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A Review of Rural Economic Development Proposals

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The rural economy is subject to several problematic trends such as fewer and larger farms, a shift in production to new types of supply chains, and environmental pressures on agriculture.¹ Because of these trends, the previously strong link between agriculture and the rural economy has deteriorated, leaving “questions about whether agriculture policy and rural policy are compatible given the large proportion of rural non-farm communities.”² Rural areas often struggle with high levels of unemployment, a lack of public services, and poverty.³ In order to address these problems the federal government and a number of state governments have developed a wide variety of programs. The purpose of this report is to present an overview of those recommendations. We have organized the report information by the levels of governments that established the programs: the first section covers national level programs, the second section focuses on Vermont, and the last section on other states’ programs. We also provide a comprehensive list of the reports detailing the recommendations in the appendices.

Federal Agencies and National Organizations

Federal agencies and departments, presidential administrations, and national organizations have all put forth general recommendations regarding revitalization of the rural economy. The following section of this report provides an account of specific actions and successful case studies for rural economic development stemming from agencies and organizations at the national level. For a complete list of reports on the recommendations discussed below, as well as several other sources of information that may be of interest, see Appendix 1 at the end of this report.

United States Department of Agriculture (USDA) – Rural Development

The USDA’s efforts to improve the rural economy are based on an analysis that rural areas are characterized by a set of circumstances including “geographic isolation of communities

¹ Tadlock Cowan, “The Changing Structure of Agriculture and Rural America: Emerging Opportunities and Challenges,” Congressional Research Service Report RL31172 (Washington, DC: Library of Congress, 2001), 1.

² Ibid.

³ Ibid.

separated by long distances, absence of large metropolitan centers, low-density settlement patterns, historic dependence on agriculture, continued population loss, outmigration, and economic upheaval.”⁴ These circumstances serve to create a distinct environment in terms of economic development. Two of the most specific USDA initiatives to revitalize the rural economy are Sustainable Rural Downtowns and Rural Economic Area Partnership Zones.

Sustainable Rural Downtowns: Sustainable Rural Downtowns is an initiative of the USDA comprised of several sustainable development projects across the country made possible through facilitated partnerships between community assets and USDA funding sources.⁵ The USDA has published detailed case studies for nine of these projects. One such case is that of the [Vermont Food Venture Center \(VFVC\) implemented in Hardwick, VT](#) in 2012.⁶ The project received \$3,491,849 in funding from six separate grants, over half of which came from the USDA.⁷ The VFVC functions “as a food business incubator for value-added and specialty food products,” meaning that agricultural producers use the VFVC’s facilities and resources to turn their commodities into a higher value product.⁸ For example, a tomato grower might use the canning apparatus at the VFVC in order to be able to market tomato sauce.⁹ It is too soon to determine the long-term development effects of the VFVC, however the project did promote some immediate economic improvements by hiring local workers and tradespeople during the construction phase.¹⁰ The VFVC also reports that since opening, it has attracted over 1,000 visitors to the Hardwick area and has generated 19 permanent jobs.¹¹ The projects described in the Sustainable Rural Downtowns initiative’s additional eight case studies are summarized in the table below.

Table 1.1 Sustainable Rural Downtowns Case Studies

Location	Project Description
Eloy, Arizona	Use of various revitalization techniques coupled by funding to attract three new businesses to the downtown area.
Arcata, California	Construction of an affordable, downtown housing complex for senior citizens.
Adairsville, Georgia	Painting of a mural on the downtown train depot as part of an effort to promote cultural tourism.
Pittsburg, Kansas	Transformation of the historic Besse Hotel into affordable rental housing.

⁴ “Rural Economic Area Partnership Program (REAP Zones),” *United States Department of Agriculture: Rural Development*, accessed February 8, 2017, <https://www.rd.usda.gov/programs-services/businesses/rural-economic-area-partnership-program-reap-zones>.

⁵ “Sustainable Rural Downtowns Case Studies,” *United States Department of Agriculture: Rural Development*, accessed February 8, 2017, <http://www.rd.usda.gov/about-rd/initiatives/sustainable-rural-downtowns-case-studies>.

⁶ Ibid.

⁷ Ibid.

⁸ Ibid.

⁹ Ibid.

¹⁰ Ibid.

¹¹ Ibid.

Adrian, Minnesota	Creation of a revolving loan fund that provides financial assistance to both new and veteran businesses throughout the community.
Gonzales, Texas	Restoration of the façade of the renowned Crystal Theatre downtown.
Tenino, Washington	Strengthened infrastructure in the form of new wastewater treatment plant and collection facilities in order to support urban growth.
Clendenin, West Virginia	Conversion of a vacant school building into affordable senior housing and a medical clinic.

Rural Economic Area Partnership: Beginning in 1995, the USDA established five Rural Economic Area Partnership (REAP) Zones.¹² This initiative seeks to address the particular set of rural circumstances put forth in the USDA’s analysis, but in a manner that focuses on the “disconnection from markets, suppliers, and centers of information” present in such rural areas.¹³ Designation as a REAP Zone is beneficial because it “gives applicants access to a reserved set of funds” within USDA funding programs.¹⁴ In 2000, a REAP Zone was established in the Northeast Kingdom (NEK) of Vermont. The USDA mandates that each of the five REAP Zones develop a strategic plan for community development.

The NEK REAP Zone’s strategic plan was updated in 2016 using material presented by an NEK Collaborative Report entitled “Ideas for the Future of the NEK.”¹⁵ This report presents “points of vision,” or “broad hopes that Kingdom residents aspire to,” developed over a series of public forums held in Newport, Canaan, and Hardwick.¹⁶ The authors then derive specific “Economic Development Ideas” from these points, as recommendations and “contributions to the strategic planning . . . or action by organizations and individuals for the collective good of the Kingdom.”¹⁷ These recommendations include the following:

- The building of funds in the Northeast Kingdom to support small business start-ups.
- Advancement of the regional food economy.
- Creation of a border commission.
- The demonstration of support for a dynamic and creative type of economy.
- Advancement of the broadband and cellular infrastructure.
- Improvement of water, sewer, and downtown infrastructures.
- The increasing of local energy generation.
- Changes in Vermont tax policy to remedy the unequal sales tax burden between Vermont and New Hampshire.
- Helping schools to connect youth to various career opportunities.

¹² “Rural Economic Area Partnership Program,” *United States Department of Agriculture: Rural Development*, accessed February 8, 2017, <http://www.rd.usda.gov/programs-services/businesses/rural-economic-area-partnership-program-reap-zones>.

¹³ “Rural Economic Area Partnership Program,” *USDA*.

¹⁴ “2016 Rural Economic Action Partnership Strategic Plan” (The Northeast Kingdom Collaborative, Northeast Kingdom of Vermont, 2016), 3.

¹⁵ “Rural Economic Area Partnership Program,” *USDA*.

¹⁶ Michael Welch et al., “NEK Collaborative: Ideas for the Future of the NEK” (Vermont Council on Rural Development, Montpelier, VT, 2016), 2.

¹⁷ *Ibid.*, 9.

- Establishing a private college in the NEK.
- Creation of incentives and training programs to keep the younger population in the NEK.
- The set-up of a kind of information clearinghouse to provide a centralized list of resources.
- The use of the NEK's outdoor assets for both recreation and tourism.
- Development of small business incubators.
- Expansion of the regional composting infrastructure.
- Promotion of community events.¹⁸

The 2016 strategic plan for the NEK REAP Zone uses these recommendations to further identify priorities for the development of the agricultural economy in the region.¹⁹ The plan also lists economically related priorities having to do with downtowns and village centers, housing, telecommunications, transportation, tourism, recreation, and working lands.²⁰

White House Rural Council

President Obama established the White House Rural Council by executive order on June 9, 2011.²¹ The Council promoted over a dozen policy initiatives in an effort to “streamline and improve the effectiveness of federal programs serving rural America, engage stakeholders on issues important to rural communities” and “coordinate private sector partnerships” to further job creation and economic development opportunities in rural areas.²² Many of these policy initiatives overlap with those in the “Ideas for the Future of the NEK” report. (A comprehensive and annotated list can be found at <http://obamawhitehouse.archives.gov/administration/eop/rural-council/policy-initiatives>.)

On October 5, 2016, the Council issued a [memorandum outlining 14 suggested strategies](#) for policymakers in federal agencies to consider as they create and implement programs affecting rural communities.²³ The memo asserts that policymakers should focus on “lowering barriers to federal resources, increasing the capacity of rural entities to make the most of their local assets and the ability to access [f]ederal programs, and targeting resources in areas of greatest need.”²⁴

¹⁸ Ibid., 9-11.

¹⁹ “2016 REAP Strategic Plan” (The Northeast Kingdom Collaborative), 6.

²⁰ Ibid., 6-11.

²¹ “White House Rural Council,” *National Archives and Records Administration*, accessed February 9, 2017, <http://obamawhitehouse.archives.gov/administration/eop/rural-council>.

²² Ibid.

²³ Tom Vilsack, Shaun Donovan, Cecilia Muñoz and Jeffrey Zients, “Rural strategies that work: Lifting up Federal policies that are responsive to the assets and challenges of rural America” (The White House, Washington, 2016), 1.

²⁴ Tom Vilsack et al., “Rural strategies that work,” 8.

National Association of Development Organizations (NADO)

NADO represents a network of over 500 regional planning and development organizations that foster collaboration among programs at the federal, state, and local levels in order to promote the development of area communities and economies.²⁵ In 2016 the NADO Research Foundation, the organization's nonprofit research affiliate, published three case studies featuring diverse "economic development initiatives that build multiple forms of wealth, root economies in place with local ownership and control of assets, and intentionally include people at the margins of the economy as beneficiaries of economic development work."²⁶

The first case was Black Belt Treasures Cultural Arts Center (BBTCAC), which three regional development partners founded in 2005 in Camden, Alabama.²⁷ The initiative serves 19 counties and focuses on the tourism industry and "the region's tradition of fine arts and heritage crafts."²⁸ At the time of the report, 450 artists were involved in the effort.²⁹ The BBTCAC not only "provides the space for works of art to be sold," but also provides "education for the artists themselves, and also instruction and outreach on the Black Belt's traditional and fine arts for the region's children and adults and 'experiential learner' tourists."³⁰ The NADO Research Foundation suggests that through these efforts the BBTCAC gallery promotes self-sufficiency among artists facing economic constraints.³¹

The NADO case study of the Northern Maine Development Commission identifies an opportunity for economic growth in the renewable energy sector because of available biomass in Northern Maine's forests.³² The forestry industry, however, faces significant challenges fielding a workforce.³³ In order to combat these obstacles, the Maine legislature has invested five million dollars in the development of a 12-week worker-training program at local community colleges.³⁴ These initiatives are aimed at "developing the individual wealth of the region's residents by providing a marketable skillset in operating mechanized harvester training," and thus foster sustainable economic development.³⁵

²⁵ "About NADO," National Association of Development Organizations, accessed February 12, 2017, <https://www.nado.org/about/>.

²⁶ Carrie Kissel, "Regional Wealth Creation Case Studies," National Association of Development Organizations, October 6, 2016, <https://www.nado.org/regional-wealth-creation-case-studies/>.

²⁷ Carrie Kissel, "Black Belt Treasures: Growing Arts-based Economic Development" (NADO Research Foundation, Washington, 2016), 1.

²⁸ *Ibid.*

²⁹ *Ibid.*, 2.

³⁰ *Ibid.*, 3.

³¹ *Ibid.*, 4.

³² Carrie Kissel, "Wealth Creation and Workforce Development in Northern Maine" (NADO Research Foundation, Washington, 2016), 1.

³³ *Ibid.*

³⁴ *Ibid.*, 2.

³⁵ *Ibid.*

The third case is the Region Five Development Commission in Minnesota, which is the sole regional planning body in the state that services economically distressed counties.³⁶ It has sponsored the development of Sprout, a regional food hub that provides several economic benefits to its counties.³⁷ Sprout seeks to build “the individual wealth of growers by offering training such as business planning, food safety, post-harvest handling, Good Agricultural Practices, and other topics that improve the growers’ bottom lines.”³⁸ The hub has also opened an indoor and year-round market for food and artworks that attracted 28 vendors and 300 consumers on its first day.³⁹ Sprout’s success has contributed to the region securing “\$850,000 in philanthropic investments and regional funding.”⁴⁰ Additionally, the program’s Choose Health model allows doctors to “prescribe” Community Supported Agriculture (CSA) shares to food insecure families; the families can then pick up CSA boxes of fresh produce from minority growers at weekly farmer’s markets.⁴¹

Vermont State Agencies and Organizations

Vermont State Agencies and organizations have generated a wealth of reports and recommendations. The tables below draw largely from three key documents: “The Governor’s 2002 Summit on Rural Economic Development: Final Report,”⁴² “Vermont 2020: Comprehensive Economic Development Strategy”⁴³ (CEDS), and “Appendix E: Documents Review.”⁴⁴ The CEDS “Appendix E: Documents Review” discusses 34 documents and reports pertaining to issue-focused actions and strategies for economic development in Vermont.⁴⁵ This section also includes several additional reports containing specific recommendations for rural economic revitalization.

In Tables 2.1-2.5, the recommendations are organized into five themes: the working landscape, forestry, food systems, energy and climate change, and tourism and branding. Within each table the reports are ordered by specificity of the recommendations; the broadest report is listed first and the most specific report is listed last. While the recommendations may not be explicit to economic development, they contribute to the advancement of each sector and ultimately to the rural economy. Many of the reports referenced present overlapping recommendations; however, each source provides a distinct perspective on these reoccurring strategies. Key sections or page numbers that

³⁶ Carrie Kissel, “Choose Health: Economic Development, Local Foods, and Wealth Creation in Minnesota” (NADO Research Foundation, Washington, 2016), 1.

³⁷ *Ibid.*, 2.

³⁸ *Ibid.*

³⁹ *Ibid.*

⁴⁰ *Ibid.*, 3.

⁴¹ *Ibid.*, 2.

⁴² “The Governor’s 2002 Summit on Rural Economic Development” (Vermont Council on Rural Development, Montpelier, VT, 2002).

⁴³ “Vermont 2020: Comprehensive Economic Development Strategy” (State of Vermont Agency of Commerce and Community Development, Montpelier, VT, February 2016).

⁴⁴ “Appendix E: Documents” (State of Vermont Agency of Commerce and Community Development, Montpelier, VT, February 2016).

⁴⁵ *Ibid.*

contain specific recommendations are highlighted in the “Relevant Sections” column. A compiled list of the reports discussed can be found in Appendix 2.

Working Landscape

Vermont’s working landscape is integral in efforts to revitalize the rural economy through “facilitating investments in agriculture and forestry that keep our natural resource based economy healthy and resilient, protect our increasingly unique pattern of alternating villages and countryside, conserve our important wildlife habitat, and bolster the state’s resilience to flooding.”⁴⁶ Table 2.1 presents recommendations that touch on these points.

Table 2.1: Working Landscape Recommendations

Report	Source	Published	Relevant Sections
Investing in Our Farm and Forest Future	The Vermont Working Landscape Partnership	September 2011	<p>Pages 18-28</p> <p>Relevant action items:</p> <ol style="list-style-type: none"> 1. Build a major campaign to celebrate the distinctiveness of the working landscape that is Vermont. 2. Target strategic investment through a Vermont Agriculture and Forest Products Development Fund. 3. Designate and support “Working Lands.” 4. Develop tax revenue to support working landscape enterprise development and conservation.

Note: Portions of the “Relevant Sections” column are sourced directly from the corresponding reports.

Forestry

In Vermont’s forestry sector, key recommendations to stimulate economic development include the streamlining of marketing and branding for Vermont forest products, expanding services to and supporting those employed in the forest sector, expanding the fundraising capacity of the Division of Forestry, and strengthening relationships with private landowners.

Table 2.2: Forestry Recommendations

Report	Source	Published	Relevant Sections
Vermont 2020: Comprehensive Economic Development Strategy	Vermont Agency of Commerce and Community Development (ACCD)	2016	<p>Pages 97-99</p> <p>Forest Products Sector Projects:</p> <ul style="list-style-type: none"> • Domestic export • Farm and Forest Technical Assistance Continuum • Wood pellet mill • Forest Recreation Destination Hubs

⁴⁶ “State of Vermont 2012 – 2015 Strategic Plan” (State of Vermont Agency of Administration, Montpelier, VT, December 2012).

2010 Vermont Forest Resources Plan	Vermont Department of Forests, Parks and Recreation	2010	Pages 30-32 Goals and strategies for a legal, institutional, and economic framework to support forest conservation and sustainability.
Vermont Forest Products Council Blueprint for Action	Vermont Forest Products Council	2002	Pages 8-15 Twenty-one recommendations pertaining to marketing, economic development, education and training, and wood resources.
Vermont Wood Products Sector Strategic Plan Update	The Vermont Wood Products Marketing Council	2011	Pages 32-50 Thirty-seven action steps including brand development, promotion of value-added wood products, increased efficiency and competition in production, increased support for education and training of the workforce, and creation of a certification system.

Note: Portions of the “Relevant Sections” column are sourced directly from the corresponding reports.

Food Systems

The general recommendations pertaining to food systems include strengthening agricultural policy on the state and federal levels, promoting agricultural diversification, increased marketing of Vermont agricultural products, supporting programs that facilitate a direct connection between local food producers and local consumers, and promoting efficiency in distribution and increases in production.

Table 2.3: Food Systems Recommendations

Report	Source	Published	Relevant Sections
Vermont 2020: Comprehensive Economic Development Strategy	ACCD	2016	Pages 94-97 Food Systems Sector Initiatives: <ol style="list-style-type: none"> 1. Increase the availability of traditional skills to enable the working landscape sector to flourish. 2. Create seasonal work combination careers to fill labor shortages in agriculture, tourism, recreation, and other key sectors. 3. Invest in a Center for Science in Agriculture to help Vermont become a leader in fermented food and forestry products research and education. Food Systems Sector Projects: <ul style="list-style-type: none"> • Southern Vermont Cold Storage and Distribution Hub • Regional Food Processing for Food Access Programs • Vermont Livestock Slaughter and Process • Dairy Farm Infrastructure Development • Food Safety Program to Maintain Market Access and ensure integrity of Vermont brand • Domestic Export • Farm and Forest Technical Assistance Continuum • Technical Assistance for Farms Culinary Arts Training

Annual Report 2016	University of Vermont (UVM) Extension	2016	Pages 5-11 Several recommendations including: <ul style="list-style-type: none"> • Vermont Migrant Education Program • Farm Labor Decision Making Project • UVM Extension Agricultural Business Program • Extending growing season and marketing period
Farm to Plate Strategic Plan: Executive Summary	Vermont Sustainable Jobs Fund (VSJF)	July 2013	Pages 38-46 Comprehensive table of objectives and strategies for strengthening Vermont's food systems.
Farm to Plate Strategic Plan: Chapter 2	VSJF	May 2013	More in depth analysis of 25 goals for strengthening food systems from the Executive Summary in the column above.
Using Food Hubs to Create Sustainable FTS Programs	Vermont Agency of Agriculture, Food and Markets	2014	Report on viability of food hubs as a mechanism to increase schools' ability to purchase local foods.
Economic Contribution and Potential Impact of Local Food Purchases Made by Vermont Schools	UVM Center for Rural Studies	May 2016	Pages 16-22 Detailed analysis and discussion of four scenarios and the economic impact of Vermont schools purchasing local foods.

Note: Portions of the "Relevant Sections" column are sourced directly from the corresponding reports.

Energy and Climate Change

The clean energy sector contributes to Vermont's economy and well-being and can serve as a tool for strengthening the economy while achieving energy security.⁴⁷ The reports below demonstrate how the working landscape, coupled with renewable energy initiatives, can strengthen the rural economy.

Table 2.4: Energy and Climate Change Recommendations

Report	Source	Published	Relevant Sections
Vermont 2020: Comprehensive Economic Development Strategy	ACCD	2016	Pages 86-88 Demonstration on-farm integrated solar, wind, and biomass project with smart-grid.

⁴⁷ "Progress for Vermont: Advancing Our Economic Future in an Age of Climate Change" (The Vermont Climate Change Economy Council, January 2016), 16.

Progress for Vermont: Advancing Our Economic Future in an Age of Climate Change	VCRD	January 2016	Pages 22-35 Relevant Action Items: <ul style="list-style-type: none"> • Comprehensive energy efficiency • Climate Economy Network Development Initiative • Codes, regulation, and incentives • Clean Energy Finance Collaborative • Carbon pricing • Climate Economy Model Communities Program • Marketing Vermont as a national climate economy leader
Vermont Biofuels Initiative: Local Production for Local Use to Supply a Portion of Vermont's Energy Needs	VSJF	2009	Pages 8-9 Relevant Strategic Goals: <ul style="list-style-type: none"> • Biofuels industry network development • Biofuels infrastructure development • Biofuels production capacity

Note: Portions of the “Relevant Sections” column are sourced directly from the corresponding reports.

Tourism and Branding

These reports discuss specific strategies for developing a Vermont brand and linking this identity to tourism supported by the working landscape.

Table 2.5: Tourism and Branding Recommendations

Report	Source	Published	Relevant Sections
Vermont 2020: Comprehensive Economic Development Strategy	ACCD	2016	Pages 103-106 Relevant Strategies: <ul style="list-style-type: none"> • Continuing investment in recreation facilities • Vermont tourism and recreation businesses will cultivate job training programs to move entry level workers into higher skill, higher wage jobs that will further increase the value of tourism and recreation experiences. Tourism and Recreation Sector Projects: <ul style="list-style-type: none"> • Culinary arts training • Master naturalist program • Forest based recreation destination hubs
Agricultural Diversification and Agritourism: Critical Success Factors	The Institute For Integrated Rural Tourism	2004	Research and discussion of success factors for agritourism models.

Exploring Marketing Strategies for Agricultural Tourism Farmers in the Commonwealth of Massachusetts and the State of Vermont	UVM Department of Community Development and Applied Economics (CDAE)	2012	Research on successes and challenges of agritourism in Vermont. Discusses farmers' motivations for pursuing agritourism and success strategies.
Interdependence of Agriculture and Tourism: Quantifying the Value of the Agricultural Working Landscape in Vermont	UVM CDAE	2000	Evaluation of the agricultural working landscape on Vermont tourist industry and state economy.

Note: Portions of the “Relevant Sections” column are sourced directly from the corresponding reports.

Rural Economic Development Initiatives in Other States

Vermont is not the only state that faces challenges associated with the revitalization of the rural economy. Other states have instituted efforts that typically fall into categories such as grant and funding programs geared toward development projects, infrastructure improvements, and agriculture policy. Below is a sampling of the most concrete and detailed plans that we found over the course of our research. A comprehensive list of information related to these efforts can be found in Appendix 3.

Southwest (Arizona, New Mexico, Colorado, Utah)

The urban economies of the Four Corners States (Arizona, New Mexico, Colorado and Utah) have been thriving in recent years, while the more rural areas in the region have been left behind.⁴⁸ A report by the [Arizona Rural Policy Institute](#) (ARPI) details the ways in which “states, counties, cities, and private groups have established a number of incentives designed to funnel a portion of the flow of business into rural areas.”⁴⁹

One such means is the establishment of Enterprise Zones in areas that meet certain qualifications regarding unemployment, wages, geographical isolation, and levels of poverty.⁵⁰ New businesses in these zones are eligible for various state financial incentives.⁵¹ For example, in 2012, Utah implemented an Infrastructure Tax Credit that offers a tax incentive to new businesses that incur infrastructure costs having to do with “transmission lines, power substations, gas lines, rail facilities, road improvement projects,

⁴⁸ Jeff Peterson, “Business Incentives in the Four Corners States: Models for Rural Arizona” (Arizona Rural Policy Institute, Northern Arizona University, 2007), 3.

⁴⁹ Ibid.

⁵⁰ Ibid., 4.

⁵¹ Ibid.

water self-supply projects, and water removal system projects,” upon relocating to a rural area.⁵²

The ARPI report recommends business models that target specific industries, chosen for their future viability and provision of high-paying jobs, such as: aviation and aerospace, energy, technology and electronics, manufacturing, digital business and media, operations centers, and motion picture and television production.⁵³ The report also describes how the Four Corners States are working to build a skilled workforce in their rural regions by “offering reimbursements and financial aid for workforce training,” as well as to promote the creation of high wage jobs⁵⁴ and to aid smaller, local businesses in accessing helpful resources and information.⁵⁵

Kansas

There are 77 counties in the state of Kansas that have been designated as Rural Opportunity Zones (ROZ) by the Kansas Department of Commerce.⁵⁶ This designation allows counties to offer a set of financial incentives, including income tax waivers and student loan repayments, to residents who meet certain qualifications.⁵⁷ In order to be eligible for these incentives, a person must have “established residency after the date the county became a part of the program, lived outside of Kansas for five or more years immediately prior to establishing residency in an ROZ county,” and have “earned less than \$10,000 in Kansas Source Income in each of the five years immediately prior to establishing residency in an ROZ county.”⁵⁸ The benefits are substantial; residents receive a state income tax waiver and up to \$3,000 in student loan repayment each year, for up to five years.⁵⁹ The goal of this program is to both attract and retain new, educated residents in Kansas’ rural areas.

North Carolina and Pennsylvania

North Carolina and Pennsylvania not only offer grant or loan funding and tax credits as components of their rural economic development strategies, but they also provide extensive leadership training programs for rural communities.

North Carolina’s [Rural Center](#) serves 80 counties and strives to achieve four goals: serving as the state’s rural policy leader and advocate; developing strategies to bring about

⁵² Gaylen Webb, “Middle of Nowhere: Laying the Groundwork for Economic Growth in Rural Utah,” Utah Business, January 27, 2016, <http://www.utahbusiness.com/middle-nowhere-laying-groundwork-economic-growth-rural-utah/>.

⁵³ Ibid.

⁵⁴ Ibid., 14.

⁵⁵ Ibid., 16.

⁵⁶ “Rural Opportunity Zones,” *Kansas Department of Commerce*, accessed February 21, 2017, <http://www.kansascommerce.com/index.aspx?nid=320>.

⁵⁷ Ibid.

⁵⁸ Ibid.

⁵⁹ Ibid.

economic and social transformation; delivering resources for rural people, businesses, and communities; and equipping rural leaders to succeed in the 21st century.⁶⁰ Specifically, their [Rural Economic Development Institute](#) (REDI) works to “prepare a broad, diverse group of rural leaders with the knowledge and skills necessary to manage the challenges of economic transitions in their communities and promote sustained economic and community development.”⁶¹ The training is comprised of nine classes, which follow a curriculum centered on techniques for advancing community leadership skills and education surrounding economic development strategies specific to rural issues.⁶² Since its beginning in 1988, the Rural Center has carried out 20 rounds of the leadership program with more than 800 graduates, representing ninety-six North Carolina counties.⁶³ Complementing REDI, the Rural Center offers a leadership initiative for rural youth. The [New Generation Initiative](#) is comprised of three programs that provide resources to young entrepreneurs, grant funding to encourage youth engagement in civic and economic affairs, and a series of training workshops.⁶⁴

The Penn State Extension administers the Pennsylvania Rural-Urban Leadership Program (RULE), which “fosters the development of adult community leaders from all segments of Pennsylvania” and “explores public issue engagement, interorganizational networking, effective public decision making, strategic design, and sustainable relationships.”⁶⁵ The RULE Program’s two-year fellowship is valued at \$25,000 and consists of a ten-phase [curriculum](#).⁶⁶

Penn State’s [Northeast Regional Center for Rural Development](#) provides a variety of resources for rural economic development researchers, educators, and practitioners. The center promotes its [Targeted Regional Economic Development](#) (TRED) strategies, which act as a strategic planning tool to “help decision-makers and concerned citizens better understand their local economy.”⁶⁷

⁶⁰ “About the Rural Center,” *The Rural Center*, accessed February 20, 2017, <http://www.ncruralcenter.org/about-us-center>.

⁶¹ “Leadership Development Program,” *The Rural Center*, accessed February 20, 2017, <http://www.ncruralcenter.org/images/PDFs/Factsheets/leadershipbl0911.pdf>.

⁶² “Rural Economic Development Institute,” *The Rural Center*, accessed February 20, 2017, <http://www.ncruralcenter.org/programs/leadership/leadership-training>.

⁶³ “Leadership Development Program,” *The Rural Center*, accessed February 20, 2017.

⁶⁴ “New Generation Initiative,” *The Rural Center*, accessed February 20, 2017, <http://www.ncruralcenter.org/leadership-a-engagement8/youth-initiative>.

⁶⁵ “Rural-Urban Leadership Program: About Rule,” *PennState Extension*, accessed February 20, 2017, <http://extension.psu.edu/community/rule/about>.

⁶⁶ “Rural-Urban Leadership Program: What is the Financial Value of the RULE Program to the Participant?,” *PennState Extension*, accessed February 20, 2017, <http://extension.psu.edu/community/rule/about/what-is-the-financial-value-of-the-rule-program-to-the-participant>.

⁶⁷ Steven Deller, “Introduction - What is TRED?,” *PennState Northeast Regional Center for Rural Development*, accessed February 20, 2017, <http://aese.psu.edu/nercrd/economic-development/tred/intro>.

Indiana, Tennessee, and Washington

The states of Indiana, Tennessee, and Washington boast comprehensive webpages for rural economic development that are easily navigable and offer a variety of resources for rural businesses and organizations.

The Indiana Office of Community and Rural Affairs (OCRA) organizes several programs that offer funding for the revitalization of rural downtowns and historic buildings as a means to promote rural economic development.⁶⁸ These funding programs include the Blight Clearance Program, the Downtown Enhancement Grant, the Historic Renovation Grant Program, Indiana Main Street, the Main Street Revitalization Program, and the Residential Historic Rehabilitation Credit.⁶⁹ OCRA runs a comprehensive [website](#) that provides information about each of these programs, as well as others having to do with infrastructure and community development, alongside easy-to-access resources for obtaining funding.

The Tennessee Department of Economic and Community Development's Rural Development [webpage](#) clearly organizes the programs and resources available for rural economic development including the [Site Development program](#), [ThreeStar program](#), [Community Development Block Grants](#), [Main Street programs](#), and [Asset Based Planning grant](#).⁷⁰ This webpage also serves as a clearinghouse for organizations and contacts relevant to rural economic development.

Washington's Department of Commerce's Growing Rural Economies' webpage outlines five services for entrepreneurs and small businesses: access to capital, networking, mentorship, technical assistance, and education and training.⁷¹ As part of the Startup Washington initiative, this strategy focuses on serving the needs of rural communities to successfully retain and establish businesses. The website includes an interactive [map](#) that illustrates the wealth of cooperative workspaces located around the state, including coworking spaces, makerspaces, incubators, accelerators, and commercial kitchen incubators.⁷²

This report was completed on March 23, 2017, by Ashlynn Doyon and Madeline Murray-Clasen under the supervision of Professors Eileen Burgin, Alec Ewald and Jack Gierzynski and with the assistance of Research Assistant Laura Felone in response to a request from the Senate Committee on Agriculture.

⁶⁸ "Indiana Office of Community and Rural Affairs," *OCRA*, accessed February 21, 2017, <http://www.in.gov/ocra/index.htm>.

⁶⁹ Ibid.

⁷⁰ "Rural Development," *Tennessee Department of Economic and Community Development*, accessed February 20, 2017, <https://www.tn.gov/ecd/topic/rural-development>.

⁷¹ "Growing Rural Economies," *Startup Washington*, accessed February 20, 2017, <http://startup.choosewashingtonstate.com/programs/growing-rural-economies/>.

⁷² "Space to Spread Out," *Startup Washington*, accessed February 20, 2017, <http://startup.choosewashingtonstate.com/resources/work-spaces/>.

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Disclaimer: This report has been compiled by undergraduate students at the University of Vermont under the supervision of Professor Anthony Jack Gierzynski, Professor Alec Ewald and Professor Eileen Burgin. The material contained in the report does not reflect the official policy of the University of Vermont.

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