

Section 5

Epilogue

We have had multiple audiences in mind in writing this report, but none more important than the citizens of Michigan's rural communities. We have tried to listen to the people you have selected to supervise the education of your children. We hope we have fairly represented what we have learned from these dedicated rural superintendents about the factors that limit opportunities for students in your communities' schools and how these challenges are influenced for better or worse by state policies. And we have tried to think carefully about potential solutions. We recognize, however, that our voices are not the most important ones. That role belongs to the citizens of rural Michigan. We know that others will want to weigh in on this conversation. That is as it should be. Ours is not the final word. If we have misunderstood issues or failed to envision promising solutions, we welcome the insights of others.

Schools, however, should not be battlefields. Michigan citizens, like Americans generally, are rightly concerned that the country is broken and fear it is in decline. Many people are in pain or just plain angry. In any society, social power is relative. Those higher on the totem pole of status tend to pay less attention to those a rung or two below. A prerequisite to better communication, understanding, and empathy is simply paying attention to the person in pain. We did not hear hateful sentiments from any superintendent we talked to. Through the simple act of listening, we discovered that we could almost always catch a hopeful glimpse of common ground. What's missing from much of our policy discussions today is an emphasis on the common good. The common good is not an abstract concept; its absence is keenly felt. And citizens across Michigan have discovered that individuals and families cannot flourish if a sense of the common good is replaced by constant conflict.

In the end, it is not policy reports or white papers that bring meaningful policy change. It is what rings true. Solutions to the challenges facing rural Michigan require citizen engagement to help shape policies in Lansing and their implementation at the local level. Trusting relationships built over time will bring disaffected people back to active civic life. Some scholars, as we have noted, argue that we are suffering from an epidemic of loneliness, even as we are hyperconnected by information technologies and social media. The spirit that propels neighbors to come together to improve opportunities for their kids can powerfully change this. Those joint efforts may not always or immediately succeed. But thriving communities regroup, bring new people in, and get on with it. In the process, people's lives and their communities are enriched.

Michigan's rural schools are already highly people-focused settings. One finds superintendents who know every student's name and ask in the hallway how that science project is coming along. Or a secretary who can look at the framed hallway photos of past graduation classes and describe what every one of those students is doing now. Many teachers know their students' families and understand when a kid may need a little extra attention because of developments at home. Parents come together to plan

fundraising activities for extracurricular programming. School children help set up and staff the annual community festival. These are settings where people care about one another. With supportive state policies they could do even more.

When it comes to policy, who has the experience and standing to bring broader public awareness to current circumstances that need attention? We found rural superintendents to be impressive leaders—dedicated, competent, and in touch with diverse segments of their communities. Their jobs naturally lead them to think in terms of their whole community, and they speak effectively about equity, community development, and state policies. In an era when state policies largely control so much of public schooling, those (overloaded) local district leaders need to be influential beyond their communities to be effective in their communities.

Rural citizens and education leaders will need to impress upon elected officials in the legislature and governor's office the importance of improving educational opportunities and economic development in their communities. And expect them to work together to achieve these important goals.

Our research placed us in contact with several employees of the Michigan Department of Education and other departments of state government. We found them to be very well-informed, helpful, and competent to support policy initiatives that better serve rural communities. We are encouraged by the establishment this year, with bipartisan support, of the Michigan Office of Rural Development within the Department of Agriculture. Among the many charges of this office will be the responsibility to analyze and provide guidance on education-related issues and their effects on rural communities. Our experience suggests that the state's system of intermediate school districts will be an essential link in coordinating and disseminating promising state policies to local districts. Michigan's public universities can and should help in many ways, as we have noted.

Finally, the problems associated with poverty, traumatic home settings, business disinvestment, and enrollment decline are not unique to rural communities. A likely and promising consequence of Michigan seriously deliberating a more forthright rural policy agenda will be the recognition among school leaders in urban settings that they face parallel challenges. Teacher recruitment, broadband access, nonschool social supports, and funding shortfalls all pose familiar dilemmas for them. More place-based, rural-conscious education policies will create the political underpinnings for new alliances and better place-based urban education policies as well.

Author Biographies

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