

**CREATING OPPORTUNITY FOR RURAL PEOPLE AND PLACES:
A STATE RURAL ECONOMIC DEVELOPMENT POLICY ACADEMY**

A Three Year Project Proposal

From:

The Council of State Policy & Planning Agencies

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January 1990

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The most important tasks ahead have become apparent. States have emerged as crucial to sustained progress toward rural revitalization. Investments in building state and local policy capacities on rural issues are vitally important.

Abstract:

While some gaps remain, projects supported by the Ford Foundation, Aspen Institute, and W.K. Kellogg Foundation have improved our understanding of rural economies and have tested the efficacy of alternative policies. The collaborative process established by the Ford and Kellogg Foundations has also yielded a strong consensus on what steps are needed next. Investments in building state and local capacities on rural issues are vitally important.

CSPA proposes to contribute to this goal through the development and delivery of two State Policy Academies on Rural Economic and Community Development. Each Academy will assist gubernatorially-appointed policy teams from eight to ten states. These sixteen to twenty states will be selected based on responses to a nationwide, competitive RFP process. The participating states will reflect the diversity of rural conditions and the varying capacities of states to respond to rural issues.

Each state will develop and implement a comprehensive rural economic development strategy -- with an emphasis on distressed rural communities and people. The project's goals include supporting states in:

- o harnessing the best research, information, and expertise available on rural economic and community development.
- o completing a strategic assessment of their rural economies;
- o identifying the barriers to and opportunities for improving rural economic performance;
- o setting appropriate policy goals and specific measurable objectives to guide policy development, implementation, evaluation, and accountability;

CSPA's Policy Academy process will be used to deliver intensive assistance to states in rural policy development. The Academies will include a carefully-focused synthesis of the theory and practice of rural development and intensive policy development assistance. Follow-up assistance will be offered to states on the implementation of their comprehensive strategies.

The project will also involve other organizations in developing a syntheses of existing data and research on rural issues and information on best practices on the state and local level -- culminating in publication of a book on state rural economic development strategies. And, the widest possible audience will be reached through the proposed dissemination plan.

CSPA seeks total grant support of \$585,600 for this three-year-long project.

(I) Introduction:

In the last seven years, the U.S. has experienced the longest peace-time economic expansion of the post-war era. Since the trough of the last national recession, when unemployment rates reached 9.7%, the economy has supported both a declining unemployment rate and an expanding labor force. In fact, total non-agriculture private sector employment rose by 18,300,000 (+21%) between January 1983 and January 1989.¹

While economic growth generated opportunities for millions of Americans, many others have been left behind. The ranks of the underemployed, homeless, and the underclass remain large. The recovery has bypassed many communities and larger regions of the country.

During the early 1980s, the poor economic performance of nonmetropolitan communities attracted some attention at the national level. However, with the easing of the farm financial crisis, the focus on rural problems has waned. The public spotlight has shifted, but the problems remain. Many rural communities are confronted by economic shocks and fundamental structural changes. These have combined to produce growth rates that have fallen well below those enjoyed by urban areas:

o Rural areas are falling behind in generating employment opportunities. Between 1979 and 1988, employment in rural areas has grown by only eight percent compared to the eighteen percent increase in metro areas;²

o Rural America is losing its most precious resource -- its people -- at alarming rates. In the past several years, the annual outmigration from rural communities has been nearly 500,000. As a result, the rural population growth rate through 1987 fell to about one-half the metro rate. In 1986-87, more than half of all nonmetro counties suffered population declines;³

o Rural income growth has slowed significantly. Rural per capita income is about thirty-five percent lower than metro. And, the gap has widened in the eighties;⁴

o Poverty is a pervasive and growing problem in rural America. A disproportionate share of the Nation's poor live in rural areas.⁵ The incidence of poverty in rural areas is fifty percent higher than in metro areas. The rural poverty rate now equals the incidence of poverty found in the county's central cities. One-quarter of all rural children live in poverty; and

o *Systems necessary to maintain the quality of life in rural areas are constrained.* Some rural communities are beginning to strain their capacities to support and maintain the health, public infrastructure, and educational/training systems needed as precursors to future development.

While the overall performance of rural economies has been poor during the last decade, the picture is not uniform when examined on a subnational, substate, or regional basis. The rural development problem is more complicated because, while there is much bad news, not all rural communities have faced an economic slide.

For example, rural areas with high amenity values -- communities with locational assets such as lakes, mountains, shorelines, etc - - have reaped the rewards of a growing population seeking attractive rural settings. Many rural communities adjacent to metro areas are also in an economic boom. During the last ten years, adjacent rural counties grew at more than twice the rate of more isolated rural counties.⁶

Other rural areas have lagged. Rural economies dependent on mining, energy development, or agriculture may have suffered the most severe dislocations in recent years. But, the rural development problem extends beyond sectoral issues.

The divergence between rural areas in economic performance reflects complex factors. While diverse conditions can be found across rural America, some rural communities are more vulnerable. These rural economies are often small and less diversified. They rely more heavily on a few industries for a large share of income and employment. As such, they are more vulnerable to recessions and are slow to recover from dislocations and shocks.⁷

Lagging rural performance can be traced, at least in part, to structural changes in the economy. The shifting balance of international competitiveness, the increasing importance of service industries, deregulation, and the drop in the labor-intensity of some important sectors have all contributed to the declines suffered by rural America.⁸ These problems are neither cyclical nor quickly self-correcting. Because these trends are unlikely to shift direction, the poor performance of the eighties may be an accurate harbinger of the future for many rural areas.

Poor economic performance has also been concentrated in rural states. The economic performance indicators prepared by the Corporation for Enterprise Development's (CfED) "1989 Development Report Card for the States" shows that nearly all poor-performing states are rural. "All the states scoring either all D's or F's, and all but one of the thirteen states that receive neither an "A" nor a "B" on any of the four indexes, were rural states."⁹ (See Endnote for definition of "rural" used in this report.)

(II) The Rural Economic Development Policy Challenge

(A) The Federal Policy Context – Implications:

Federal policies have played an important role in rural development. National programs -- rural electrification, agricultural and resource development, health and other public service programs, and revenue sharing designed to equalize resources across communities -- helped to shape rural America.

National policies remain important. However, there are a number of reasons why federal programs are unlikely to lead the way to rural revitalization.

First, the Congress and Administration face fiscal problems which restrain support for new initiatives. Second, rural problems are not high federal priorities. When rural issues compete for attention on the national agenda, the well-organized and powerful interests who focus primarily on the farm bill's large commodity and credit programs have often monopolized the debate. As a result, attention is steered toward issues which, while they remain important, may no longer be key to the performance of rural communities in a transformed economy. Third, politicians can count -- and when they tally up rural voters, they find that less than twenty-five percent of Americans reside in rural communities.

There are other forces as well. The ability of classical federal policy tools -- fiscal, monetary, and industrial policies -- to effect the economic course and respond to economic shock waves has been reduced. National policy levers are confronted by a new environment. For example, the economy is more globalized than ever; technological change is more rapid; and financial markets operate without respect for national borders. Macroeconomic policies are inappropriately sized for addressing many of the issues unfolding in the American economy.

Further, federal policies often lack flexibility. Regulations promulgated for national programs sometimes restrict our ability to carry out programs which are well matched to local conditions and priorities.

With economic volatility on the rise, the need to develop flexible policies which can adapt to changing conditions has increased. Greater reliance has been, and must continue to be, placed on microeconomic and region-specific policy responses.

These issues have formed the basis for the "New Federalism". New Federalism has both followed and lead the development of expanded capacities on the state, local, and regional level for designing, financing, and delivering programs that can be efficient and responsive to local conditions. For example, new federal

initiatives in welfare reform, education, and job training were based on state or local experiments. These demonstrations were followed by the creation of new national programs that increased flexibility in the use of federal funds and which passed more responsibility to the states and others for setting priorities, governing content, and designing delivery systems. While these new approaches demonstrate cooperation, the appropriate distribution of roles between levels of government is still unclear.

"New Federalism" is emerging as a model for rural development. For example, legislation proposed by Subcommittee Chairman Glenn English would expand state-level involvement in a new delivery system for many Farmers' Home Administration programs.

With or without action by the Congress and the Administration, however, the states will continue to lead the way in devising rural initiatives. Decentralization reflects some of the realities of the rural development challenge. There is no single solution. The barriers to and opportunities for revitalizing rural economies vary across the country, across states, and between communities.

Effective rural revitalization strategies will require concerted, appropriately focused, and comprehensive actions from all levels of government. States will provide leadership. But, the burden cannot be shouldered by the public sector alone. The cooperation of the wide range of institutions -- including the private sector, universities, and nonprofit organizations -- which can influence the community and economic development agendas for rural America must also be harnessed.

(B) Rural Economic Development and the States

The states' economic development policy capacities have grown rapidly in the eighties. Working in concert with local governments and other institutions, states can play a key role in supporting rural revitalization.

1. State Revenues and Budgets: Generally, state budgets were formed in a climate of stability and growth in the eighties. Between 1980 and 1988, total tax revenue collections by states have almost doubled.¹⁰

The state budget picture, however, has not been uniformly bright. Many of the states which have suffered poor performance in their rural economies have lagged behind. While general fund revenues increased by just over one hundred percent between fiscal years 1980 and 1989, the rate of increase was only seventy-five percent for ten midwestern states which were buffeted by the farm crisis of the early eighties. And, the sixteen most rural states -- those with more than forty percent of their population classified as rural according to the Bureau of the Census classification -- fell behind by ten percentage points.¹¹ In fact, below average

performance in general fund revenue collections during this period was concentrated in the mid-continental states.¹²

2. State Economic Development Policies: Development is at the top of the agenda for most Governors and State Legislatures. They recognize that the public will hold them accountable for progress on economic and community development issues.

As a result, most states are playing an aggressive role in economic development. For example, while the federal government was slashing rural spending by about seventy percent, states quadrupled their investments in economic development. During the early eighties, state economic development budgets grew at phenomenal rates -- "doubling every two years until 1986."¹³

State leaders have been successful in proposing new initiatives -- in transportation, education, and development programs -- particularly when new spending was linked to growth and development.

Increased spending, however, is only one indicator of the changed role states are playing. David Osborne noted in *Laboratories of Democracy*, that "particularly in the economic arena, the 1980s have been a decade of enormous innovation at the state level".¹⁴

States continue to carry out "traditional" approaches to economic development -- such as providing incentives for business investments, financing, and infrastructure investments. But they have also begun to adopt new development agendas -- supporting entrepreneurship, revamping educational systems, spawning new research and development organizations, dispersing technological innovation, promoting export sales, and investing in state and local leadership, for example.

3. Building State Rural Policy Capacity: State rural strategies may also confront some of the limitations which apply to federal programs. If they are to be more effective, the states' weaknesses should be addressed, and their advantages must be capitalized on.

Advancing the "New Development Agenda": Innovative economic development policies are being applied in rural communities by some states. However, just as the state budget picture varies, so too does the rate of adoption of the new development agenda. While states have increased the level of resources and activity focused on development programs, the pace of change is uneven.

States are experimenting with new programs and policy approaches. Yet, at least one observer has concluded that additional progress is needed: "Many states have yet to address rural development issues in meaningful ways. The rural programs that are in place in some states are narrowly defined, focusing, for example, only on agricultural diversification or adult literacy. In addition,

where free-standing rural development programs exist, they are some times untargetted, poorly funded, and have little political clout."¹⁵

The Policy Index prepared for CfED's *1989 Development Report Card of the States* is another measure of the level of adoption by the states of both their traditional roles and the new development agenda.¹⁶ Most states with the lowest ratings are rural states.¹⁷

In part, this mosaic of uneven performance reflects the unique traditions and political climates of these states. Where the public has lower expectations of the role of government in general and state government in particular, welding together the political coalition required to set new directions can be accomplished only by paying a higher political and personal cost by state leaders.

While there is much "good news" about the states' capacity to address economic development issues, limits to their reach and effectiveness must also be acknowledged. In some cases, these issues are determined by institutions and forces beyond the state's direct control. For example, the national and world economy is undergoing structural changes. Some of the industries rural areas have relied upon are facing new international competitors. In addition, national fiscal and monetary policy has harmed many of these same industries. And, federal efforts to reduce or eliminate regulation of financial institutions, airlines, railroads, and telecommunications have had differing impacts across rural America.

Another important factor in the uneven adoption of the new development agenda is the thinner cadre of policy analysts available in many rural states. And, finally, many rural state governments have not developed strong, routine relationships with their universities -- a source of support that is crucial in states with constrained policy development capacities.

The Rural Policy Development Process: The first step in the process of crafting rural revitalization strategies should be to accurately gauge current conditions which create barriers to or opportunities for development. The diversity across rural America will affect how states approach policy development. Rural economies are complex and diverse. No single answer will be universally applicable to the rural development challenge. Therefore, rural policy "must build from the ground up".¹⁸ Decentralization and customization of policies and programs will be required. And, states must help build the capacity of rural communities to pursue revitalization strategies.

The States' efforts must extend beyond local capacity building, however. The day-to-day activities of state governments influence the overall environment for local initiative. "The state role in the development process extends far beyond those few programs targeted at development objectives to include much of the taxing,

expenditure, and regulatory activity of government... (S)trategies must be built from this broad view of the states' role."¹⁹ The states must work to ensure that a range of policies are efficient, effective, and are equitably treating rural communities. Further, states will need to build effective partnerships with local governments, universities, non-profit groups, the private sector, and other institutions involved in rural issues. The process of building these partnerships may be more manageable on a state and regional basis.

With strategic directions established, states can turn to a fairly impressive cache of tools that can support rural development. These might include:

- o Mobilization and Motivation* -- Governors are uniquely positioned to draw sustained public attention to rural issues and to organize the coalitions necessary for effective action. States can link the disparate efforts of the many institutions that effect rural development into a unified strategy.

- o Capacity building and leadership development* -- On both the state and local level, and within the public and private sector, states facilitate the development and emergence of new leaders and can help build institutional capacity. Where the capacity of existing organizations is lacking or inappropriate for meeting new challenges, states can support new organizations and institutions.

- o Equalization* -- States govern the flow of funds for many public sector programs. Their decisions determine how well rural and distressed places and people fare in the distribution of resources and services.

- o Universal access to basic services* -- State policies influence the cost and quality of many important services to rural communities -- for example, telecommunications and transportation services.

- o Crisis intervention* -- States, either independently or in cooperation with other institutions, can direct the attention of agencies and other resources to respond to dislocations which may be beyond the capacity of the local governments to address.

- o Financing* -- Financing programs are the most common form of state rural development initiative. States also affect the lending environment through incentives, regulations, training, and the dissemination of information.

- o Technical/Business Assistance and Employee Training Services* -- State programs help build the skills of business owners and their employees.

o Infrastructure -- States control or influence investments in and the maintenance of many types of public infrastructure systems.

o Human resource investments -- The largest portion of state budgets are dedicated to providing or purchasing education and training services. They also can use their regulatory authority and the collection, analysis, and dissemination of information to effect the investment decisions of individuals.

o Regulation -- States establish much of the legal and regulatory environment for economic activity. Regulatory reform measures can enhance economic opportunities in rural communities.

o Technology development and deployment -- Major investments are being made by states in research, development, and deployment of technology.

o Community development -- The availability and quality of human services, health care, infrastructure systems, and other public amenities are directly affected by the states. Local government structure and leadership can also be influenced through law, regulation, and state programs.

An important outcome of this project will be an expanded capacity within states for honing these alternative approaches into a comprehensive rural revitalization strategy.

(III) The Next Agenda -- Supporting Effective State Rural Policies

Over the past few years, the Ford Foundation's Rural Poverty Program and Human Rights and Governance Program, the Kellogg Foundation, the Joyce Foundation, and the Northwest Area Foundation have supported research and other projects which have increased our understanding of the dynamics of rural economies and expanded the capacity of states to address rural issues.

The expertise to support state efforts has been advanced at a number of organizations -- such as at CSPA, the National Governors' Association, the Southern Growth Policies Board, and the Western Governors' Association. Not-for profit intermediary organizations -- such as MDC Inc., and The Center for Rural Affairs -- and university-based programs -- Iowa State University, the Northwest Policy Center at the University of Washington, and the Hubert Humphrey Institute and the Center for Urban and Regional Affairs at the University of Minnesota -- have expanded their ability to assist states. Many federal agencies, such as the USDA's Economic Research Service, Extension Service, and the Farmers' Home Administration, also have extensive expertise, information, and experience on rural issues. And, practitioners have learned invaluable lessons. From these programs, our body of knowledge about best practices is growing daily.

The most important tasks ahead are apparent. States have emerged as crucial to sustained progress toward rural revitalization. Investments in building state and local policy capacities on rural issues are vitally important.

Research and practice has yielded much of the information, expertise, and ideas needed to support effective state rural policy development. The challenge includes:

- o translating research results on rural issues into a form useful to states;
- o building the states' capacities to craft and implement comprehensive strategies tailored to their unique circumstances.
- o helping states assess the barriers to and opportunities for rural development;
- o supporting state efforts to set appropriate policy goals, refine program designs and implementation plans, and create accountability systems;
- o providing ideas state leaders can use to weld together the coalitions necessary for action on the state level.

All must be done within the specific and unique policy context for each state. And, to be successful, it will require solidifying new linkages. Finally, to ensure the greatest number of states can share in the benefits of these efforts, information on state rural policy alternatives must be assessed, distilled, and disseminated to a wider audience.

This project is designed to maximize CSPA's contribution to the achievement of these objectives. Further, the proposal responds to specific requests from states for the type of assistance a State Policy Academy has been designed to deliver. For example, during CSPA's Annual Meeting in August 1989, the possibility of a State Policy Academy on Rural Economic and Community Development was discussed. About thirteen of the twenty-seven states in attendance indicated an interest in applying for selection to the Academy. Nine of these states were then contacted to further define their needs and interests. All reiterated their interest in seeing an Academy offered in 1990 and indicated that their state would apply. These nine states represent all regions of the country, a balance of partisan affiliations, and a range of rural policy development capacities.²⁰ (See Endnote for a list of states which have already indicated an interest in applying for participation in the proposed Academy.)

(IV) The State Policy Academies on Rural Economic and Community Development

(A) Project Outline:

Working in tandem with cooperating organizations, CSPA will deliver three categories of products; a synthesis of information on rural issues and effective policy alternatives; two State Policy Academies on Rural Economic and Community Development; and a dissemination plan designed to extend the benefits of the project's efforts to a broad audience of state policymakers and others interested in rural issues.

1. Syntheses: The Ford Foundation, the W.K. Kellogg Foundation, and others have supported efforts which have yielded much of the information, analyses, and ideas needed by this project. However, cooperation across a number of organizations will be essential to synthesize the results, extend the applicability of this information to specific states, and to begin filling remaining gaps in our knowledge base. And, this information must be assembled in a form relevant to states -- materials needed in the Academy process and a Policy Manual which can be used by non-participating states. In the second year of the project, these materials will be further developed and compiled into a book on state rural economic and community development issues and policies.

Commitments for cooperation in completing the synthesis task have been made by: USDA's Economic Research Service, Extension Service, and Farmers' Home Administration; the National Governors' Association; The Corporation for Enterprise Development; and the Northwest Policy Center. The grant request needed to support the synthesis task for the first Academy is \$40,000. \$20,000 is allocated for additional work in advance of the second Academy. And, \$49,000 will be required during the project's second year for the preparation of a book on rural development.

2 The State Policy Academy: Overview -- The CSPA Policy Academy is a powerful and tested tool that produces effective state policies needed to address high priority issues. States which have participated in past Academies are national leaders on these issues.

The general goals of the Academy are:

- o to clearly define an issue or problem;
- o to expand the range of information and viewpoints available to state officials charged by governors with addressing high priority issues;
- o to develop clear goals to guide policy development;

- o to fashion policy options that are responsive to the unique problems and opportunities of each state;
- o to design effective programs, delivery systems, accountability systems, and evaluation procedures;
- o to produce an action plan with explicit resource commitments from key stakeholders;
- o to craft communications strategies needed to support enactment of the action plan.

Academies combine the best elements of strategic planning, policy analysis, and interdisciplinary coordination. States, in consultation with national experts and their colleagues, produce tailored policies and specific two-year action plans. During the first year of the project, \$184,700 will be used to support delivery of an Academy involving eight to ten states chosen through a competitive application process. In year three, the second Academy will entail an additional \$180,000. At a cost of less than \$20,000 per state, the Academy is an extraordinarily cost-effective means of building policy development capacities on rural issues.

State Selection -- States will be invited to respond to a Request For Proposals and to compete for their selection as Academy participants. The Governors' establish teams comprised of people with direct responsibility for rural policy development and implementation. These teams of top state/local/private sector leaders are committed to full participation in Academy activities.

The Academy Process -- The Academy relies on several key ingredients for its success:

- o commitment of the governor is a prerequisite for state applications;
- o participation of senior policymakers as state team members;
- o freedom to brainstorm and experiment with ideas in a supportive environment with peers and other experts;
- o ready access to leading experts from the field and the most current information available;
- o reliance on peer expertise;
- o sensitivity to political communications;
- o a process thoughtfully structured and facilitated by a staff with extensive expertise in both policy development and rural issues;

o the requirements to produce a final, written two-year action plan which all state team members are committed to implement.

Through the Academies, states will receive expanded access to information, ideas, and analyses on rural issues. Training in state-of-the art policy development models will be provided. And, the type of ongoing assistance required to manage a successful policy development process will be made available.

The Academy is structured to support the development of effective policy by the state teams. The Academy process includes three phases and three types of activities.

Phase One: State teams are exposed to CSPA's comprehensive approach to strategic policy development. In advance of the first session, each team is asked to begin identifying the problems and opportunities that confront rural development policy in its state. A written definition of the rural problems to be focused on during the Academy is drafted by each team. At the Academy, each state presents this description to their colleagues, receives information on the policy development process, interacts with national experts, and refines what CSPA calls the "environmental scan" and the problem definition. Phase One broadens the thinking of the team, lessens preoccupation with "back home" operational difficulties, and encourages the formation of new linkages and the exploration of new ideas.

Phase Two: State teams have access to the best available ideas, analyses, and information on rural economic and community development -- both theory and practice. This information is delivered initially by experts in plenary sessions or workshops. One key to the success of the Academy, however, is that experts are available to state teams to answer their direct questions and to help them tailor their strategies. The Academy offers state teams intensive consultation with a broad base of experts.

Phase Three: State teams compile their work into a draft policy document (Academy Session I) and a specific action plan (Academy Session II) which all team members are committed to implement.

Three types of activities move state teams through these phases. These include:

o *Content Sessions* are held for both large and small groups. The content presentations address rural economic development issues and the process of strategic policy development.

o *State Team Work Sessions* involve two-three hour blocks with support from a coach to facilitate their efforts and, as requested, direct involvement of substantive experts. Teams are expected to produce a written product from each of these sessions -- lists of problems and opportunities, problem definitions, policy goals and objectives, alternative strategies for each objective, program options, a final strategic plan, and the implementation and communications plans.

Team work sessions are facilitated by a coach who works with the state throughout the Academy. The coach understands the process of effective policy development, is skilled in facilitation, and experienced in the realities of state government.

o *Peer Critique Sessions* are held at many points in the Academy. Each team provides an oral presentation to other Academy states and participating experts of the written products developed during their work sessions. Each presentation is followed by questions and constructive criticism. These sessions are structured to allow participants to question the logic, challenge the assumptions, and test the political feasibility of the team's work.

The last session of each Academy is a role play in which the team leaders present the state's final product to the governor's office staff for their review. This experience builds the capacity and confidence team members need to garner support for their plans back in their state capitols.

The Content of the Academy -- The content of the Academy is created to match the specific and evolving needs of the participating states. However, some key areas can be anticipated. The range of issues that are likely to require presentations from national experts and state practitioners is quite wide. For example, they may include:

- o Gauging the Rural Economy -- Identifying Barriers and Opportunities to Economic and Community Development
- o Responding to the Needs of the Rural Poor
- o Local Leadership and Capacity Building
- o Community Development
- o Financing
- o Entrepreneurship and New Business Development
- o Education, Training, and Human Service Programs

- o Business/Technical Assistance
- o Infrastructure
- o Telecommunications
- o Technology Transfer
- o Building Effective Partnerships

Implementation -- During the project's second year, on-site intensive assistance will be offered to facilitate implementation of the strategies developed by the state teams during the Academy.

The Academy Faculty -- The substantive sessions of the Academy will rely on a wide range of experts who will be identified in consultation with the Advisory Committee. They will serve as the Academy "faculty" and will also deliver direct assistance to state teams throughout the Academy and in support of the teams' work in their home states.

Meetings to discuss the development of this proposal have been held between CSPA, NGA, CfED, ERS, Extension Service, FmHA, and others. Preliminary commitments for participation in either the Advisory Committee and/or the faculty have been made by these organizations.

The State Policy Academy Advisory Committee -- A group of state officials, state and other organizations, academicians, and researchers involved in rural issues will be organized as an Advisory Committee. The Committee will contribute expertise, contacts, and information to support the Academy.

The Committee will also be consulted on all issues related to the design and implementation of the Academy. Committee members's comments will be sought on: the design of the RFP for state applications; state selection; the content and schedule for all activities; recruitment and selection of faculty, presenters, coaches, etc.; and on the development of resource materials. The Committee will comment on all products expected from the project. And finally, the Committee will be available to assist in completing an independent evaluation of the Academy.

The Advisory Committee could be expected to include: CSPA staff, foundations, regional groups, local government associations, federal agencies, academics, state policy leaders, and rural economic and community development practitioners.

3. Dissemination Plans: While sixteen to twenty states will participate directly in the Academy process, the materials prepared for and lessons learned from the project will be useful to most other states as well. An aggressive dissemination plan is proposed to ensure the widest possible benefits will be derived from the investment in this project.

The dissemination plans involve five types of products. They include: roundtables; issue papers; a national conference; a CSPA book on state rural development issues and strategies; and cooperation with the Ford Foundation/Aspen Institute and other organizations interested in addressing the needs of non-Academy states on rural issues.

Issue Papers and Roundtables -- Issue papers and roundtables will be used to develop materials for the Academy and to facilitate the dissemination of this work to additional states. The existing network of researchers and practitioners involved in rural issues will help develop the issue papers and roundtables. This process will be coordinated with other activities supported by the Foundations under the "Rural Alliance" projects, as they are being developed.

Four roundtables will be hosted by CSPA (or in cooperation with other organizations) and will lead to issue papers and other materials for use in the Policy Academy. The topics of these sessions are likely to include:

- o The Rural Economic and Community Development Challenge
-- Framing the Policy Issues
- o Diagnosing the Opportunities for and Barriers to Rural Community and Economic Development
- o Crafting Effective Rural Economic Development Policies
-- From Policy Goals through Program Implementation
- o Rural Economic Development: Alternatives and Best Practices

The Book -- The materials prepared for the Academy will be further refined and developed into a book for wide distribution to state and local policymakers interested in rural development.

National Conference -- The National Governors' Association, or some other group identified by the Foundations, is expected to organize a National Conference on rural issues in late 1990. CSPA will assist in developing the conference and will cooperate in ensuring that the materials developed and lessons

learned through the Academy will be available to the Conference. Particular emphasis will be placed on presentations from Academy states and other exemplary programs.

Assistance to Non-Academy States -- CSPA will work cooperatively with NGA and other organizations involved in assisting states on rural economic and community development issues. This effort will ensure that non-participating states have the best possible access to the services and materials prepared for the Academy.

(V) The Impact of Past CSPA State Policy Academies:

CSPA has organized and delivered Policy Academies which have addressed a wide range of difficult state issues. In order to illustrate the impacts of past Academies, the results of our work on the Literacy Academy are discussed below.

(A) The State Policy Academy on Enhancing Literacy²¹

During 1987 and 1988, CSPA²² organized a State Policy Academy on Enhancing Literacy for Jobs and Productivity. Governor-appointed teams of policymakers from nine states²³ worked through the Academy to devise integrated strategies that fit the special needs and conditions of their states. Working with leading national experts, state teams developed a comprehensive understanding of the literacy problem in their states, devised thoughtful and politically realistic policies, and developed plans to bring both public and private resources together to support their policies.

Among the key resources developed for the Academy was a CSPA book -- Enhancing Adult Literacy: A Policy Guide -- which established an innovative framework that many states have now adopted in their own literacy plans. "Enhancing Adult Literacy" argues that investing in workforce literacy requires a new way of thinking. Until recently a person was presumed literate if he or she could read and write at a specific grade level. While the designated grade level has changed during the last fifty years from fourth grade to eighth grade, the basic presumption of literacy at any grade level is being challenged. The skills needed for employment are changing and growing ever more complex. Literacy is more than decoding words. It is contextual -- its definition is determined by the environment.

Workplace Literacy entails a combination of skills. And, CSPA proposed that enhancing these skills involved assisting people in their movement along a literacy continuum, as opposed to achieving a fixed target such as a reading level. "Enhancing Adult Literacy" proposed a framework for determining relevant skills and methods for monitoring progress -- for individuals and the programs aimed at assisting them attain literacy. The continuum offered a practical approach for measuring literacy levels, targeting programs, and evaluating outcomes.

Three state examples illustrate how the Academy process supported the development by state teams of comprehensive, integrated approaches to literacy and workforce issues:

The Florida Adult Literacy Plan, developed during the Policy Academy, ties literacy enhancement to the state policy goals of dependency reduction and economic development. Jointly

signed by the Governor, the Commissioner of Education, and the Departments of Health and Rehabilitative Services, Labor, and Corrections, the Florida Literacy Plan sets clear policy objectives for the enhancement of adult literacy, provided for the targeting of state resources to address the problems in the welfare-dependent and corrections populations, and mandated the statewide development of local, interagency literacy plans. These local plans must demonstrate collaboration between local schools, the JTPA, and social services systems and must address the needs of priority groups such as welfare recipients and incarcerated adults. Plans must also develop an accountability component to track the employment and related outcomes of literacy services.

The Massachusetts Workforce Literacy Plan presents workforce literacy as a state economic development problem, targets the populations most seriously affected, and proposed solutions, including an ambitious increase in state funding. The plan received broad support from the Secretaries of Economic Affairs and Labor, the Commissioner of Education, the Chancellor of Higher Education, the Massachusetts Coalition of Adult Literacy, and the AFL-CIO. The Massachusetts Team spearheaded the interagency coordination called for in the Plan to develop: a uniform, statewide data collection process; a coordinated RFP process for literacy providers; uniform standards for program effectiveness and client outcomes; and comprehensive, interagency, regional planning for literacy services.

Michigan's Workforce Literacy Plan, Countdown 2000, developed and refined through the Academy, recommends statewide adoption of a new "workforce literacy" definition to drive all adult training and education programs. It also proposes sweeping changes in the state's training and employment system. These changes are supported by the development of the Michigan Opportunity Card and the Michigan Human Investment Fund and were announced by the Governor as new initiative in 1988. Envisioned as a driving force to integrate existing training and education efforts, weed out ineffective programs, and coordinate the development of future programs, the Michigan Opportunity Card provides access to job training and educational services for all Michigan adults. The Michigan Human Investment Fund is a joint venture between the private sector and state departments and agencies that are involved in adult training and education programs. The members of the Fund form a board of directors to oversee and coordinate management of the state's entire human investment system. The Michigan Opportunity Card has been hailed as an important innovation is likely to effect how many other states develop, target, and manage their human resource investments.

(VI) Independent Assessment

The evaluation of foundation-supported projects can yield information important to the funder, the grantee, and the audience served by the project. While CSPA has undertaken self-evaluation and has sought comments from others involved in past State Policy Academies, external assessment of the Academy on Rural Economic and Community Development will allow us to further refine our efforts. As such, the Council will work cooperatively with the Foundation to identify an appropriate individual or institution and to facilitate their independent assessment of the project.

(VII) The Capacity to Deliver the Proposed Project

CSPA will have primary responsibility for convening the advisory group, organizing the research and policy development tasks, planning and hosting the Academy sessions, and completing the dissemination plan.

CSPA has completed research and policy work of the highest quality on state economic development issues. Lead project staff have managed an innovative research project on rural entrepreneurship, completed extensive work on the link between development and state natural resources and agriculture policies, and will soon conclude a project involving extensive analysis of rural economies in seven midwestern states. (See Attachment A for additional details)

The Council also has an established record in supporting states through both our Technical Assistance Program (See Attachment B) and a series of State Policy Academies. (See Attachment C)

However, the Academy cannot succeed without the cooperation of many collaborating organizations. The active participation of many of these groups has been secured through meetings with the Academy Project staff.

(VIII) Proposed Budget and Allocations by Task

(A) Description of Project Tasks:

YEAR ONE

TASK ONE: The lessons learned from research and practice will be developed into a form needed to support the Academy process. The work includes organizing and completing issue papers, four developmental roundtables, and the production of materials to be included in Academy notebooks. These materials will be assembled into a Policy Manual that will be disseminated to the broader national audience interested in states and rural economic development. Many other organizations will contribute to this task. In a few limited cases, the proposed budget would fund their involvement. However, the budget assumes that much of what is needed will be available either as an in-kind contribution or without cost to the project.

TASK TWO: Organize material for the Academy Manual/notebook. In addition to materials developed in the synthesis process, other materials will also be compiled or created for use in the Academy. Other organizations can be expected to contribute to this effort, and most materials should be available without cost -- with copying costs born by the project budget.

TASK THREE: National Conference. The conference is an important outlet to disseminate both the materials developed for the Academy and the process/products that will come from the state teams. The budget assumes CSPA will assist in developing the conference, but will not have primary responsibility for organizing and funding the Conference.

TASK FOUR: Organize assistance to non-Academy states. This is part of the dissemination plan -- to get the lessons and materials developed in the Academy to a broader audience. The budget estimate assumes only minimal direct expenses to CSPA and that some other organization will have lead responsibility. No costs are assumed for CSPA travel or living expenses, for example.

TASK FIVE: Delivery of the Academy. CSPA has lead responsibility for organizing and delivering the Academy. Other organizations will be deeply involved as members of the Academy Advisory Committee, Academy Faculty, Coaches, and in all other aspects of this task. Most of the funding is for either CSPA staff time, production of the Academy notebooks, travel for CSPA, Coaches, and Faculty, and facility costs. (Note, however, that a key subcontract with Judy Chynoweth is reported separately below.)

State teams will bear responsibility for their own travel/living and salary/benefit expenses. No funds have been budgeted for group meals at the Academy, but CSPA will seek sponsors to defray some of these costs for needed group events.

CHYNOWETH SUBCONTRACT: Judy Chynoweth is an independent consultant who has been deeply involved in the development of the Academy model and the delivery of all recent Academies. Her tasks are in support of the project director. She will have lead responsibility for delivering Academy sessions on the specifics of the strategic policy development process. In addition, she will assist in preparing for and will attend all Planning Advisory Committee meetings, draft and complete Academy Schedules, recruit coaches, and assist in the assessment of and reporting on Academy results.

TASK SIX: Interim, in-state assistance will be made available to at least five of the state teams participating in the Academy. Both substantive and process TA will be made available.

YEAR TWO

TASK SEVEN: Assistance will be made available to first-round states to facilitate the implementation of the strategies they developed during the Academy.

TASK EIGHT: The materials included in the Policy Manual and lessons learned during the first year will be refined and developed into a comprehensive book on state rural development issues, strategies, and programs.

TASK NINE: Dissemination efforts will be continued from the first year. CSPA will seek opportunities to present information from and on the Academy through articles, speeches, and meetings.

YEAR THREE

TASKS TEN THROUGH FOURTEEN: CSPA will replicate the process followed in year one to present a second-round Academy to an additional eight to ten states.

(B) Summary Budget by Task:

YEAR ONE -

Task One: Synthesis (Roundtables, Issue Papers, Develop Academy Materials)	\$40,000
Task Two: Academy Notebook materials develop- ment and organization)	8,200
Task Three: National Conference	8,200
Task Four: Assistance to Non-Academy States	8,000
Task Five: Academy organization and delivery	163,000
Chynoweth Subcontract	21,700
Subtotal	\$184,700
Task Six: Interim TA to Academy States	12,300

YEAR ONE SUBTOTAL: \$261,400

YEAR TWO -

Task Seven: Implementation Assistance to States	28,000
Task Eight: CSPA Book on Rural Development	49,000
Task Nine: Ongoing Dissemination Efforts	7,500

YEAR TWO SUBTOTAL: \$ 84,500

YEAR THREE -

Task Ten: Update and Develop New Materials for the Second Academy	20,000
Task Eleven: Organize Academy Policy Manual	4,000
Task Twelve: Delivery of the second Academy	180,000
Task Thirteen - Second Chynoweth Subcontract	21,700
Task Fourteen - Implementation Assistance	14,000

YEAR THREE SUBTOTAL: \$239,700

.....THREE YEAR PROJECT TOTAL: \$585,600

(C) Summary Budget by Cost Category:

YEAR ONE

		Percent of Total
CSPA Salaries and Benefits:	\$100,100	39%
Expenses (rent, maint, equip, etc)	26,800	10%
CSPA Travel	16,100	6%
Other Travel	37,800	14%
Printing	10,400	4%
Consultant Time	40,700	14%
Facility & Related Expenses	9,500	4%
Accounting and Finance	20,000	8%
Total:	\$261,400	100%

YEAR TWO

		Percent of Total
CSPA Salaries and Benefits:	\$ 42,000	50%
Expenses (rent, maint, equip, etc)	11,000	13%
CSPA Travel	6,000	7%
Other Travel	4,000	5%
Printing	8,000	9%
Consultant Time	5,000	6%
Facility & Related Expenses	0	0%
Accounting and Finance	8,500	10%
Total:	\$ 84,500	100%

YEAR THREE

		Percent of Total
CSPA Salaries and Benefits:	\$ 98,000	40%
Expenses (rent, maint, equip, etc)	25,000	10%
CSPA Travel	16,000	7%
Other Travel	37,000	15%
Printing	6,000	3%
Consultant Time	30,000	13%
Facility & Related Expenses	10,000	4%
Accounting and Finance	17,700	8%
Total:	\$239,700	100%

(D) CSPA Staff Time Allocations:

YEAR ONE

James Souby, Director	19%
Barbara Dyer, Dir. of Policy Studies	17%
Mark Popovich, Sr. Staff Associate	50%
Lauren Cook, Sr. Staff Associate	9%
Joan Pullian, Administrative Assistant	20%
Support Staff	40%

YEAR TWO

James Souby, Director	4%
Barbara Dyer, Dir. of Policy Studies	6%
Mark Popovich, Sr. Staff Associate	37%
Lauren Cook, Sr. Staff Associate	0%
Joan Pullian, Administrative Assistant	5%
Support Staff	10%

YEAR THREE

James Souby, Director	17%
Barbara Dyer, Dir. of Policy Studies	17%
Mark Popovich, Sr. Staff Associate	45%
Lauren Cook, Sr. Staff Associate	9%
Joan Pullian, Administrative Assistant	20%
Support Staff	40%

(IX) Project Timeline

YEAR ONE

- | | |
|---|----------------|
| (1) Prepare Draft RFP for States | December 1989 |
| (2) <i>First Advisory Committee Meeting</i>
(Review Academy and RFP Draft) | December 1989 |
| (3) Release RFP to States | December 1989 |
| (4) RFP Due Date from States | January 1990 |
| (5) State Selection | Jan/Feb 1990 |
| (6) <i>First Roundtable/Issue Paper</i>
(Framing the Policy Issues) | February 1990 |
| (7) Team Leader Orientation Session | February 1990 |
| (8) <i>Second Roundtable/Issue Paper</i>
(Diagnosing Rural Economies) | March 1990 |
| (9) <i>Second Advisory Group Meeting</i>
(Org for the Academy) | April 1990 |
| (10) First Academy Session | Ap/May 1990 |
| (11) <i>Third Roundtable/Issue Paper</i>
(Crafting Effective RED Policy/Program) | May 1990 |
| (12) Interim TA to Academy States | May-June 1990 |
| (13) <i>Fourth Roundtable/Issue Paper</i>
(Alternatives and Best Practices) | June 1990 |
| (14) <i>Third Advisory Group Meeting</i> | June/July 1990 |
| (15) Second Academy Session | July 1990 |
| (16) Interim TA to Academy States | July-Dec 1990 |
| (17) Assistance to Non-Academy States | Ongoing |
| (18) <i>Final Advisory Group Meeting</i> | Sept 1990 |
| (19) National Conference | December 1990 |
| (20) Year One Progress Report | January 1991 |
| (21) Dissemination of Results | Ongoing |

YEAR TWO

	February 1991
(22) Implementation Assistance to States	Jan - Dec 1991
(23) Complete CSPA Book on rural development	June 1991
(24) Dissemination of Results	Ongoing
(25) Year Two Progress Report	November 1991

YEAR THREE

(26) Release Academy RFP to States	December 1991
(27) <i>First Advisory Committee Meeting</i> (Review Academy and RFP Draft)	January 1992
(28) RFP Due Date from States	February 1992
(29) State Selection	Jan/Feb 1992
(30) Initial Roundtable/Issue Paper	February 1992
(31) Team Leader Orientation Session	February 1992
(32) Second Roundtable/Issue Paper	March 1992
(33) <i>Second Advisory Group Meeting</i>	April 1992
(34) First Academy Session	Ap/May 1992
(35) Interim TA to Academy States	May-June 1992
(36) <i>Third Advisory Group Meeting</i>	June/July 1992
(37) Second Academy Session	July 1992
(38) Interim TA to Academy States	July-Dec 1992
(39) Final Progress Report	January 1993
(40) Dissemination of Results	Ongoing

(X) A Record of Success:

Over the past four years, CSPA Policy Academies have assisted states in crafting policies to address a range of difficult issues. The topics of past Academies have included: reducing the high school dropout rate; improving literacy to enhance employment and productivity; preventing teen pregnancies; expanding the employment opportunities for people with developmental disabilities; and supporting expanded employment of older workers.

CSPA is proud of the accomplishments achieved through the State Policy Academy process. References for funding agencies, participating states, and the specific outcomes of these Academies will be made available upon request.

ATTACHMENT A

A BRIEF REVIEW OF CSPA POLICY DEVELOPMENT AND RESEARCH PROJECTS

*"More than any organization,
CSPA is the vehicle for
helping us get ahead of
events."*

*George Sinner
Governor
North Dakota*

*"CSPA's work on key issues,
like economic development,
human resources, welfare
reform, and rural develop-
ment is an invaluable re-
source of ideas. The
Council's research and
publications chart ef-
fective new approaches
to the most pressing prob-
lems we are facing."*

*Bill Clinton
Governor
Arkansas*

CSPA is an organization formed to bring well reasoned arguments to the policy debate. It has been willing to take on difficult issues, to introduce new concepts, and to conduct responsible analysis in order to improve the way in which policies are developed and administered.

The Council has a strong track record for selecting the right issues and presenting effective ideas and policy options. CSPA's work is credited with refocusing and strengthening state policies for economic development, managing natural resources, human resource investment, capital planning and budgeting, agriculture and rural development, and telecommunications policy.

State Economic Development:

o *The Wealth of States: Policies for a Dynamic Economy*, Roger Vaughan, Robert Pollard, and Barbara Dyer, CSPA, Washington, D.C. Supported by a grant from the Technical Assistance Program of the Economic Development Administration, U.S. Department of Commerce. Economic development is a process of change and adaptation to change. Innovation is the fuel and entrepreneurs are the engine. The book provides a framework for development policy with practical steps states can take to implement this new agenda.

"...a strategic guide to the economy of the future" -- Alan Webber, *Harvard Business Review*.

o *Rebuilding America: Vol I-- Planning and Managing Public Works in the 1980s* and *Vol II -- Financing Public Works in the 1980s*, Roger Vaughan, CSPA. Supported by a grant from the U.S. Department of Housing and Urban Development. An aid to states confronting the condition of America's neglected public works infrastructure. "... (A) storehouse of useful and understandable information, and a very knowledgeable and pragmatic approach to the massive task of renewing our nation's basic infrastructure system" -- Peter Goldmark, Executive Director, The Port Authority of New York and New Jersey.

o *Creating Opportunity: Reducing Poverty Through Economic Development*, Hugh O'Neill, CSPA. Supported by a grant from the U.S. Department of Health and Human Services, Office of Human Development Services. Welfare policies have long stressed subsistence payments, not steps to employment. *Creating Opportunity* lights the way for state and local initiatives that can attack the institutional barriers that have frustrated "economic opportunity policy".

o *Studies in State Development Policy*, various authors, CSPA. A ten-volume series to help state officials shape economic development policies that work. The studies deal in depth with state tax policy, regulatory efforts, development finance, and economic conditions.

Rural Entrepreneurship:

o *Rural Enterprise Development: An Iowa Case Study*, Mark Popovich and Terry Buss; *Growth from Within: New Businesses and Rural Economic Development in North Dakota*, Terry Buss and Mark Popovich; *Growing Successful Businesses: New Rural Business Development in Maine* (forthcoming), Terry Buss and Mark Popovich; and *New Rural Business Development in Arkansas* (forthcoming), Terry Buss and Mark Popovich; all CSPA. Supported by grants from The Rural Economic Policy Program of the Ford Foundation and Aspen Institute; The Northwest Area Foundation; and the Economic Development Administration of the U.S. Department of Commerce. A series of four state studies which demonstrated an innovative and affordable method for investigating the role of and barriers to entrepreneurship in rural development. "CSPA's work on rural entrepreneurship is helping states craft new strategies that hold real promise for improving the prospects for our rural communities" -- Terry Branstad, Governor of Iowa.

o *101 Ideas for Stimulating Rural Entrepreneurship and New Business Development*, various contributors, CSPA. Supported by grants from The Rural Economic Policy Program of The Ford Foundation and The Aspen Institute and from The Northwest Area Foundation. A comprehensive listing of policy approaches and program initiatives

state and local leaders can follow in order to nurture a supportive environment for rural development based on entrepreneurship.

Diagnosing Problems and Opportunities in Rural Economies:

o With funding support from The Joyce Foundation, CSPA is currently engaged in a cooperative effort with the Economic Research Service of the U.S. Department of Agriculture in an innovative project to develop and disseminate useful data series, analyses, and products which are designed to assist state and local policymakers understand the current status of their local economies and to facilitate their efforts to better understand the barriers to and opportunities for rural economic and community development. (Projected completion date -- February 1990.)

Natural Resources:

o *Renewing America: Natural Resource Assets and State Economic Development*, William Nothdurft, CSPA. Supported by a grant from the William and Flora Hewlett Foundation. Natural resources are a vital part of the economy -- assets from which we produce goods and amenities that are magnets for new development. "Renewing America" establishes an agenda states can follow to ensure the make the investments required to maintain and enhance the productive capacity of their natural resource base. "...moves us off the growth vs. no-growth stalemate onto a forward path paved by the recognition that environmental quality is an essential ingredient of a strong economy" -- Cecil Andrus, Governor of Idaho.

Agriculture Policy:

o *Creating an Entrepreneurial Farm Economy: A New State Policy Approach*, William Nothdurft, Roger Vaughan, and Mark Popovich; *Going to Market: The New Aggressiveness in State Domestic Agricultural Marketing*, William Nothdurft; *State Agricultural Export Promotion Strategies*, Mark Popovich; *State Emergency Farm Finance (Vols. I & II)*, Mark Popovich; and *State Innovations in Agricultural Policymaking*, William Nothdurft. All CSPA. Supported with a grant from the William and Flora Hewlett Foundation, The Mott Foundation, and The Joyce Foundation. Critiques the common assertions about the nation's farm problems in the way agriculture operates in the nation's marketplace economy, and presents practical guidelines states can follow to strengthen their agricultural economy. "For anyone grappling with farm problems, CPSA's policy papers on these topics are a 'must' read"-- George Sinner, Governor of North Dakota.

ATTACHMENT B

Diversity Table for the Board and Staff of the Council of State Policy & Planning Agencies

	Minority Male	Minority Female	Non- Minority Male	Non- Minority Female	Total
CSPA Executive Board*	0	1	7	3	11
CSPA Professional Staff	0	1	3	2	6
CSPA Support Staff	0	2	0	0	2
Total	0	4	10	5	19

(* CSPA members are appointed to membership in the organization by the Governors of the fifty states and five territories or possessions. The CSPA Executive Board is elected annually by the membership. A complete listing of the Executive Board members is included below.)

CSPA Affirmative Action Policy Statement

The Council of State Policy & Planning Agencies (CSPA) reaffirms its policy of providing equal employment opportunity to all of its employees and applicants. CSPA renews its commitment to prohibit discrimination based on race, color, religion, national origin, sex, age, political affiliation, veteran status, handicapping condition, or marital status. The Council continues to promote equal employment opportunity in matters of hiring, promotion, transfer, compensation, benefits, and all other terms of employment.

In implementing this policy, CSPA takes affirmative steps to promote full realization of equal employment opportunity by (1) developing and maintaining equitable personnel policies and procedures that are consistent with the goal of equal employment opportunity, and (2) making every effort to increase the number of qualified minorities, women, and handicapped persons employed at the Council. CSPA fully accepts the goal of equal employment opportunity and we support affirmative action as a means of achieving this goal.

CSPA Executive Board

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Endnotes

1. U.S. Department of Labor, *Employment and Earnings Monthly*, and *Supplement to Employment and Earnings Monthly*, Bureau of Labor Statistics, Washington, D.C.: September 1989. Total non-agriculture, private sector employment increased from 87,614,000 in January 1983 to 105,915,000 in January 1989.
2. Kenneth L. Deavers, "Rural Development in the 1990s: Data and Research Needs", U.S. Department of Agriculture, Economic Research Service, Agriculture and Economy Division, Washington, D.C.: July 1989.
3. Ibid.
4. Mark Drabenstott and Lynn Gibson (eds.), *Rural America in Transition*, The Federal Reserve Bank of Kansas City, Research Division, Kansas City, Missouri: April 1988.
5. U.S. Department of Agriculture, *Rural Economic Development in the 1980's: Preparing for the Future*, U.S. Department of Agriculture, Economic Research Service, Agriculture and Economy Division, ERS Staff Report No. AGES870724, Washington, D.C.: July 1987.
6. See Deavers, 1989.
7. See U.S. Department of Agriculture, *Rural Economic Development in the 1980's*.
8. See Drabenstott and Gibson, *Rural America in Transition*.
9. Corporation for Enterprise Development, *The 1989 Development Report Card for the States*, CfED, Washington, D.C.: March 1989. CfED defined "rural states" as those where fifty percent or more of the total state population is classified as "rural" by the U.S. Department of Commerce, Bureau of the Census. Generally, the Census definition includes individuals living in unincorporated areas and other areas with populations under 2,500.
10. National Governors' Association and National Association of State Budget Officers, *Fiscal Survey of the States: 1989*, NGA/NASBO, Washington, D.C.: March 1989; and, National Governors' Association and National Association of State Budget Officers, *Fiscal Survey of the States: 1980-1981*, NGA/NASBO, Washington, D.C.: October 1981.
11. The sixteen states with over forty percent of their populations classified as rural (Census Bureau -- living in places with 2,500 inhabitants or less) include: (1) Vermont; (2) W. Virginia; (3) S.

Dakota; (4) Maine; (5) Mississippi; (6) N. Carolina; (7) N. Dakota; (8) Kentucky; (9) Arkansas; (10) N. Hampshire; (11) Montana; (12) Idaho; (13) S. Carolina; (14) Iowa; (15) Alabama; (16) Tennessee.

12. See National Governors Association and National Association of State Budget Officers, *Fiscal Survey of the States: 1989*, NGA/NASBO, Washington, D.C.: March 1989' and, National Governors' Association and National Association of State Budget Officers, *Fiscal Survey of the States: 1980-1981*, NGA/NASBO, Washington, D.C.: October 1981.

13. National Association of State Development Agencies, *1988 State Economic Development Expenditure Survey*, NASDA, Washington, D.C.: 1988.

14. David Osborne, *Laboratories of Democracy: A New Breed of Governor Creates Models for National Growth*, Harvard Business School Press, Boston, Massachusetts: 1988.

15. Prepared under the auspices of the Rural Economic Policy Program of the Ford Foundation and The Aspen Institute, "Background Memorandum: State Rural Policy Meeting", The Wye Institute, June 19-20, 1989.

16. See CfED, *The 1989 Development Report Card for the States*.

17. See CfED, *1989 Development Report Card for the States*. CfED identifies rural states as those with over fifty percent of their population classified as living in unincorporated or other areas with less than 2,500 populations.

18. National Governors' Association, *New Alliances for Rural America: Report of the Task Force on Rural Development*, NGA, Washington, D.C.: 1988.

19. Roger Vaughan, Robert Pollard, and Barbara Dyer, *The Wealth of States: Policies for a Dynamic Economy*, The Council of State Policy & Planning Agencies, Washington, D.C.: 1986.

20. States respond to an RFP for competitive selection to Academies offered by CSPA. As such, the following survey results should not be interpreted as pre-selection of any states in the proposed project.

The thirteen states which indicated an interest in the Academy at the CSPA Annual Meeting included:

REGION	-----PARTY AFFILIATION*-----
	Democrat Republican
Northeast	Maine

Midwest	Minnesota	Iowa Missouri Illinois
South	Arkansas Mississippi	Florida Alabama
West	North Dakota Washington	Montana Oklahoma

(*Party Affiliation of incumbent Governor)

All nine states contacted in our telephone survey were interested in applying for the proposed Academy. These included:

REGION	-----PARTY AFFILIATION-----	
	Democrat	Republican
Northeast		Maine
Midwest	Minnesota	Iowa Missouri
South	Arkansas Mississippi	Alabama
West	North Dakota	Montana

21. Judith K. Chynoweth, *Enhancing Literacy for Jobs and Productivity: Academy Final Report*, The Council of State Policy & Planning Agencies, Washington, D.C.: 1989. The discussion of the impact of the Literacy Academy is drawn directly from this report. Additional information is available from the final report.

22. The Literacy Academy was supported by grants from the U.S. Department of Labor and the U.S. Department of Education.

23. The participating states included: Florida, Idaho, Massachusetts, Michigan, Missouri, North Carolina, Tennessee, Utah, and Virginia.

JAMES M SOUBY

James M. Souby is Executive Director of the Council of State Policy & Planning Agencies (CSPA). He has had extensive experience in state government, including service as controller and division director in a state line agency and as a senior gubernatorial advisor on policy and planning.

Mr. Souby took his current position on June 1, 1983. Prior to that time he was director of the Governor's Division of Policy Development and Planning in Alaska. His public policy career began at the Alaska Department of Labor where he became controller in 1978. He advanced to the governor's office in 1980.

Mr. Souby moved to Alaska in 1971 upon completion of service in the U.S. Navy. With partners, he founded and managed a geological consulting firm. He also operated a remote fishing lodge and co-founded a commercial radio broadcasting company. Mr. Souby entered public service after becoming involved in the debate over the disposition of Alaska lands and natural resources.

Mr. Souby was born in Longmont, Colorado. He received his B.A. degree in geology and chemistry at Vanderbilt University, graduating early in 1968. He has pursued graduate studies in geology and oceanography at the University of Alaska.

**BARBARA DYER
BIOGRAPHICAL SKETCH**

Barbara Dyer is Director of Policy Studies for the Council of State Policy & Planning Agencies, a policy think-tank for the nation's governors. Since joining CSPA in 1981 she has developed several programs, conducted and managed research, published numerous books and papers and designed and delivered comprehensive assistance to state leaders in policy development.

While she manages CSPA's entire research agenda, Ms. Dyer's special areas of expertise are in economic development, human resources and natural resources policy.

Prior to CSPA, Ms. Dyer held the appointment of Special Assistant to the Secretary of the United States Department of the Interior. She was responsible for policy development on issues such as surface mine reclamation, oil and gas leasing, water projects and wild and scenic designations. Ms. Dyer also served as the Secretary's liaison with the nation's governors.

Ms. Dyer held the post of Deputy Director of the Western Regional Office of the Council of State Governments before joining the Interior Department team. There she developed educational programs and worked with western legislators, governors and attorneys general on a host of policy issues.

Ms. Dyer began her career as a human services practitioner. As a teacher certified in special education, she helped establish and run an alternative program, within the Worcester Massachusetts public school system, for habitual truants. She served as the Executive Director of the San Leandro, California Girls Club where she developed an array of programs for at-risk youth.

Ms. Dyer received her B.A. from Clark University and her credential in Special Education from the Commonwealth of Massachusetts. She has done graduate course work in economics, administrative law and public policy. She also received a certificate for participating in Harvard University's Program for Senior Executives in State and Local Government at the John F. Kennedy School of Government.



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MARK G. POPOVICH
BIOGRAPHICAL SKETCH

MARK G. POPOVICH is a Senior Staff Associate with the Council of State Policy & Planning Agencies. CSPA, an affiliate of the National Governors' Association, is a membership organization comprised of the top policy and planning advisors to the nation's governors. During the last three years, Mark has directed CSPA's research and policy development efforts on state agricultural policy and rural development issues. He has spearheaded CSPA's original research on the role new business development and entrepreneurship play in strengthening rural economies. State studies, supported with grants from the Ford Foundation/Aspen Institute and the Northwest Area Foundation, have already been completed for Iowa and North Dakota. The remaining studies, covering Arkansas and Maine will be released later this year.

Mr. Popovich's first job in state government was as a policy assistant to Wisconsin State Senator Scott McCallum. From 1978 through 1982, Mr. Popovich served Wisconsin Governor Lee S. Dreyfus as an in-house policy advisor on energy, natural resources, and development issues. Since moving to Washington in 1982, Mark has worked on energy and environmental issues at the National Governors' Association and as an aide on Education and Labor issues to Wisconsin Congressman Steve Gunderson.

EDUCATION: B.A. - Economics. University of Wisconsin - Madison. 1977.

EMPLOYMENT HISTORY -

1985 to Present: Senior Staff Associate for the Council of State Policy and Planning Agencies (CSPA). Responsible for the development and implementation of the Council's research and policy development efforts on state rural development, agricultural, environment, and natural resource issues.

1984-1985: Legislative Assistant to Wisconsin Congressman Steve Gunderson. Supported the Congressman's efforts as ranking minority member of the Employment Opportunities Subcommittee, and as a member of the Education and Labor Committee.

1982-1984: Staff Associate for Energy Policy, NGA committee on Energy and Environment. Responsible for research and policy development on energy issues; intergovernmental liaison; and lobbying on behalf of NGA policy positions.

1978-1982: Staff Associate to Wisconsin Governor Lee S. Dreyfus. One of three-person in-house policy support team. Responsible for a wide range of state policy issues.

1977-1978: Legislative Assistant to Wisconsin State Senator Scott McCallum.

PUBLICATIONS:

Mark G. Popovich, "Entrepreneurship and New Business Development: Building a Development Strategy for Rural Michigan", prepared for presentation at the First Annual Governor's Conference on Rural Development, December 1989.

Mark G. Popovich and Terry F. Buss, "Entrepreneurs Find Niche Even in Rural Economies", Rural Development Perspectives, Vol. 5 Issue 3, June 1989, USDA Economic Research Service, Washington, D.C..

Mark G. Popovich, "New Businesses, Entrepreneurship, and Rural Development: Building a State Strategy", a background report to the NGA Task Force on Rural Development, Washington, D.C.: NGA, 1988.

Mark G. Popovich, "101 Ideas for Stimulating Rural Entrepreneurship and New Business Development", Washington, D.C.: CSPA, 1988.

Terry F. Buss and Mark G. Popovich, "Growth from Within: New Businesses and Rural Economic Development in North Dakota", Washington, D.C.: CSPA, 1988.

Mark G. Popovich and Terry F. Buss, "Rural Enterprise Development: An Iowa Case Study", Washington, D.C.: CSPA 1987.

Mark G. Popovich, "State International Agriculture Marketing", Washington, D.C.: CSPA, 1986.

William Nothdurft, Roger Vaughan, and Mark Popovich, "Creating An Entrepreneurial Farm Economy", Washington, D.C.: CSPA, 1986.

FORTHCOMING PUBLICATIONS:

Terry F. Buss and Mark G. Popovich, "New Business Development in Rural Arkansas", Washington, D.C.: CSPA forthcoming.

Mark G. Popovich and Terry F. Buss, "New Business Development in Rural Maine", Washington, D.C.: CSPA forthcoming.

Terry F. Buss, Mark G. Popovich, and Allan Lundell, "Assessing the Accuracy of State Unemployment Insurance Files in Locating New Rural Businesses", prepared for the a symposium hosted by the U.S. Department of Commerce, Bureau of the Census, 1990.

LAUREN COOK

Biographical Sketch

Ms. Cook works with the Council of State Policy & Planning Agencies (CSPA) as Coordinator of the Council's emerging issues program, the State Scanning Network (SSN), and of CSPA's Technical Assistance Program. Her responsibilities include organizing and delivering direct in-state technical assistance on strategic policy development for governors' senior policy advisors, and working with states to create issue scanning, issue management and other foresight processes. She orchestrates periodic meetings of the National Scanning Board, organizes and conducts Developmental Roundtables on key state policy issues, and edits the *State Scanning Network Report*.

As a member of the CSPA staff, Ms. Cook has led and participated in direct technical assistance on executive management issues to governors' policy staffs, and coached state policy teams participating in CSPA Policy Academies to develop state initiatives on teen pregnancy prevention, dropout prevention, adult literacy and economic self-sufficiency for the developmentally disabled.

Just prior to joining CSPA in 1985 Ms. Cook was Executive Vice President for a privately held international investment company in Washington, D.C. From 1978 to 1982 Ms. Cook worked with several foreign diplomatic offices to establish press and information capacities for the embassies in Washington, D.C. This involved designing and administering media analysis and liaison procedures, cross-cultural exchange and goodwill missions, and implementing protocol and security arrangements for official and private visits to the U.S. by foreign officials.

Ms. Cook holds an MBA in the Management of Science, Technology and Innovation from George Washington University, and a Bachelor of Philosophy from Grand Valley State University in Michigan. In addition to writing the *State Scanning Network Report*, she coauthored *Anticipating Tomorrow's Issues: A Handbook for Policymakers*, and has published and spoken on environmental scanning, issue management and strategic planning and policy development.

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