

## 2015 REGIONAL ADVOCACY MEETINGS: FINDINGS AND ANALYSIS

### Introduction

Between July 21 and August 11, 339 rural leaders attended six regional advocacy meetings held across rural North Carolina. These meetings marked the first step in the Rural Center's policy formation process. Our goal was to listen and learn about what was on the minds of rural leadership. This document compiles, organizes, and offers some analysis of the notes taken during the six meetings. Additional feedback and refinement will be sought through a survey tool that will be distributed following the 2015 N.C. Rural Assembly and before center staff begins to develop specific policy priorities for ratification by the center's board of directors in December 2015.

Each regional meeting had breakout sessions around four asset themes: 1) regional and local economic assets 2) place-based assets 3) people assets 4) infrastructure assets. In each of these breakout sessions the conversation was organized around three questions:

1. What are the opportunities you are acting on today that build economic assets?
2. What are the local, state and federal policy barriers that prevent you from building these assets?
3. What are the policy changes, and policy partnerships, that you will need to help build local and regional economic assets?

In Part 1 we briefly highlight the key asset concerns we heard from each of these breakout groups. We organized the asset groups knowing there would be overlap, and indeed there was. We discerned six major cross-cutting issues — opportunities and/or challenges that were noted in at least three of the four asset breakout groups. These are presented in Part 2 of this document along with additional Rural Center observations.

### **Part 1: Key Asset Themes**

The following are issues consistently raised in one of the four asset-themed breakout sessions held during the six regional advocacy meetings.

#### Local and Regional Economic Assets

All of the key observations that emerged from these breakout sessions were cross-cutting issues such as workforce development, small business and entrepreneurship development, and broadband. They are reviewed in more detail in Part 2 below.

#### People Assets

*Rural Leadership* Participants stated the need for leadership development, particularly:

- Youth leadership development that affirms and encourages youth and young adult engagement in community economic development strategies.

- Civic leadership development that addresses collaboration across communities and regional boundaries.
- Leadership development that advances the leading edge of rural development practice and that develops a culture of innovation and risk-taking, and furthers collaborative problem solving.
- Leadership development for rural North Carolina's senior citizens who are active, have abundant skills, and are civically engaged. Collaborating with the N.C. Senior Tar Heel Legislature was suggested.

*Housing* Support was expressed for housing programs for low and middle income residents. This is part of a broad issue regarding low income housing, but in the mountains and other "high amenity" areas, the strong retirement/second home market is making the availability of housing for middle class families difficult, consequently individuals have to commute long distances from where they can afford to live to where they work.

### **Place Assets**

*Strengthen physical assets* There was uniformly strong support for restoration of the historic preservation tax credit. Participants also indicated strong support for the N.C. Department of Commerce Main Street programs and the building reuse program that creates jobs in restored older buildings.

*Enhance support of natural resources as a sustainable asset* Participants expressed an appreciation of both "working landscapes" (farm and fishing resources) and natural areas. Support was expressed for preservation of the Park and Recreation Trust Fund, and the Land and Water Trust Fund. In Western North Carolina, strong support was expressed for the National Park Service to do more to preserve and enhance the Blue Ridge Parkway and the Great Smoky Mountains National Park.

*Quality public and civic space and institutions that shape community identity* This was expressed by support for strong recreational assets, public parks, farmers markets, and civic areas that build on the locality's heritage. In several sessions, the growing role of community philanthropy was raised as an asset. While highly qualitative, participants gave support for measures that make a community attractive, safe, and welcoming.

*Place asset leadership* Participants spoke of the importance of local leaders recognizing and understanding all of their community's place assets, and their role in rural economic development.

### **Infrastructure Assets**

*Water and Wastewater* There are still significant and very basic water-related infrastructure needs in North Carolina. In one of the regional meetings, the threat of inter-basin transfers of water to urban areas was expressed. Regulatory requirements also are a concern. One participant noted the difficulty of rural local governments raising the 20 percent match required for many federal water infrastructure grants, as well as the difficulty of utilizing loan-only programs.

*Roads and transportation* Strong opinions were expressed that North Carolina funding formulas for highway projects work against rural regions. In Northeastern North Carolina, there was strong support for a four-lane corridor to link the region to the Tidewater area of Virginia, and to upgrade the I-95 corridor.

*Natural gas* The need for expanding natural gas pipelines throughout rural North Carolina came up in nearly every meeting. This is acutely felt by some participants. With natural gas prices so low, it affects the competitive position of rural businesses without it.

## **Part 2: Major Cross-Cutting Issues**

Cross-cutting issues are ones raised consistently in at least three of the four asset breakout groups in the six regional meetings.

### **Workforce Development and Education**

Rural North Carolinians understand that educated people and places are perhaps the most essential asset needed to thrive in the 21st century. We heard the following sub-issues:

*Early childhood education* Head Start and quality preschool opportunities are critical for getting rural youth off to a strong start, especially in areas where a high percentage of children come from low-wealth households. This is important not just for rural youth, but also for low-wealth families where either a single parent or both parents are in the workforce.

*Support for K-12 public education* There was general consensus that the state is underinvesting in public education. Participants noted a range of issues, including:

- School consolidation, as driven by local and state fiscal needs, hurts rural communities.
- There is often inadequate pay to retain or recruit quality teachers.
- Charter school policy in some communities is perceived as extracting better students and resegregating public schools.
- Perceived interference in local control over schools, such as regulations that force teachers to “teach to the test.”
- The importance of STEM programs, both where they are working well and where they need to be expanded.
- Some participants said that some rural schools are not adequately preparing young adults for successful community college and four-year college experiences

*Community colleges and higher education* Community colleges were widely recognized by participants as critical rural institutions. Participants noted the importance of expanding transition strategies from high school to community colleges, especially for at-risk youth in tech career tracks, career readiness certificates, and early college programs.

Participants highlighted the importance of community colleges as a major bridging partner in workforce development strategies that link high school systems, the adult workforce, state NCWorks offices, and private employers. Despite budget concerns, there is pride in the good work done by community colleges, from deploying “mechatronics” (high tech manufacturing skills) related curriculum, to innovative outreach projects that link high school students with local/regional career pathways.

*Workforce development* There was a strong sense that community colleges are on the right track, both in associate degrees and demand-driven workforce development, but funding limitations inhibit taking their good work to the next level. One-on-one conversations with employers that took place in a number of regions highlighted that workforce issues remain their single biggest concern of both small businesses and large companies.

### **Additional comments from the Rural Center:**

Rural community colleges are critical institutions not only for their service to rural people, but also as anchors for creating educated places – their institutional presence is an economic plus for adding value to current and potential populations and employers. Community colleges in the most economically distressed rural counties are

of particular importance as institutional anchors. In some cases these counties do not have strong civic and non-profit capacity, and community colleges are the strongest institutions that can take on an expanded role. What new or expanded roles could such community colleges take in economic revitalization? And what is required to support them?

The current funding formula for community colleges also appears to work against economically distressed counties. The community stake in community colleges is critical, but if the county is economically distressed, its ability to support a strong community college is limited: one need only drive from Martin Community College, which serves Bertie and Martin counties, to Blue Ridge Community College in Henderson County to see the disparity that exists within the system.

### **Partnerships and Collaboration**

*Partnerships and collaboration are recognized as important elements of rural development* There are numerous efforts across rural North Carolina to use practical partnerships to further community economic development goals — and rural leaders value them.

*Collaboration is fragmented and underfunded* There were frequent comments that regions are not working together as well as they should. Rural participants expressed concern that the state fails to recognize how important building partnerships, collaborations and networks are to rural economic development — and that state policy was divesting at a time when it should be investing. The regional entities that still exist, councils of government and regional economic entities, lack sufficient support to achieve their mission.

*Western isolation* There were numerous comments in Franklin and Lenoir about the demise of the Advantage West Partnership, and the strong collaborative role it once carried out. This is aggravated by the shutdown of a strong regional nonprofit, Handmade in America, and the loss of state funding for regional councils of government. “We have less connection and interaction as a region to help us connect dots, and figure out ways to collaborate as a region better,” said one participant.

Another participant said, “We are feeling more isolated as a region.” Southwest counties are in the Atlanta media market, which reinforces this. Others commented that because North Carolina residents were traveling to jobs in Tennessee, Georgia or Virginia, more collaboration and coordination between state governments is needed on issues of workforce development and transportation.

*Rural and urban cooperation is desired* Finally, there were comments across all sessions about the importance of rural and urban communities working together. There was only limited support expressed and some skepticism for proposed sales tax redistribution plans.

### **Additional comments from the Rural Center:**

Rural development strategies more than ever require a regional approach to achieve economies of scale for widespread impact or program efficiency. With less external resources for communities, there has to be a far stronger effort to build effective partnerships and collaborations. Cutting program funding so fewer individual counties receive support, and also cutting resources for efforts to create regional solutions, is deeply counterproductive to rural development efforts in North Carolina.

## **Rural Health Care**

*Policy innovation in rural North Carolina has high potential* Health care in rural North Carolina is going through rapid policy and innovation change. Some participants praised their county medical institutions and noted regional partnerships that link more rural service areas to urban medical hubs. Participants from Henderson noted that integration in both mental and dental health care is making strides nationally, and good practices are starting in rural North Carolina. There is innovation in integrated care, and North Carolina is developing a statewide agenda that addresses oral health care disparities (N.C. Oral Health Care Collaborative).

One participant noted that there are new methods of licensing in Colorado, Minnesota and Alaska that North Carolina should consider. Another suggestion was expanding the availability of family planning assistance from OB/GYN providers to pharmacies. The Nurse/Family Partnership in Rockingham County was cited as a good example that merits replication.

*Concern about rural health metrics and solutions* Participants said physician recruitment and retention is difficult, with particular shortages in mental health care services. While regional networks are benefiting rural places, concern was also expressed that it might siphon off specialists before there is genuine regional coverage. The threat of the loss of N.C. Office of Minority Health worried some, and others noted the lack of Veterans Administration hospital access for rural veterans.

*Expansion of Medicaid* A number of participants supported expansion, saying it was essential for the health of rural low-wealth families, and also noted its positive economic impact. Others highlighted that Medicaid expansion is essential for stabilizing rural hospitals.

*Linking healthy people to healthy places* Participants noted that strengthening place assets for walkability, recreational facilities for all ages, and improving access to healthy food options, all work together to reinforce healthy choices and make the community more attractive and competitive.

### **Additional comments from the Rural Center:**

What we learned from the six sessions is consistent with findings and strategies presented in the Task Force on Rural Health Report issued in 2014. For example, the report makes a clear connection between poverty and individual/community health, and goes on to offer recommendations for entrepreneurship and small business development. The report also highlights the healthy people and healthy places connection we heard so strongly in the six regional meetings.

Health care jobs and institutions have a major presence in many rural communities. How do we better understand and deepen the supply chain connection within a community and region? This is a strategic direction ripe for exploration.

Health care is making a historic shift from the post-World War II fee-for-services-delivered model to a system based on payments for outcomes. This shift to Accountable Care Communities has profound implications that we must understand better. What policies at the local, state, or federal level best advance rural adoption?

in the six meetings. Participants were proud of strong county economic development commissions doing collaborative, innovative work. Similar comments were made about community college small business centers and local/regional offices of the Small Business and Technology Development Centers.

One participant from Williamston stated that SBTDCs and community college small business centers were the state's "best kept secret." In Southwest North Carolina, there was great praise for Smoky Mountain Host's assistance efforts in tourism development, while others raised the importance of the N.C. Military Business Assistance Center. There is recognition of a statewide network of value, but concern that it is not as robust as it could be due to many years of state budget cuts. The opportunity for productive collaboration or deeper supply chain impact is being missed.

*Small business and entrepreneurship linkage with place assets* A smaller subset theme is linking small business development with place assets, specifically the renovation of older buildings in small towns and quality-of-place as an attractive element for entrepreneurs who have the freedom to locate where they choose.

#### **Additional comments from the Rural Center:**

The center has long noted that jobs are created in one of three ways: 1) creating new entrepreneurs and small businesses 2) supporting existing businesses to create new jobs while increasing income and product value 3) recruiting new businesses to a community, especially from out of state. State policy now appears to put more weight on out-of-state recruitment strategies. There is far more that could be done to better support entrepreneurs and existing and productive small businesses in rural North Carolina. SBTDC, community college small business programs, and the N.C. State Industry Expansion Solutions program in particular merit additional support. There is, however, also a critical need to fill the gap between start-up businesses of up to 25 employees, which is the general level at which SBTDC assistance begins to be deployed.

#### **Sufficient and Accessible Funding for Rural Development**

*There was a general sense of state withdrawal from supporting rural development* There were a number of ad hoc comments about reduced state funding for schools, housing, regional economic development, and other issues. At the time of the sessions, the state budget was unfinished, and there was frustration expressed about economic development recruitment being put on hold because of uncertainty, and whether public school systems could plan for the new school year. Another group of comments noted that there were too many communities chasing too few state and federal dollars, and that it was pitting localities against one another when there should be regional cooperation.

*State and federal funding applications are too complex and inflexible* Participants raised that applications (especially federal ones) were too complex, and program guidelines were inflexible for practical use. This is important, as it is seldom that one funding source is sufficient, and getting various funding sources to work together is more challenging than ever.

*In the current funding and regulatory environment, long-term infrastructure planning is difficult* Because of an intense focus on existing projects, and the lack of support for regional cooperation, it is hard to plan for the future. Support was expressed for prioritizing incentives for long-term, regionally efficient infrastructure development.

*Rural community college support is insufficient* As with K-12 schools, participants expressed concern that there is insufficient financial support to attract and retain quality community college faculty. Some participants noted that financial constraints also extended to facility and equipment upkeep. One participant noted that the funding formula, which is based on the number of students, makes it difficult to manage long-term change and have the

essential “wrap-around” funding needed when enrollments fluctuate.

**Additional comments from the Rural Center:**

There is not a good understanding of state and federal programmatic funding for rural North Carolina. Few, for example, are fully aware of the significant federal United States Department of Agriculture funding in North Carolina (\$1.4 billion annually). There is even less awareness of state program funding levels and distribution, and what changes in funding levels mean for durable rural development work. Effective rural policy advocacy requires that this be better understood and publicly distributed.

Analysis is needed to develop alternative financing models and estimates of need for rural community colleges to retain quality staff and have the programmatic impact necessary to significantly improve conditions in our most economically stressed rural communities.

The center will solicit formal feedback through a survey after the Rural Assembly. Until then, should you wish to share your thoughts, please contact Jason Gray, the center’s Senior Fellow for Research and Policy. He can be reached at [jgray@ncruralcenter.org](mailto:jgray@ncruralcenter.org).