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ABSTRACT

Contributions of rural high schools to their local economic climate are both underestimated and undervalued. Functions that high schools can and should perform in rural economic development today include providing occupational training to meet immediate labor market needs, raising community educational attainment levels to meet long-term employment needs, creating new income generating opportunities, establishing an environment for innovation and entrepreneurship, and improving the general quality of life by being a family resource for education and a community resource for cultural activities/expertise. Case studies of rural schools in Georgia (Hartwell), Oklahoma (Byng), Tennessee (Shelbyville), and Missouri (Potosi) illustrate ways education can have an impact on a community's economic climate. Education levels in each area were lower than the national average, per capita income was lower, and all but one area relied more heavily on manufacturing for employment than national norms. Factors common to the success of each program were forceful/energetic leadership; ability to raise needed funds; desire to improve community quality of life while preserving rural characteristics; community pride in, identification with, and support of the school; emphasis on small-scale rural features to create a distinctively nonmetropolitan program; and recognition of the economic value of the local school. (NEC)

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Foresight

MODEL PROGRAMS FOR SOUTHERN ECONOMIC DEVELOPMENT

Volume 3, No. 2

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THE HIGH SCHOOL IN A RURAL ECONOMY

While natural resources count for much, the community where people are trained to profitable industry is the community to which other men will go to live, and they will go from all parts of the world.

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Stuart
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Walter H. Page.
"The School that Built a Town"
Commencement Address, State
Normal School, Athens, Georgia,
December 11, 1901.¹

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Introduction

One of the South's great educators, Walter H. Page, understood fully the contribution of a good high school to a town's economic well-being. He may not have used the term "business climate," but the story of the town called Northwood that he recounted to that Georgia graduating class in 1901 reflected his belief that schools were the central feature of a community's economic climate. "Men have gone there to live because of the school," he said, describing Northwood. "They go there to establish industries of various sorts, because the best expert knowledge of every craft can be found there. That town has prospered and has been rebuilt." Page also believed that only a free, high-quality public high school open to all could perform this economic development function: "...no church and no private means can ever overcome the social and financial and political differences of people and build a training place for all."

This paper was prepared by Stuart Rosenfeld, Director of Research and Programs. Support was provided by the Office of Rural Development Policy, U.S. Department of Agriculture. © 1985

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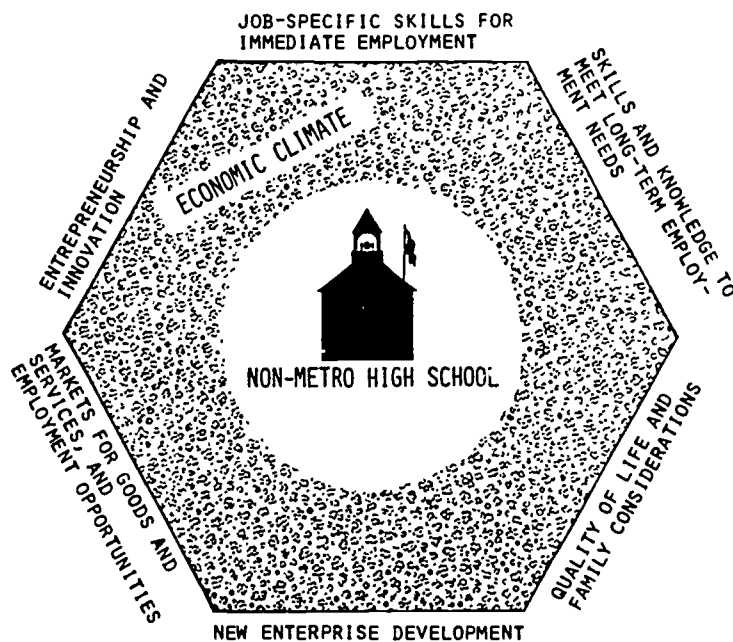
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Walter Page's description of the economic value of schools was particularly farsighted for that period. He recognized that schools were not just providers of human capital but were also part of a community's infrastructure and attracted capital. A school was, he said, "the intellectual and the industrial centre of the town and of the region." But even Page was not able to see all that schools would eventually mean to small cities and towns. In small towns, school attendance boundaries have become important enough actually to define the community and delimit its economy. Acts such as school district mergers or school closures which change those boundaries have been known to affect the social fabric of the community as well as the local economy.

Today, education is lined to economic and community development more tightly than ever and in ways that are only beginning to be fully acknowledged and understood. In addition to the functions Page recognized--providing a strong educational environment, developing a well-trained work force, and serving as a center for community activities--good high schools stimulate innovation and entrepreneurship and some directly create economic opportunities. Unfortunately, the ways in which education supports the local economy are underestimated and undervalued in planning for economic growth. Thus, it is important to delineate the functions that high schools can and should play in rural economic development today.

Figure 1.



First, the function of high schools most conventionally noted in local business climate surveys is occupational training to meet immediate labor market needs. This is generally carried out in the South through an array of occupational programs. The objective is to teach job-related skills to young

people and instill good work habits in them. Despite the current shift away from manufacturing to a service economy, 30 percent of the South's nonmetro economy still is based on manufacturing, most of it in traditional industries. In a manufacturing-based economy, the economic climate is likely to be rated high where programs result in both a strong work ethic and skills that correspond closely to the employment needs of plants seeking new locations. The most common structure for delivering training in small southern towns where manufacturing dominates development strategies is the area vocational center (AVC), which provides vocational education for multiple school districts and the employers in that larger area. This approach, however, does not always address the needs of the many small and varied businesses that make up the economies of many small towns or support new business growth; the anticipated demand for jobs in those businesses may be insufficient to justify the cost of a program. The strategy of the Potosi School District, in Missouri, illustrates an alternative to traditional classroom programs for providing job training for a wide range of jobs, each with low projected demand.

A second conventional function of rural high schools in the economic climate is raising the average educational attainment levels in the community in order to meet the long-term employment needs of businesses. According to studies of new industries moving into sites in southern rural areas, the lack of more advanced skills and knowledge has resulted in many of the better jobs going to outsiders and immigrants. More technically demanding jobs often require higher education and a district's average educational outcome measures are often factored into decisions of businesses concerned about their ability to fill technical positions in the future.

Third, a still-emerging function of schools lies in directly creating new income-generating opportunities. In this capacity, the school is no longer a mere supplier of human resources but actively uses those resources to create businesses and jobs. This concept builds on the experience of Foxfire, in Rabun County, Georgia, which proves concretely that a school itself can act as an entrepreneur, as well as preparing individual entrepreneurs. The school-based enterprise in Hartwell, Georgia, a pilot project of REAL (Rural Education through Action Learning), Inc., is an outstanding example of a school taking the lead in economic development. This effort demonstrates cooperation between the public and private sectors as well as a town's desire to inculcate in youth a good general business sense, thereby adding to the overall business climate.

Fourth, high schools can establish the environment for innovation and entrepreneurship that is necessary for long-term local economic growth. Historically, vocational agriculture fulfilled this function for rural communities, preparing youths to own and operate farms, implement dealerships, and supply stores, and to utilize the latest scientific methods in both production and management. Despite the decline of farming and agribusiness as sources of jobs, entrepreneurship and innovation remain vital ingredients of new business formation and high productivity, and vocational agriculture continues to be an effective source of business leadership and innovation. Byng High School in Ada, Oklahoma, is an example of the kind of environment that fosters leadership and innovation.

Fifth, a high school can contribute to the economic climate by improving the general quality of life in the area in two ways: as a family resource for

education and as a community resource for cultural activities, entertainment, and expertise. The strength of the education available to the children of those in the work force and those the work force hopes to attract is a major factor in many people's perception of quality of life. According to historian James Cobb's study of the industrialization of the South, "sophisticated firms employing upper-middle-class executives and skilled technicians could ill afford to locate where children of their employees could not be assured of adequate preparation for college."⁴ Professional and technical workers have high expectations as well as the mobility and opportunity to be selective about where they choose to live, and education is high on the lists of criteria that influence moves. The rural community also depends heavily on the school for community affairs, entertainment, and advice. The "Service Plus" program in Shelbyville, Tennessee, demonstrates how a school can cooperate with the private sector to improve the quality of teaching and expand local social services in order to improve the quality of life in the community. It takes advantage of the expertise of teachers while at the same time finding a creative way to involve teachers in community activities and to supplement teachers' salaries.

Last, and perhaps the most difficult to assess in terms of its effect on business climate, is the high school's function as purchaser of goods and services and as an employer. As the former, it represents a market for some local businesses and can have a major impact on a small town's economy. This is one reason that small towns resist such economy measures as centralized purchasing by state or regional education agencies; these are intended to reduce local costs but actually, through losses to local business, cost small towns more than they save. Schools also provide a substantial portion of a small community's jobs. In South Carolina, for instance, educational services account for 9.6 percent of the state's nonmetropolitan work force. In the five smallest counties, however, they account for more than 15 percent.

Although each of these functions is an important element of business climate, the relative importance of each depends on the development strategies pursued. Table 1 indicates this writer's opinion, based on experience and available research, of priorities for five kinds of businesses: traditional manufacturing, new or small businesses, technology-related (manufacturing or service), traditional service, and trade. For example, traditional manufacturing businesses are more likely to be concerned with work habits and vocational skills than educational attainment or innovation; they also (to a lesser degree) depend on the school for community and social activities. New businesses rely more on the entrepreneurial environment created by the school and on whatever the school itself might do to generate new businesses. Technology-related businesses, which require a more educated workforce, give high priority to the general level of education, the innovative and entrepreneurial attitudes, and its attractiveness to mobile professionals. These rankings do not imply that all elements are not important to all types of industries; they suggest only that the factors are not equally important.

The four rural schools described below were selected in order to illustrate various ways in which education can have an impact on a community's economic climate. The communities and the schools, all either nonmetropolitan or rural, have certain characteristics in common and certain barriers to overcome. The educational levels of the population in each area were lower than the national average, per capita income was lower, and all but one of the

TABLE 1.

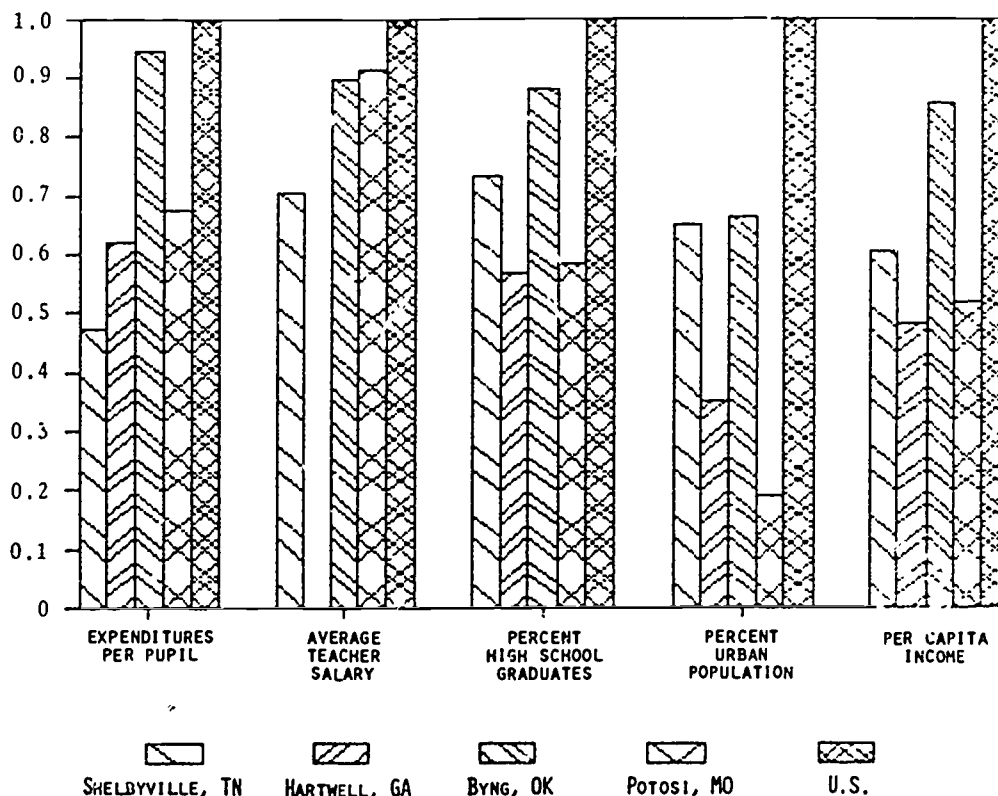
PRIORITIES OF RURAL HIGH SCHOOLS FOR VARIOUS TYPES OF BUSINESSES

TYPE OF BUSINESS:	TRAINING		QUALITY OF LIFE		JOB CREATION		
	WORK HABITS	VOCATIONAL SKILLS	GENERAL EDUCATION	INFRA-STRUCTURE	INNOVA-TION AND	NEW JOB	CONSUMP-TION AND
					ENTREPRE-NEURSHIP	OPPOR-TUNITIES	EMPLOYMENT
MANUFACTURING	H	H	L	M	L	L	L
NEW OR SMALL	L	M	M	M	H	H	M
TECHNOLOGY-RELATED	L	L	H	H	H	L	L
SERVICE	H	M	M	L	L	H	H
TRADE	H	L	M	L	M	M	H

H = HIGH PRIORITY, M = MEDIUM PRIORITY, L = LOW PRIORITY

FIGURE 2.

RATIO OF SELECTED INDICATORS TO U.S. AVERAGE



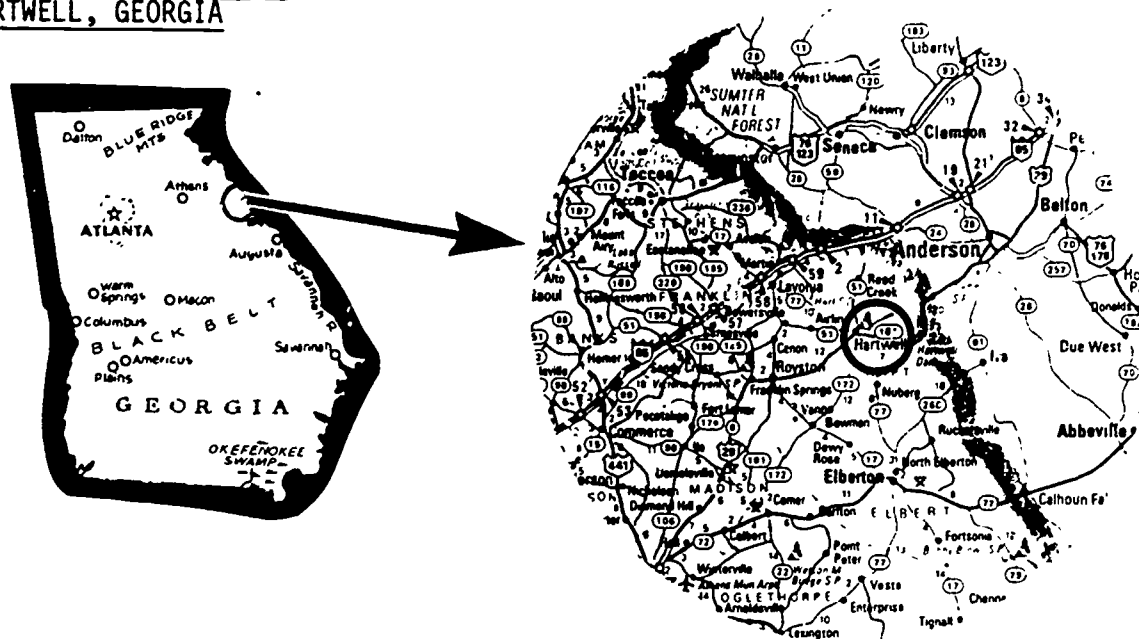
NOTE: EXPENDITURES PER PUPIL AND AVERAGE TEACHERS' SALARIES ARE FOR THE SCHOOL DISTRICT; OTHER DATA ARE FOR THE ENTIRE COUNTY OF THE DISTRICT.

SOURCES: COUNTY AND CITY DATA BOOK: 1983, U.S. BUREAU OF THE CENSUS; AND STATE EDUCATION AGENCIES.

areas rely more heavily on manufacturing for employment than the national norms. The schools are relatively small; they spend less per pupil and pay teachers less than national averages. Despite these conditions, which could be considered barriers to high-quality education, each community has found a way to provide good education and to make it work to build the local economy.

Four Schools in Rural Communities

BUILDING NEW BUSINESSES:
HARTWELL HIGH SCHOOL,
HARTWELL, GEORGIA



The conventional economic goal of schooling is to prepare youth for jobs. For a long time, that was the objective of the Hartwell County High School. The city of Hartwell is located in the northeastern part of Georgia near the southern end of a huge lake. Unfortunately, in Hartwell, as in many small communities, too few job opportunities exist for local youth--or for adult males. In 1982, about 30 percent of the jobs were in apparel industries, required little education, and generally tended to hire women. Much of the vocational training offered in the Hartwell school, while useful in the context of a national or even a state economy, was irrelevant to the local economy.

After years of stagnation, the town is in the midst of a large-scale development project, trying to build on its water resources and nearby tourist activity. The catalyst for the town's rebirth is its historic heritage. In the town's business district, 87 percent of the buildings were erected by 1902 and are eligible for the historic register. As part of this new campaign, the school and community joined forces in an unprecedented way to make education more relevant and real and to tap into the resources of the school in the rebuilding of the local economy. The school system itself has taken on the characteristics of a business enterprise aimed at creating jobs, forming what they call a School-Based Enterprise (SBE).⁶ This not only puts the high school

in the thick of the town's aggressive economic development activities, but enhances the educational programs by providing experiential learning related to local existing or potential job opportunities.

Perhaps the most important distinctions between the School-Based Enterprise and, for example, more traditional vocational education housing construction projects or junior achievement programs, are that (1) the business is created as a long-term job-creating venture; (2) the education and economic objectives are more balanced; (3) students participate in all activities and functions, such as needs assessment, economic planning, financing, and operating, and (4) it is part of the curriculum rather than an extracurricular activity. Although there are some SBEs already operating in rural high schools in Arkansas and Georgia, the three enterprises being developed through Hartwell High School, with the assistance of the Small Business Development Center at the University of Georgia, constitute the most ambitious program to date.

The first enterprise the high school created was a not-for-profit corporation which plans to operate a youth-run retail store selling, among other things, local cottage industry goods. With support from the mayor and local merchants, and technical assistance from the University of Georgia's Small Business Development Center, the school is renovating a store front on the Depot Street, downtown. The SBE has a seat on the town's Depot Street Development Corporation, which involves students in the overall planning. Current plans are to purchase the building in which the retail store is located and lease it back to a state-wide umbrella organization being formed (REAL Enterprises, Inc.) and to take advantage of the tax advantages offered by the depreciation and the historic status of the building. Students are surveying the surrounding seven-county area to identify cottage industry products that could be sold, as well as other state commercial products. They are also examining the possibility of a mail-order business. In addition to the students, the enterprise employs five full-time employees from the community to help manage and operate the store.

The second venture underway is to operate the Hartwell Railway Company, the second-oldest existing business in the city, as a tourist excursion train running along the lake. The railroad was owned by a retiree from Oklahoma who bought it but then decided that it was too large an operation for him to manage practically. With the help of the Georgia Building Authority, the SBE was able to acquire the steam engine and by borrowing the community's revolving Urban Development Action Grant funds, it bought the necessary equipment. Students eventually will be involved in almost all phases of the railroad, including ticketing, office work, track maintenance, and running the gift shop. To begin operations, though, the students have already constructed a turntable to reverse the direction of the steam engine. This not-for-profit passenger business will be run in tandem with a local for-profit freight corporation, and if the railroad shows a profit after five years, 50 percent of its stock will be turned over to the non-profit SBE.

The third operation currently being planned is a community theatre. The students, with Job Training Partnership Act (JTPA) funds, worked with the local community theatre group to convert an old warehouse into a community theatre, which they intend to develop into a business.

The projects are coordinated and managed by two vocational education teachers from the high school, one currently assigned to the store and one to the railroad. The SBE is negotiating with the school for academic credit, but some new state academic requirements, tied to recent education reforms, are making this kind of experiential learning increasingly difficult. The local district has less flexibility in designing its own curriculum than it had in the past.

Organization and Funding:

The SBE is set up independently of the school system and the community development organization, but there are formal linkages. The school board has a permanent place on the REAL Enterprises board and REAL Enterprises has a seat on the Depot Street Development Board.

Economic Aspects and Future Prospects:

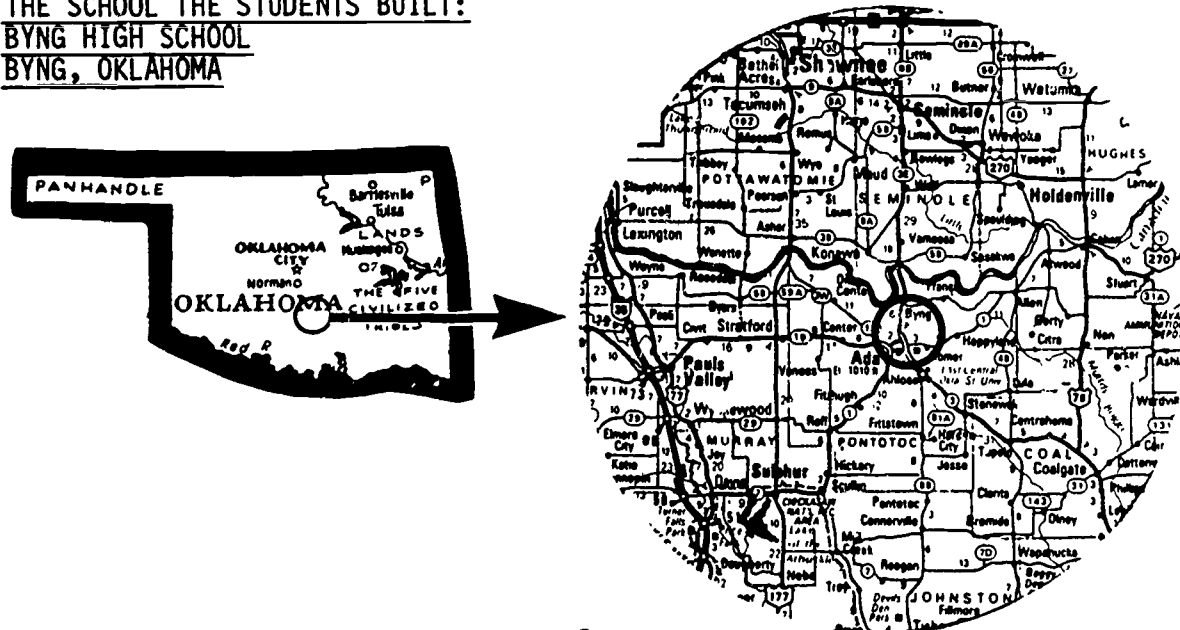
This is the most ambitious project identified in this paper as well as the one with the greatest job-creation potential. The success depends on an array of factors, some of which are outside the control of the educational system. Many small businesses do fail, and in the beginning especially, since their attention will be on the outcome, projects will have to be chosen with care in order to maximize their chance for success. The project also requires an unusual degree of cooperation between the school and the community, and thus far the school system seems quite cautious and may even lack the enthusiasm needed to integrate this concept successfully into the academic curriculum. The impetus is coming from outside experts and local government.

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THE SCHOOL THE STUDENTS BUILT:
BYNG HIGH SCHOOL
BYNG, OKLAHOMA



"Byng High School is one of the darndest things that I have ever seen," commented a visiting high school principal from St. Louis representing the United States Education Department (ED).

The Byng school district is in fact unique. Spread over 72 acres, the district uses some 48 separate buildings for the three elementary schools, one middle school, and one high school. The students themselves, with the support and cooperation of local construction companies and trade unions, built 40 of the buildings, including the cafeteria, theatre, gym, library, and separate facilities for many of their vocational education programs. In the opinion of the ED consultant who visited the school, "they have a \$250,000 gym, an absolutely beautiful masterpiece of construction and architecture, and an auditorium that would be the envy of a large metropolitan school, all done chiefly by student labor." Placques in the buildings bear the names of the students who helped construct them rather than the names of donors or local celebrities which usually decorate the halls of public buildings. This unusual school represents not just student labor, but the cooperation between school administrators, vocational educators, and community that permeates the town on all education-related matters.

The school is located in the town of Byng (population, 833), which is about six miles from Ada, Oklahoma (population, 15,902) in central Oklahoma. The district serves an area with a population of 5,400. About 50 percent of the population are native American and 6 percent are black, and more than two out of five of the 1,783 students enrolled in the school district are from low-income families. Byng is one of the poorest school districts in the state in terms of property wealth per capita.

Despite the lack of economic advantages, the school's accomplishments are nothing short of remarkable. Last year the high school was selected as a school of excellence by the U.S. Education Department's Secondary School Recognition Program. More than two-thirds of last year's graduates went on to postsecondary education--45 percent to four-year schools, ten percent went into the military, and the other third found either full-time (22 percent) or part-time (11 percent) employment. The average daily student attendance rate was 94 percent and the teacher attendance rate was 97 percent. The average score for students taking the American College Testing Program (ACT) tests was well above both the state and the national average. Other examples of the school's many recent achievements are eight out of twelve places in Oklahoma University's Engineering Fair, first place in the state baseball tournament, and the development of a nationally renowned gymnastics team, often called "athletic ambassadors for Oklahoma," that represented the state at the national gymnastics convention in Houston in 1982.

Although the classroom methods and disciplined environment in the school are quite traditional, the atmosphere is far from ordinary. Student participation in the operation of the school is based not on the typical student council model, but on the knowledge that they have real voices in the administration of the school. For example, when students wanted an advanced typing and shorthand class, the school arranged it, and when one student wanted to take French, which the school could not offer, a qualified tutor was found and employed by the school.

The local economy is not as strong as it once was, and native Americans, in particular, have trouble finding good jobs. Employment in the area's major industries--oil and gas--has fallen off in recent years. The town is not only small, but not located on any major interstate or U.S. highway, and is not in a particularly good position to attract new business growth. Many students who are able to find part-time jobs work to supplement family income. But even this added demand on students' time has been turned into an advantage because it serves to cement good school-community-business relationships.

Even though a large number of students work part-time, participation in extracurricular activities is extremely high. About 95 percent of the students are involved in at least one of the school organizations, which include the Future Homemakers of America, Future Business Leaders of America and Future Farmers of America as well as Mu Alpha Theta (a math and science club) and the Young Engineers Society. Participation extends beyond the school property to the community as well. Students participate in local affairs usually reserved for adults, such as Rotary, Red Cross, Community Theatre, and volunteer fire department, and hold seats on the parent advisory boards for Title IV and the Johnson-O'Malley Act (Indian Education), and in the performing arts, contributing to the area's cultural climate. In 1984, for example, more than 3,000 people turned out during the school's three-day run of "Sound of Music."

Despite the range of incomes and classes in the community, the school--according to staff, students, and the observations of the ED site investigator--is unusually free of cliquishness or class-related groupings. Unlike many larger schools, students are not distinguished by their programs of study; one characteristic that students and staff alike note is that the students in the vocational and academic curricula mingle freely, both in and out of class. All students are encouraged to take both academic and vocational courses. The district superintendent's report says, "We like the mix of vocational and educational programs in this school, and the mix of students who take both." In fact, the vocational education program attracts some of the strongest academic students, who intend to go on to college but want a skill so they can help support themselves in college.

The attitudes toward vocational education, however, are interesting to note. Although the administration has expressed concern about lacking the up-to-date computer equipment in the vocational programs to keep up with changes in job requirements, the emphasis is on attitudes rather than skills. "What we try to teach is first the work ethic, then pride, and finally skills. But if you instill the first two, you have it all."

What makes this school so successful? It seems to have capitalized on what often obstructs good education in rural areas: size and isolation. Because the school is small, the students and faculty have formed a close-knit relationship that has existed over many years. The superintendent, for example, has been working in the system for forty years. Also, in this small school system, the fact that every student is needed and is able to contribute helps break down class distinctions. Further, the decision-making process is clearly cooperative and participatory rather than top-down. The cooperative environment reaches into the community, where students, parents, and employers work together toward common community and economic goals. The school board is representative of the wide range of economic opportunities in the community,

and includes, for example, a repairperson, dairy worker, a bank executive, and a laborer.

Funding and Organization:

The school spent about \$2782 per pupil last year. Because of the low-income area it serves, the district receives about 68 percent of its revenues from Oklahoma's equalization formula and another 14 percent comes from federal programs (which are decreasing). The remaining 18 percent is raised locally. The school district is located about six miles from the county seat of Ada, but includes part of the city within its boundaries.

Economic Aspects and Future Prospects:

The school supports economic growth in two different ways. It prepares youth well for immediate employment and the school itself is an attraction to prospective businesses. According to an executive vice president of a local bank, business people who visit the school are extremely impressed with its high standards, and professionals often choose to live within the district's boundaries in order to send their children there. Another local employer said, "The single best thing I can say about the school is that in the community business people look to hire its graduates. Graduates know how to work, they know what to do, and they know how to act on the job."

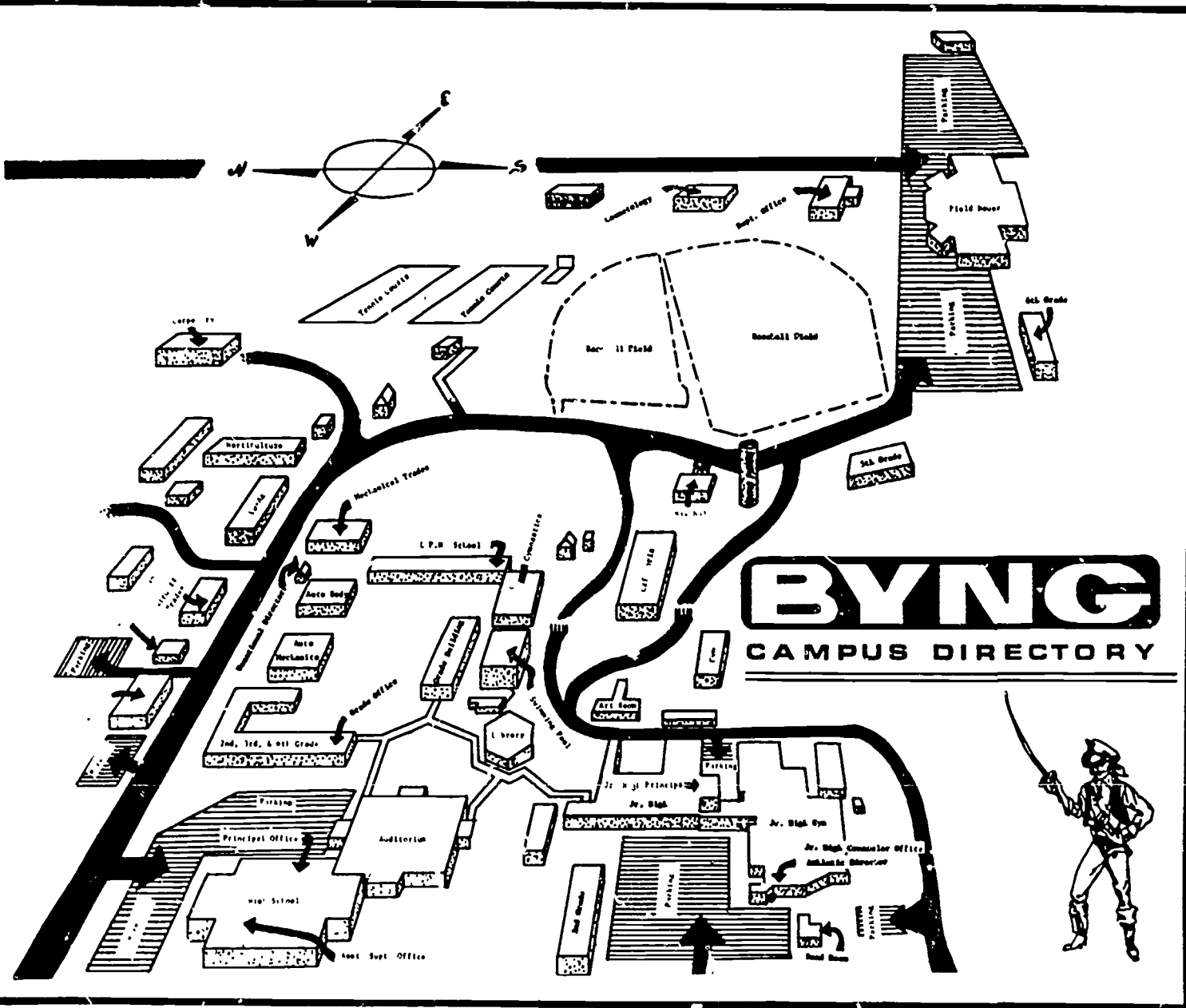
Part of the schools' success is based on its leadership and stability over the years. In fact it has had only two superintendents in its sixty year history. The current superintendent is nearly 70, but according to the ED report is as energetic and creative as ever. The unique character of the system reflects his vision, but that is now deeply embedded in the community and will likely be able to sustain its high quality.

While this story demonstrates what a good rural school can accomplish, it also illustrates some weaknesses that are endemic to rural areas. One result of raising achievement levels and aspirations is that rural areas are not able to provide enough challenging work to satisfy the graduates. Byng is no exception, and many graduates of the school still are forced to leave. Another weakness, common to many schools in small communities, is that the vocational education for girls is limited to traditionally female occupations, despite federal and state policies to promote equity. Most of the women in Byng High School enroll in traditionally female programs, such as cosmetology or office occupations, and thus have not participated to any significant extent in the construction of the facilities. The cost of stereotyping to rural communities, over the long run, equals the value of the underutilization of its human resources.

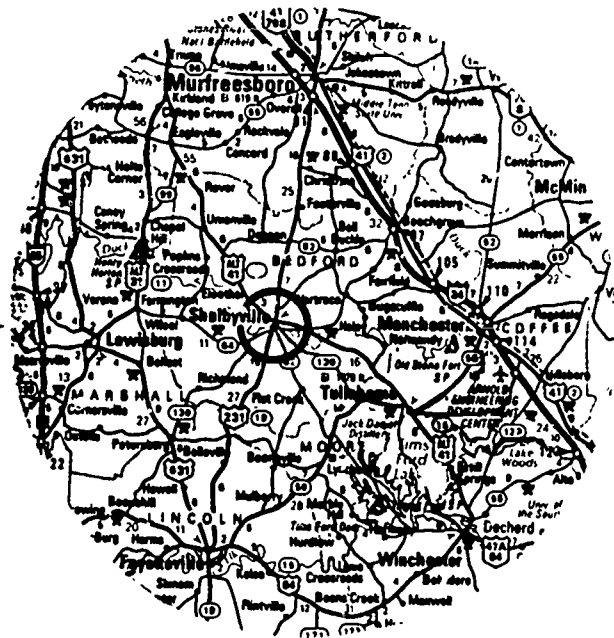
For more information contact:

Mr. Marvin Stokes
Superintendent
Route 3
Ada, Oklahoma 74820

FIGURE 3.



"SERVICE PLUS":
SHELBYVILLE HIGH SCHOOL,
SHELBYVILLE, TENNESSEE



Shelbyville (population, 13,530) is an industrial community tucked away in the heart of beautiful horse farm country, sometimes referred to as "the Walking Horse capital of the world." The manufacturing base of the county stands in sharp contrast to the tourism industry attracted by the horse farms. Among the area's largest employers are American Can Company, Empire Pencil, Stanley Tools, Eaton Transmissions, and Jostin School Equipment. Shelbyville is the largest town in the county, with about 13,500 people. Sixty miles south of Nashville and twenty miles from Interstate 24, the county is in a good position to reach markets quickly anywhere in the nation.

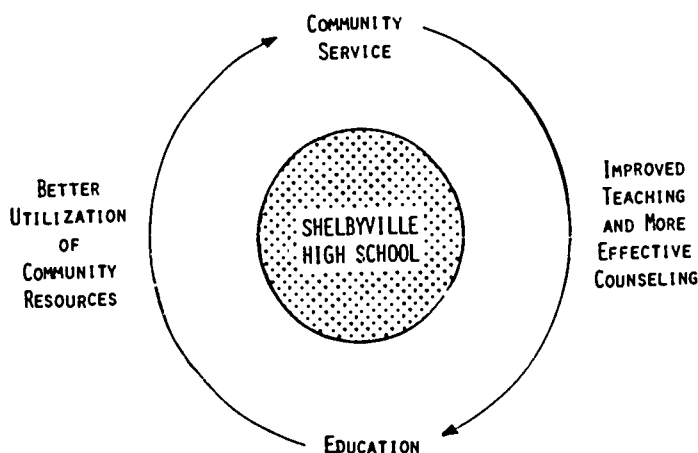
Bedford county, which is primarily rural (52 percent), has one comprehensive high school, one area vocational school, and one middle school to serve its teenage youth. The schools have never been particularly strong and educational levels are correspondingly low. As of 1980, fewer than half the county's adults had finished high school and fewer than one out of 13 had completed college. Per pupil expenditures in 1983 were about \$1,400, which was only 78 percent of the Tennessee average and 47 percent of the national average.

In the past, industrial employers did not have any great need for high levels of education; manufacturing jobs in the nondurable goods industries that were concentrated in the rural South were not highly skilled. Moreover, many of the local plants are branches of national corporations, which tend to promote from within the corporation to management slots rather than hiring local people. But with the state's desire to promote technology and improve education, and with Governor Lamar Alexander figuring so prominently in the national education reforms, the business community has become increasingly aware of the importance of education to both productivity and to the quality of life. Both--productivity and quality of life--affect Shelbyville's economic climate.

One of the area's largest employers, America Can Company, was particularly concerned about the quality of education in the vicinity of its plant and was willing to make a major investment in the community and in its schools. The rationale was stated succinctly by the company's vice president, Sal Guidice: "For years, corporate America has given millions of dollars of support to our nation's colleges and universities. Such support has been and continues to be good business. Why? Because these colleges and universities are where we look for our future business leaders. But where do all these bright young people come from? You guessed it, the public schools."

The American Can Company Foundation, working with local educators, set up the Bedford County Educational Development Foundation, Inc. (BCEDF), which was intended to serve three purposes. First, the new program would utilize the skills and strengths of the teaching staff to assess and improve social services in the town. Second, it would provide more extensive community experience to the teachers so they would better understand the problems in the community and become more effective classroom teachers. Third, it would increase teachers' incomes to make the profession more attractive.

Figure 4.



The idea for a new program was first suggested at a meeting of another local program, "Assist," which places industry people in the schools to provide special expertise. Those involved in that program came to the realization that the exchange ought to work in both directions, and that teachers also had expertise to offer the community during their summers above and beyond their role as educators. The new program, called "Service Plus," began in 1985 with a three-year grant of \$125,000 from the American Can Company Foundation. In the summer of 1984, the first year of operation, 15 teachers were placed in community positions with organizations including the County Child Development Center, the Senior Citizens Center, their library, the State Department of Education, Parks and Recreation, and the Juvenile Court and Youth Services. The response has been so positive that the number of positions open for this year was increased to 21--for which more than 50 teachers applied.

Organization and Funding:

The Bedford County Educational Development Foundation is governed by a board of nine directors selected annually by the membership, which is open to anyone. Members include a wide cross-section of representatives of business and industry, parents, teachers, and community leaders.

Teachers are paid by the foundation as consultants to the organization to which they are assigned. For 1985, \$53,000 was raised from the private sector, including \$41,900 from American Can Company Foundation. The long-range plans are to demonstrate the worth of the program to the community so that some of the organizations that benefit from the program will eventually be able to pay the fees themselves. The test will come in 1987, when the three-year American Can Company Foundation grant has expired.

Economic Aspects and Future Prospects:

Service Plus is aimed explicitly at improving community service and education and thus the general quality of life. But the people contacted who are involved in this project are well aware that quality of life is increasingly important in economic decisions. According to a manager at American Can Company's local plant, who was interviewed recently by three different companies considering locating in or near Shelbyville, "they were quite interested in the quality of education and were impressed with our new program."

Despite the positive response among teachers in the community and the success of the first year of operation, the future of the program is somewhat uncertain. The problem is money. The teachers, who are considered consultants to the local organizations, are paid by the local foundation rather than by their employers, and the number who are able to participate is limited by the availability of funds. When the grant runs out, the community will have to replenish the fund, and thus far contributions to the foundation have not been sufficient to maintain the program.

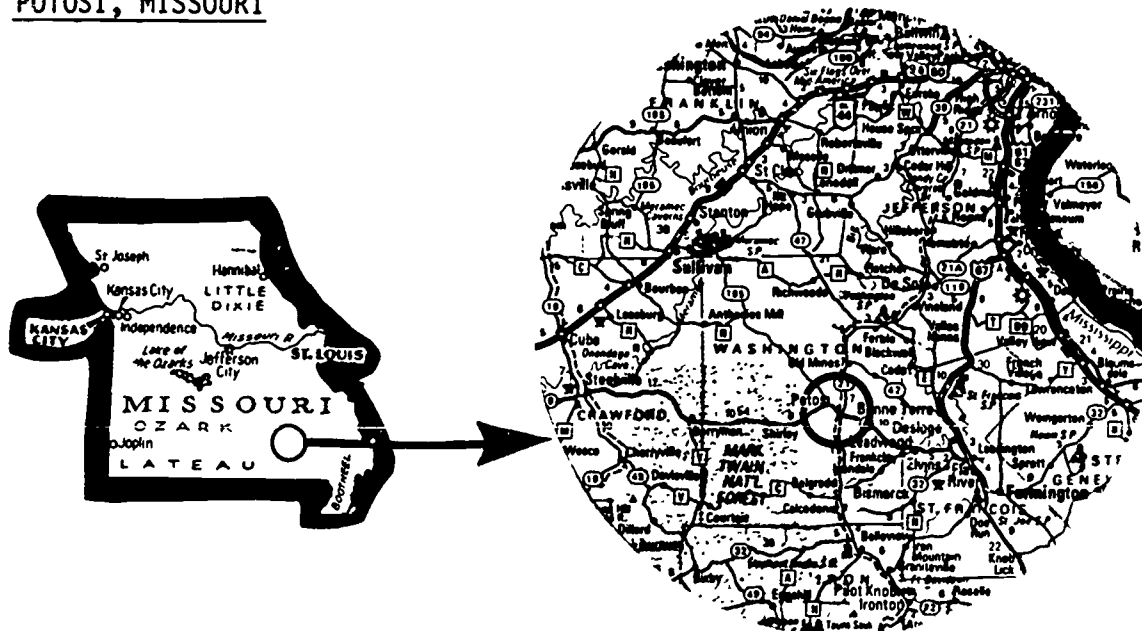
An external evaluation conducted at the end of the first year concluded that the local social services had benefited immensely from the program, that the teachers had been able to contribute to improving community life, that the experience had enriched and improved teachers' abilities to understand students' problems, and that it had reduced the probabilities of teacher "burnout." The one disappointment cited in the report was that the evaluator was unable to identify many new or innovative educational programs resulting from the investment. Thus, from the perspective of improving the quality of life in Shelbyville, the program is a success, but from the perspective of improving educational outcomes the results are inconclusive. If "Service Plus" is able to attract higher quality teachers, it will also improve the quality of education.

The question facing the community is whether this program is the most effective way to improve education. Improvements in the quality of life, unfortunately, are even more difficult to document than improvements in the quality of education. The future of the Shelbyville program depends on how highly the community eventually values this investment in its community, which is social as well as educational as compared to more direct educational

investments. So far, the community seems willing to take a long range view of the project. According to the director of the foundation, "they (the community) were pleased to see the cooperation between business, schools, and public service agencies that is taking place." And a former lieutenant and local citizen is convinced that the program "is a stake in the future for good prospective employees five or ten years down the road."

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INDIVIDUALIZED VOCATIONAL EDUCATION:
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The Potosi School District is not quite within the boundaries of the SGPB region, but sits right at the edge of Missouri, which straddles the boundary between the South and the Midwest. The southeastern corner of the state and Washington County, where Potosi is situated, resembles rural southern Appalachia much more than it does midwestern farmland. It is just as picturesque and sparsely populated--and also as poor. Unemployment rates in Washington County stood at more than 22 percent at the end of 1981. Yet outmigration, which had been a continual problem, has subsided--possibly because the promises of good urban jobs no longer ring true.

Washington County is one of the poorest parts of the state. In 1980, nearly one out of every four youth below the age of 18 was living below poverty and unemployment for many months was the highest in the state. In this kind of

environment, school dropout rates were not surprisingly high. But educational attainment in the area had never been very high. Fewer than two out of five adults have completed high school and only one in 25 has finished four years of college. The high dropout rates, particularly among students not considered "at-risk," along with what these meant to the area's economy prompted action.¹⁰ A study of dropouts in that part of the state revealed some unexpected results. Although nationally based evidence on high school dropouts shows that they are poor students, discipline problems, and from a broken homes, the characteristics of the typical high school dropout in the Potosi School District were quite different. The typical dropouts were found to be from intact nuclear families, not performing particularly badly in school, not poorer than other students, and usually had not been in trouble. Two-thirds gave no indication that they were about to drop out, and there were few clues as to how to prevent them from doing so.

Experts suspected that the problem lay in part with inadequate counseling and with the existing vocational education program which was irrelevant to both the community and local labor markets--both long-standing rural education problems. Small schools cannot provide the specialized counseling services that an urban school can and, perhaps more important, they lack the funds and the attendance numbers to provide a rich and varied vocational education curriculum. Most local employment opportunities are simply too few to justify the costs of a "program" to prepare students for them. In fact, if an occupational program has enough students to make the program economically feasible, it may generate an oversupply of those particular skills for the local labor market. Missouri does have an extensive system of area vocational centers designed to serve rural areas, but a study of those centers in the 1970s found that participation drops off sharply with distance from the center, and that they do not adequately serve isolated areas or match local job opportunities.

In 1979, three adjacent Missouri school districts--Potosi, Steelville, and Salem--with similar problems of high dropout rates, irrelevant and/or inadequate vocational education programs, and insufficient resources joined forces through a consortium. This arrangement allowed the districts jointly to hire a part-time staff person and compete for grants. The consortium applied to the U. S. Department of Labor through the Youth Employment and Demonstration Act of 1977 and was selected from among more than 500 applicants to receive funds for the Rural Students Employment Project. The components of the program are (1) teacher in-service training, (2) community-based occupation and training counseling, (3) a student-operated job information and career center, and, (4) perhaps the most innovative element, contract vocational education (CVE).

The CVE program is an innovative attempt to support local development. It identifies local business people willing to contract with the school system to teach occupational skills to a high school student. Most of the students have been JTPA-eligible youth with limited aspirations and no plans for postsecondary education. The student is not an employee of the business; he or she is strictly a student being trained for a possible career. Through a contract negotiator employed by the school, the student, the school administrator, the parents, and the employer negotiate a competency-based contract, which is separated into skill components.

The goal of CVE is acquisition of skills, not simply the completion of specified number of hours on the job. The student receives academic credit and the employer is paid a fee--generally about \$400 per semester--as an off-campus faculty member. A school counselor is assigned as site supervisor. Recently, in order to comply with the state's plan for vocational education, the program added a requirement that participating students attend a class in the school each week.

The strengths of CVE lie in its ability to train students for the wide range of rural jobs which do not occur in large enough numbers to justify a full-scale school-based program. It addresses specific needs in the community and is flexible enough to adapt quickly to change. Contracts have been awarded, for example, for students to train as respiratory therapists, mortician aides, newspaper advertising and layout personnel, bank loan operators, restaurant managers, motel managers, refrigeration repairpersons, surveyors, hospital purchasers, and veterinarian assistants.

Organization and Funding:

As mentioned, the program was originally funded with a grant from CETA and was governed by the participating school districts. Funding ran out in 1983, and JTPA, which replaced CETA, did not continue to support the program. Part of the reason, according to one person working closely with the program, was that the area vocational center saw the program as a threat to its own enrollments and put pressure on the new JTPA governing board to eliminate the funds.

Economic Aspects and Future Prospects:

The CVE program has greatly increased the community's involvement in education and has created strong bonds between the public and private sectors. It has also proved able to provide skilled entry-level employees to small employers. This adds to the community's economic climate for new and small businesses. Over 100 businesses have participated through the consortium to date. In Potosi, there are far more businesses willing to educate students than there are students to enroll. Even though the federal funds have expired, the Potosi district has continued the program, in part with its own funds and in part because some employers are willing to participate without compensation. The program is now in its 18th semester of operation, including 6 summer sessions, with about 12-15 participants each semester.

Some characteristics of the program (other than those mentioned previously) that make it so successful are that it (1) requires no capital outlay or additional staff, (2) does not require a minimum number of students for training in an occupational field, (3) overcomes the problem of limited access to traditional vocational education (limited "slots" for school districts), (4) is competency-based, and (5) operates in cooperation with the private sector.

A followup of 220 graduates between 1979 and 1983 found that only 18 were unemployed, constituting an unemployment rate about one-sixth that of the students' age peers nationally.

economic climate, the tax rate necessary to provide that system may not be seen as an asset.

Last, educators face the challenge of trying to maintain the interpersonal advantages of the small rural high school while providing a high-quality and comprehensive education. There is a tendency among educational experts to assume that education can be improved or made more cost-efficient simply by consolidating it into larger units. It is true that small schools are not able to offer the range of courses that larger schools can, but there are tradeoffs. In the examples described, the smaller scale itself seems to have led to greater community involvement and the willingness to try more innovative economically based initiatives. Based on the cases presented in this paper, the scales of both the community and the town are important factors in the success of the program, and while these models may be transferrable to other nonmetro areas, they may not have the same results in large cities.

A few factors appear to be common to the success of each of the programs. Each had a forceful and energetic leader; was able to raise the funds it needed; wished to improve the quality of life in the community while preserving its rural characteristics; was located in a community that had a great deal of pride in, identified with, and strongly supported the school; found a way to capitalize on the community's small-scale rural features to create a distinctively nonmetropolitan program; and recognized the economic value of the local school.

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Issues and Considerations

The single most important point to be made about the contributions of a rural high school to its local economic climate is that they are both underestimated and undervalued. Few communities use their high school to its fullest capacity. Nearly everyone understands the value of a good education in terms of a child's economic future, but few understand its value in terms of a community's economic future. The school in the small city or town can be much more than an institution of learning.

Where the school does perform a larger function, however, it raises a number of important issues. First, the more explicitly the school is linked to economic development, the greater is the chance that it will be perceived merely as training and not education, and as limiting students' opportunities. Educators will have to demonstrate that programs that are innovative in economic terms result in good sound basic skills as well as better knowledge of economic affairs.

Second, some tension is bound to arise between those tied to traditional vocational education and those trying to implement new and innovative programs more oriented toward economic outcomes. Vocational educators have a vested interest in traditional methods of providing occupationally specific training in specialized institutions which corresponds to projections of labor market demand. On the other hand, visionary vocational educators may see new opportunities to be innovative and try new methods. The example cited in Hartwell illustrates how an innovative program can work with vocational educators.

Third, acquiring sufficient resources to initiate and operate new programs--particularly innovative ones--is usually difficult. Many new programs require special funds, but rural school systems generally have fewer resources than urban schools because those they serve are poorer and because of diseconomies of scale. Consequently, many programs seek and receive outside funding, generally from foundations or government, but they often become too dependent on it, and many towns tend to expect that support to continue. Educators must convince communities that a program has enough value to deserve a local long-term financial commitment.

Fourth, and closely related to the previous point, is the problem created by the fact that improving education and building better links to economic development requires resources that are raised through state and local taxes. Public schools are the largest single expenditure of both state and local governments. Yet many of the same businesses that depend on education request tax abatements or preferred rates that reduce educational resources. Thus, while a strong educational system is a positive factor in a community's

Notes

1. Walter H. Page, The Rebuilding of Old Commonwealths, (New York: Doubleday, Page & Company, 1902).
2. See, for example, Elvin Hatch, Biography of a Small Town, (New York: Columbia University Press, 1979) or Jonathan P. Sher, Ed., Education in Rural America, A Reassessment of the Conventional Wisdom, (Boulder, CO: Westview Press, 1977).
3. Stuart Rosenfeld, "A Question of Balance: Education and Economic Development," Education Week, Commentary 2 (December 8, 1982).
4. James C. Cobb, Industrialization & Southern Society, (Lexington: University of Kentucky Press, 1984), p. 104.
5. Information supplied by the American Can Company Foundation, the Public Education Fund.
6. Memorandum from Pamela Hughes, graduate student at the University of North Carolina, reporting on a site visit in April 1985, and information provided by the University of Georgia's Small Business Development Center.
7. Sher, Education in Rural America: A Reassessment of the Conventional Wisdom, 1977.
8. Site reports submitted to the Secretary of Education as nominations for the Secondary School Recognition Program, 1984.
9. Ibid.
10. Much of the material was drawn from: Vicki Hobbs, "Contract Vocational Education: The Missouri Model," unpublished paper under contract to the Mid-Continent Regional Educational Laboratory, November 1983.