



Houston, Minnesota

	Houston
Population (2000)	1,020
Municipal budget (2005)	\$1.8 million ¹⁵⁰
Per capita income (2000)	\$17,000
Median household income (2000)	\$29,200
Poverty rate (2000)	10%
Minority population (2000)	1%
Proximity to urban center	138 miles to St. Paul, Minn.
Proximity to interstate highway	16 miles
Strategic approach	Broadband Internet
Time frame	2002–2006

In Houston, the county seat of Houston County, almost every household – even in the most remote rural parts of the county – has a computer with a high-speed Internet connection. “I live at the end of a 1.5-mile long driveway in rural Minnesota, and I have a high-speed Internet connection to communicate with folks in town,” said Kevin Kelleher, a former Houston County commissioner. Widespread use of broadband technology in Houston came about somewhat indirectly, through an effort to address declining enrollment in local public schools. By 2004 Houston had launched one of the largest online learning curricula in the state and, in the process, had brought computers and the Internet to homes throughout the community. The result of Houston’s strategy is a fully wired community and a technologically proficient workforce, which are prominent assets for this small town’s economic development prospects.

The community and its history

Houston is located in the southeastern part of Minnesota, where farms dominate the landscape. Houston’s closest neighbors, La Crosse (Wisconsin) and Rochester (Minnesota), have blossomed as regional hubs, and in recent years Houston has become a bedroom community for these larger cities. Today, roughly 50 percent of Houston residents commute out of town for work.

In addition to its proximity to these cities, Houston has a well-regarded public school system. The district receives excellent ratings relative to

¹⁵⁰ Interview with Larry Jerviss, Houston city administrator, January 11, 2007.

The Houston public school system capitalizes on an opportunity to partner with a private sector entity to develop an online learning curriculum. In the process, the local school district leads an initiative to equip and connect rural residents to the Internet, the school, their neighborhoods and the larger community.

both southeastern Minnesota and the state as a whole. Over the past few decades, however, Houston has been struggling financially. Even though the town has become a modest bedroom community, declining population and school enrollments have meant less state money, making it increasingly difficult for the local school district to offer a broad curriculum.

In the late 1990s, Superintendent Kim Ross began to take steps to address the challenge. He and the school board engaged the community in a strategic planning effort. Goals that emerged from the process included aspects of student achievement, parent and community involvement, attracting and retaining staff, and financial management. Then, in 2002, with a vision in place, the local school district took advantage of an opportunity to create an online curriculum for its school system. According to Kevin Kelleher, the opportunity was exciting. “We felt that even though we’re a small town, we could be leaders in online learning and do something really big,” he said.

The strategy

Houston’s strategy – led almost entirely by the local school district superintendent and his staff – was to create an online learning program to reach rural students (to boost enrollment locally) and in the process bring computers and broadband Internet to residents of its rural community. Students who register for the online learning program offered by a local public school district are counted as students of the district, regardless of their physical location.

One of the first initiatives was a program to use the Internet to keep parents informed about their children’s progress at school. Because fewer than 75 percent of local residents had computers connected to the Internet, Ross convinced the nearby Mayo Clinic to donate used computer equipment to families in Houston. The school district negotiated with a local telephone cooperative for discounted broadband Internet service for residents with children who qualified for free and reduced priced lunch. The program boosted the use of technology in and around the community.

With the success of this implementation, the district began to consider additional ways to leverage technology and boost enrollment for the district. The practice of online learning was becoming increasingly widespread, and home-schooled students in the rural areas surrounding Houston were an untapped market for online learning services from the district. Superintendent Ross partnered with K12, an online curriculum provider, to offer a home-based education curriculum that would leverage parental involvement and technology while boosting enrollment in the district.

In 2003 Houston’s online curriculum was made available to all Minnesota public school students in kindergarten through second grade. Within a few years, the Minnesota Virtual

Academy (MNVA) was being offered to students through 12th grade. Today, as a state-approved online school program, MNVA is the largest provider of online public education and one of the fastest growing public schools in Minnesota. Two-thirds of the students enrolled in the curriculum live outside the school district, generating a significant source of revenue. MNVA has helped Houston to reverse declining enrollments and has allowed the district to enhance its course offerings. The Minnesota Department of Education estimates the Houston Public Schools soon will be the largest district in the county in terms of enrollment, with over 50 percent of its students residing outside the district.

Finally, because this rural community is one of the most wired in the country, it is well-situated for potential economic development projects. “Every household has a computer and is online,” said Vaughn Grisham, a community development expert who has worked in Houston. “They are connected to the school and are connected to one another. They are rebuilding the whole community around this.”¹⁵¹ Houston has the infrastructure in place and a budding workforce of technologically proficient students, giving it an entrepreneurial advantage and making it an attractive prospect for new and expanding businesses.

What are the lessons from this story?

Look for creative ways to glean public goods from public-private partnerships. The opportunity for Houston to become a wired community came indirectly – from the needs of public school students and the initiative and innovation of the district’s superintendent. The initiative to link rural residents to the school system also motivated other partners (the Mayo Clinic and the local telephone cooperative) to bring their resources to benefit the public good. Civic leaders should look for creative opportunities to leverage private market investments for public benefit.

Visionary leadership is critical to a town’s success. Houston’s Superintendent Kim Ross is a visionary local leader. “The question we were asking as a school is how can we move into the future and be relevant in education?” Ross said. Looking forward and seeing the potential growth in online learning, Houston was willing to risk charting a new course in education. As a result the city school district has enhanced the quality of the education it offers and increased the funds the town can spend on its students. Town leaders should not hesitate to explore technological advances and determine ways their towns could use technological progress for the public’s benefit.

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¹⁵¹ University of Arkansas, Cooperative Extension Service, interview with Vaughn Grisham, June 2005. Available at www.vworks.org.