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**CREATING RURAL OPPORTUNITY:
A State Rural Economic & Community
Development Policy Academy**

**A Progress Report on the First Year
of a Three Year Project**

Submitted to:

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PROLOGUE

PROLOGUE AND INTRODUCTION:

The following materials provide a detailed report on the first year of a three year project entitled the "State Rural Economic and Community Development State Policy Academy". This activity has been jointly funded by the W.K. Kellogg Foundation, The Ford Foundation, and the Aspen Institute. The Council of Governors' Policy Advisors (CGPA) wishes to gratefully acknowledge the continued interest and support this work has received from DeWitt John, Susan Sechler, Gary King, Shepard Forman, and Norman Collins.

The Rural Academy evolved from an effort initiated by Susan Sechler of the Aspen Institute to create new ways to support the development of effective state-level rural strategies. Through the involvement of a wide range of state and rural organizations, a strong consensus developed on six key elements. These have become the basis for the State Rural Development Policy Program:

- o creation of a consortium of organizations interested in state rural development policy;
- o a national conference on state rural policy initiatives;
- o additional research and publication of a "best practices" series on rural programs and strategies;
- o an Academy on state rural development policy;
- o a state rural development grants program; and
- o efforts to improve the linkages with university experts.

During the last year, important progress has been made in all of these areas, and these efforts have directly supported the success of the first round of the Rural Academy. Without the active involvement of our cooperating organizations, the difficult task of planning and delivering the Academy would have become an impossible one. CGPA appreciates the generous contributions made to the Academy by these groups, including:

- o Corporation for Enterprise Development: Doug Ross and Mitchell Horowitz.
- o National Governors' Association: Jay Kayne, Tom Unruh, and Marianne Clarke.
- o Western Governors' Association: Paul Cunningham and Jo Clarke.
- o USDA's Economic Research Service: Kenneth Deavers, J. Norman Reid, David Sears, and John Redman.
- o USDA's Extension Service: Beth Walter Honadle and John Vance.

We look forward to their continued help in the year ahead.

But the hardest working of all were the state teams. Throughout the Academy they set new standards for dedication and policy innovation. CGPA would like to recognize all of their efforts through our thanks to the key person from each state, the team leaders:

- o Arkansas: Phil Price.
- o California: Robert Martinez (Ses. I), Helen Haig (Ses. II).
- o Iowa: Kathleen Beery and Gretchen Tegeler.
- o Maine: Richard Silkman.
- o Michigan: John Haneski and Michelyn Pasteur.
- o Mississippi: Anne Sapp.
- o Missouri: Garry Taylor.
- o North Dakota: Chuck Fleming.
- o Pennsylvania: John Showers.
- o Wyoming: Steve Schmitz.

The coaches who participated in the Academy last year, working with each state team as facilitators and resource people throughout the process, showed us they had the tools, touch, and style that are key to making the process work. They included:

- o Barbara Arnold, Virgin Islands (Session I).
- o Steve Adams, Maine (Session II).
- o Tom Berkshire, Illinois.
- o Rebecca Calahan, Massachusetts.
- o Charlie Colgan, Maine.
- o Mary Frantz, Oklahoma.
- o Dick Gardner, Idaho.
- o Sarah Mersereau, Nevada.
- o Bill Rompa, Oregon.
- o Ron Wilson, Kansas.
- o George Wyatt, Oregon.

Finally, we want to recognize the constant support and encouragement provided by our colleagues at CGPA. Without them, it could never have happened.

- o James M. Souby, Executive Director (1990).
- o Alice Tetelman, Executive Director (1991).
- o Barbara Dyer, Director of Policy Studies.
- o Arietta (Niecy) Stewart, Administrative Secretary.
- o Ammena (Mena) Stewart, Administrative Secretary.

The following pages document the work that went into planning, preparing, and implementing the State Rural Policy Academy on Rural Economic and Community Development from January 1990 through June 1991. As we begin to plan for another round of the Academy in 1991-1992, this glance backwards has yielded some important lessons and strengthened our confidence in the innovation and progress that results from the Academy. We look forward to another challenging and rewarding year.

Mark G. Popovich
Project Director

Judy Chynoweth
Academy Manager

(I) PROGRESS AGAINST MAJOR PROJECT ACTIVITIES

(I) PROGRESS AGAINST MAJOR PROJECT ACTIVITIES:

(A) RFP for State Applicants: Selection of states for participation in the Academy is based on a competitive evaluation of proposals submitted by the Governors of interested states. The RFP for the 1990 Rural Academy was formally released on January 5th. Copies were transmitted to all Governors under a letter of invitation issued by the project's lead Governor, Wyoming Governor Mike Sullivan. Copies were also mailed to about one hundred thirty CGPA members, and the top state officials involved in economic development, community development, and rural issues. In addition, the national program office of the USDA Extension Service also distributed copies to their state offices.

The RFP provided states with a description of the Policy Academy process and clarified the project's goals. These included:

1. Assisting states in *developing strategic and comprehensive blueprints*, tailored to their unique conditions and priorities, for addressing rural economic and community development issues.
2. Placing an emphasis on efforts to *address the needs of economically-distressed rural places and people*.
3. Helping each state establish a *functioning and integrated policy team* and to *broaden the coalition* for supporting rural initiatives.
4. Providing an opportunity for participants to *work with national experts and to access state-of-the-art information and ideas*.
5. Offering *in-state assistance* to support state team efforts.
6. Providing training that would *build the skills of participants in policy-oriented analysis, strategic policy development, and political communications*.

The RFP also made explicit many of the project's expectations for participating states. These included:

1. A schedule of dates for key project activities. State Team Leaders were to attend two meetings in Washington. And, all team members would attend the two four and one-half day working sessions. Establishing the schedule within the RFP helped minimize scheduling difficulties throughout the project.

2. The State Teams' work would begin before the first Academy, increase between sessions, and continue after the final session was completed.

3. State teams were responsible for all travel and related expenses -- including most meals on site at the Academy Sessions.

4. Extensions on the RFP response deadline could not be granted.

Finally, the RFP provided the criteria which would be applied to evaluating each application. These included:

1. A specific *commitment by the Governor* to initiate and implement strategic policies aimed at rural revitalization. A strong commitment to action by the Governor helps ensure a real policy opportunity exists. Our experience suggests this is one of the strongest motivating forces for state team members.

2. The state must *assemble a quality team* --in terms of knowledge, expertise, and level of authority. As the last year's experience has also corroborated, having direct participation by the highest ranking officials strongly correlates with the team's final success. In some cases, the RFP mandated appointment of some team members, including a senior member of the Governor's staff, top-level economic or community development agency staff, a local elected official or representative from a rural community, staff from the Cooperative Extension Service, and private sector representation from a rural community. Other categories of members which were strongly recommended included legislators, other line agency staff, an expert on state data bases, foundation officials, local service providers, and rural advocates.

The materials to be submitted as an application were also described and included:

1. A *Governor's letter of commitment* and designation of the team leader and team members.

2. A brief *synopsis of rural conditions*.

3. An initial *problem statement* and identification of likely key issues.

4. A *goals and objectives statement*.

5. A schedule relating the Academy process to major state decision points.
6. Information on state team members.
7. A review of the role and responsibilities of the team leader.
8. An outline of the procedures to be used to involve the Governor and his/her staff in the team's work and to review its progress.
9. A summary of current rural development initiatives.

(B) Formation of Advisory Group/Cooperating Organizations: In analyzing the potential for initiating a new State Rural Development Policy Program, the Aspen Institute convened a series of meetings in 1989 to debate alternative approaches for improving the states' capacities to address rural concerns. An extensive array of rural development activities had already been supported with grants from the Kellogg Foundation, Northwest Area Foundation, and the Ford Foundation's Rural Poverty and Human Rights Programs. These commitments helped create an array of actors -- such as multistate groups, not-for-profit intermediary organizations, and university-based programs -- which were making important contributions to our knowledge of rural issues and the types of state policies that might help address them.

This review also concluded that much more was needed to support effective state rural policy development. A key component of the new approach to be undertaken by the Kellogg Foundation, Ford Foundation, and the Aspen Institute was to improve the connections between the people and organizations already working on state rural development issues by encouraging the formation of a consortium or alliance.

The Rural Academy has made a significant contribution to these objectives. Throughout 1990, a set of cooperating organizations served as advisors, reviewers, and resources to the project. The most active involvement in the Academy Project included a group that assisted in overall planning, review of state applications, development and delivery of materials and presentations in Academy sessions, and support to the state working teams. These cooperating organizations included:

Aspen Institute: (foundation) DeWitt John, Director, State Rural Development Policy program; Maureen Kennedy.

Corporation for Enterprise Development: (non-profit) Doug Ross, President, and Mitch Horowitz, Project Director;

National Governors' Association: (state association) Jay Keane, Director, Capitol Resources Policy Studies; and Tom Unruh, Staff Associate.

Western Governors' Association: (state association) Paul Cunningham, Executive Director; and Jo Clarke, Director of Programs.

U.S. Department of Agriculture - Economic Research Service: (federal government) Ken Deavers, Director, Agriculture and Rural Economics Division; Norm Reid, Deputy Director for Rural Development; Dave Sears, Head of Government and Development Policy Section; and John Redman, Senior Economist for Government and Development Policy Section.

U.S. Department of Agriculture - Extension Service: (federal government) John Vance, Deputy Administrator, Natural Resources and Rural Development; and Beth Honadle, National Program Leader for Economic Development.

Additional contributions -- ranging from reviewing state applications to commenting on draft schedules and materials and suggesting resource people -- were provided by:

Jobs for the Future: (non-profit) Hillary Pennington, Director; John Niles, Director of State Programs.

Northwest Policy Center, University of Washington: (academic) David Harrison, Executive Director.

(C) RFP Review and Ratings: When the February 2nd deadline for state Academy application was reached, valid applications were in hand from seventeen of the twenty-seven states which had indicated an intention to apply. These seventeen included: Arkansas, California, Georgia, Iowa, Kansas, Maine, Massachusetts, Maryland, Michigan, Mississippi, Missouri, Nevada, North Dakota, Oregon, Pennsylvania, Virgin Islands, and Wyoming.

A team of nine reviewers, representing diverse backgrounds and regions of the country, were assembled to rate these proposals and to recommend the selection of ten to participate in the Academy. The reviewers included:

H. Richard Anderson, (rural development service provider) Director, Northern Economic Initiatives Center, University of Northern Michigan.

Jo Clarke, (state association, researcher), Director of Programs, Western Governors' Association.

Charles Colgan, (researcher/academic) Professor, Public Policy and Management Program, Edmund S. Muskie Institute for Public Policy, University of Southern Maine - Portland.

Dick Gardner, (state official, researcher) Economist, Division of Financial Management, Idaho

Beth Walter Honadle, (federal official) USDA - Extension, National Program Leader for Economic Development

Mitch Horowitz, (nonprofit, researcher) Corporation for Enterprise Development.

DeWitt John, (former state official, researcher, foundation) Director, State Rural Development Policy program, Aspen Institute.

Richard Long/Dave Sears/John Redman (federal official, researcher), USDA - Economic Research Service.

Tom Unruh/Marianne Clarke, (state association, researchers) National Governors' Association.

(D) State Selection: Each application was rated on a five point scale ranging from extremely weak to extremely strong on seven specific criteria. These included:

1. *Governor's commitment* to address rural issues.
2. Composition of *the state team* (authority and coverage).
3. A clear *statement of the problems and opportunities* to be addressed.
4. Commitment to completing a *strategic policy process*.
5. Specific interest in *distressed rural communities and people*.
6. A specific and *realistic goal* for their participation.
7. The state's *ability to implement policy* and programs to be developed in the Academy.

Reviewers were also provided an opportunity to highlight either strengths or weaknesses in each application. Finally, they also made a recommendation on the application -- whether it was not recommended, acceptable, preferred, or strongly recommended.

These review conclusions were summarized and presented to the CGPA Executive Board on February 24th to support their final selection process. Six of the top seven ranked states were quickly accepted by the board -- Iowa, Maine, Michigan, Mississippi, North Dakota, and Wyoming. The Board also considered the need for regional and partisan balance, prior participation in past CGPA activities, and the electoral cycle in selecting the final four states. These included: Arkansas, California, Missouri, and Pennsylvania. The diversity of the states selected is illustrated by the following table.

STATE	REGION	PARTY*	POPULATION
1. Arkansas	South	Dem	Medium
2. California	West	GOP	Large
3. Iowa	Midwest	Dem	Medium
4. Maine	East	GOP	Medium
5. Michigan	Midwest	Dem	Large
6. Mississippi	South	Dem	Medium
7. Missouri	Midwest	GOP	Medium
8. North Dakota	West	Dem	Small
9. Pennsylvania	East	Dem	Large
10. Wyoming	West	Dem	Small

Letters from Lead-Governor Mike Sullivan were mailed out to notify states of their selection into the Academy in early March.

(E.) Team Leader Orientation: The first Team Leader's Orientation Session is a critical point in the Academy process. The Session provides a primary opportunity to review the goals and expectations held by the states and by CGPA for the project, to begin getting acquainted with the Team Leaders and their state's rural conditions, and to set the final schedule for Academy activities. This meeting was held in Washington, D.C. on March 23rd.

The Session began with an overview of the Academy Purposes and Goals for discussion with the Team Leaders. Next, background information was provided on CGPA, the Academy Process and Schedule,

and on the Ford/Aspen Initiative on states and rural development. Additional information on the cooperating organizations and on the roles of the Academy Director, Manager, CGPA staff, faculty/consultants, and coaches was also provided.

The afternoon session focused attention on the Team Leaders, as they described their rural concerns and the policy objectives they would work on during the Academy. This material became of critical importance as we sought to "fine tune" the selection of resource people and prepare materials for Session I.

Presentations by Dave Sears (USDA-ERS), Mitch Horowitz (CfED), and Mark Popovich (CGPA) were designed to provide practical approaches and an early briefing on the types of data files and sources that would be made available to assist the states on their environmental scans.

Finally, the complete schedule for the project and for Academy Session I were reviewed and logistical details were discussed with the team leaders.

(F.) Roundtable on Diagnosing Rural Economies: The short time between the grant award and Academy Session I (late April) precluded a formal approach to developing resource papers for the Academy. In mid-March the Project Director completed a subcontract with Roger Vaughan, of Roger Vaughan and Associates, to complete a background paper ("Diagnosing: Understanding Rural Development Problems and Opportunities") for the Academy participants on approaches to be used in diagnosing problems and opportunities for development in rural economies. The draft paper was completed in late March, circulated to a panel of three external reviewers, and revised for presentation at Academy Session I and distribution to the participants.

The purpose of a diagnosis is to explore why the decisions that are being made by individuals, businesses, or by public agencies are creating problems, failing to deal with problems, or neglecting to take advantage of opportunities with which they are confronted. The paper likened the process to the medical model of diagnoses, and suggested six important steps to be followed. These included:

1. Maintain an open mind and formulate competing hypotheses to explain the problem to be addressed. The first rule is a reminder that the initial conclusions about any complex issue are likely to be misleading or simply wrong.
2. Complete a "patient history" by gathering and interpreting information on economic, social, and institutional conditions. This includes preparing a history of the problem -- which often yields powerful

lessons from the past and may place present issues in perspective.

3. Be skeptical. The first task of the analyst is seen as questioning the nature of the problem by asking basic questions and knowing the strengths and limits of the "numbers" behind any proposed portrait of the issue. This skepticism recognizes that, in the complex political arena, facts may be distorted to reflect the conflicting interests of different parties.
4. Determine if the problem or issue is caused by private or public actions. This distinction is vital because private and public institutions face very different behavioral incentives, and their actions must be explained differently.
5. Evaluate whether the problem is systemic or nonsystemic. If the problem is systemic -- recurrent and widespread -- the type of treatment needed will be different. Nonsystemic issues, for example, are less likely to warrant governmental intervention.
6. A reliable diagnosis can only be reached after all hypotheses concerning the cause of a problem have been identified and tested. But the job of the rural policy analyst does not end there. The evidence needed to defend the diagnoses must be assembled, and the results must also be applied in selecting and honing the preferred treatment.

(G.) Recruit Coaches: Coaches are an important element in the success of the Academy process. In the Rural Academy, coaches were assigned to work with a state team in all phases of the Academy process. Selection criteria for coaches include: experience with state policymaking; familiarity with the topics and issues of the Academy; and, most importantly, proven skills as a small group facilitator. Unlike faculty members, coaches are assigned to work with a state team throughout the process. The coach frees the team leader and members from worrying about the details of logistics and group dynamics, and serves as both a facilitator of consensus and an internal critic of the team's efforts.

In March, the Project staff decided to focus coach recruitment on states which had applied for, but which had not been accepted to the Academy. This ensured a corps of coaches who were highly committed to rural issues, had extensive practical experience with the issues in a state policy process, and who could bring that experience to their work with their assigned state team. This decision was also aimed at a basic goal of the Academy -- to build the capacity of state policymakers to understand and address rural

economic and community development issues. In fact, a number of the coaches have been able to directly apply elements of the Academy process in their home states.

The coaches included:

Barbara Arnold: A Senior Policy Analyst with the Virgin Island's Department of Economic Development and Agriculture, Barbara was assigned as coach to the Pennsylvania Team in Academy Session I. However, she was unable to continue in this role beyond the first session.

Steve Adams: The State Economist in the Maine State Planning Office. Mr. Adams was a substitute for Barbara Arnold and began working with the Pennsylvania State Team during Academy Session II. He was so successful in these efforts that he was asked to facilitate meetings of the Pennsylvania Team after Session II. In his home state of Maine -- a participant in the 1990 Academy -- Steve has also become a key policy advisor on rural issues. He contributed to the completion of a revised environmental scan for the Maine Team. And, he is working with the State/Federal Rural Development Council in creating a joint strategy and legislative package for 1992.

Tom Berkshire: Tom is among the most seasoned state policymakers in nation, having served for fourteen years in various capacities in the administration of Illinois Governor Jim Thompson. Mr. Berkshire worked with the Maine Academy Team. At the end of 1990, the Thompson Administration left office and Tom assumed the directorship of Illinois' Easter Seals.

Rebecca Calahan: Ms. Calahan, a Senior Development Specialist with the Massachusetts' Governor's Office of Economic Development, was responsible for preparing the Commonwealth's Academy application. Her overall facilitation and policy experience lead to her selection as coach for the Mississippi Academy Team. She is now working as a Senior Consultant with Rackemann Environmental Services in Boston.

Charles Colgan: A former Maine State Economist, Mr. Colgan has been an Associate Professor of Public Policy at the University of Southern Maine for the past three years. An experienced policymaker and talented facilitator, he served throughout the Academy as coach to the Michigan Team. Since the completion of the Academy, Mr. Colgan has adapted the Academy process to his teaching of an undergraduate course on environmental policy. And, he has also drafted an article, distilling lessons learned from the Rural Policy Academy, which will be submitted for review and publication in an academic journal some time in 1992.

Mary Frantz: Ms. Frantz has extensive training as a facilitator and has been extensively involved in rural development issues through her job as a strategic planner with the Oklahoma Department of Commerce. During the Academy, she assisted the Arkansas Policy Team. Since completion of the Academy, she has helped develop a proposal for a Rural Economic Development Summit which will include Governor Walters, top Oklahoma Cabinet officials, and key organizations involved in rural concerns. The Summit, directly patterned after the Rural Academy process, will begin in July. A complete rural strategy is expected by the time the Summit process is completed in October.

Richard Gardner: Dr. Gardner has served as a policy economist in the Idaho Division of Financial Management for over seven years. During the Academy, he was a valuable asset to the very successful North Dakota Academy Team. In part through his Academy experience, Dick has been able to form a joint federal/state team of rural policymakers in Idaho. Through his efforts, the state is likely to be well positioned to apply to become part of the President's Rural Development Initiative later this year.

Sarah Mersereau: Ms. Mersereau has, in conjunction with her job share partner, been in charge of the Nevada Commission on Economic Development's rural programs for over four years. Her western experience made her a natural assignment as coach to the Wyoming Academy Team. Back home in Nevada, she has just launched a strategic policy development effort on rural issues that is also patterned on the CGPA Rural Academy. Sarah expects to apply for the President's Rural Development Initiative and/or to reapply for the 1992 Rural Academy.

Bill Rompa: In his home state of Oregon, Bill is a Policy Specialist with the Oregon Economic Development Department's key industries strategies and rural development programs. During the Academy, he worked with the Missouri Academy Team. In mid-1991, Bill completed a paper distilling the lessons of the Rural Academy for rural policymaking in Oregon. Much of the information presented in the Academy was also used in a workshop on rural issues sponsored by the Oregon Economic Development Department, National Governors' Association, Center for Agriculture & Rural Development, Rural Policy Research Group at Oregon State University and The University of Oregon in May 1991.

Ron Wilson: Mr. Wilson is the state director of rural development for the Kansas Department of Commerce, and is the director of the Huck Boyd National Institute for Rural Development at Kansas State. He was well-matched to the Iowa Academy Team last year. And, CGPA expects Kansas will reapply to the Rural Academy for 1992.

George Wyatt: Mr. Wyatt joined the Oregon Economic Development Department in 1987 where he has program leadership in the development of the Regional Economic Development Strategies program. Since 1989, he has become the Administrator of the newly-formed Partnership, Policy, and Planning Division. During the Academy, Mr. Wyatt was assigned to the California Team. (See additional material on Oregon and the Academy under Bill Rompa, above.)

(H.) Crafting Effective Rural Policies: CGPA also began work in March with the Corporation for Enterprise Development's Doug Ross to complete a paper which served to set the framework on state rural development policy. The paper was completed in draft form in May, was reviewed, and under the guidance of CGPA's Barbara Dyer, was revised by CfED for distribution at the Academy.

The CfED paper began by tracing prior "waves" of state development policy -- beginning with adoption of business recruitment, or "smokestack" chasing efforts, initiated by Mississippi in the thirties. In fact, these policies tended to work for many poorer states in the forties and fifties because corporations were eagerly seeking the cheapest locations for branch plant manufacturing that relied primarily on low-cost, low-skilled labor. The rapid internationalization of the U.S. economy during the seventies and eighties severely eroded the efficacy of smokestack chasing, or First Wave, efforts.

In the eighties, the Second Wave of state policies was launched. The object was "homegrown" economic development opportunity. States began to realize that to help their existing firms and to attract investment, the production inputs in the local economy -- a skilled workforce, risk capital, available technology, sophisticated management skills, and modern telecommunications -- would have to be world-competitive in quality and cost. This realization began a rich series of experiments in Second Wave "capacity building" by the states. They created programs to close capital gaps, to modernize manufacturing firms, accelerate the development and transfer of new technologies, improve worker skills, encourage exports, and promote entrepreneurship.

But the Second Wave also reached its limits. While the Second Wave had produced a fundamental shift from recruitment to building capacity, in most cases state government did what they had always done to produce change -- they created another public program. This raised three interrelated problems:

- o state efforts lacked the scale and quality needed to make much difference.

- o fractured programs failed to integrate resources and opportunities.

o the policies and programs lacked accountability -- neither to the public who was supporting them through their tax dollars nor to the clients who were to benefit from them.

A growing understanding that new organizational and policy approaches would be needed if real progress was to be made toward achieving Second Wave goals, set off a "Third Wave" of experimentation in the states. These Third Wave principles include:

o leverage and engagement. To overcome the lack of scale in most traditional programs, the Third Wave seeks to attract others to a shared task -- including the private sector, nonprofits, and other public institutions.

o competition. Giving the client the ability to choose helps ensure that the best programs receive the most support and that scarce resources are better targeted to the purpose at hand.

o incentives and information. Sending the right signals and dispersing useful information is seen as more effective than efforts to promote coordination.

o automatic feedback. Creation of systems with automatic feedback loops becomes the way to ensure accountability.

The "Three Wave" construct worked well at engaging the Academy participants in thinking both what the appropriate goals for their policy should be and about a broader set of new means they could consider as part of their strategy. The CfED paper energized many of the states and ensured that teams made up of very diverse memberships could begin their deliberations with a vocabulary that all understood.

(I.) State Data Files: Through the cooperation of John Redman and Dave Sears at the USDA-ERS and Bruce Phillips at the SBA, extensive data files were assembled and created for each state participating in the Academy. These data and analyses packages were used fairly extensively by a number of Academy states.

The data for these files was imported into Lotus 1,2,3 files to facilitate state team analyses of the information. Data diskettes and documentation was provided to the state Team Leaders in mid-April 1990.

The Data Files contained information on:

Per Capita Income - 1979, 1982, 1987
Per Capita Income Growth - same periods
Personal Income - 1979, 1982, 1987

Personal Income Growth - same periods
Total Population - 1979, 1982, 1987
Population Change - same periods
Unemployment Rate - 1979, 1982, 1987, 1988
Change in Unemployment Rate - same periods
Total Employment 1979 disaggregated to eleven sectors
Total Employment 1982 disaggregated to eleven sectors
Total Employment 1987 disaggregated to eleven sectors
Employment Changes, 1979-1987, eleven sectors
Employment Changes, 1979-1982, eleven sectors
Employment Changes, 1982-1987, eleven sectors
1980 Occupational Structure, nine categories

Each category allowed comparison between all U.S. non-metro counties, the state as a whole, the state's nonmetro counties, the state's metro counties, counties adjacent to metro areas, and those not adjacent to metro areas. And, the ERS packets also included map packages and charts to assist in data analyses.

The SBA data runs allowed states to look at a breakout of the components of net growth or decline in their state, it's metro areas, and it's nonmetro counties. Two periods, 1976-1982 and 1982-1986, were covered.

(J.) Organize Materials for the Academy Notebook: The Academy Notebook is the basic reference material for all Academy participants. The Notebook for Academy Session I contained over one hundred thirty pages. It provided extensive information on the schedule, the participants, the CGPA and project staff, the cooperating organizations, the faculty and consultants, the goals and purposes of the Academy, goals and an outline for each of nineteen sessions, evaluation sheets for each of the Academy's sessions, team rosters, and biographical sketches.

It also contained copies of more extensive background materials for key sessions, including:

"Diagnosing: Understanding Rural Development Problems and Opportunities", Roger Vaughan, for CGPA

"Thinking About Rural Development in the Nineties", Doug Ross, CfED.

"Rural Development in the Nineties: Data and Research Needs", Kenneth Deavers, USDA-ERS.

"Preparing for an Environmental Scan: Some Advice", Mark G. Popovich, CGPA.

Excerpts from "The 1989 Rural Economic Climate Report", Mitchell Horowitz, CfED.

(K.) Faculty Recruitment and Preparation: Faculty recruitment for Academy Session I began in earnest in late February. In all cases, the network of cooperating organizations was tapped either to directly provide faculty or to make recommendations on possible contacts. However, since the Academy is very unlike a conventional conference or seminar session, more extensive efforts are undertaken to ensure the selected faculty are well prepared for the setting, audience, and the tasks they have been assigned. Written memos are mailed out to each faculty member to reiterate the instructions provided in the phone contact. These generally contained: a seven page general memo on the Academy, the Academy Process, and the project's goals; a three to five page memo outlining their specific session; and a five page memo with a generic "Job Description" explaining the role of faculty in the Academy process.

During Academy Session I, eighteen resource people were used. These included: three CGPA staff; two state employees; five people from cooperating organizations, including two federal employees, two people from nonprofit organizations, and one person from a supporting foundation; three people from universities or academia; and five consultants. Of these people, a full one-half have had state policymaking experience.

The Academy Session I faculty included:

Judy Chynoweth, CGPA: The Strategic Policy Process
Douglas Ross, CfED: Rural Development -- The Third Wave
Dewitt John, Aspen Institute: How is Rural Different?
Beth Honadle, USDA-Extension: How is Rural Different?
Barbara Dyer, CGPA: How is Rural Different?
Kenneth Deavers, USDA-ERS: Rural Conditions and Trends --
National Perspective
Richard Gardner, Idaho: Rural Conditions and Trends -- A State
Perspective
Roger Vaughan, CGPA Associate: Diagnosing Rural Problems and
Opportunities
Mark G. Popovich, CGPA: Rural Entrepreneurship
George Morse, Univ. of Minnesota: Business Retention and
Expansion in Rural Settings
John Niles, Jobs for the Future: Rural Labor Force Development
Joe Nathan, Humphrey Institute: Rural Education and Training
Vicki Luther, Heartland Center: Community Development
Milan Wall, Heartland Center: Community Development
Nancy Rutledge Connery, Consultant: Infrastructure Development
Charles Zielinski, Rogers and Wells: Telecommunications
Stuart Smith, Tufts University: Agriculture and Ag-related
Development
Kathy Burek, MN Department of Health: Rural Health

(L.) Coaches' Training: The coaches were brought to the Academy site for training in advance of the opening of the Session. This day-long training seminar began with a review of the goals and purposes of the Academy, and complete presentations on both the strategic planning process and the content sessions that would be held in the next four days. Logistics and schedule details were reviewed to ensure that the coaches would be prepared to guide their teams through the complicated schedule. These sessions were followed by training in small group facilitation and policy development techniques -- including role plays of the type of team work sessions the coaches would be handling in the days ahead.

Finally, there was extensive information to share with the coach of each state team. Briefing packets were distributed to the coaches which included: the state's Academy application; notes concerning that state from the first Team Leader's Meeting; a review of the team's progress to date; a copy of the data files prepared by ERS and SBA for the state; and a confidential assessment of the team's strengths and weaknesses. Coaches were given time to review this information and opportunities to discuss it with the Project Director and the Academy Manager. And, on the Session's first day, a special session was held to bring together the coaches, faculty, CGPA staff, cooperating organizations, and the team leaders.

(M.) Academy Session I: The first session of the Academy was held in Minneapolis, Minnesota from April 28 to May 3, 1990. Attendance by state team members was excellent -- about ninety percent of the team members, totaling about ninety people, were on-site in Minneapolis. By category, they included: state economic or community development agencies, 25%; gubernatorially-appointed positions, 12%; state legislators, 5%; extension, university, or community colleges, 20%; rural businesspeople or rural organizations, 14%; state agencies other than development, 9%; local elected officials, 5%; foundations or nonprofits, 4%; and all others, about 6%. Most of the missing members were Legislators who were held back in their state capitols for ongoing Legislative Sessions.

The content sessions during Session I were presented through either plenary presentations, workshop sessions, or consultation meetings. These included:

- o A challenging presentation on the strengths and weaknesses of the "three waves" of state economic development policy.
- o A review of rural economic and demographic trends from both a national perspective and through a review of a model state environmental scan.
- o A plenary presentation, followed by concurrent workshops on

how to use data, analyses, and logic to refine a definition of rural development problems and opportunities.

- o Interactive workshops exploring alternative strategies in the areas of: business development; human resource development; community development; infrastructure; telecommunications; and rural health.

The process sessions reviewed key steps in the strategic policy development process to provide guidance and examples to participants before they began their work. During Academy Session I these included:

- o An overview of the complete policy development framework on the opening evening session.
- o Advice and examples to be used as the states began work on their own environmental scans.
- o A presentation on how to complete a good problem statement.
- o A review of criteria to follow in order to set goals and outcome-oriented objectives.

The most important session, however, were the state team work sessions and the team presentation sessions -- where each team was paired with another state to present and critique each day's work. During Academy Session I, just less than nineteen of the scheduled hours were dedicated to these activities.

(N.) Interim In-State Assistance for Academy States: Copies of the state teams' draft strategy documents prepared during Session I were distributed to the coaches and cooperating organizations for review and comment. Based primarily on review comments from the Project Director, the coaches, and the USDA-ERS, ten to fifteen page memos were prepared to provide critique, advice, and recommendations to those state team leaders who had sought such help. These memos were completed for Arkansas, California, Iowa, Maine, Michigan, North Dakota, and Pennsylvania. In addition, CGPA staff made on site TA trips to Maine, Pennsylvania, Arkansas, and North Dakota in the two month interim between Academy Session I and II. Finally, there was extensive telephone follow-up with all team leaders and regular mailings of materials -- either from Session I, such as copies of all ten state documents, or scheduling and logistical information in preparation for Session II.

(O.) Recruit and Prepare Presenters: A top-flight and diverse group of experts on a range of rural issues were recruited and prepared to participate as resource people and consultants in Academy Session II. These sixteen individuals represented thirteen

different organizations or institutions. These included: three from CGPA; one state person; seven people from cooperating organizations; three people from universities; one consultant; and one private sector participant. Of the fifteen people who were not currently state officials, just less than half have had experience as high-level state policy advisors in the topic area they presented on during the Academy.

The faculty and resource people for Session II included:

Judy Chynoweth, CGPA: The Policy Development Process; and Human Resources and Rural Development
Jay Kayne, NGA: The Role of State Agencies in Rural Development; and Building Local Capacity
Beth Honadle, USDA-Extension: The Role of Local Governments and other Public Sector Institutions; and Building Local Capacity
Myrt Levin, Iowa Business Council: The Role of Businesses and the Private Sector
H. Richard Anderson, N. Michigan Univ: The Role of Educational Institutions; and Supporting Rural Business Development
Joe Nathan, U. of Minnesota: The Role of Educational Institutions; and Human Resources and Rural Development
Jo Clark, Western Governors' Association: The Role of Educational Institutions
DeWitt John, Aspen Institute: The Role of Foundations
Bobbie Henrie, Northwest Area Foundation: The Role of Foundations
Debbie Markley, U. of Mass.- Amherst: Financing Rural Business Development
Rick Carlisle, North Carolina Rural Center: Financing Rural Business Development
Nina Cornell, Consultant: Telecommunications
Mark Popovich, CGPA: Supporting Rural Business Development; and Building Accountability Systems
John Niles, Jobs for the Future: Human Resource Investments
Doug Ross, CfED: Gaining Support for Rural Strategies
James Souby, CGPA: Gaining Support for Rural Strategies

(P.) Organize Materials for the Academy Session II Notebook: The Notebook for Academy Session II contained just less than one hundred fifty pages. Once again, it provided information on the schedule, the participants, the CGPA project staff, the cooperating organizations, the faculty and consultants, the goals and purposes of the Academy, the goals and an outline for each of the twenty sessions, evaluation sheets for each of the Academy's sessions, team rosters, and biographical sketches.

It also contained copies of more extensive background materials for key sessions, including:

"The Strategic Policy Development Process", Judy Chynoweth, CGPA.

"Political Communications: The Campaign Never Ends", Doug Ross, Corporation for Enterprise Development

"Accountability: Monitoring the Quality and Outcomes of Economic Development", Harry P. Hatry, Mark Fall, Thomas O. Singer, and E. Blaine Liner, The Urban Institute.

"Rural Development: The Administration's Initiative", the Economic Policy Council Working Group on Rural Development.

"Proposed Federal Rural Economic Development Legislation: House and Senate Bills", various sources.

Other materials, supporting most of the plenary and breakout sessions, were distributed on-site to the Academy participants.

(Q.) Academy Session II: The second session of the Academy was hosted by the project's lead Governor Mike Sullivan, in Sheridan, Wyoming from July 6 through July 12, 1990. Attendance by state team members was once again very good -- with about ninety-five of the listed team members on-site in Sheridan. The composition of the teams did not vary significantly from Session I. However, a number of teams added state legislators and more of those legislators designated for participation on the teams were able to attend Session II.

The content sessions during Session II were presented through plenary presentations, workshop sessions, or consultation meetings. Based on feedback from the Team Leaders and the evaluation forms from Session I, plenary sessions were trimmed back, more information was conveyed through breakouts and consultation sessions, and the time for team work sessions was expanded. In fact, just less than two-thirds of thirty-five scheduled hours was dedicated to either team work sessions or presentation/feedback sessions. Plenary sessions -- on content, processes, and schedule/logistics -- were limited to one-fifth of the time. Breakout and consultation sessions were one-tenth of the schedule, and five percent was set aside for a Federal/State Dialogue meeting.

The key content sessions for Academy Session II included:

o a series of breakout sessions reviewing the alternative roles key institutions can play in an overall strategy for addressing high-priority rural issues. Coverage included:

state agencies, local governments and other public sector institutions, businesses and the private sector, educational institutions, and philanthropic and foundation organizations.

- o additional workshops on alternative strategies and programs on such important topics as financing rural business development, investing in infrastructure development and telecommunications, local capacity building and leadership development, technical assistance to support rural businesses, and human resource development were also held.

- o the key concepts behind the design of an accountability system for rural development strategies were reviewed.

- o an interactive brainstorming session was held to examine where policymakers might find the resources needed to support a rural strategy.

The process sessions reviewed key steps in the strategic policy development process to provide guidance and examples to participants before they began their work. During Academy Session II these included:

- o An overview of the complete policy development framework during the opening session.

- o a brief plenary session to review product expectations and the assignment of outcome-oriented policy objectives.

- o a discussion session with participants on selecting strategies.

- o a plenary session on building a political communications strategy -- "Gaining Support: The Campaign Never Ends".

- o an in-depth review of the key points to consider in putting together a multiyear implementation action plan.

Most state teams made significant progress on their rural development strategies during the almost twenty-one hours of time set aside for the teams to work together. Clearly, completing their strategies was the focus of the Academy process during Session II.

(R.) Federal/State Rural Dialogue: The July meeting was also an opportunity to initiate a dialogue on rural issues with the Administration's representatives and key federal agencies. CGPA worked with Walt Hill, USDA Deputy Undersecretary for Small Communities and Rural Development, to organize a two hour session on the last day of Session II between the Academy participants and

the staff representatives of the President's Council on Rural Development. The session provided an opportunity for the federal representatives to brief the states on the origin and objectives of the President's Rural Initiative and to discuss their plans for establishing federal/state coordinating councils to promote coordination on rural development. The states had many questions, and many became interested in participating in the Initiative. In fact, three states from the Academy -- Maine, Mississippi, and North Dakota -- were among the initial eight states included in the federal Councils.

(S.) Assistance to Academy States: Following Session II, the project team continued to provide assistance in response to requests from the Academy States. These included:

o California: The location of a CGPA staff member near Sacramento facilitated repeated meetings and strategy sessions with the team leader on the development of their final draft strategy. In addition, CGPA contacted Wilson administration officials to brief them on the Academy, the efforts of the California team, and to provide them with supporting documents.

o Iowa: At the team leaders' request, CGPA entered into a contract with consultant Brandon Roberts to provide expert assistance and writing support to the Iowa team. Mr. Roberts attended, either in person or through telephone conferencing, a number of team sessions to help them focus their product. He was responsible for reviewing existing studies and materials on Iowa development strategies and economic conditions, and completed the initial draft of the state's strategy document. CGPA's Project Director also made an on-site visit with the team leader to discuss progress on the development of the Iowa initiative, to review existing agricultural diversification efforts, and to provide recommendations on ag-related initiatives. Finally, CGPA has reviewed and assisted the team leader in the development of Iowa's proposals to EDA on telecommunications and to the U.S. Department of Health and Human Services on rural health system concerns.

o Maine: The Academy Project team prepared and provided detailed comments to the Maine Team Leader to assist in developing a plan for completing their strategy.

o Michigan: The defeat of Governor Blanchard and the election of Governor Engler marked a sudden shift in the policy climate in Michigan. However, because of representation by officials close to the new Governor on the in-state working group on rural development, there was some hope that the initiative developed by the Academy Team could move forward. In late

1990, the Project Director traveled to Lansing to brief a key official from the new administration and to participate in a session of the Michigan Rural Development Partnership Advisory Committee. While the group unanimously adopted a resolution endorsing the proposed strategy and urging consideration of it by the new administration, little additional progress has been made.

o Pennsylvania: In addition to providing review comments on the Pennsylvania draft strategy, the project has provided two other forms of on-site assistance. In the Fall of 1990, the team's Academy Session II coach traveled to the state to facilitate a three-day working session of the Pennsylvania Team. And, a CGPA staff member also worked as a facilitator and resource person at a statewide rural development conference.

(T.) National Conference: In January 1991, NGA organized a National Conference on Rural Economic Development. CGPA hosted the final team leaders' meeting for the 1990 Academy states in conjunction with this session, and a panel of team leaders reviewed their initiatives during a plenary session on the Conference's first day.

(U.) Assistance to Non-Academy States: Extensive efforts have been made to extend the insights gained and lessons learned from the Academy to additional states and to other rural development efforts.

o President's Initiative: By the fall of 1990, eight states had been chosen for participation in the President's Rural Initiative. The Academy Project Staff had a number of meetings to assist the USDA staff in devising a plan for training and providing supportive services to the new Councils. For example, at least three meetings were held to provide USDA's contractor for the Council training efforts - - Ron Schaefer of the University of Wisconsin -- with materials, advice, and the lessons learned from the Academy.

o Pioneer Hybrid Rural Program: At least two briefing sessions were held with the staff for Pioneer Hybrid's Rural Community Leadership Training Program. Copies of most of the materials developed for the Academy were shared with Pioneer Hybrid.

o CfED: CGPA has had repeated meetings with the Corporation for Enterprise Development to provide feedback and assistance in the development of their plans for creating a network of individuals and organizations interested in rural issues under a grant from the Ford Foundation and the Aspen Institute.

o Midwest Rural Issues Forum: CGPA presented a briefing on the Academy and on rural development strategies to a group of

midwestern states participating in a meeting convened by the University of Minnesota's Humphrey Institute.

o State Rural Policy Program Advisory Committee: On two occasions, project staff has briefed the Advisory Committee on the Academy, the states' progress, and lessons learned from the effort.

o Virginia: CGPA met with and provided materials from the Academy Project to the Virginia Water Project, which had been charged by Governor Wilder to develop a Governor's Conference on Rural Development. CGPA also met with the Virginia Governor's Task Force on Rural Development to assist them in crafting alternative approaches for meeting the financing needs of rural businesses.

o Upper Peninsula Michigan: CGPA traveled to Marquette, Michigan to provide a briefing on the Academy and rural development strategies to a meeting of university and local officials organized by the Northern Economic Initiative Center at the University of Northern Michigan. In addition, the staff participated on a panel on rural issues during a call-in Public Television Program.

o Nevada: CGPA met with a group of state and local Nevada officials interested in rural development issues to review the Academy project and to discuss rural business and leadership development alternatives.

o Texas: In 1991, CGPA participated as one of four members of a technical assistance team on rural development issues organized by the National Governors' Association. The two-day assistance visit covered a wide range of rural issues, including: financing business development, leadership capacity building, infrastructure development, and building a coalition to support rural strategies.

o Southern Technology Center: The Center recently received a grant to work with the states on technology programs which can serve rural businesses. Their project plans call for an Academy-like process of working with state teams. CGPA has met with Stu Rosenfeld to brief him on the Academy and to share most of the materials from the first round of Academies.

o NCSL: On three occasions, CGPA staff have briefed the National Conference of State Legislatures' staff on the design and progress of the Rural Academy Project. Information on the project has been distributed through NCSL to other states.

o Cluster Evaluation: In the spring of 1991, the project staff participated in the Rural Cluster Evaluation meeting at the University of Georgia. This session was an opportunity to

brief other Kellogg grantees on the Academy project. About ten participants specifically requested the team products from one or more states as follow-up to the meeting.

(V.) *Final Report:* During the next few months, CGPA will complete a final report on the first round of the rural Academy. This document, complete with summaries of the most innovative state strategies, will be broadly disseminated. It will also serve as a highly useful resource document for the states participating in the next round of Academies in 1992.

(II) SUMMARY OF STATE PROGRESS

RURAL ACADEMY FINAL REPORT STATE SUMMARIES: ARKANSAS

MISSION AND FOCUS:

Throughout the Academy process the Arkansas Team saw its mission as "*developing a strategy which maintains the unique cultural and historical aspect of rural Arkansas, and to improve the quality of life for its citizens.*"

The Team identified three major development areas which reflects its broad view of the mission. These included:

1. Community and human resource development
2. Economic development
3. Infrastructure

The strategies developed through the Academy and in a joint effort with an existing Rural Development Study Commission recognized both the many challenges confronting Arkansas' rural areas and the important opportunities for improvement that were available.

CONTEXT:

Revenue Increases Ease Way for Initiatives: Over the last year Arkansas faced significant budget and revenue problems. But unlike many other states, Governor Clinton and the State Legislature adopted significant revenue increases that were tied to new and expanded state programs. The revenue package included an income tax increase, a one-half cent rise in the sales tax, and a nickel increase in the gasoline tax (+.02 on diesel fuel).

Rural Initiatives as Complimentary Themes: Governor Clinton's attention over the 1991 session included three key items -- education, transportation, and health. In a number of ways, the rural agenda benefited by the spotlight placed on issues that were important to urban and rural Arkansas alike.

Joining Forces and Broadening Support: The efforts of the Arkansas Academy Team and the ongoing Rural Development Study Commission were linked together as these groups joined forces to generate a specific rural agenda that met with substantial success during this

year's budget and policy cycle. A *Profile of Rural Arkansas*, which examined economic and social trends, was prepared as follow-on work to the Academy. The *Profile* became the impetus for a meeting of over one hundred key rural leaders during the fall of 1990. The report, the fall conference, and the subsequent recommendations were used extensively to gain the interest and support of the legislature for rural proposals.

What's Next?: The momentum created by these many efforts over the last year seems likely to garner continued attention to rural issues. First, the initiation of a Rural Advocacy Office (described below) creates a specific mechanism for focusing attention on policy and program concerns of rural people. Second, some of the key participants in these efforts will develop a proposal to become a Rural Council state as part of the President's Rural Initiative. And finally, State Representative Schexnayder and Governor Clinton remain committed to developing policies that can meet the pressing educational needs and generate job opportunities for rural communities and the state.

ACTION IN 1990-91:

Literacy: The top recommendation made by the Academy Team was "to improve the education and training of citizens to prepare them to fully participate in the workforce by the year 2000." The need is particularly acute in the state's rural areas where almost half of the people twenty-five years of age or older have not completed high school. During this year's session, a major statewide initiative was passed. As a result, literacy services will be expanded by \$5M this year and by another \$7M next year. These increases will ensure that literacy services can reach an additional 30,000 adult learners over the next two years.

Rural Advocacy Office and Commission: A new Rural Advocacy Office and Commission was created. The RAO reports to the Governor and is attached for administrative purposes to the Arkansas Development and Finance Administration. The RAO will serve as a focal point on policy issues of concern or affecting the rural areas and as an advocate on behalf of rural Arkansas. The office will also work as a clearinghouse to connect rural people and communities to information, assistance, and other resources they may need. The Commission's public members will include one person from each congressional district along with three at-large appointments. Two members each will represent the two houses of the Legislature. And, two ex-officio members will come from the Legislative leadership. The Governor is expected to complete his appointments soon, and the RAO should be staffed and running by the end of July 1991.

Expanded Rural Community Self-Help Program: The state has had a small program to help communities under 500 in population with grants of \$2,000 to \$4,000. Legislation was adopted this spring to expand the population criteria to 3,000 and to increase the grant amount to \$10-15,000. This \$500,000 fund will support public facility improvements such as building renovations and the construction of community centers.

Small Rural Business Revolving Fund: In an effort to improve the business and employment opportunities in rural Arkansas, the state has increased the financial resources available to fund small businesses. Recent legislation created a fund -- \$1M in state funds and \$1M from ADFA -- to loan small amounts (\$100,000 and under) to businesses which employ fifty or fewer people. The target groups for the program are minority-owned and rural businesses. Another initiative created a linked deposit loan program to provide up to \$250,000 in loans to businesses with one hundred or fewer employees.

Rural Recreation Program: A new rural recreation set-aside program was created to provide more small outdoor recreation opportunities in rural areas. The "Fun Parks Program" -- a state-prepared standard park plan which includes basic park facilities such as a ball field, picnic area, etc -- is targeted to small rural communities with populations of 2,500 or less. With a maximum grant of \$10,000 per community, the state expects to support an additional 200 parks over the next four years.

Alternative Agriculture: After examining trends in farming, the Academy Team saw the need to help individual farmers earn higher potential returns from relatively small acreage of higher value crops. As a result, the state committed oil overcharge funds to support loans to smaller fruit and vegetable producers. And, a \$1M revolving loan fund was created to encourage the development of fruit and vegetable cooperatives.

Transportation: The major increase in the fuel taxes will support a \$2.4B transportation initiative, with a particular emphasis on a four lane highway construction initiative which will improve services to many rural areas.

OTHER ISSUES:

While progress has been made on many key rural issues, the Academy Team had identified other areas for attention that are briefly reviewed below. No specific activity has been identified in these areas to date.

Leadership Development: While there are a number of leadership support and training programs already in place in Arkansas, the team believes it to be important to increase participation in these existing efforts.

Tourism Development: An array of strategies was developed with the goal of increasing employment opportunities through tourism development.

Entrepreneurial Education: Progress was made in targeting a new loan program to small rural and minority-owned businesses. However, the team also called for expanded and improved entrepreneurial education, training, and assistance programs.

Agriculture Processing: No specific action has been taken on the recommendations to support an increase in agricultural processing and value added agricultural products.

Telecommunications: The need to foster the development of a telecommunications system that would be able to attract and support the development and expansion of information-intensive businesses was also considered important to the future of the state's rural economy.

Infrastructure: The Academy Team's goals included assuring safe, adequate water supply, wastewater treatment, and solid waste disposal systems for rural Arkansas.

ARKANSAS TEAM MEMBERS:

Phil Price, Team Leader, Senior Assistant for Economic Development,
Office of the Governor

Charlotte Schnexnyder, State Representative

Dr. Mark Peterson, University of Arkansas- Little Rock, Cooperative
Extension Service

Andrew Pumphrey, Arkansas Industrial Development Commission

Ernest Whitelaw, Arkansas Power and Light

Freeman McKindra, Rockefeller Foundation

Salina Sanders, Mayor of Wilton

Roger Fisher, Cross County Judge

RURAL ACADEMY FINAL REPORT STATE SUMMARIES: CALIFORNIA

MISSION AND FOCUS:

The California Rural Academy team was charged with developing a comprehensive action plan to revitalize rural communities. Their primary concerns focused on maintaining or improving the quality of life in rural areas, developing a sustainable rural revitalization effort, and promoting attitudes among rural communities that would support innovation and experimentation.

The team identified five areas of interest which remained constant throughout the Academy:

1. Infrastructure.
2. The economic base of rural communities.
3. The availability of development capital.
4. Community and human resource development.
5. Access to information and knowledge on rural economic and community development.

The strategies outlined by the team were directed at developing needed infrastructure, diversifying the rural economic base, attracting private capital to rural communities, and improving community organizational and leadership capacity. In providing recommendations on implementation, it was proposed that priority attention should be paid to those most distressed rural communities where potential leadership could be identified.

CONTEXT:

Significant Rural Problems: While rural California has many assets and opportunities, the Academy Team identified some key characteristics of some rural regions that inhibit rural revitalization. These included: serious economic distress and disruption; isolation; lack of information, expertise, and leadership; attitudes that are resistant to change and adaptability; government mandates that impose burdens on rural communities and businesses; and concern over the availability of affordable water supplies.

Serious Budget Constraints. The state of California has confronted serious budget constraints since 1989. Even prior to the first Rural Academy meeting, the team leader identified state funding as a potential barrier to accomplishing the state's goals for rural development. In fact, during the Academy process, the Governor was forced to cut funds in the Rural Renaissance program which provides grants and loans for public infrastructure projects, marketing, tourism, and business retention. In 1990-1991 the state again faced a serious deficit. Governor Wilson and the legislature are negotiating a compromise to handle a projected deficit of \$14 billion for 1992.

Change In Administration. Since Governor Deukmejian had announced that he would not run again, the team anticipated a change in administration. The Team leadership also shifted in the middle of the Academy process, producing some disruption in momentum. The new team leader had to cope with all the dynamics of an outgoing administration and the uncertainties of an incoming one.

Bi-furcation of Rural Interests and Needs. More than most states, California has two distinct types of rural communities: those agricultural areas near urban expansion which are experiencing rapid rural/suburban development; and those timber or single-industry rural communities experiencing economic stagnation or decline. The former communities are most likely in the central valley or northern coastal areas, and the latter are in the inland northern mountains, Sierras, and eastern portions of the state. From the outset, the team had difficulty dealing with the different needs of these two types of communities.

ACTION IN 1990-91:

Draft Policy Document Prepared. The team developed an inspiring and unifying vision of California's rural communities including their competitive economic viability, health, education and employment and training systems, housing quality, citizen involvement, and leadership capacity. A comprehensive outline of problems, goals, objectives and potential strategies was forwarded to the incoming administration for their review.

Growth Management Council Created. In the spring of 1991, Governor Wilson created a Growth Management Council (GMC) within his cabinet, chaired by the head of the Office of Planning and Research (OPR). The Council was charged with preparing a report by year's end to include recommendations on helping rural communities better manage growth. The Council felt it inappropriate to proceed with

overall recommendations on rural economic development until they completed this work. However, a continued national recession through the next half year could refocus more policy attention on state development strategies, including those for rural regions.

OTHER ISSUES:

While the state has not implemented any of the strategies recommended by the Academy team, both OPR and the GMC have reviewed the team's draft products. A brief summary of the team's proposed major directions follows.

Rural Definition Useful for Policy Purposes. Based on our review, it would be important to find a rural definition that is politically viable as well as useful for policy development, encompassing the diversity of California communities. A definition must take into account statutory/regulatory issues; the full range of potential economic bases, including agriculture, timber/fishing/mining, tourism/recreation and manufacturing; and both quantitative and qualitative indicators. A "composite priority index" could rank communities by level of distress, potential leadership, and other criteria.

Leadership Development. Three major strategies were outlined. The first improved access by local leadership to information pertaining to rural economic and community problems and solutions through resource guides, an 800 telephone number, and existing computer networks.

The second approach would create collaborative resource teams of state, federal, and local government agencies, universities, and private organizations to maximize technical assistance available to local leaders. Under the plan, each team would be tailored to meet the specific needs of the participating rural community. The initial implementation recommendations for this element identified almost twenty public and private institutions which could be involved and eight funding sources that might be tapped to support it. A third strategy called for the development of a statewide rural leadership training and development program.

Capital Investment. The team proposed that both private and public sources of capital be explored to increase rural community investment. Partnerships with banks and rural banker education programs were discussed, as well as improving the accessibility of existing public funds. Linkages between private lenders and seventeen potential governmental program participants were recommended. Leveraging opportunities worth exploring included revolving loan programs, pooled private lender funds, and pooled public assistance monies -- such as Aid to Dependent Children and

Unemployment Insurance -- to be used as capital for self-employment/small businesses. The team also recommended investigating the possibilities for developing venture capital funds, mezzanine financing approaches, and programs designed after the Grameen Bank and similar efforts under way in California's Imperial County, North Carolina, and Michigan.

Business Assistance. An array of strategies and new delivery mechanisms were proposed with the goal of maintaining and enhancing the level of technical business assistance. They included more streamlined "customer service."

CALIFORNIA TEAM MEMBERS

Robert Martinez, Team Leader-Academy Session One, Director, Office of Planning and Research

Helen Haig, Team Leader-Academy Session Two to project completion, Deputy Director for Special Projects, Office of Planning and Research

James A. Gordon, Vice President, California Rural Business Ventures

Michael J. Micciche, Assistant Chief, Division of Community Affairs, Department of Housing and Community Development

Brian McMahon, Director, Office of Local Development, Department of Commerce

Bill W. Schultz, Supervisor, District 4, Nevada County

Doris Smith, Assistant Director, Programs Division of Agriculture and Natural Resources, University of California, Cooperative Extension

RURAL ACADEMY FINAL REPORT STATE SUMMARIES: IOWA

MISSION AND FOCUS:

Several broad themes run through the state's Rural Academy Team's work and final strategy proposals. These include:

1. *Rural Iowa must define its own future*, as the rural development process must occur from the bottom up rather than the top down. The state's primary role is in facilitating local decisionmaking;
2. *Partnerships and cooperative arrangements will be critical* for the future quality and viability of rural communities, farms, businesses, and institutions; and
3. *The state's role is as a catalyst* for others, rather than necessarily serving as the direct and sole provider of a given service.

Five specific areas were examined in detail:

1. **Business Development:** The focus was on building on competitive advantage and on creating an environment that supports business growth and development. The ability to adapt new technologies, respond to new markets, and to better use and develop the labor force were identified as key.
2. **Agriculture:** In Iowa, agriculture is clearly seen as the state's economic lifeline -- for today and the foreseeable future. After all, value added food products and machinery make up over half of Iowa's exports. The team's proposals focused on building the competitiveness of existing value-adding industries and on the creation of new firms.
3. **Health Care:** The state will seek to support collaborative efforts to develop new strategies and expand recruitment and training of health care professionals who are in short supply in many rural communities.
4. **Community Leadership:** The ability and commitment of local rural leaders are a key asset in rural Iowa. And the team saw the need for the state to play the role of catalyst, collaborator, and provider of information, assistance, and support.

5. **Government Services and Infrastructure:** The state will play a role as a cooperative experimenter and innovator in intergovernmental relations.

The Iowa team's proposals support development and adaptation to change through the utilization of new technologies, adaptation of new processes and systems, exploration of new markets, and support for local leaders. But, fundamentally, they seek to build on what they've identified as their most valuable resource -- the people of rural Iowa.

CONTEXT:

Rural Iowa Lags Behind: For the most part, Iowa's eight metro areas experienced growth and prosperity during the late 1980s. These communities entered the new decade with employment and economic growth rates as high as anywhere in the country. The state's rural regions, however, have not generally shared in this prosperity. Rural Iowa, including very small communities, has lagged behind badly -- suffering from a shrinking number of farms and contractions in farm, manufacturing, and retail employment. Further, rural Iowa is not well diversified, making it more vulnerable to cyclical swings in the economy.

Governor's Commitment to Rural Development: Governor Branstad has a well-established reputation -- in Iowa and nationally -- as a leader on rural issues. For example, in 1988 the Governor chaired the National Governors' Association Task Force on Rural Development. And, he has also served as chair of the NGA Agriculture Committee and as a national spokesman on farm issues.

Fiscal Challenges Constrain Policy Initiatives: Governor Branstad entered the Fall of 1991 -- a gubernatorial election year -- facing the difficult task of managing an increasingly strained state budget. With tax collections falling below estimates due to the national recession, the state was forced to manage with a razor-thin FY1991 balance of less than 1%. In February 1991, the estimate of the deficit in the Governor's proposed FY1992 budget was projected to grow as high as \$100M. His Legislative opponents saw it differently -- charging that the Administration's proposal was as much as \$200M in the red. All of this concern about the deficit was developing after the Governor had already cut twenty-two different department and agency budgets below 1991 levels -- trimming out \$425M from requests for additional spending. As such, the fall/winter of 1991 (when the Iowa Rural Academy Team's proposals were considered) was a most difficult time to win

approval for new spending initiatives. In fact, Iowa's fiscal "hard times" may not yet be over. Many in Iowa state government believe that yet another 3-5% across-the-board cut will be imposed when the new fiscal year begins on July 1, 1991.

Existing Base of Rural Development Programs: In some states, rural issues are a side-show, and the development of rural policy and program is viewed as a response to yet another of the long line of narrow special interest groups. Iowa is not "some state". Both the people and their politicians see the state as predominately rural with strong ties to agriculture and the natural resource base. As of 1990, the state had an extensive array of rural development programs in place. These included a variety of financial assistance efforts, incubators, regional assistance centers, community organizational grants to tourism, and technical assistance services.

"Clustering" Rural Communities -- A Good Idea Extended: Over a number of years, the Rural Coordinator and her cooperating organizations developed practical means for encouraging the voluntary cooperation of small communities and counties in rural regions of the state. A model state approach, clustering is one good way to address the difficult problems of scale and leverage that confront most rural policies. As a pioneer in this area, Iowa contributed to the development of similar approaches by other states and has further refined and extended these concepts in its rural strategy.

Rural Coordinator as an Experienced Broker: Iowa has many rural development programs underway. In the Academy application, more than fourteen programs that were either limited to rural areas or which had key rural components were listed. But the state lacks a formal coordination mechanism. Despite the diversity of institutions and variety of funding bases involved in rural issues, no single body has the charter to develop a more comprehensive view and strategy. Whether or not this approach will work in the long term, it has produced some important short term benefits. Because development on rural issues must proceed in a consensus building manner, many of the organizations concerned with rural issues have amassed considerable experience in working together in a voluntary and cooperative mode. The Iowa co-team leader, Rural Coordinator Kathleen Beery, is often found at the hub of many of these rural networks. As an experienced and widely-accepted broker, she was well-positioned to successfully link key institutions and individuals to the task of the Rural Academy Team.

ACTION IN 1990-91:

Governor's Rural Initiative: In early 1990, Governor Branstad released his proposed FY1992 Budget which also highlighted the Governor's rural economic development initiative. In supporting materials released with the proposal, the Governor recognized the extensive changes the next decade will bring to rural Iowa. A brief review of the key elements includes:

Rural Community Leadership Program: Involving collaboration between the Department of Economic Development, colleges, community colleges, and Iowa State University's Extension Service, proposed funding increases would allow services to reach five additional community clusters, involving twenty-five to fifty communities in each cluster;

Expanded Rural Enterprise Fund: The proposal also sought to focus a portion of the Rural Enterprise Fund on promoting development of the livestock industry;

Horticultural Crops: A small increase was slated for demonstration and education programs related to the production, processing, post-harvest handling or storage, and marketing of horticultural products;

Agriculture Enterprise Zones: Provisions would authorize creation of Agriculture Enterprise Zones with incentives that would include a partial refund of real estate taxes paid on new construction or expansion of ag and ag-related facilities;

These initiatives and the specific recommendations of the Rural Academy Team are discussed in greater detail in the remainder of this section:

Rural Community Leadership Program: This program provides seed money, technical assistance, and training to communities to help them achieve their economic development goals. The program impacts rural communities by improving attitudes, increasing capacities to deal with problems, improving cooperative efforts among communities, broadening visions of possibilities for rural revitalization, and mobilizing resources to address rural community issues. Program collaborators include: Department of Economic Development (DED), independent and community colleges, and ISU Extension. Projects are locally determined with communities, businesses, and other groups providing a match. The program also encourages coalition building and resource pooling, particularly across communities. An existing program identified as a priority by the Rural Academy Team, the new budget contains a \$140,000 appropriation for leadership development -- an increase of \$90,000.

The increase will allow an additional eight to ten clusters of communities to participate in leadership training and other supportive services. There also has been a refocusing of the program. In the past, participating groups were involved in a set program format that extended over eleven months. Under the new approach, participants will be directly involved in training and support for three to four months, and the curriculum and support will be more flexibly tailored to each group's specific needs. As of June 1991, ten groups of communities are, or will be, ready to submit applications for the program in July. The program should initiate work with selected community clusters in October 1991.

Rural Enterprise Fund: The program was increased by \$25,000 (6%) to a total of \$425,000. The Department has concluded that the Legislature intends that this increase should be used to undertake part of the Agricultural Enterprise Fund component of the Governor's rural initiative package. This increase will allow the Department to support one pilot project during the next fiscal year by leveraging these additional appropriations with foundation resources. The type of project which may be supported with these funds is illustrated by a proposed cooperative assistance and resource program under development for southeast Iowa. Collaboration between the Cooperative Extension Service, the Iowa Cattleman's Association, Iowa State University, and the Resource Conservation & Development District will help build the enterprise management skills of the owners of cow/calf livestock operations. In addition to training on the use of spreadsheet computer software, participants will be able to draw on other financial, agricultural production, and resource management expertise to improve their operations.

Cattlemen and State Reach Out to Rural Communities: Instigated by the work of the Rural Academy Team and the Governor's budget proposals, the Iowa Cattlemen's Association is engaged in a new outreach effort to work directly with local community leaders. The effort provides information to community leaders about both the economic benefits and environmental-impact issues related to expanding the livestock industry. Under this approach, local teams will work to examine the likely impacts of an expansion of livestock production. Outside assistance will be available to help them complete a plan for addressing the barriers to and the negative impacts of expansion.

Competitive Livestock Facilities Demonstration Program: The Rural Academy Team proposed a new partnership grants program funded at \$1M and targeted at improving profitability and improving environmental protection through support for demonstration projects. A survey, which found declines in livestock infrastructure around the state, raised concern over the longer-

term profitability of production facilities. Envisioned as a technology transfer program, both new and retrofit facilities would be eligible. However, the proposal was not included in the Governor's budget.

Infrastructure Planning: A 1986 ACIR study identified a \$10B gap between infrastructure needs and the resources available to meet those needs through the turn of the century. In this year's budget, the Legislature approved additional bonding for local infrastructure needs and expanded the use of Rural Community 2000 funds to support infrastructure planning efforts. A DOT study is also authorized to consider setting new, more realistic standards for transportation facilities in rural areas. Finally, the Midwest Transportation Center at ISU has proposed a project to examine the condition of rural roads and bridges, outline basic needs, and to craft an initial investment strategy for meeting those needs. In an important twist for many rural communities, ISU will also examine how the burden of maintaining transportation infrastructure can impact areas suffering from a declining population and economy. The Center's proposal has been completed and submitted to the U.S. Department of Transportation for funding.

Business Retention and Expansion Capital Access Program: This proposal did not advance beyond initial budget review. However, the strategy also called for funding to initiate a Business and Industry Consortium. While success was limited -- the Legislature provided only \$100,000 and authorization for one position -- these resources will support a modest initial effort.

Networking Rural Growth Industries: The state is working with a consortium composed of the university, community colleges, a private college, and two regional groups to support a Plastics Industry Technology Center in Waverly, Iowa. In a relatively small area -- about thirty miles radius -- some seventy plastics companies have developed. About \$150,000 has been raised from state and industry sources to initiate operations. The Center will provide training, technology development and transfer, and network services to participating plastics companies. Another network, involving printing companies, may be created in southeast Iowa. Local groups have raised \$150,000 from private sources and are currently forming a regional development center. Again, the center or network is likely to provide training, applied research, consulting services, and other types of technical assistance. The Team views this initial effort as an important test of two key concepts: networking as an efficient mode of reaching scale in working with rural businesses; and targeting resources toward businesses in specific industrial sectors.

Iowa Banker's Workshop on Financing Rural Businesses: For years, the state, the Iowa Bankers' Association, and Iowa State University have cooperated to offer training sessions to the state's bankers on financing agricultural activity. During 1990, Iowa received a small grant from the USDA Extension Service related to its participation in the Rural Academy. The proposal supported development of curriculum and materials for use in training sessions for managers of local banks on non-agricultural lending - - such as assessing and servicing loans to rural businesses. Through the project, three workshops held across the state involved over two hundred bankers. The strong support from the Iowa Bankers' Association was one key to success. IAB co-sponsored the sessions, recruited participants, and helped deliver the session. The program was popular with the bankers and the cooperating organizations. It seems likely that the course offering will be repeated in 1991. Interest in crafting a similar cooperative effort on lending for animal agriculture is also growing.

Industry-Driven Quality Coalitions: The Governor's budget included \$150,000 in annual support for this program, which links together companies, JTPA programs, and Community Colleges to work cooperatively on improving quality production. Target Alliance is a public/private sector effort to address workforce issues including education and good employment practices. State grants of \$5,000 each help the Coalitions' efforts to work together to assess their technology and training needs, purchase equipment when necessary for the Community College, and run management training sessions for top company officials.

Rural Health Care: While approximately one hundred seventy Iowa communities are actively recruiting family physicians, only twenty-eight of the physicians completing residency training in Iowa remain to practice in the state. The availability of physicians - - and in some cases other health care services -- has become an important issue in rural Iowa. The Rural Academy Team sought \$150,000 in state funding to support development and implementation of community-based health care delivery systems. The proposal would facilitate development of comprehensive rural community health system plans. In depth technical assistance on rural health concerns would be provided to rural communities, service providers, and local businesses. This proposal, along with local matching requirements, would provide demonstration grant money along with technical assistance. While the initiative was not included in the Governor's budget, authorization language is included in the legislative proposal. Specific funding, however, is not provided.

Iowa is using limited available resources to test the proposed model in Carroll County -- including leadership development and planning assistance. The demonstration effort entails a three month process involving businesses, providers, educational

officials, and the Councils of Governments. The goals include: looking at the market for existing services among businesses and the broader public; identifying opportunities for increased cooperation between the physicians and hospitals; and assessing the shortage in allied health services professionals and the potential for educational programs to fill these gaps. The Carroll County group will also inventory existing health-related services and consumers needs.

Telecommunications: Prior to entering the Academy, Iowa had already proposed building a state-owned backbone fiber optic system. This proposal is still alive as the budget has earmarked \$4M to start work on the system. The Rural Coordinator has also developed a proposal to examine telecommunications and rural businesses and services. This effort would examine the growing needs of business for advanced telecommunications applications. Profiles would be completed to describe telecommunications infrastructure needs and to determine if there is a deficit within the existing telecommunications system. This later proposal was completed and submitted to the regional U.S. Economic Development Administration office for funding.

OTHER ISSUES:

Civic Laboratories: One particularly innovative recommendation from the Rural Academy Team would provide incentive grants to encourage experimentation at the local level with new ways to develop shared services between rural jurisdictions. A team of state agencies would support and assist these efforts. The Team proposed a \$200,000 program that would make grants ranging from \$25,000 to \$60,000 to communities and counties. While the recommendation was not included in this year's budget recommendations, it does have considerable support. The Director of the Department of Economic Development, for example, continues to support the idea and will continue to seek funding for it in future.

Equity Fund for Animal Agriculture and Ag-Related Businesses: Working through a Task Force on Agricultural Issues formed by the Rural Academy Team, the Animal Agriculture Development Council has been the mobilizing force in examining problems with the availability of financing for agriculture and ag-related enterprises. While the Farmers' Home Administration does provide loan guarantees for up to ninety percent of the value of loans, that amount is limited only to the equity value the operation has built in its agricultural facilities. By excluding equity in land, equipment, and other assets, the FmHA restrictions place a tight limit on eligible loan size for many operators. Many bankers have also been reluctant to consider loans that would exceed seventy-

five percent of the operations' total equity. Iowa continues to examine the feasibility of creating a Venture Capital Fund to improve the availability of financing to agricultural and ag-related enterprises. As currently discussed, the Fund would be capitalized with support from three sources. These might include banks and other financial institutions, state support, and contributions from agri-businesses and ag-oriented foundations. Development of the proposal will be completed in the next two months, and the proposal should be further considered as the state begins the review process for next year's budget.

Entrepreneurship Culture - School Age Population: The Rural Academy Team identified a need to improve the culture for risk taking among adults who are currently operating a business and those who are potential entrepreneurs. The purpose of this program would be to help educate target groups on the opportunities and steps for developing growth-oriented businesses. This proposal was not successful during the budget review. However, the Team will seek to establish a model program to test and demonstrate the idea.

Addressing the Issue of Scale: Iowa has an almost bewildering set of programs and service offerings. Many of these are small, and may have only small impacts in any place. However, the state has had some success in leveraging the resources and programs that are provided. Only Iowa can determine if these programs are too small to be effective. However, it seems essential to continue and to broaden efforts to support network development, careful targeting, and coaxing new partners into collaboration.

Issue Final Strategy to Share Strategic Vision: While the Iowa Rural Academy Team developed one of the most comprehensive strategy documents, it has never been formally issued or widely distributed. In part, this reflects the shift of attention toward building budget and legislative initiatives during the fall of 1990. However, completing the document and issuing it for wider consideration and debate would seem likely to strengthen understanding and support for the Team's direction.

IOWA TEAM MEMBERS:

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Jeff Plagge, First State Bank, Webster City

Al Collet, Manager, Iowa Area Development Group

Leonard D. Boswell, Senate Small Business and Economic Development
Committee Chair

Jack Rife, Economic Development and Iowa Plan Appropriations
Subcommittee Ranking Member

Bradley C. Banks, House Agriculture Committee

William J. Brand, House Economic Development Committee Vice-Chair

RURAL ACADEMY FINAL REPORT STATE SUMMARIES: MAINE

MISSION AND FOCUS:

The Maine Rural Academy Team developed a strategy with the core goal of maintaining the vitality and character of Maine's rural communities. Efforts to devise the strategy recommendations were governed by consistent concern over the need to respect the interests and concerns of local citizens and the independent character of rural communities. This key philosophical commitment was a fundamental force that formed the outline of the Team's final strategy document. While the proposal was committed to the overarching goal of expanding economic choices and opportunities in rural areas, it also recognized the premier role of each community in defining a course for themselves.

Maine's strategy recommendations were based on a few key concerns. These included:

1. A focus on prevention, particularly on human resources issues, as a more efficient and less costly approach than crisis management or maintenance assistance.
2. Improving coordination, collaboration, and leveraging of limited resources between the federal, state, and local governments, and between the public and private sectors. Potential partners in a rural program were construed to include an array of state agencies, federal and local governments, universities, colleges, community organizations, and foundations.
3. A recognition that rural community attitudes and expectations are key.

The means proposed for achieving their rural goals while remaining sensitive to these concerns included:

1. Community Growth Planning: revising and revamping the recently-established Growth Management Initiative which mandates the development of growth management strategies at the community level. Proposed changes would expand the aims of the process to include planning for growth enhancement, with direct assistance and support available from the state.

2. **Infrastructure Investments:** both the traditional and far less traditional are recognized, including: transportation corridors servicing rural regions and connecting rural areas to markets; redirecting human services networks to support the development of more self-reliant individuals and families; and the training and development of rural community leadership and networks.
3. **Entrepreneurial/Enterprise Development:** helping existing and new businesses become more growth and expansion oriented.

CONTEXT:

Diversity -- Recognizing "Two Maines": The creation of a state economic development strategy for Maine began with the recognition of the large and growing disparities between the state's regions. Southern and coastal Maine experienced explosive growth in the eighties, while many rural regions continued to be threatened by economic and population declines. The term "Two Maines" reminded the team that diversity of conditions across the state would entail different approaches, each appropriately tailored to unique regional or community conditions. In fact, the Team eventually identified nine different types of rural communities: recreational and retirement areas; mill towns; rural center cities; isolated towns; natural resource dependent areas; communities dependent on defense facilities; island communities; Indian Reservations; Canadian border towns; and "all others".

Rural Maine Lags Despite Decade of Growth: During the last decade -- a period when its Gross State Product doubled -- Maine enjoyed an enviable record of economic growth and change. For much of the eighties, improving economic conditions largely benefited the more urbanized areas of Southern and Coastal Maine. The most remote rural areas were bypassed by these shifting good fortunes and suffered from persistent poverty, continued high unemployment, a shrinking population, and the outmigration of better-educated working age adults. Rural economies are also viewed as more vulnerable to external economic forces -- which are having profound effects on those sectors which form their economic base.

Persistent Rural Poverty: For decades, some regions of rural Maine have felt the sting of persistent poverty. In fact, it is estimated that one in five rural Maine residents lives in poverty. However, unlike the stereotypes of poverty, most of Maine's rural poor are in working poor families. However, the rate of poverty and dependence on transfer payments has remained high.

Development Strategies and the Invisible Rural Maine: Shortly after he was elected in 1987, Governor McKernan named a blue ribbon task force to make recommendations for a state economic development strategy. The final report forwarded recommendations on an impressive list of issues, including the workforce, public infrastructure, the need to balance development with resource protection, and encouraging innovation and entrepreneurship. The report foresaw the birth of new economic order, and called on the state to respond to the competitiveness challenge. In total, there were over twenty proposals with a combined annual cost of \$25M. Where would rural regions fit into Maine's new economy? On that issue, the task force provided only limited guidance. Since 1987 a few rural programs have been added, such as the Job Opportunity Zone program, expanded tourism development, and highway action grants. However, the Rural Academy Team would conclude that the state had no real rural policy, and that existing state policy actually hinders rural development activity.

History of State/Federal Cooperation: Maine's first Rural Development Policy was developed in 1979 and led to a cooperative agreement between Maine and several federal agencies (USDA, Farmers Home Administration, Small Business Administration, and the Economic Development Administration). The agreement called on the participants to work together to jointly fund rural initiatives and to target resources toward the accomplishment of the agreed-to strategy. Maine was also selected to form a joint federal/state Rural Council as a participant in the President's Rural Initiative.

Recession and Budget Problems: The economic good times have stalled in Maine. The national recession -- which first surfaced in the northeast -- has pushed Maine to forty-ninth of the fifty states in employment growth rates between 1990-91. As it enters the sixth consecutive quarter of decline, this has been the longest recession in Maine in over twenty years. The downturn began in the final quarter of 1989 as the New England real estate collapse gained steam. Maine consumers responded with a dramatic cutback in retail spending. Retail sales tumbled and construction employment fell as the Federal Reserve increased interest rates. Finally, by October 1990, the state's manufacturing sector was being dragged down by the broadening national recession.

The unprecedented severity of the current downturn has produced serious state fiscal trouble as revenues from the sales and income tax have fallen well below estimates. Unfortunately, much of this scenario was unfolding as the Academy Team's proposals were to be introduced into budget discussions. In the fiscal year just ending, the state's revenue collections fell \$90M under the estimates. In the upcoming biennium, the state budget could be as much as \$800M out of balance based on current revenues and expenditure basis. As a result, the Legislature is currently deliberating on the biggest

tax increases in over two decades. It seems likely that the state will adopt hikes in both personal income and sales taxes, at least temporarily. And, the final budget will also impose significant additional cuts across almost all state agencies and programs. The Governor's proposed biennial budget entailed hard decisions on cuts and few new initiatives. In fact, the only budget issue proposed by the Governor related to economic development was a package of reforms for the Worker's Compensation system.

ACTION IN 1990-91:

Revised Environmental Scan: Support staff to the Rural Academy Team revised and completed an expanded scan of rural conditions. This document was presented to the newly-created Federal/State Rural Council and should be more widely distributed later this year.

Federal/State Rural Council: While the Academy was prepared with a draft strategy in the fall of 1990, selection into the President's Rural Initiative produced some delays. The Council's organizational phase and efforts to hire a staff extended through Spring 1991. However, a document summarizing the work of the Rural Academy Team was used to brief Council members, and the work of the team has been endorsed by the Council. While the development of the Council provided an opportunity to broaden support for the Academy Team's recommendations, discussions within the Council on specific initiatives and implementation efforts may become unwieldy -- as membership has now expanded to over seventy members. The creation of an Executive Board to be elected by Council members may, however, expedite this process. State officials are targeting their efforts toward development and introduction of a comprehensive rural strategy in 1992. While the Council seems likely to be the primary vehicle for moving forward, the state seems prepared to move forward on its own, if necessary, in order to meet the 1992 target.

OTHER ISSUES:

Growth Management and Growth Enhancement: A ground breaking state law passed in 1988 requires communities to prepare Growth Management Plans. The Department of Economic and Community Development is responsible for implementation and providing technical assistance and small grants to affected communities. The Academy Team recommended a modification to existing law and procedures that produces an important twist -- communities would be able to address both growth management and growth enhancement concerns. Under the draft proposal, the law would be revised to include economic growth, community development, and employment

retention goals. Additional assistance would be offered to communities seeking growth by a multi-agency state team. And, communities that participate in strategic leadership and management strategies training programs would be given priority for grants and other assistance programs. The process would also call for grants to regional service centers to help support the formation of public-private leadership organizations.

Traditional and Nontraditional Infrastructure: The Academy Team was concerned with access to traditional and nontraditional forms of infrastructure for rural residents and communities. The issues included:

Transportation: There is a need to inject rural needs into consideration by the existing transportation planning system - - both for highways and airports. Interest was also expressed in expanding the availability of public transportation in rural areas.

Human Resources Support Networks: Current efforts were viewed as unintegrated and crisis-oriented. The rural strategy was aimed at reducing barrier to economic independence. One particularly innovative recommendation called for the development of a Self-Reliance Program. Participation would be voluntary, and no direct financial benefits would be linked to participation. However, the state would create and train Self-Reliance Case Managers who would have regular contact with volunteers and who would serve as an aggressive broker of services and resources. The recommendations also included a pilot Head Start program to better link families to existing community agencies working with low income families.

Community Activities: "Maine Street 90", a public/private partnership focusing on increasing the spirit of Maine towns has good cooperation and leveraging of public and private resources. While the initial effort was slated to end after the first year, the strategy recommended extending these efforts as an important adjunct to leadership training.

Enhancing Rural Employment and Business Opportunities: In order to expand the rate of entrepreneurial activity, the Team proposed creation of Entrepreneurial Account Executives as an aggressive outreach effort that would be more proactive toward helping rural businesses. These new positions would be supported by locally-based state teams. The entire system would be designed to improve access to the talents, skills, capital, and to knock down governmental obstacles for participating businesses.

MAINE TEAM MEMBERS:

Richard H. Silkman, Team Leader, Director, Maine State Planning Office

Lynn Wachtel, Commissioner, Department of Economic and Community Development

Leonard Dow, Deputy Commissioner, Office of Community Development, Department of Economic and Community Development

Carl Flora, Deputy Commissioner, Department of Agriculture

Susan Bell, Deputy Commissioner, Department of Conservation

Dr. Durwood Huffman, President, Northern Maine Technical College

Judith Bailey, Assistant Vice President, University of Maine

Henry Bourgeois, Executive Director, Maine Development Foundation

Charleen Chase, Director, Community Concepts, Inc.

Mary Lou Dyer, Executive Director, Bureau of Employment Security

Edwin Meadows, Department of Conservation

RURAL ACADEMY FINAL REPORT STATE SUMMARIES: MISSISSIPPI

MISSION AND FOCUS:

Three primary concerns directed the efforts of the Mississippi Rural Academy team. First was the state's high and persistent poverty level. Second was the relatively low educational attainment of its citizens, particularly from rural areas. Third was the lack of consensus among top leadership about the key problems and opportunities facing rural Mississippi and needed actions.

The team identified goals and strategies in five areas:

1. Economic opportunity.
2. Human resource development.
3. Community leadership development.
4. Agricultural promotion and diversification.
5. Infrastructure, including health care, library, and recreational services.

In developing an impressive array of strategies for each of these areas, the team struggled to take into account the diverse interests of stakeholders in economic development policy, differences in the manufacturing and agricultural sectors, unique rural concerns, and the special needs of rural Delta areas.

CONTEXT:

Powerful Rural Interests Used to Working Separately. Mississippi is fortunate in having a large number of key stakeholders with a strong interest in rural issues. The team identified fourteen key players, both individuals and groups -- including key executive and legislative leadership, the Legislative Black Caucus, the Mississippi Economic Council, the Bankers Association, the Delta Council, the Mississippi Farm Bureau, the Rural Electric Cooperative Association, and land grant institutions. These interests represent an opportunity but also a barrier to progress, if they continue to pursue different agendas.

History of Leadership in Economic and Human Resource Development Creates Impetus for Change. In the 1930s the state developed to a fine art the economic development strategy of industrial recruitment. This strategy helped to diversify the Mississippi economy and employ large numbers of the state's low-skilled labor force. In the 1980s, the state began to improve its education system through the adoption of a universal kindergarten program, increases in teacher's salaries, and other reforms. The state has a deeply-founded commitment both to the importance of economic development and human resource development.

Rural Areas Must Confront Serious Lack of Resources. Mississippi is the nation's poorest state with its poorest people living in rural areas. Nearly twenty percent of the state's rural families live in poverty. From 1981 to 1985, per capita income decreased almost one percent in non-metro counties while it increased by 13.5 percent in non-metro counties. In many rural areas, jobs are simply not available. But lack of employment is not the only problem. Rural areas also suffer from inadequate health services, educational opportunities and physical infrastructure -- water/sewer systems, housing, parks and recreational facilities, and telecommunications.

ACTION IN 1990-91:

A Plan for Gaining Support. The team completed the Academy process with a clear message and a thoughtful plan for pulling together diverse rural interests. The message:

The State of Mississippi must focus on both business and human resource development in rural areas if they are to remain viable.

Key individuals were identified. Team members listed what those individuals wanted and what the team wanted from them. Members took responsibility for following up. For example, Team Leader Anne Sapp met with Mac Holladay to propose an increased emphasis on rural concerns in the state's development programs.

Priority strategies identified. The team focused on six strategies in economic/business development and three in human development.

Business development:

1. Flexible manufacturing networks.
2. Import substitution.
3. Export education.

4. Minority business assistance.
5. Management assistance to existing businesses.
6. Industry Visitation Program.

Human Resource development:

1. Workforce education -- linking skills to business modernization
2. Workplace training and skills upgrading
3. Quality child care -- after school care, summer child care and workplace child care

Focused and Integrated Activities. Consistent with their plan for gaining support, the team began to infuse a large number of rural related groups and activities with their message and priority strategies. These included: the Delta Commission; the Rural Health Policy Council (a federal/interstate collaborative policy development effort); a Governor's work group on rural issues to guide the legislative session; a statewide rural development conference; and the Southern Legislators Conference.

Relevant Legislative Action. Information unavailable from Team Leader as of 7/1/91.

OTHER ISSUES:

The team has made considerable progress in both developing and selling a rural policy. Low key but steady effort has been their by-word because of the large number of traditional interests. Areas awaiting further action are as follows.

Comprehensive Strategic Rural Policy. A simple and strategic policy statement on rural development which integrates economic, agriculture, human resource, community, and infrastructure development has not yet been released by the Rural Academy team. Such a document is essential to carry the process to the next level.

Implementation of Key Strategies. State fiscal problems have slowed implementation efforts. Priorities must be developed for funding programs and activities which make up the team's

strategies. Agencies and private groups need to take responsibility for specific further action.

MISSISSIPPI TEAM MEMBERS:

Anne Sapp, Team Leader, Director of Policy Management, Office of the Governor

John W. Cook, Jr., Executive Director, Department of Human Services

Samuel Donald, Director, Agriculture, Research, Extension, and Applied Sciences, Alcorn State University

Herbert Ray Gilbert, Economic Development Policy Analyst, Department of Finance Administration

D. Stephen Holland, Chairman, House Agricultural Committee, Mississippi House of Representatives

Phillip Pepper, Director of Planning, Center for Policy Research and Planning, Mississippi Institution of Higher Learning

Joseph Schmidt, Community Development Specialist, Cooperative Extension Service

Robert Smith, Chairman, Senate Agricultural Committee, House of Representatives

Dan Tucker, Associate Senior Manager of Existing Business, Department of Economic and Community Development

Don Waller, President, Mississippi Farm Bureau

Chip Morgan, Executive Vice President, Delta Council

RURAL ACADEMY FINAL REPORT STATE SUMMARIES: MISSOURI

MISSION AND FOCUS:

In 1989, the Missouri Legislature with the backing of the Governor's Office passed the Rural Development Initiative creating a Rural Economic Development Council, and an Office of Rural Development within the Department of Economic Development (DED). The state's goal for the Academy was to develop an implementation plan for the Council and Office and to enhance public and private resources for rural economic and community development.

In seeking more prosperous and self-sufficient communities, the Team's vision statement called for efforts "*to maximize the opportunities for rural Missourians to improve their economic well-being, to enhance their quality of life, to increase their decisionmaking capacity, and to develop a greater sense of community.*"

The Academy team focused equally on improving economic opportunity and community leadership and empowerment. Two major goals remained constant throughout the process:

1. To provide self-help and other mechanisms that empower rural communities to improve their quality of life;
2. To provide quality entrepreneurial, agricultural and other employment opportunities to rural areas.

CONTEXT:

Rural Development Initiative Establishes State Focus and Structure.

The Rural Economic Development Council (REDC) is empowered to investigate, invest in, and evaluate strategies to stimulate rural development and diversification. These may include innovative technological research and industrial application, agriculture technology assistance and transfer, and value-added manufacturing. The Office of Rural Development (ORD) will assist existing businesses and employers in job creation and expansion and identification of financing alternatives. It will also help communities attract new employers. However, new or existing businesses which promote resource recovery, waste minimization, and recycling are a special focus. Discretionary grants totaling \$150,000 resulted in funding to about seven communities at about \$15,000 each in 1990 to promote local economic development.

State Fiscal Situation Slows Implementation. As of December 1990, Missouri's projected deficit was \$70 million and expected to worsen. DED was anticipating a flat budget at best - possibly a 2-3 percent across-the-board cut. Under these circumstances the team set two realistic objectives. The first was to protect, and to enhance if possible, the discretionary grant program to communities. The second focused on completing development of and gaining support for a comprehensive rural development policy.

ACTION IN 1990-91

Rural Initiative Maintains Some Momentum. While the team has faced a number of barriers, progress has been made on a few fronts. First, the Rural Economic Development Council remains an active force. For example, the Council was directly involved in selecting rural communities for awards under the Office of Rural Development's discretionary grant program. Second, key team members have been planning to apply for selection as a pilot state for the rural programs included in the Farm Bill legislation.

Possible Futures for Rural Missouri. In October 1990, the rural Academy Team released a draft policy document for the purposes of broad discussion, further research, and debate. The data scan compared urban, near rural, and far rural counties on key indicators, including per capita income, personal income, economic base, average salaries, housing values, retail spending, poverty rates, and educational attainment.

Objectives focused on:

1. Infrastructure.
2. Health and safety.
3. Cultural development.
4. Employment in higher-skilled industries.
5. Entrepreneurship and venture capital investment.
6. Farm income.
7. Business opportunities for women and minorities.
8. Information, research, and technology transfer to businesses and citizens.
9. Workforce development.

Innovative ideas included: an economic development community leadership academy; modernization of rural telecommunications systems; assistance to communities in "resource analysis" helping them to take advantage of strengths and compensate for weaknesses; encouragement to rural electric cooperatives to use recently-acquired authority to provide up to fifteen percent of their capital to make or guarantee loans; and creation of a standing group of higher education professionals to conduct policy analysis on rural community and economic development.

OTHER ISSUES:

Gaining Support for Implementation Remains Critical. Given the current fiscal situation, the team sees gaining support as a major task. This may be particularly important in light of the larger-than-expected cuts imposed on development programs by the Governor last year. Release of a draft document could be an important first step, to be followed by structured discussion with key stakeholders and intensive involvement with the recipients of the rural economic development discretionary grants. Publishing the positive outcomes of these grants may also help.

Focus Efforts and Set Priorities. Although the first draft is a comprehensive list of "good ideas," it lacks the punch of specificity. Following consultation with major stakeholders, the team can highlight two to three well-developed strategies that are feasible for implementation within current fiscal constraints.

MISSOURI TEAM MEMBERS:

Garry Taylor, Deputy Director, Department of Economic Development

Dale Angel, Assistant to the Director, Department of Agriculture

Marsha Bain, Community Relations, Chase Third Century Leasing

Earl Cannon, Director, Research and Support, Department of Economic Development

Joe Driscoll, Missouri House of Representatives, District 154

Terry Hackney, Director of Communities Group, Department of Economic Development

Thomas Henderson, Director for Economic Development and Continuing Education Programs, University of Missouri, Extension Services

Curtis Hendricks, Coordinator, Office of Rural Development, DED

Susan Jenkins, Assistant Director for Planning, Division of Budget
and Planning, Office of Administration

Terry Martin, Manager, Community Development Block Grant Program,
Department of Economic Development

RURAL ACADEMY FINAL REPORT STATE SUMMARIES: NORTH DAKOTA

MISSION AND FOCUS:

North Dakota determined to develop nothing less than a comprehensive economic development plan as a result of its participation in the CGPA Rural Academy. For in North Dakota -- where just less than half of the state's total population lives in rural areas and communities with populations under 2,500 -- all economic development policy is rural development.

Specifically, the team's goals were to think strategically about the state's economic problems, the strengths and weaknesses of its rural communities, and the current outcomes of existing development programs; to develop new strategies; to identify a means for funding a more integrated, focused and comprehensive approach; and to build support for funding and implementation.

Eleven strategies were packaged together by the team in a broad new economic development effort. Major themes included: strengthening and focusing the economic development function within state government; offering incentives for diversified economic growth; enhancing collaboration between the resources of higher education and the state economic development delivery system; targeting services towards agricultural diversification, local community capacity building, and economic development education, targeted business recruitment, and the enhancement of minority and women's business development.

CONTEXT:

Serious Economic Decline Fuels Readiness To Act. In 1984, the combination of low farm prices and low energy prices began to devastate the North Dakota economy. From 1980 to 1987, the state's economic base declined from \$6.4 billion to \$5.2 billion. The drought of 1989-90 intensified an already serious situation. The 1990 census figures emphasized the continued outmigration of population from rural counties and the state as a whole to more economically-prosperous areas.

Governor's Commitment, Coordination of Several Initiatives Is Key To Completing Development Initiative. The Committee of 100 was organized by the Greater North Dakota Association (GNDA, the state

Chamber of Commerce) in 1986 to investigate economic problems, propose solutions, and to recommend a venture capital program and a reorganization of the state's Economic Development Commission. This Committee completed a strategic plan in 1988.

In 1989, GNDA organized a group of twenty-six leaders, called the North Dakota 2000 Committee, which completed a public input process and recommendations on state economic development in its Vision 2000 report. Vision 2000 outlined a broad array of strategies for state and community economic development.

As a result of these two efforts, the state Economic Development Commission urged Governor Sinner to appoint a broad based committee to develop and implement a comprehensive economic development legislative program for 1991. Thirty-four members were selected for the group (Committee of 34) from various economic development related entities, including the members of the Rural Academy Team and four members from Vision 2000. In early August 1990, less than a month after the close of the second Academy Session, the Committee of 34 unanimously adopted their legislative agenda -- which relied heavily on the input of the Rural Academy and Vision 2000.

That initiative became the focus of Governor Sinner's State of the State and Budget Addresses in early 1991. The proposal was introduced as the Governor's top legislative priority, received large majorities in both houses of the Legislature, and was signed into law in May.

Bank of North Dakota is a Unique Resource. The Bank of North Dakota (BND) was established in 1919 to "encourage and promote agriculture, commerce and industry." In the face of continuing state fiscal problems, BND profits are providing the essential fuel for the state's development initiative. The profits of BND were healthy, and the proposal recommended that \$22.6M be used for the 1991-93 biennium to implement the initiative.

ACTION IN 1990-91:

"Growing North Dakota" Enacted in Spring 1991. The bill draws approximately \$21 million dollars from the profits of the BND. Major components of the legislation include:

1. The replacement of the Economic Development Commission with the Department of Economic Development and Finance (DEDF). The new agency will have a governor-appointed director and about seventeen new positions.
2. Approximately \$7 million (for 1991-93) to create a primary sector development fund with the DEDF to be

administered by the Economic Development Finance Corporation with minority and rural representation. The fund, available for equity participation, subordinated debt or other innovative financing mechanisms will provide "patient" capital for new, expanding, or relocating primary sector businesses in value-added agriculture, manufacturing, energy by-product development, and exported services. Funding will be targeted with forty percent earmarked for rural areas, twenty percent to Native Americans, twenty percent for the state's urban communities, and twenty percent left to be distributed on a discretionary basis.

3. A \$3.5 million appropriation was made for a Science and Technology Corporation to provide program and budgetary interface between the DEDF and the University System on issues relating to the discovery, development, and application of scientific and technological principles and concepts in primary sector businesses. The corporation will be governed by a nine member board which is appointed by the Governor.

4. One half million dollars of the Science and Technology Board appropriation is earmarked to investigate and research potential value-added opportunities for livestock and crops, along with alternatives to sustain the present agriculture population. The array of programs funded includes: expansion of the Beginning Farmer Program; an AG PACE program to reduce interest rates for loans to nontraditional crops/livestock and other on-farm businesses; expansion of marketing for ag products; cooperative marketing grants; farm diversification grants; and expansion of the farm management program.

5. One half million dollars will support the development of regional centers to provide technical assistance for primary sector business development. The funding has three strings attached: co-location at the local level of the existing small business development center, regional council, small business management program, area extension service or other regional development entity; and second, state funding must leverage local funds. These centers will operate as "Business Outreach Forums" to stimulate entrepreneurship and interchange with potential investors.

6. Another one half million dollars to implement "Dakota Spirit," a program in which communities receive training in the principles of economic development, community assessment, goal setting, and organizing to implement development strategies.

7. An appropriation of \$1 million for targeted business recruitment in the areas of telecommunication, data processing, aerospace, and energy by-products.

8. Creation of an office of minority business development within the DEDF, along with a mandate to attend to the resources and training needs of potential women entrepreneurs.

9. A continuing education program for bank lenders co-sponsored by the BND, DEDF, Bankers' Association, Independent Bankers' Association, and local development organizations.

The regulations for this legislation will be completed by July 1991. Implementation is effectively underway with the director of DEDF and new staff to be hired by January 1992.

Public Support Overcomes Barriers To Implementation. Considerable executive and legislative leadership and public education was needed to enact such a comprehensive piece of legislation. One public attitude - "With just an inch of rain and a \$30/bbl. oil prices we'll be fine." - was particularly hard to overcome. A thoughtfully-developed plan for gaining support, built on the previous work of the Committee of 100, Vision 2000, and Rural Academy effort was spearheaded by the Governor and key legislative leadership. This effort is helping to generate new ways of thinking about economic development in the state.

OTHER ISSUES:

Anti-Spending Forces Still Strong. Although the support for "Growing North Dakota" has been exceptionally strong, there is an active force opposed to increased state taxation and government spending. In a 1989 referral election, North Dakota taxpayers turned down already enacted tax increases -- resulting in about a ten percent cut to the general fund.

A special interest group of anti-tax, referral-driven critics of state government are promoting a referral on "Growing North Dakota." As a group, they have the potential to weaken and narrow the implementation of this broad-based initiative.

NORTH DAKOTA TEAM MEMBERS:

Chuck Fleming, Team Leader, Chief of Staff to the Governor

Representative Ron Anderson, Assistant Majority Leader
Senator Bill Heigaard

Dennis Hill, North Dakota Association of Rural Electric
Cooperatives

Joe Lamb, President, Bank of North Dakota

Ron LeClerc, Director, Rural and Community Development, Economic
Development Commission

John McGauvran, Director of Public Affairs, North Dakota Farm
Bureau

James Meonch, Legislative Director, North Dakota Farmers Union

Lisa Novacek, Agriculture/Natural Resources Specialist, Governor's
Office

Bill Patrie, Director, Economic Development Commission

Bill Pietsch, Director, Agriculture Extension Service

Jeff Weispfenning, Deputy Agriculture Commissioner

RURAL ACADEMY FINAL REPORT STATE SUMMARIES: PENNSYLVANIA

MISSION AND FOCUS:

Pennsylvania, with 3.6 million rural residents, has the largest rural population of any state. And the state's Academy Team was concerned that rural communities were vulnerable -- in some cases to the forces unleashed by rampant growth, and in others to a slide towards stagnation and decline. Above all, the Team concluded that rural communities must position themselves to be full partners in the changing world economy.

The Policy Vision they developed is shared by Governor Casey. It defines healthy rural communities as places of opportunity -- economic, educational, and social. Rural regions need to offer a level of municipal and human services to meet local needs, and they need to work cooperatively with other communities. They could offer workers the education they need and could help provide job opportunities that offer incomes adequate to support their families. Finally, they would be composed of individuals who are committed to their community and who are active participants in community efforts to promote positive change.

The Team also developed six priority objectives, including:

1. Encouraging rural communities to band together to provide services;
2. Support for strategic development planning at the community level;
3. Expanding and supporting leadership capacity and citizen service;
4. Improving access to rural health care and human services;
5. Enhancing economic growth opportunities; and
6. Raising awareness of the need to address impacts of rapid growth and development in some rural communities

In total, the Team's rural strategy prioritized over thirty proposals for a legislative package that would entail increased spending of about \$3.5 million in 1991.

CONTEXT:

Diversity in Rural Pennsylvania: For far too long, state policymakers have viewed "farming" and "rural" as synonymous. While agriculture remains important, the state's rural regions are far too diverse and disparate to be characterized in this way. The eighties were a period of economic peaks and valleys for rural Pennsylvania. While the number of jobs rose to historical levels, unemployment in rural labor markets remained well above the statewide average.

But there are really two faces of rural Pennsylvania. In the east, rural areas are under pressure from rampant growth as urban commuters push further out from the cities. In the central and western regions, there is far greater concern over stagnation or decline in the communities' economies and populations.

Fragmentation of Rural Governments: Over the years Pennsylvania has developed a highly fragmented municipal governance structure. With 2,600 local governments, ninety-three percent have populations under 10,000.

Fiscal Problems Limit Spending Initiatives: In December 1990, deteriorating fiscal conditions triggered by the national recession forced Governor Casey to propose large cuts in order to balance the current year's budget. His gap-closing measures totaled \$731 million. Much of it came from reductions in spending, such as cutting the workforce by 2,000 and reducing funds for higher education by 3.5%. But, the hard fiscal choices did not end with the balancing of the current budget. The Governor also faced a massive \$2.5 billion shortfall for the coming fiscal year. In January, the Governor's recession budget called for a series of tax hikes and spending cuts. The tax increases included a sharp thirty cent per pack rise in cigarette taxes, broadening of the base for the sales tax, trimming of tax loopholes, and a hike in corporate income taxes. Even with these tax increases, growth in state spending will continue to be restrained.

Leadership on Rural Policy -- Losses and Gains: Shortly after the November 1990 elections, John Showers (the Team Leader and Governor's Advisor on Rural Affairs) announced plans to leave state government. Shortly thereafter, James Wheeler, who had staffed the Rural Academy effort and became Acting Governor's Advisor on Rural Affairs at his predecessor's departure, was lost to the government-wide reduction in employees. In most respects, these duties have passed to members of the Governor's staff and to another Academy Team member, Department of Community Affairs Secretary Karen Miller. However, the change did slow the momentum of the policy

development and advocacy effort. In the summer of 1991, additional turbulence seemed likely as a key link to the Legislature, the Director of the Center for Rural Pennsylvania Bill Gillis, decided to leave the state. One positive transition should also be noted. Steve Crawford, who served on the Team as a staff member from the Department of Agriculture, accepted the job as Executive Director of the House Committee on Rural Affairs. As of June 1991, rural Democratic House Members appeared to hold key votes on a budget solution. This political leverage has provided an opening, and a set of fifteen bills on rural issues -- based largely on the work of the Rural Academy Team and the Rural Coordinating Council -- may be added to the House budget bill.

ACTION IN 1990-91:

Current State Budget Deliberations: While little progress was made on rural issues in the executive budget proposal, the leverage of rural Democratic House Members has created an opportunity for significant gains. A package of fifteen different bills -- affecting rural health care, economic development, agriculture, and infrastructure development -- could be enacted as the legislative leadership seeks more votes for the budget proposal.

Governor's Rural Coordinating Council Created: In September 1990, the Governor used his Executive Order powers to create the Council, drawing heavily from the Academy Team members. The Governor has also extended the life of the Rural Academy Team for another two years. While the members of the Council could become an important force on rural issues, the Council was only able to meet once over the past six months due to funding limitations.

Governor's Capitol for a Day: In another effort to recognize the importance of rural issues, the Governor selected the rural community of Wellsboro as his "Capitol for a Day" in July of 1990. The gesture was aimed at emphasizing the administration's commitment to rural communities.

Governor's Conferences to Feature Rural Issues: Governor Casey will host a series of four meetings around the state on rural issues during 1991. The first, scheduled for July 12th, will address growth management concerns. The others will examine rural education, health, and economic development issues. The timing of these meetings would accommodate the development of specific Program and Policy Guidelines (PPG) on rural concerns and issues. PPGs are the primary means the Governor uses to set priorities and directions for departmental budget submissions. The issues which

might attract such attention for the next budget might include distance learning, rural health, and leadership capacity development.

Model Community Planning Process Launched: A Cooperative Extension grant is being used in a joint effort with Department of Community Assistance to survey some rural communities regarding their priorities for the future. The grant project may become the first step in crafting a model community strategic planning process.

Telecommunications Investigation Begins: The Pennsylvania Public Utility Commission, which has regulatory authority over many telecommunications issues, recently issued a request for proposals to complete work on the role and impact of telecommunications services on rural development. While this initiative cannot be linked directly to the Academy Team's work, their final strategy document emphasized the many different issues which might be addressed through the applications of telecommunications technologies.

Extension Expands Program on Rural Development: Under Rural Academy Team member Ken Martin, the Pennsylvania Cooperative Extension Service is completing a four year plan for training their field staff on rural development. One focus will be on getting information on economic development resources into the hands of the field staff and rural communities. For example, a free resource database could be extended into every county office through existing computer network links.

PENNSYLVANIA TEAM MEMBERS:

John Showers, Team Leader, Governor's Advisor on Rural Affairs

William Gillis, Director, Center for Rural Affairs

Steven Crawford, Executive Director, House Committee on Rural Affairs

Karen A. Miller, Secretary of Community Affairs

John Kazmaier, Vice President of Community Development, Mid-State Bank

Robert Hormell, Assistant Director, SEDA-COG

Kenneth Martin, Cooperative Extension Service, University of Pennsylvania

Commissioner Pat Evans, Warren County

Scott Bair, Director, Office of Economic Policy, Planning, and
Research, Commerce Department

James Wheeler, Executive Policy Specialist, Office of the Governor

RURAL ACADEMY FINAL REPORT STATE SUMMARIES: WYOMING

MISSION AND FOCUS:

Diversification of Wyoming's economy has been a clear and consistent policy objective for the Rural Academy Team. Behind this goal lies an even broader state vision: "*diversified opportunity of sufficient magnitude that Wyoming citizens will be able to remain in the state as well as realize their personal, economic hopes and aspirations.*"

The team identified five major areas of concern:

1. Expansion and diversification of existing manufacturing industrial base.
2. Workforce development, including the encouragement of entrepreneurial attitudes.
3. Infrastructure development, especially in telecommunications.
4. Community leadership development.
5. Public investment directed towards economic diversification.

A broad array of strategies were developed and carefully packaged into a strategic policy along with recommendations on a structure and mechanism for implementation.

CONTEXT:

Counter-Cyclical Economy Heavily Dependent On Mineral And Energy Production. Approximately sixty percent of the state's gross product is derived from energy and minerals. Yet employment from these sectors accounts for only nine and a half percent of the state's total. Agriculture and manufacturing employ a much higher percentage of the labor force, but they represent less than five percent of Wyoming's gross product. During the mid-to-late 1980s, when many states enjoyed strong economic growth, Wyoming was in a severe slump. The state's economy is currently improving due primarily to higher energy revenues. Concern about the vulnerability and dependence of the state's economy remains high.

Low Population Density Fosters Stoic Attitude and Democratic Process. Wyoming is very rural. Cheyenne and Casper, the two largest cities, each have a population of 50,000. Three other population centers range from 15,000 to 25,000. The remaining ninety-one communities have populations from nine to thirteen thousand. Faced with this lack of critical mass in an economic downturn, Wyoming's citizens often feel they can only wait for a natural recovery in the major economic sectors. However, when policy change is pursued, everyone needs to be involved. The state's sparse population makes it imperative to involve everyone -
- at both the state and local levels.

ACTION IN 1990-91:

Strategic Economic Development Policy Released. In June 1991, Governor Sullivan released Wyoming's first strategic economic development policy -- a proposal largely constructed from the base created through the work of the Rural Academy Team. This proposal was further honed through extensive discussions with all affected state agencies. The draft policy was reviewed extensively by all major stakeholders, including the business community, and was formally approved by the Wyoming Economic and Development Stabilization Board (EDSB). The policy committed the state to achieve a twenty-five percent share of total jobs in the manufacturing and service sectors by the year 2000. Strategies called for continued business recruitment, especially of smaller firms, coordinated and focused services to retain or expand existing businesses, and targeted new business development. The policy stressed the importance of a state-of-the-art telecommunications infrastructure, and applied technological research, especially for smaller businesses. The Division and the Governor are also planning a series of town meetings across the state this summer to generate additional input and ideas on the strategy.

Application for Federal/State Rural Council. The state has been developing plans to apply for participation in the Federal/State Rural Development Council effort in the next round. This project calls for creation of a Federal State Council of policymakers to cooperate in developing five area plans covering Wyoming's twenty-three counties. This exercise would complement the state-driven strategic policy development process by encouraging local involvement in implementation planning. Local planning will create an opportunity to integrate economic, infrastructure, and human resource development, including education, to strengthen local economies. It will also provide resources for local technical assistance and leadership development.

Targeted Incentives for Diversification. The Division of Economic and Community Development (DECD) is taking action in three areas. First, the state business loan fund has been revamped as an equity capital fund. Second, while continuing some business recruitment activities, the DECD is emphasizing more existing business assistance and expansion. Staff are working in areas where diversification has already begun by supporting businesses with training and technical assistance. They have conducted community assessments, working with local leadership to identify assets and liabilities. These assessments have increased community commitment to helping local businesses become healthy and to grow. Third, DECD has expanded "Wyoming First", a program which highlights and markets Wyoming goods. Manufacturers are being prepared to attend out-of-state trade shows to expose them to different markets, including international opportunities.

OTHER ISSUES:

Although major portions of the strategic policy are being implemented in economic development and community/local involvement, work remains to be done in other areas. They include:

Telecommunications. Wyoming's economic development policy calls for a telecommunications strategic plan collaboratively developed by U.S. West, independent communications service providers, the University of Wyoming, community colleges and relevant state agencies such as the departments of human services and education.

Workforce Development. Team members believe that education can play a key role in building the skills and attitudes of Wyoming youth and adults to support entrepreneurial activity and investment. The team has proposed ideas such as the application of basic skills curriculum to economic activity, curriculum development in technology addressing both the Wyoming economy and its relationship to the increasingly global economy, and the creation of a pilot program in experiential, career-related learning in five school districts. They call for closer collaboration between post-secondary institutions, the Superintendent of Public Instruction, and the Division of Economic and Community Development.

Water Policy. Team members expressed concern about future water availability to support the state's expanded economic development objectives. They have requested the assistance of a number of public and private experts to answer key questions regarding Wyoming's water policy.

Agricultural Diversification Strategies. Strategies including applied research and public awareness need to be developed further in this area.

WYOMING TEAM MEMBERS:

Steve Schmitz, Team Leader, Executive Director, Division of Economic and Community Development

Dan Perdue, State Planning Coordinator

Jim Debree, Director, Cooperative Extension Service

John Etcheprae, Vice Chairman of Economic Development and Stabilization Board

John Nickle, Mayor/Businessman, Economic Development and Stabilization Board

Hal Harron, President, Brunton Company

Jim Geringer, State Senate

Eli Bebout, State Representative

Delia A. Lamb, Secretary Treasurer, Duboise Telephone Exchange

Pam Child, Management Assistant, Division of Economic and Community Development

Paul Schweiger, Rural Development Specialist, Division of Economic and Community Development

(III) CHRONOLOGY OF MAJOR PROJECT ACTIVITIES

**CREATING RURAL OPPORTUNITY:
A State Rural Economic & Community
Development Policy Academy**

CHRONOLOGY OF MAJOR PROJECT ACTIVITIES:

1989.....

- June 19: CGPA participates in a conference organized by Susan Sechler of the Aspen Institute to explore the feasibility of creating new approaches to support the development of effective state level rural strategies. The Wye Institute meeting concludes with a consensus for a renewed effort, including: creation of a consortium of organizations interested in state rural development policy; a national conference on state rural policy initiatives; additional research and publication of a "best practices" series; an academy for state rural development; a state rural policy development grants program; and efforts to improve the linkages with university expertise.
- November 14: First draft proposal for the State Policy Academy on Rural Economic and Community Development submitted to the Kellogg Foundation.
- November 27: Meeting in Washington with Gary King regarding the Rural Academy project proposal.
- December 3-4: CGPA participates in the First Governor's Conference on Rural Development in Michigan.
- December: Following review comments, the original proposal is revised and expanded into a comprehensive three-year effort.
- December 29: CGPA Executive Director James Souby meets with Wyoming Governor Mike Sullivan and formally invites his participation as Lead Governor for the Rural Academy Project. Governor Sullivan accepts and is on board as Lead Governor in January 1990.

1990.....

- January 5: The Academy Request for Proposals (RFP) is formally released. Copies are transmitted to all the Governors by Governor Sullivan. In addition, about 150 copies are mailed to CGPA members, and the top 100 state officials involved in economic or community development are also targeted for a mailing. The national program office of the USDA Extension Service also distributes copies to their state offices.
- January 10: An editorial on rural development and the Rural Academy project is issued by the *Christian Science Monitor*.
- January 22: Meeting with Scott Ingham, staff person to the chairman of the Subcommittee, for briefing on the Rural Academy process and timeline.
- January 22: Briefing memo on progress to date on major project activities prepared for the Kellogg Foundation.
- January 28: As of late January, CGPA completes telephone contacts with states to gauge likely applications. Twenty-seven states report they are working on submissions.
- January 29: A select group of nine external reviewers are selected to provide comments and ratings on the applications. The reviewers represent a wide range of experience on economic, community development, and rural issues. Practitioners and researchers are represented, along with state and local officials. The cooperating organizations -- the Corporation for Enterprise Development (CFED); National Governors' Association (NGA); Western Governors' Association; Cooperative Extension Service; and Economic Research Service (ERS) all participate in rating the applications.
- January 29: Copies of all state applications and materials on rating procedures are mailed to the external review group and to CGPA Board Members.
- January 30: Arrangements to solidify participation by cooperating organizations are completed. Each is provided with a three to four page memo describing the expected role their organization will play during the Academy.

- February 2: Deadline for state responses to the Academy RFP. Seventeen of the twenty-seven states who indicated an intention to apply meet the February 2nd deadline. The ten states which did not apply included: Alabama, Colorado, Connecticut, Idaho, Illinois, Montana, New York, Oklahoma, Texas, Washington.
- February 8: Meeting with the President's Commission on Agriculture and Rural Development. Project staff present materials on state rural policy development and the Academy project.
- February 18: CGPA completes work on a set of draft memos that are to serve as guidance on the "how and why" of preparing an environmental scan of key rural issues. The memo is then reviewed and revised in cooperation with ERS, NGA, and the Extension Service.
- February 20: Conference call is completed with the external review group regarding the ratings for state applications.
- February 23: Meeting with ERS to discuss supporting roles and to rough out data needs for the Project.
- February 24: The CGPA Executive Board meets and selects the final ten states as participants in the Academy. The most important factors considered by the Board included: ratings provided by the external review panel; strengths and weaknesses of individual state proposals; the need for regional and partisan balance; election and policy cycles; and participation in prior CGPA activities and projects. The seventeen applicants include: Arkansas, California, Georgia, Iowa, Kansas, Maine, Massachusetts, Maryland, Michigan, Mississippi, Missouri, Nevada, North Dakota, Oregon, Pennsylvania, Virgin Islands, and Wyoming. The Board chose six of the states rated in the top ten by the review group -- Maine, Mississippi, Michigan, Iowa, North Dakota, and Wyoming. To these six they added: Arkansas, California, Missouri, and Pennsylvania.
- February 26: CGPA briefs Governor Sullivan during NGA Winter Meeting. Governor Sullivan announces Rural Academy Project during NGA plenary session.
- March 1: Memo issued to all team leaders from participating states to prepare for first team leaders meeting and Session I of the Academy. An overview of the full Academy schedule is provided along with guidance

about how to prepare their state team for the Academy.

- March 8: Briefing for Gary King regarding the project proposal, ongoing progress, and Academy Session I schedule.
- March 8: Briefing on the project and Academy Session I schedule for Extension Service.
- March 9: Meeting with Doug Ross, CFED regarding draft manuscript on state rural development policy.
- March 11: A press release is issued by Lead Governor Mike Sullivan announcing the ten states selected to the Academy and kicking off the project. The release was mailed to about one hundred news outlets selected due to their interest in state issues, development policy, and/or rural concerns. Coverage included the National Governors' Association Weekly Bulletin, Governing Magazine, and newsletters issued by the Coalition of State Community Development Agencies.
- March 13: Briefing for WGA on the Academy project, roles of cooperating organizations, and the preliminary schedule for Academy Session I.
- March 13: Letters to participating state Governors formally notifying them of selection to the Academy were sent by Governor Sullivan. A mailing to the team leaders includes copies of Governor Sullivan's letters and a press release announcing final state selection.
- March 14: Contacted and requested data from the Small Business Administration for the Academy states.
- March 15: Mailing with detailed schedule for the first team leaders' meeting is issued.
- March 16: Mailing to rural contacts and cooperating organizations on the arrangements for the first team leader's meeting.
- March 17: Complete review of the "Diagnosing Rural Economies" manuscript and meet with Roger Vaughan in Maine.
- March 22-23: First team leader's meeting. The topics covered in this meeting included: an introduction to CGPA and the Ford/Aspen Initiative on State Rural Development Policy; introduction to the cooperating organizations; an overview of the policy development

model; briefings on ideas for developing an environmental scan on rural issues and on available data sources such as the CFED Rural Report Card, materials being prepared by ERS, and data runs from the Small Business Administration; and the Academy process, content, schedule, and logistics.

- March 28: Through the cooperation of the Small Business Administration's Office of Advocacy, CGPA was able to secure detailed data runs which indicate the level and impact of employment flows by sector. These figures are disaggregated to show the net impacts of four key factors: employment gains due to either new establishment formation or the expansion of existing establishments; and employment losses due to establishment contractions or closures. Printouts are provided to each participating state at the first team leaders' meeting.
- May 25: Meeting with Doug Ross, CFED regarding preparation of background paper on state economic and rural economic development policies.
- April 1: Mailing to key rural contacts and cooperating organizations summarizing the team leaders' meeting and providing detailed information on Session I.
- April: Information and logistics on Session I mailed to coaches.
- April 6: Meet with ERS to finalize specifications for the state data books and diskettes.
- April 10: The Pre-Academy Assessment Summaries for each of the ten Academy States are completed. These documents summarize salient information of the states' applications; information on team members; ideas about the teams' bottom lines as discussed at the first team leaders' meeting; a summary of the team's progress to date; and other related information. These Assessment Summaries are used to brief coaches and provide background information for ready reference by the Project Team, cooperating organizations, and some presenters.
- April: The recruitment and assignment of coaches to the Academy states is completed. Coaches, assigned to a state team for the duration of the Academy, play a key role in the Academy by facilitating their team work sessions; supporting team leaders; and by

providing information, advice, and recommendations to the Academy Director and Manager.

Coach selection was an opportunity to extend the benefits of the Academy process beyond the ten states chosen to participate. For example, eight of the ten coaches were from states which applied and were not selected. Eight of the ten coaches were top-level state officials with extensive experience on development issues. They also offered considerable skills in the policy development process and have solid group facilitation skills.

- April 9: The project proposal submission to the Kellogg Foundation of December 1989 is revised and an amended three-year budget -- extending from January 1, 1990 through December 31, 1992 -- is provided to the Kellogg Foundation.
- April 10: Mailing to team leaders with final logistical and organizational details for the Academy's Session I.
- April 13: USDA Extension Service announces program of small grants to support special projects undertaken by local ES staff working in cooperation with the Academy Teams.
- April 14: Final staff assessment of the status of each participating state is completed. Based on the states' response to the RFP, information provided at the team leaders' meeting, and telephone interviews with project staff, an assessment was completed for each state. The purpose was to clarify the goals and needs of each state team, and to assist the project staff in assigning coaches and finalizing both process and content sessions for Academy Session I.
- April 14: State data packets and diskettes are completed for all ten states participating in the Rural Academy.
- April: Faculty recruitment for the Session I of the Academy is completed. Briefing packages are mailed out to all faculty with information about the Academy and on logistics.
- April: The ERS data diskettes are completed for distribution to the state team leaders at Academy Session I.

- April : Final rosters of team members are provided by state team leaders. The diversity and quality of the state teams was high. In total, the state teams included just under 100 people. By category, they included: state economic and/or community development agencies, 25%; gubernatorially-appointed positions, 12%; state legislators, 10%; extension, university, or community college, 16%; rural businesspeople or rural groups, 13%; state agencies other than development, 9%; local elected officials, 5%; Foundations or nonprofits, 4%; and other, 6%.
- April 16: Meeting with Pioneer Hybrid regarding briefing on the Rural Academy project.
- April 18: Final copy for the Academy Session I notebooks goes to production. Materials included: revised strategic policy development model; reports on rural development and telecommunications; a compendium of natural resource strategies for rural development; a background paper on rural health system issues;
- April 18: Background Briefing Packets prepared on each state for the coaches. Packets include the state's Academy application, notes from the first team leaders' meeting, copies of the ERS and SBA data packets, and material on the state's economic performance as rated in the ERS Rural Report Card.
- April 28-
May 3: ACADEMY SESSION I -- Minneapolis, Minnesota
- Materials Specially Prepared for Session I:
- o "Diagnosing: Understanding Rural Development Problems and Opportunity", Roger J. Vaughan, CGPA Consultant.
 - o "Thinking About Rural Economic Development in the 1990s", Doug Ross, CFED, cooperating organization.
 - o "Demographic and Economic Trends in the Rural U.S.", supporting materials for presentation by USDA ERS Kenneth Deavers.
 - o "The Current Role of States in Rural Economic Development", Mark G. Popovich, CGPA.
- Other Materials Distributed at Session I:
- o "Trends in Rural Idaho", Richard Gardner.
 - o A Collection of Articles and Papers on Rural Education Issues, Joe Nathan.

Session Summaries Prepared:

- o Infrastructure and Rural Development -- Nancy Rutledge Connery and Charles Zielinski.
- o Rural Labor Force -- John Niles, JFF and Roger Vaughan, CGPA consultant.
- o Agriculture and Ag-related Development -- Stu Smith, Tufts University.

- May 5: Letters of appreciation issued to cooperating organizations, coaches, and resource people who contributed to Session I.
- May 7: Meeting with NGA regarding TA to Academy States.
- May 9: Session I follow-up memo to state team leaders. The purpose of the memo was to provide encouragement and some advice to team leaders as they worked to pull together their team's work effort back home. Specifically, the memo encouraged them to establish a meeting and work schedule, brief key players concerning the directions set at Session I, and to carefully consider how the project's interim assistance might support their efforts.
- May 11: Article drafted by Project Staff on the progress of the Rural Academy runs in the NGA "Governors' Weekly Bulletin". Draft copy was mailed out to participating states for them to customize and send out to their state and local media.
- May 15: Academy Coaches are sent a mailing with the latest version of their state team's product and a letter asking them to review and comment. In addition, key cooperating organizations -- Aspen Institute, Kellogg Foundation, Extension Service, ERS, NGA, CFED, and WGA -- are provided with copies of all state products and are asked for comments.
- May 16: Applications from Academy states due in for Extension Service's special supporting grants.
- May 16: Project staff meeting with the Virginia Water Project to provide assistance on rural development strategies as Virginia seeks to improve economic performance in their rural communities.
- May 23: ERS Brown Bag Luncheon presentation on the Rural Academy Project.
- May - June: Detailed memos -- ten to fifteen pages in length - - are completed for states who sought comment on their draft strategies. Specific advice is included

on where additional information might be obtained and supporting materials that are available. Priorities are suggested for the team's next steps.

- May 31: USDA ERS completes a review of the output of Academy Session I. In addition to summarizing conclusions that applied to most teams, the memo provides specific suggestions for each participating states. This information is incorporated into memos responding to state requestes for review and critique.
- May 31-
June 1: University of Minnesota, Rural Issues Forum meeting on rural development. Project staff provides briefing on the Academy Project and lessons learned to date.
- June 7: Work session between project staff and CFED's Doug Ross to rough out the "Gaining Support" presentation for Academy Session II.
- June 7: Working session on evaluation/accountability and economic development.
- June 7: Briefing for Walt Hill on state rural development issues.
- June 9: Final logistical and background information mailed to all team leaders.
- June 11: CGPA TA trip to assist Maine Academy Team.
- June 10: Meeting with Walt Hill, USDA, Deputy Under Secretary for Small Community and Rural Affairs. Provide briefing on the Rural Academy project.
- June 13: Copies of all Academy Session I state products are distributed to all state team leaders, cooperating organizations, and coaches.
- June 14: CGPA staff to Pennsylvania to assist at team work session.
- June 14: Mailing of logistical and background information to presenters and resource people scheduled to assist at Academy Session II.
- June : Article on Rural Academy effort in *Changing Times Magazine*.

- June 17-18: CGPA staff travels to Bismarck, North Dakota to assist the state's Rural Academy Team.
- June 20: Information on banking performance -- including loan to asset ratios -- is provided by USDA ERS and mailed out to state team leaders and coaches.
- June 24: Instructions, background, and logistical information is mailed out to Academy Session II presenters and the cooperating organizations.
- June 25-26: CGPA and NGA staff trip to Little Rock, Arkansas to assist the state's Rural Academy Team.
- June 27: State Rural Policy Program Advisory Committee meeting in Washington, DC.
- June 28: Academy Session II preparation and briefing for NGA and Extension Service.
- July 6-12: RURAL ACADEMY SESSION II -- Sheridan, Wyoming:

Materials Specifically Prepared for Session II:

- o "Making Your Rural Development Strategy a Winner", Doug Ross, CFED, a cooperating organization.
- o "A Rural Policy Support Campaign: A Check List", Doug Ross, CFED.
- o Extensive information on financial institutions and performance in the fifty states, USDA ERS.
- o "Availability of Capital in Rural America: Problems and Options" (revised version), Deborah Morentz Markley, University of Massachusetts at Amherst.

Session Summaries Prepared:

- o Workshop on Human Resource Development, John Niles, JFF; Joe Nathan, University of Minnesota; Judy Chynoweth, CGPA.
- o Workshop on CDCs and Locally-based Non Profit Organizations, Maureen Kennedy, Aspen Institute.
- o Workshop on Building Local Capacity, Jay Kayne, NGA and Beth Honadle, Extension Service (both cooperating organizations).
- o Remarks by Rick Carlisle, North Carolina Rural Center, Financing Rural Business Development.

- July 12: Special federal/state dialogue on rural development issues is held in conjunction with Academy Session II.
- July 19: Letters of appreciation are mailed out to the coaches, Session II presenters, and cooperating organizations.
- July 24: Meeting with DeWitt John to follow-up on progress in Academy Session II.
- August 3: First draft assessment of state policy documents from Academy Session II is completed.
- August 15: Press release announcing participation of the Kellogg Foundation in support of the Academy is mailed out to about one hundred key contacts.
- August 16: CGPA makes arrangements for the Pennsylvania team's coach to assist them at a team work session.
- September 6: Briefing for Pioneer Hybrid on the Rural Academy project.
- September: Extension Service completes grants totaling \$30,000 to support state team policy development efforts in four states.
- September 11-13: Trip to Marquette, Michigan to meet with rural development groups and serve as resource on public television call-in show.
- October 4-12: Field trip to Minnesota and Iowa to examine the impact and progress of efforts to support on-farm or near-farm agricultural diversification as a rural development strategy.
- October 9: TA trip to follow-up progress in Iowa.
- October 10: Article on state rural development issues and Rural Academy project appears in U.S. West magazine.
- October 16: Meeting with Charlie Colgan, University of Southern Maine on draft article on Rural Academy project.
- October 19: Prepare for Aspen Institute meeting.
- October 25: Meeting with Virginia Governor's Task Force on Rural Development. Staff provided briefing on the Rural Academy project and participated as resource person on financing rural development in Virginia.

- October 26: CGPA staff facilitates session at Pennsylvania Team's conference on rural development strategies.
- October 27-28: Aspen Meeting.
- October 30: Rural Institute training for federal council states in Williamsburg.
- November 6: Elections.
- November 7: Meeting with Dewitt John, Aspen and Mitch Horowitz, CFED regarding rural network project.
- November 8: CGPA consultant, Brandon Roberts, works with Iowa Team to further develop the team's strategies and program recommendations.
- November: Meet with NGA to assist in planning for the National Conference on Rural Development. Arrange for three Academy Team Leaders to serve as panel at the National Conference.
- November 16: Meet with CFED regarding formation of the Rural Network.
- November 27-28: Aspen Meeting on state rural development policy.
- December : CGPA provides keynote address on the Rural Academy to the Michigan Rural Advisory Group.
- December 13: CGPA provides briefing for NCSL staff on the progress in and lessons learned from the Rural Policy Academy.
- December : CGPA staff meets with the Rural Cluster Evaluation Project staff to provide materials and information on the Rural Academy Project.

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- January 2: CGPA staff provides Beryl Radin, USC with information and materials on the Rural Academy project for the Ford-supported evaluation effort.
- January 2: Meeting with Ron Schaefer to discuss training for Federal Councils on rural policy.
- January 3: Final agenda and logistics for team leaders' meeting is faxed out.

- January 9: In conjunction with the NGA National Rural Conference, CGPA hosts the final team leaders meeting with participants in the first round of the Rural Academy.
- January 10-11: Academy presentation at NGA Rural Conference.
- February 6: First draft schedule for the second round of Rural Academies is completed and distributed to CGPA members, state contacts, and cooperating organizations for review.
- February 19: Project staff participate in the Rural Cluster Evaluation Project meeting at the University of Georgia. The staff provides an overview of the Academy project and outcomes to date. Approximately twelve requests are received for additional information about the Academy and for copies of state documents.
- March 14: Meeting at John F. Kennedy School of Government with State and Local group to discuss state rural development issues and to brief them on the Rural Academy project.
- March 19: Meeting with Nevada rural development group.
- March 21: Project staff provides overview of the Rural Academy project at the monthly ERS Brownbag lunch session.
- April 3: Jobs for the Future's "Keepers of the Agenda" meeting.
- April: Comment on draft ERS chapter on state rural development policy.
- April 17: Meeting with federal officials on the training needs of the President's Councils on Rural Development.
- April 26: Meet with J. Kayne, NGA, regarding an in-state rural academy called for in NGA's Kellogg Proposal.
- May 1: Meet with Dewitt John and Federal officials related to Council participation in the Academy Round II.
- May 9: Meet with NGA on planning Texas Rural Policy TA.
- May 16: Meeting at CFED on the Rural Network proposal.
- May 16: Request for information received from the Oklahoma Governor's Office and the Department of Development. The state is exploring alternative means of creating

a more comprehensive rural development strategy. Materials are mailed out to pursue the idea of CGPA participating in an in-state academy-type effort for the Governor and top public and private sector officials.

- May 20: Meet with DeWitt John on activities and schedule for round II.
- May: Review and comment on the draft paper on state rural development strategies prepared by DeWitt John for his Advisory Group meeting.
- June 3-4: Attend the State Rural Policy Project Advisory Group meeting. Staff provided an overview of the Academy project and its outcomes; participated in review of the draft policy paper; and sought cooperation by other members of the group in developing materials and organizing presentations for the next round of the Rural Academy.
- June 11-12: Texas Rural Policy TA.
- June 14: Provide DeWitt John with a written summary of review comments offered during the Advisory Group meeting, along with recommendations for addressing them. Staff will continue to review and comment on forthcoming redrafts of the paper.

The Aspen Institute

State Policy Program
A Project of the Rural Economic Policy Program

DeWitt John
Director

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July 1, 1991

Mark G. Popovich
Senior Staff Associate
Council of Governors' Policy Advisors
400 North Capitol Street
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Washington, D.C. 20001

Dear Mark:

When a grant is awarded for a period greater than one year, the Ford Foundation usually asks grantees to submit a report after the first twelve months describing expenditures to date, work to date, and plans for the remainder of the grant. This letter is to remind you that such a report was due on January 1, 1991, as indicated in the letter from Ford awarding your grant.

Best wishes,



DeWitt John