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Rural Texas Development Report

Provided by Boston Consulting Group
Executive Summary
Texas Rural Funders’ Collaborative
Rural communities present unique opportunities and challenges

Requiring targeted strategies developed for their unique context
Rural investment enables three key outcomes for the state:

- Maximizing potential of resources
  Resources typically found in rural areas require human capital and local industry to be developed and utilized for local and statewide benefit

- Increasing positive outcomes across state
  Rural areas account for disproportionate per capita share of state spending, due to less scale and poorer outcomes across many measures

- Continuing tradition of diverse opportunities and choices
  Rural areas present Texans with opportunity to choose where and how they want to live and work

Sustainability of rural areas is key to ensuring long-term choice regarding Texas opportunities

- Dual eligible—Medicare and Medicaid

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<td>Dual eligible—Medicare and Medicaid</td>
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<td>No high school diploma</td>
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- Higher per capita in Medicare costs in rural areas than in Texas overall
- Lower average annual wages than Texas overall

1. BCG Analysis, leveraging US Census American Community Survey 2016 Educational Attainment and OMB definition of rural vs. urban counties
2. BCG Analysis, leveraging CMS Geographic Variation County Tables and OMB definition of rural vs. urban counties
3. BCG Analysis, leveraging US Census American Community Survey 2016 Selected Economic Characteristics and OMB definition of rural vs. urban counties
6 priorities for rural Texas

1. Build on unique rural assets to create diversified economies, and to protect and nurture rural culture and way of life

2. Recognize natural resources are vitally and uniquely tied to rural life and economies, and need to be properly conserved and managed

3. Drive overall community wellbeing as an engine of economic growth

4. Strengthen connectivity to resources and the rest of the state economy

5. Improve rural educational outcomes and align rural education to rural workforce needs

6. Support the development and retention of home-grown leaders to drive change
6 priorities for rural Texas
Supported by state actions

1. Recognize natural resources are vitally and uniquely tied to rural life and economies, and need to be properly conserved and managed
2. Drive overall community wellbeing as an engine of economic growth
3. Strengthen connectivity to resources and the rest of the state economy
4. Improve rural educational outcomes and align rural education to rural workforce needs
5. Support the development and retention of home-grown leaders to drive change
6. Competitively fund locally and regionally-led economic plans
   Incentivize investment in connectivity to health education and workforce resources
   Incentivize talent attraction, retention, and development

Enabled by
Reduction of state structural barriers
Vision: Local leaders drive economic and community development with support from state

Texas today
- Funding primarily allocated by formula
- Competitive grants exist, but limited in scope

State actions
- Confirm regional structure for economic planning
- Fund regional development plans competitively
- Collect and analyze data to facilitate learning

Vision: Rural Texans have access to remote opportunities through high quality broadband access

Texas today
- Rural counties lagging in both physical and digital connectivity (e.g., 46% of rural Texans lack fixed advanced broadband)
- Siloed efforts exist to improve access to and through digital tools

State actions
- Improve understanding of access gaps
- Incentivize closing of broadband gaps, and broadband usage and adoption
- Fund remote education and healthcare opportunities

Vision: Leadership and workforce gaps in rural Texas eliminated

Access to and retention of talent a challenge in rural TX:
- 2500 people per primary care provider (compared to 1700 statewide)
- 19.2% teacher turnover (vs. 15.2% statewide)

State actions
- Fund strategic talent attraction initiatives through reallocation of existing grants and creation of new grants
- Revise regulations based on existing supply

Vision: No rural-specific barriers to accessing state resources

Structural barriers limit development opportunities in rural TX (e.g., rural educators with fewer resources are less able to compete for grants)

State actions
- Design model of collaboration on rural issues among TEA, TWC, Department of Agriculture, THECB, DSHS, HHS
- Refine state grant application processes to allow for increased rural competitiveness

Reduction of state structural barriers
Incentivize talent attraction, retention, and development

Vision: Leadership and workforce gaps in rural Texas eliminated

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Revise regulations based on existing supply
Fund remote education and healthcare opportunities

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Texas today
Structural barriers limit development opportunities in rural TX (e.g., rural educators with fewer resources are less able to compete for grants)

State actions
Design model of collaboration on rural issues among TEA, TWC, Department of Agriculture, THECB, DSHS, HHS
Refine state grant application processes to allow for increased rural competitiveness
Action

Funding
Provide targeted funding to support initiatives and leaders showing demonstrable results

Program facilitation
Develop and support programs to test innovative strategies to improve outcomes

Convening
Assemble stakeholders, leaders, innovators, etc. from across the state to scale best practices and share learning

Foundation action and advocacy can support state strategic actions

Advocacy

Develop and leverage state-level relationships to drive policy change necessary to achieve strategic goals
### State actions

**Competitively fund regional quality-of-life plans**
- Consult on regional assignments
- Gather stakeholders for regional planning groups
- Provide matching funds for successful plans
- Promote regional planning among key state and local stakeholders (e.g., legislators)

**Incentivize investment in connectivity**
- Support improved understanding of access gaps
- Fund/develop targeted digital training programs (e.g., social media marketing tools training)

**Incentivize talent attraction, retention, and development**
- Connect business and education stakeholders to develop talent pipelines
- Develop / expand leadership cohort programs
- Promote adjustment of regulations limiting the scope of practice of teachers, mid-level healthcare providers, etc., to remove barriers for talent in rural areas

**Reduce state structural barriers**
- Engage state-level stakeholders in conversations on grant application reform
- Promote cross-agency round-tables and collaboration
Investment in rural areas critical for rural areas and the state's long-term success

Rural investment enables three key outcomes for the state:

**Maximizing potential of resources**
Rural areas house enormous and critical natural resources. Natural resources typically found in rural areas require human capital and local industry to be developed & utilized for local and statewide benefit.

**Increasing positive outcomes across state**
Rural areas account for disproportionate per capita share of state spending, due to poorer outcomes across many measures.

**Continuing tradition of diverse opportunities & choices**
Rural areas present Texans with an opportunity to choose where and how they want to live & work; sustainability of rural areas key to ensuring long-term diversity of lifestyle opportunities in Texas.
Rural areas are home to key resources that require support & investment for maximum benefit to the state

Agriculture, forestry & fishing

$12B Contribution of agriculture, forestry, fishing to TX GDP in 2015

- $3.3B total economic impact1 of TX agricultural export trade with Canada and Mexico in 2016

Ranching growth

- 9% increase in ranching & farming operations from 1997-2012

Forestry, fishing, and related activities

- $1.8B in 2015

Oil & gas

$120B Contribution of oil & gas extraction to TX GDP in 2015

- Texas produced 1.7B barrels of crude oil in 2016, 36% of total US crude oil production
- Majority of oil-producing regions in rural Texas

Impact on jobs

- Texas portion of Permian Basin sustains >440K jobs

Underdevelopment in rural counties has local and statewide ramifications

State per capita spend in rural areas is disproportionately higher

Healthcare costs provide example of disproportionate spend on rural areas

Rural counties also face disproportionately lower outcomes

Lack of high school diploma linked to higher incarceration rates, healthcare spending

In order to maximize positive outcomes across Texas, it is necessary to address issues facing rural communities

1. Economic impact includes both direct exports and inputs required to support exports (e.g., transportation)
Source: Bureau of Economic Analysis, Texas Department of Agriculture, Texas A&M Natural Resources Institute

1. Standardized and risk-adjusted
6 rural strategic priorities will be supported by state actions

**Strategic priorities**

1. Build on unique rural assets to create diversified economies, and to protect and nurture rural culture & way of life
2. Recognize natural resources are vitally and uniquely tied to rural life and economies and need to be properly conserved and managed
3. Drive overall community wellbeing as engine of economic growth
4. Strengthen connectivity to resources & state economy
5. Improve rural educational outcomes and align rural education to rural workforce needs
6. Support development & retention of home-grown leaders to drive change

**State actions**

- Competitively fund regionally and locally-led economic plans
- Incentivize investment in connectivity
- Incentivize talent attraction, retention, & development

**Vision:** Local leaders drive economic & community development with support from state

- Economic & community development planning driven at local and regional level, in line with local needs
- Catalytic funding models & shared learning driven by state
- Local leaders have ownership over development within their region
- Investment & support from state government strategically allocated
- Substantive economic opportunities available for citizens in their local communities
Texas today: Innovations in funding for rural economic development groups driven by national organization, but areas for state involvement exist

State not providing catalytic funding for rural areas...

...but regional planning groups already leveraging competitive investment model

...and TX has set precedent for innovative funding in mental health

State funding overview
- Rural areas dependent on formulaic state funding
  - Rural areas receive portion of state education, TWC budget, etc. but not earmarked as rural
- Some competitive grants exist but limited in scope & dependent on federal funding
  - Community Development Block Grants: provides funding for 2 grants targeted towards rural areas—“Downtown Revitalization & Main Street Programs” and “Texas Capital Fund Infrastructure / Real Estate Programs”—through funneling of federal money

Economic Development Administration program
- Regional Economic Development Districts (EDDs) in TX develop 5-year Comprehensive Economic Development Strategies (CEDS)
- EDDs use CEDS to apply for funding from national organization - Economic Development Administration (EDA) - which supports rural areas across America
- In 2016, EDA provided $16M in funding to Texas EDDs
- Effectiveness of regional plans dependent on resources of region & ability to capitalize on often limited grant funding

Texas Senate Bill 55 (2016)
- Provides $20M of state funds to be allocated competitively for mental health support for veterans and their families
- Applicants must have obtained 1:1 matching using local / private funds
- Has served ~9,000 veterans to date

Texas House Bill 13 (2017)
- Created Community Mental Health Grant Program to competitively allocate $10M in initial year, $20M in following years
- 50% of funds earmarked for counties with population <250,000 people
- 50% matching required for counties with population >250,000, 100% otherwise

Benchmarks: NY state government innovates in funding through local regional planning competition

Upstate Revitalization Initiative (URI) launched to support struggling rural areas in NY

Competition overview
- 7 struggling regions eligible to apply for portion of $1.5B set-aside URI funding
- Regional economic development councils required to submit a revitalization plan
- State provided access to University at Buffalo Regional Institute to assist in data collection for proposals

URI plans evaluated based on specific guidelines set by state
- Asset-based planning
- Job creation & investment targets
- Short- and long-term view
- 5:1 private to public investment
- Strategy for hard-to-place workers
- Workforce development plan

Successful plans delivered on URI criteria
- Winning example: Finger Lakes Region
  - Focused on development of 3 industry clusters: Optics, Photonics and Imaging; Agriculture and Food Production; Next Generation Manufacturing and Technology
  - Provided examples of initiatives to be developed with award funding
  - Identified private partners to ensure 12:1 private to public investment

3 winning councils rewarded $500M in funding over 5 years

Source: Economic Development Administration, Texas HHSC, Texas Department of Agriculture

Source: New York State Gov’t
Back-up: Benchmarks: Several entities pioneering innovative planning methods

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<td>VA business leaders &amp; VA Department of Housing &amp; Community Development</td>
<td>Virginia</td>
<td>• “GO Virginia” project developed to drive private-sector investment in regions, and collaboration between regions • Economic planning regions, established by Go Virginia board, develop Economic Growth &amp; Diversification Plans to apply for funding; criteria include: - Data-driven selection of industry clusters to support in region - Performance metrics to evaluate progress - Potential sources of matching funds</td>
<td>• GO Board held orientation conference in April 2017, bringing together stakeholders from across state • GO Board approved budgets for the 9 economic planning regions in June 2017; regions have started implementation process</td>
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<td>USDA</td>
<td>US - national</td>
<td>• Strong Economies Together (SET) aims to encourage multi-county collaboration by providing economic planning assistance, including: - Coaching to guide design and implementation of a regional economic development plan - Data-driven analysis of region - Technical assistance during implementation</td>
<td>• Participating regions have seen success developing &amp; implementing plans • Example: region in NC created “Green Fields Initiative” through SET to increase agribusiness; established farm school that expanded in 2014 due to growing demand</td>
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<td>Texas A&amp;M Natural Resources Institute</td>
<td>Texas</td>
<td>• Created summary report, identifying concerns specific to the rural community, particularly with regard to natural and water resources - Leveraged a multitude of existing datasets - Used geospatial data to illustrate regional differences • Built ground-up understanding of rural communities' needs</td>
<td>• Catalyst for dialogue on challenges and opportunities in rural communities • Provides foundation on potential topics for regional planning groups to focus on</td>
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<td>Heart of Texas Efficient Towns &amp; Counties Co-Op</td>
<td>Texas</td>
<td>• Local communities joined together to create the Efficient Towns &amp; Counties Co-Op, to address common challenges across counties • Challenges included slow or flat growth, rising costs, and increasing complexity of systems • The group requested and won a planning grant, pledged local dollars in support, and then paired regional talent with technical experts to drive local solutions</td>
<td>• A set of tools, including a water study &amp; waste management plan were developed for use by cities and counties in the region • A comprehensive sustainable development plan was created, leveraging deep local knowledge, and at lower cost than traditional consulting engagements</td>
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Deep dive - key issues: Planning groups in Texas should consider opportunities in land productivity, conservation, and profitability

Key rural land trends
- Rising land prices and an aging rural population
  - 200% increase in avg. price per acre of rural land from 1997 to 2012
- Increased incentive to sell & subdivide land
  - 25K+ new farms and ranches between 1997 and present, driven by fragmentation
- Proliferation of smaller plots
  - 4.5M acres of land impacted by fragmentation, 1997 to 2012
- Decreased productivity and conservation from plots converted to personal / family use
  - 1M acres of working land2 lost, 1997 to 2012
- Decreased profitability on smaller farmlands, from reduced scale

Potential solutions for planning groups to pursue
- Collaborate to protect working land, e.g., through conservation easements, which restrict land from being used for non-agricultural purchases
  - Assist in identifying land with high agricultural value
  - Support current landowners through the legal process
- Provide support to help new and / or small acreage farmers succeed
  - Attract and coordinate farming education organizations / programs (which are often supported through grants)
  - Support farming cooperatives which enable pooled infrastructure, sales channels, etc.
- Recommend creating or increasing “open space” preservation areas
  - Map and prioritize potential “open space” areas
  - Identify potential funding sources to acquire the land - County funds, State & Federal grants, private donations
- Facilitate applications to grant funding for the community
  - Build partnerships between universities and landowners in the region to apply for research or sustainability grants (e.g., SARE grants for projects on sustainable agriculture, Rural Energy for America Program loans & grants)

Source: Real Estate Center, Texas A&M University; Texas A&M National Resources Institute presentation by Raul Lopez; USDA Rural Development; SARE; Land Trust Alliance; Dallas County

1. 7.9% CAGR with rise from $501/acre in 1997 to $1,573/acre in 2012 2. Defined as ‘privately owned farms, ranches, and forests that produce food and fiber, support rural economies, and provide wildlife habitat, clean air and water, and recreational opportunities” - Texas A&M Institute of Renewable Natural Resources
### Back-up: Key issues benchmarks: Several entities focus on collaborative efforts to drive profitability, productivity, and conservation on rural lands

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| USDA - Rural Energy for America | Nationwide | • Provides guaranteed loans and grants to agricultural producers and rural small businesses to purchase, install, or construct renewable energy systems; to make energy efficiency improvements; or to use renewable technologies  
• Applicants must commit a portion of cost themselves | • REAP is providing ~$600M in assistance (2018)  
• Funds help increase agricultural profits, while minimizing environmental harm |
| Sand County Foundation - Water as a Crop | Texas & nationwide | • Funds pilot conservation projects, including reimbursing landowners for implementing conservation projects, in order to evaluate and demonstrate results  
• Connects landowners, local partners, and prospective water conservation funders; creates workshops to build understanding amongst stakeholders of water conservation practices | • Partnered with landowners and a local conservation group to design and implement sustainable practices along 1,000 acres of riverfront in the Texas Trinity River Basin  
• Practices are being measured for their impact on slowing erosion and improved water quality |
| Edwards Aquifer Habitat Conservation Plan | Texas | • The EAHCP is a planning document created by the Edwards Aquifer Recovery Implementation Program Steering Committee - a stakeholder group convened by the TX State Legislature  
• Identifies measures focused on habitat protection, water flow protection, and supporting measures to benefit the spring systems in San Marcos and Comal Springs | • The measures recommended by the EAHCP serve to regulate pumping from the aquifer  
• The measures manage competing water needs in the region, and protect the water flow required by endangered species in the springs |

### Strategy overview: Leverage opportunities to incentivize & empower local leadership to create actionable regional economic development plans

- **Confirm regional structure for economic planning**
  - Leverage & engage existing local and regional structures (e.g., EDDs)
    - Formalize regional structures where necessary
  - Ensure presence of diverse stakeholders
    - Ensure regions include key leaders from govt, education, and all key economic sectors in area

- **Fund regional development plans competitively**
  - Design competitive funding program
    - Establish criteria for funding regional community & economic development plans (e.g., matched local investment, asset-based plan, strength of public-private coalition)  
    - Tie funding to milestones & outcomes  
    - Include channels / opportunities for reinvestment
  - Establish review board to select & monitor funded regions

- **Collect & analyze data to facilitate learning**
  - Collect and share data on progress
    - Specify metrics to be collected & tracked  
    - Routinely publish updates on progress across regions
  - Analyze best practices in funded regions, and other benchmark geographies
  - Share learnings and execution resources with relevant regions
**Vision:** Rural Texans have access to remote opportunities through high quality broadband access

- All Texans have access to high quality broadband
- Healthcare & education institutions leverage & encourage broadband usage
- Rural Texans adopt & use broadband in daily lives
- Rural Texans have access to remote job opportunities and outlets for goods and services
- Healthcare & education access expands through use of technology
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**Texas today:** Rural Texas counties lack strong connectivity, but several areas pioneering methods

Rural counties lagging in both physical & digital connectivity

| Physical access challenges plague rural areas | 38 miles on average between high schools and nearest community college in West Texas |
| Use of technology to address access challenges limited by broadband access gaps | 46% of rural population lacks fixed advanced broadband¹ |

Siloed efforts exist to improve access to & through digital tools

- **FCC E-rate program**
  - Provides discounts for internet services to rural & economically disadvantaged schools & libraries
  - Texas legislature set aside $25M for FY 2018-19 to be matched by $225M from federal funding

- **Microsoft TechSpark**
  - Will support selected Texas rural community through
    - Rural broadband expansion
    - Digital skills & computer science education
    - Digital transformation initiatives

- **Childress County Regional Medical Center**
  - Increasing access to providers through telemedicine, which allows for virtual consultation with specialists in urban medical centers

¹ Advanced telecommunications refers to high-speed, switched broadband which enables fast and reliable access to voice, data, graphics, and video content

**Benchmarks:** Incentivizing connectivity to resources & global economy drives development

**Incentivize broadband adoption through training programs**

- **China**
  - Alibaba training teenagers in China to become rural entrepreneurs to increase rural e-commerce
  - Has found & trained >15,000 village “partners” to run service centers that expand e-commerce among rural citizens

**Leverage broadband to improve access to healthcare & education**

- **Texas – Childress County**
  - Regional medical center added telemedicine equipment to connect with specialists for consults in high-risk cases, expanding access for local residents

- **Idaho**
  - State-sponsored Idaho Digital Learning provides access to courses beyond what rural districts can offer; including dual credit & AP classes that help pipeline students into secondary education

- **North Carolina**
  - Center for Rural Health Innovation developed Health-E-Schools initiative
    - Uses telemedicine equipment to allow centrally located health care provider to examine students at multiple schools, improving access & decreasing missed school days

Source: FCC, TAMU, STAT, Microsoft, Connected Nation
Back-up: Benchmarks: Incentivizing connectivity to resources & global economy necessary to ensure rural economic development

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<td>Massachusetts government</td>
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<td>Established Last Mile Infrastructure Grant Program, setting aside funds to communities to develop their own broadband networks</td>
<td>Created community investment in process and revenues for the local governments</td>
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<td>Superintendent of the Houston, Minnesota School District</td>
<td>Houston, Minnesota</td>
<td>School superintendent led development of online learning curriculum to address decreasing population &amp; school enrollment. Partnered with businesses to ensure internet access (i.e., made deal with broadband provider; received used computers from Mayo Clinic)</td>
<td>Developed online curriculum with K12 that became the Minnesota Virtual Academy. 50% of Houston School District’s students currently live outside the district</td>
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<td>University of Nebraska Lincoln Extension</td>
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<td>University of Nebraska received a USDA grant to hold an online marketing course for 35 Nebraskan rural business owners</td>
<td>7 businesses launched brand new social media sites; participants averaged a 50% increase in direct connections with customers; 1/3 reported an economic impact</td>
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Strategy overview: Seek opportunities to drive stronger connectivity statewide to improve outcomes & opportunity

Incentivize broadband access & adoption
- Fund improved mapping of broadband access

Incentivize closing of broadband gaps
- Develop public-private partnerships
  - Provide grants for broadband providers
- Leverage available funding for broad benefit (e.g., build out community digital infrastructure at same time as schools built out via E-Rate)
- Incentivize & facilitate installation of necessary fence-to-fence digital tools (e.g., modems)

Incentivize broadband usage & adoption
- Fund training programs on leveraging digital tools
- Shift more government services online

Drive innovation in delivery methods

Fund remote education & healthcare opportunities
- Provide grants to support innovative access models, including:
  - Remote health care access (e.g., connect rural patients to specialists via telemedicine, connect providers to consults)
  - Remote learning (e.g., Remote Time-Technology Swaps & other models that leverage mix of local and remote educators to expand access to advanced courses)
- Support development of content & processes to implement remote learning opportunities
**Vision:** Leadership & workforce gaps in rural Texas eliminated

- K-12 / K-16 pathways to work
- K-12 / After-school / training / technical college programs based on rural workforce needs
- Support for "grow your own" talent development strategies
- Expanded qualifications of existing providers

Rural workforce prepared for rural jobs

Rural Texas has a robust & invested talent supply
- Limited out-migration
- Motivated & empowered leaders
Texas today: Rural areas face talent shortages across sectors

Access to & retention of talent a challenge in rural TX

- 2500:1 people per primary health care provider in rural counties (compared to 1700:1 in TX overall)
- 12 hospital closures in rural TX since 2010
- 19.2% teacher turnover rate in rural areas (compared to 15.2% in metro areas)
- 25x greater net migration into urban areas than into rural areas in TX

Some successful initiatives in Texas exist

- Rural Communities Health Care Investment Program
  - Provides up to $10,000 for health care professionals other than physicians who move to rural areas & agree to practice for at least 12 months
- Texas Association of Future Educators
  - Statewide initiative to increase number of HS students interested in teaching
- TEA Grow Your Own Grant Program
  - TEA launching 2018-2019 “Grow Your Own” grant program using funds set aside in 2017 legislative session
- West Texas Energy Consortium
  - Energy stakeholders from Concho Valley, Permian Basin, & West Central TX collaborated with 8 community colleges to develop welding certificate

...but room for state involvement in large-scale talent initiatives

- Healthcare regulation & legislation
  - HB 2996: would have established new grant for rural residency training programs
  - Killed in 2017 legislative session
  - HB 1415: proposed to regulate nurse practitioners (NPs) solely by Texas Board of Nursing
  - Killed in 2017 legislative session
  - NPs currently must engage in expensive contracts with doctors
  - Studies show NPs more likely to work in rural areas, can expand access & decrease costs
  - New Mexico gov’t set aside funds to recruit TX NPs

- Education legislation
  - Rural schools limited in seeking alternative options to fill teacher seats due to
    - Cost of necessary certification
    - Cost to hire retired teachers

Source: DallasNews, County Health Rankings, Texas Association of Future Educators, STAT, Houston Chronicle, Federal Reserve Bank of Dallas, Montana State University

Benchmarks: Innovators across US developing programs to attract, retain, & develop local talent

- Rural medical student recruitment
  - Scholars in Rural Health program
    - University of Kansas Medical Center - Kansas
      - Provides assured admission into medical school to students originally from rural areas who successfully complete their undergraduate education & intend to practice in rural Kansas
      - Receive region-specific mentorship once in medical school
  - Senate Bill 16-104
    - Colorado
      - Set aside funding to support rural educators through
        - Addition of rural ed. coordinator position in state Dept of Higher Ed
        - Financial incentives for rural teachers
        - Financial stipends for National Board Certification
        - Teacher cadet programs in rural school districts
  - GE and Wilkes Community College (WCC)
    - North Carolina
      - GE partnered with WCC and several local & regional stakeholders to develop and promote a pre-hire, post-hire, and incumbent training curriculum to support GE’s expansion in the area
      - NC Governor requested for national regulatory assistance at groundbreaking
      - Within first 6 months, GE extended 59 job offers, and WCC trained 143 incumbent workers

**Back-up: Benchmarks:** Innovators developing programs to attract, retain, & develop local talent

<table>
<thead>
<tr>
<th>Actor</th>
<th>Location</th>
<th>Description</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>RGV FOCUS</td>
<td>Texas</td>
<td>Collective impact initiative bringing together RGV district superintendents, higher education presidents, philanthropic partners, and business &amp; community leaders</td>
<td>Improved outcomes at almost all stages of educational pipeline, including improvements in 4-yr employment rates over baseline and over state average</td>
</tr>
<tr>
<td>Roscoe Collegiate Independent School District</td>
<td>Texas</td>
<td>Rural school district in Nolan County, serving ~600 students</td>
<td>Roscoe students have been able to participate in programs such as the Edu-Vet Certified Veterinary Assist Program or training in advanced genetic reproduction</td>
</tr>
<tr>
<td>Texas A&amp;M Agrilife Extension - Rural Student Success Initiative</td>
<td>Texas</td>
<td>Texas A&amp;M's Agrilife Extension program leverages place-based agents and youth development staff to credibly engage community members</td>
<td>Program able to secure support from additional organizations such as the National College Access Network</td>
</tr>
</tbody>
</table>

**Strategy overview:** State actions - fund & support talent attraction, retention & development programs

**Fund programs to improve rural talent development and retention**
- Provide incentive funding and expertise for:
  - Development of partnerships between LEAs and large employers
  - Support “Grow Your Own” strategies (e.g., continue & support TEA “Grow Your Own” grant)
  - Leadership cohort programs

**Provide funding and support for community colleges attaining outsized positive outcomes for local students**
- Focus on completion and employment outcomes

**Incentivize continued work in rural areas with improved benefits**
- Subsidize advanced training for rural educators

**Improve use of existing talent in rural areas and across state**

**Revise regulations based on existing supply**
- Revise regulation on mid-level providers to improve access to care in areas with talent shortages (e.g., providing waivers to expand nurse practitioner scope of care in areas with shortage of general practice doctors)
**Vision: Rural-specific barriers to positive outcomes reduced through strong alignment with local context**

Structural barriers limiting effectiveness of state policies in rural areas

- High costs of operating & implementing change
- Access to funding
- Ability to leverage state policies

Barriers reduced through 2 paradigm shifts

1. **Stronger collaboration, with opportunities across rural and urban areas**
   - Effective usage of public-private partnerships
   - Input from & collaboration between state & local stakeholders to ensure understanding, implementation, & success of policy
   - Cross-agency approaches to challenges

2. **More equitable processes**
   - Grant applications facilitate rural area competitiveness
   - Implementation assistance
**Texas today:** Education provides example of high structural barriers to change and steps to address them

Rural TX educators face high structural barriers

- **Access to funding**
  - School funding formula leverages previous year’s property taxes, negatively impacting rural communities where property taxes have been decreasing YoY

- **Ability to leverage state policies**
  - Educators stretched; often play many roles and have limited time to compete for grants, etc.
  - Rural school leaders have less access to resources as urban leaders (e.g., grant-writers)

- **HS and post-secondary attainment remains low 78%**
  - HS graduation rate in rural counties (88% in TX overall)

Source: US Census

Recent initiatives address key barriers

- **More equitable processes**
  - Texas Education Agency streamlined grant applications
  - Shortened most applications
  - Pre-filled sections where possible

- **Opportunity to scale & share learnings across sectors**

Benchmarks: State rural task force working to reduce rural structural barriers

- **Tennessee governor established cross-agency rural task force**
  - Brought together 18 cross-agency, gov’t and private sector leaders (e.g., Dept. of Agriculture, Dept. of Health, University of Tennessee Extension, etc.)
  - Charged with aligning public & private resources and offering new strategic initiatives to improve outcomes in rural areas

- **Project included 3 phases**
  - Phase I: Initial meetings
    - 18 leaders gathered to discuss mission & objectives
  - Phase II: Input sessions
    - Held public input sessions
  - Phase III: Committees
    - Developed 6 committees to consult on key focus areas
    - Included 120 local stakeholders

- **Programs to reduce structural barriers launched**
  - Developed asset-based planning initiative with resources for distressed rural communities (e.g., data support from University of Tennessee)
  - Created website to
    - Provide a singular location for rural grant searches
    - Document success stories for rural leaders across state to leverage

Source: Tennessee State Government
Strategy overview: State actions - seek opportunities to support strategic programs & stronger collaboration across sectors

Facilitate agency collaboration to maximize funding & program effectiveness

- Design model of collaboration on rural and state issues between TEA, TWC, Department of Agriculture, THECB, DSHS, HHS
  - Reduce barriers to sharing data and incentivize collaboration
  - Share resources to assist in implementation
    - Provide rural stakeholders easy access to cross-agency data, tools, etc. to assist in successful application of grant funds

Develop processes to ensure equity to rural areas

- Refine state grant application process to allow for increased rural competitiveness
  - Streamline process for grant applications across all agencies to improve ease of applying for rural stakeholders
  - Adjust application components to improve rural competitiveness (e.g., add interview component)

- Adjust funding formulas
  - Restructure education funding formula to recapture losses from declining property taxes

Foundation action & advocacy can support the strategic actions of the state

Action

- Funding
  Provide targeted funding to support local initiatives & leaders showing demonstrable results

- Program facilitation
  Develop & support programs to test innovative strategies to improve outcomes

- Convening
  Assembling stakeholders, leaders, innovators, etc. from across the state to scale best practices & share learning

Advocacy

- Policy advocacy
  Develop & leverage state-level relationships to drive policy change necessary to achieve strategic goals
Foundation action & advocacy can support the strategic actions of the state

**Action**

**Funding**
*Provide targeted funding to support local initiatives & leaders showing demonstrable results*

**Program facilitation**
*Develop & support programs to test innovative strategies to improve outcomes*

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*Assembling stakeholders, leaders, innovators, etc. from across the state to scale best practices & share learning*

**Advocacy**

**Policy advocacy**
*Develop & leverage state-level relationships to drive policy change necessary to achieve strategic goals*

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State actions can be supported by foundation action

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<thead>
<tr>
<th>State action</th>
<th>Immediate</th>
<th>Long-term</th>
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<tbody>
<tr>
<td><strong>Drive regional quality-of-life plans</strong></td>
<td>• Consult on regional assignments • Gather stakeholders for regional planning groups</td>
<td>• Provide support in regional and local plan development • Provide matching funds for successful plans</td>
</tr>
<tr>
<td><strong>Incentivize investment in connectivity</strong></td>
<td>• Support improved understanding of access gaps</td>
<td>• Fund / develop targeted digital training programs (e.g., social media marketing tools training)</td>
</tr>
<tr>
<td><strong>Incentivize talent attraction, retention, &amp; development</strong></td>
<td>• Connect business &amp; education stakeholders to develop talent pipelines • Develop / expand leadership cohort programs</td>
<td>• Support cross-regional sharing of best practices</td>
</tr>
</tbody>
</table>
State actions can be supported by foundation advocacy

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<thead>
<tr>
<th>State actions &amp; enablers</th>
<th>Foundation opportunities for advocacy</th>
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<tbody>
<tr>
<td>Drive regional quality-of-life plans</td>
<td>- Promote regional planning among key state stakeholders (e.g., legislators)</td>
</tr>
<tr>
<td></td>
<td>- Promote regional planning among local stakeholders (e.g., COGs/EDDs)</td>
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<tr>
<td>Incentivize investment in connectivity</td>
<td>- Encourage state legislators to shift focus to improved mapping of access gaps</td>
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<tr>
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<td>- Promote remote broadband opportunities within regions of influence</td>
</tr>
<tr>
<td>Incentivize talent attraction, retention, &amp; development</td>
<td>- Promote adjustment of regulations towards teachers, mid-level providers, etc. to remove barriers for talent in rural areas</td>
</tr>
<tr>
<td>Reduction of state structural barriers</td>
<td>- Engage state-level stakeholders in conversations on grant application reform</td>
</tr>
<tr>
<td></td>
<td>- Promote cross-agency round-tables &amp; collaboration</td>
</tr>
</tbody>
</table>
Strategy developed with input from expert interviews & targeted research

**Expert interviews**
- Leslie Gurrola, Greater Texas Foundation
- Allison Pennington, Greater Texas Foundation
- Larry Pierce, Texas A&M AgriLife Extension
- Evelyn Waialaeole, Center for Community College Student Engagement
- Cheryl Pekar, Stanzel Family Foundation
- Kelty Garbee, Educate Texas
- Cynthia Ferrell, Texas Success Center
- Jacob Fraire, Texas Association of Community Colleges
- Paula Butler, Texas A&M AgriLife Extension

**General**
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- Bureau of Economic Analysis, Gross Domestic Product by State
- Economic Development Administration
- Federal Reserve Bank of Dallas: Regional Talent Pipelines
- LA Times: "Chinese e-commerce giant Alibaba connects rural residents to online shopping"
- NADO: "Asset-Based Economic Development and Building Sustainable Rural Communities"
- TAMU: "Postsecondary Completion in Rural Texas: A Statewide Overview"
- Texas A&M Institute of Renewable Resources: Texas Land Trends
- Texas Dept of Agriculture
- UNC School of Gov't & NC Rural Economic Development Center: Case Studies in Small Town Community Economic Development
- US Census
- USDA

**Healthcare**
- AAMC: Rural Training Track Programs: A Guide to the Medicare Requirements
- Center for Rural Health Innovation
- County Health Rankings
- Episcopal Health Foundation: "What's Next? Practical Suggestions for Rural Communities Facing a Hospital Closure"
- Houston Chronicle: "Key medical bills among casualties of bill massacre"; "Study backs quality of care for rural patient, physician assistant care"
- Montana State University: "Nurse practitioner patients less costly to Medicare than physician patients", "MSU study finds nurse practitioners more likely than medical doctors to work in rural areas"
- Texas HHSC: "Texas To Provide Grants For Veterans Coping With Mental Health Issues", "Texas Awards Millions for Mental Health"
- Stat News: "In a small town in Texas, a rural hospital thrives against all odds"
- University of Kansas: "Scholars in Rural Health"

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- Colorado State Gov't: Senate Bill 16-104
- DallasNews: "Texas' rural schools need help attracting teachers, and it’s all about the pay"
- Idaho Digital Learning
- My Statesman: "How rural lawmakers killed school choice legislation in Texas"
- Ohio Appalachian Collaborative: Impact and News
- Personnel Improvement Center: "Using Grow Your Own Programs to Promote Recruitment & Retention of Qualified Special Education Personnel"
- Texas Association of Future Educators
- Wilkes Journal-Patriot: "GE expands, adds jobs in Ashe, WCC aids training"

**Infrastructure**
- Anchorage Daily News: "Telecoms plan big expansion of broadband in rural Alaska, with federal help"
- FCC
- Massachusetts State Gov't: Last Mile Infrastructure Grant Program
- Microsoft: TechSpark Initiative

**Government**
- New York State Gov't: Upstate Revitalization Initiative
- Tennessee State Gov't: Governor's Rural Task Force