



**The Brookings Institution  
*Reimagine Rural* podcast**

**“Policy innovations that strengthen rural capacity to access investment”**

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*Guests:*

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HANNAH CONOVER, Executive Director, Grant Ready Kentucky

BETH HASKOVEC, Director, Office of Rural Prosperity, Wisconsin Economic Development Corporation

STEPHEN LISONBEE, Senior Advisor to the Governor of Utah for Rural Affairs

SARAH LUCAS, Director, Michigan Office of Rural Prosperity

DEBBIE STABENOW, U.S. Senator, Michigan

DAVID TOLAND, Lt. Governor, Secretary of Commerce, Kansas

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*Episode Summary:*

The importance of public investment, and the difficulty rural places have in accessing it, are recurring themes in the stories we gather for the podcast. Communities often lack the time and staff to navigate the maze of available resources and match them to their project plans and aspirations. Policymakers are beginning to recognize that strengthening local rural capacity is a key to unlocking the investment that these communities need to thrive. In this final episode of season two, Tony Pipa sits down with state and federal leaders to learn how they are developing new ways to support rural America and the impact it's having.

**STABENOW:** It's so important to look at how we can help small towns, rural communities, get access to what's available.

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Really, that's what we're talking about when we say capacity building, to be able to reach out and have access to the grants and the loans and the collaboration and information that's needed.

**PIPA:** That's Senator Debbie Stabenow of Michigan, who chairs the Senate Committee on Agriculture, Nutrition, and Forestry, talking about rural America and the difficulties its communities often face in trying to access the public and private investment they need to remain vibrant and vital.

Now, in recent episodes, I've collected stories on how major new federal investment for priorities such as broadband, manufacturing, and clean and dependable energy are playing out in rural America. Accessing these and other resources from the federal government is challenging for rural places, especially because their staffing and budgets are so limited.

Fortunately, policymakers are beginning to recognize that these limits on capacity can lead to a sort of catch-22 that ends up starving rural communities of investment and could even worsen inequality between rural communities and other places.

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I'm Tony Pipa, a senior fellow in the Center for Sustainable Development at the Brookings Institution, and your host for *Reimagine Rural*, which captures the stories of rural places experiencing positive change. Today, in this final episode of our second season, we're going to hear about new efforts and policy innovations, mostly from state government leaders across America, who are at the cutting edge of strengthening local capacity to help rural places thrive. So, yeah, this might get a little wonky—but helping local leaders unlock the investment they need to pursue the solutions and projects they've designed is just fundamental to their town's successes.

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I began this second season in Humboldt Kansas, and that's basically where we'll start today—with David Toland, who's the state's lieutenant governor and its secretary of commerce. He grew up in Iola, a town of almost 5,500 people that's just 15 minutes from Humboldt.

[2:31]

**TOLAND:** Well, I'm a seventh generation Kansan. My ancestors came here as rabid Free Soilers right before the Civil War to fight for Kansas to be a free state. And our family has been in Allen County, which is in the southeastern corner of the state ever since. And had a wonderful childhood growing up in a small town with what we would now call as a free-range kid, where you walk to school in the library and explore the creeks and you're barefoot much of the time. And very happy childhood. And I'm a product of Iola Kansas Public Schools and the University of Kansas.

**PIPA:** Once he graduated, the lieutenant governor ended up in Washington, D.C., working for the city's economic development office where, among other things, he helped bring professional baseball back to the city. Go Nats! That experience gave him the chance to witness how bringing resources to local leaders in disinvested neighborhoods could be catalytic.

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After a few years he got a call from his old family doctor who told him that the local hospital serving his hometown had been sold. Since it had been a non-profit, the proceeds needed to be used for charitable purposes. Would he be interested in coming back to ensure that money was spent well on behalf of the community?

[3:53]

**TOLAND:** And they wanted to make sure that somebody could advocate for our community's needs and make sure that we use these proceeds for the benefit of the people. Six months later, my wife and I and our year-and-a-half year-old daughter headed west, and we moved from Washington, D.C., back to my hometown of Iola, Kansas.

**PIPA:** They built a new hospital, 30 miles worth of trails, recruited doctors and dentists, basically ensured care and focused on the well-being of local people regardless of their ability to pay.

[4:26]

**TOLAND:** But it was all through the lens of quality of life. So, the reality is that if a place isn't attractive for folks to live in, they won't live there. People have choices on where they can be. And so, we really focused on, okay, what are the factors that make people choose place A over place B? And we felt very strongly that it is those quality-of-life initiatives.

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It's about the tangible stuff, the trails, the hospitals, the schools, but also about social connectedness, bringing people together, trying to fight the social isolation that often pervades rural life.

**PIPA:** In 2018, he was appointed Kansas secretary of commerce by Governor Laura Kelly to bring that same approach to the department.

[5:19]

**TOLAND:** She wanted us to not just do the traditional smokestack chasing and trying to grab jobs wherever we can grab jobs. She wanted a plan. She wanted that plan to be based in data and she wanted us to look at everything through a quality-of-life lens. And because that's what we had done at Thrive Allen County and we'd been recognized nationally at that point—the Robert Wood Johnson Foundation recognized Allen County as a culture of health community in 2017.

It was clear we knew what we were doing. We were having results and what the governor described was she wanted us to take that model or at least that that spirit and apply it to a state agency.

**PIPA:** Together, they also created a new office at the Department of Commerce focused specifically on the state's rural places.

[6:15]

**TOLAND:** Well, the governor and I and our previous Lieutenant Governor Lynn Rogers created the Office of Rural Prosperity to make sure that from a public policy perspective we were always having rural communities at the table, that, that the rural lens was being applied just like we apply a suburban lens, a political lens and a business lens to all sorts of issues that come across our desks every day at the state Capitol.

**PIPA:** And that meant investment.

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[6:50]

**TOLAND:** I remember when I was in D.C. government, Mayor Williams, my boss, would say that the most important public policy document that you have is the budget. And we've tried to make certain that rural issues are reflected in the budget.

And we have delivered on that pretty consistently. Whether we're talking about water and it's centrality to our ag sector all over the state; whether we're talking about making certain that community development block grants can get to the places they need to go to; and that we're being smart about how we deploy those resources.

**PIPA:** From his previous work, however, he understood it was not just about money. It was about working directly with local residents and leaders to change the trajectory of hope.

[7:38]

**TOLAND:** And what's striking is that community mood really matters. So, if you're in a place where you've got the right leadership, local leadership that believes that things can get better and where they are able to mobilize folks around a common vision for how things can get better, you've got a fighting chance.

The community mood is key to your ability to get things done.

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I've seen towns of 20,000, which in Kansas is a pretty big town, that struggle dramatically more to accomplish small things than towns of 2,000. And it comes down to that local leadership and the ability of that local leadership to articulate a vision and mobilize people behind that. The capacity of a place comes down to the willingness of local people to step forward and their ability to influence the mood.

**PIPA:** He eventually became lieutenant governor while remaining secretary of commerce, and the Office of Rural Prosperity continues to work at creating positive momentum in rural Kansas by meeting those rural leaders where they are, bringing investment and helping change the narrative of what's possible.

[9:04]

**TOLAND:** What we want to do, though, is make certain that we are not leaving any place behind as policymakers, as people that work to administer these federal dollars and state dollars and get them to places that, for whatever reason, feel like they've been ignored in the past by Topeka, they've lost hope, they think things can't get better. They think that all their best days are behind them. And we don't buy that.

Change does not have to equal loss. And I think that's the lens through which a lot of people, whether you're in an urban place that has suffered from disinvestment or a rural place that suffered from disinvestment, you think that change has to equal loss.

And that isn't the case at all. Change can mean a positive transformation for your community, for your family, for your business. And we try and ensure from the state level that that can be a reality.

**PIPA:** It seems to be working.

[10:05]

**TOLAND:** So, we have 105 counties in Kansas, and we've had economic development wins in I think 86 of those 105 counties since I've been in office.

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And we've done grants in in close to 90 of those places. And I am really focused on the last 15 or 20 counties where we haven't had a win.

**PIPA:** Interestingly, in this era of political polarization, the work of the office seems to be something that everyone can agree upon.

[10:43]

**TOLAND:** And so, Office of Rural Prosperity and its director, Tricia Purdon, have really done phenomenal work to lift up rural issues, to deliver intangible ways for these places. And I think I'm most proud that we've done this in a bipartisan fashion. Kansas has a Republican supermajority in the legislature. Governor Kelly and I are Democrats. But Office of Rural Prosperity has never been controversial. It's something that's been embraced by Republicans and Democrats, urban, suburban, and rural folks. And I think that's a key part of why we've been able to get a lot done.

**PIPA:** Offices focused on rural prosperity or revitalization are popping up in several states across the country. Michigan's Office of Rural Prosperity launched in 2022. Sarah Lucas, its director, describes the rationale for opening the office.

[11:44]

**LUCAS:** So, we know that Michigan as a state needs the whole state to be successful if we're going to thrive in the future economically. And we also know that rural communities have some really complex challenges that they're facing around population trends, around housing shortages, infrastructure needs, broadband connectivity, childcare, you name it. All of those challenges are really complex, require a lot of resources in order to address them effectively.

**PIPA:** Much of the impulse for these new offices stems from what I mentioned earlier: a recognition that rural places have a unique set of characteristics, and that means they may need different types of support to be successful in attracting investment and pursuing new ventures.

[12:30]

**LUCAS:** Rural communities have larger geographies, and they have fewer resources available to them. And by resources, I don't mean just dollars. I mean people. I mean organizational infrastructure. There are fewer nonprofits that are there to provide services. The local governments have smaller staff, sometimes no staff.

And so, they're trying to find ways to provide these services and address these really complex challenges across sometimes vast geographies.

**PIPA:** Like Lieutenant Governor Toland of Kansas, Sarah sees the rural communities in Michigan benefiting from a focus on quality of life.

[13:07]

**LUCAS:** So, what we're seeing is that as people make their choices based on what they want, they're looking at small towns in rural areas.

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They're looking at outdoor recreation access. They're looking at the quality of the schools. They're looking at public safety. They're looking at the natural environment and the community connections, the social connections are really important.

**PIPA:** That commitment to place is also a catalyst for innovation.

[13:37]

**LUCAS:** I think there's a lot more opportunity than we would expect from media narratives around innovation and entrepreneurship. People are scrappy, they're resourceful, they figure things out because they have to. And so, we have a lot of communities and a lot of individuals within those communities who want to stay there, and they've essentially created their own positions. They've created their own work and they're looking around them at the amenities in the community and in the region and understanding the opportunities for innovation and connection with other markets, with other sectors.

And so, we're actually seeing quite a bit of innovation around outdoor recreation, around freshwater resources, around more broad opportunities like cyber security connected with some of the universities that are happening in rural areas because they have these amenities available to them that they can work with.

**PIPA:** One of the office's objectives is to surface those opportunities and represent those interests to counterparts within federal and state government.

[14:49]

**LUCAS:** So, one of our primary roles as an office is to be able to share rural experience and input and needs with our partners at the state level, and as well as at the federal level and with other partners like universities and nonprofits. And so, we talk with rural communities on a regular basis. We do a lot of engagement. We're really closely connected on the ground with rural communities.

**PIPA:** The office took all the input they collected at regional and local gatherings and listening sessions, and through surveys and other engagements, and put together a statewide strategy called The Roadmap to Rural Prosperity that launched in January of 2024.

[15:30]

**LUCAS:** It includes seven overarching strategies around workforce, housing, infrastructure, local and regional capacity, health and wellbeing, and natural resources. So, we have some larger strategies around those key issues and then dozens of detailed recommendations that really cut across state government and extended into other areas of influence as well. Our goal with the roadmap is to really start these interagency, cross-sector conversations about what it takes for rural communities to be successful.

**PIPA:** As Sarah and the office visited with rural leaders to develop the roadmap, one theme kept coming up: capacity.

[16:19]

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**LUCAS:** It didn't really matter what particular issue we were talking about, whether it was childcare or infrastructure or housing. There was always this need for additional capacity to help with planning and to help with grant writing and to help with project implementation.

And it's that need, that capacity need, is something that there hasn't been a lot of resources for in the past. And so, that was a gap that we identified right out of the gate and built a grant program called the Rural Readiness Grant Program that provided, \$50,000 grants to any tax-exempt entity in rural areas to support planning, capacity development, and partnerships.

**PIPA:** The creation of the Rural Readiness Grant Program has been really timely.

[17:07]

**LUCAS:** I think that this has been a big national conversation because of all of the federal funding that's become available and sort of the gaps that everyone has become aware of around the ability of rural communities to apply for those those dollars. It's difficult for rural communities to compete for grant dollars or even to apply for grant dollars because in many cases they don't have the projects identified. They don't have projects in the pipeline that are shovel ready or eligible for those dollars because they haven't had the capacity or the resources to plan proactively.

And so, we're really trying to move into that space and help fill that gap. The Rural Readiness Grant Program is one way that we're doing that.

**PIPA:** Sarah and the office were able to fund 40 projects in the first round of these grants and they saw immediate impact. Six of those grants went to increase grant writing capacity, and those communities have applied for more than \$13 million in grants and already secured \$2 million worth. The office is benefiting from additional funding from the legislature in the 2025 budget—and so, they'll continue the Rural Readiness Grant Program and even add an additional twist.

[18:25]

**LUCAS:** We're also looking at how we can provide more direct support to communities through the Rural Readiness Program to help them with that early phase planning and organization that needs to happen so that they are prepared for funding opportunities when they become available.

And so, with support from Resource Rural, we are expanding our services to provide some direct support to some of our more underserved communities who are trying to start the planning process and develop these project concepts so that they can apply for grant dollars down the road.

**PIPA:** Resource Rural is a relatively new national philanthropic platform that's pooling funds from national charitable foundations and to help rural communities have the capacity to attract the investment they need. So, with support from Resource Rural, the office is creating a Rural Readiness Network to offer directed technical assistance to the communities that need the most help getting started.

[19:25]

**LUCAS:** So, our Rural Readiness Network provides a platform to engage with these rural communities that are in the early phases of planning, help them get organized, help them connect to resources and partners that will allow them to plan proactively and effectively for funding down the road.

So, we just launched that program in June.

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We have around 35 communities that are engaged right now and are working with them to identify specific needs for planning and project development so that we can



connect them to resources and in some cases provide direct support to help them move that planning process forward.

**PIPA:** Sarah herself grew up on a fourth-generation dairy farm in rural McBain, Michigan, and she's someone who's worked on planning and development in small towns and rural communities in the state for her entire career. So, while all this work might sound wonky, for her, this is fundamentally about helping people who love the communities where they live.

[20:34]

**LUCAS:** But ultimately, what I hope for rural communities is a sense of pride and respect. Pride for the communities that people live in a sense of ownership, a sense of belonging and respect for those communities and for the differences within them and the challenges that they've had to overcome.

I think that that's something that rural communities take pride in and should take pride in. And I think all of the things that we're talking about around policy and around capacity and around planning and community development are about helping communities recognize and elevate their places as places that they love and belong in and see a future in.

**PIPA:** In Wisconsin, the Office of Rural Prosperity grew out of a commission looking at ways to enable well-being and resilience in rural places. Here's Beth Haskovec, who directs the office.

[21:34]

**HASKOVEC:** So, the Office of Rural Prosperity in Wisconsin is still a very young office. The office was created by Governor Evers in 2020. He created something called the Blue Ribbon Commission, which pulled together rural stakeholders from across the state and launched a listening tour that really was focused on the need for rural communities and tribal communities, tribal nations in Wisconsin. A recognition that they needed a place at the table in decision-making and that there needed to be a clearinghouse for rural communities to both create awareness in and support in navigating state and federal resources.

So, our office was created to identify and address the needs of rural communities and, and to be a coordinator and advocate for rural communities and tribal nations at the state level.

**PIPA:** Like in Kansas and Michigan, the strategy that many rural communities in Wisconsin are pursuing focuses on leveraging their quality of life.

[22:33]

**HASKOVEC:** When the office was created, there were a lot of concerns about declining and graying populations, questions about how to keep young people, thoughts about how do we continue to attract businesses or grow small business?

And a lot of that has shifted over the last few years. we've seen communities where rural population is actually increasing.

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We're one of the few Midwest states to have that population gain in recent years. The small town of Rhinelander in the north woods of Wisconsin has seen 8 percent growth. They have wonderful natural amenities—lakes and forests and have done a lot of work to create a unique identity utilizing arts and culture and fostering creative businesses.

And so, we're seeing that kind of excitement and growth happen in rural communities. But communities have big and innovative visions for their future and there's still a real need for technical support and resources to make those ideas a reality.

**PIPA:** The office started out as a navigator of sorts.

[23:38]

**HASKOVEC:** One of the core principles was that we were meant to be kind of a one stop shop resource navigation center for rural communities. And so, a lot of what we do is doing a lot of that background research in helping to sort and curate lists of different programs so that rural communities don't need to do that work.

**PIPA:** As they saw the difficulty that places experienced even completing an application for funding, the office went further.

[24:08]

**HASKOVEC:** We created a program called the Thrive Rural Wisconsin Program, where we're partnering with ten communities throughout the state. And we really provide project management support and technical assistance to both rural communities and our tribal nations.

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And then we pair this assistance with pre-development grants, which is a really important part of the mix. Because being able to bring local dollars to any project can be a challenge in rural communities, especially underfunded rural communities. And so, having pre-development dollars that allow them to get a project ready for state and federal funding then allows them to bring those dollars to match for whatever state and federal match requirements exist.

So, we've just launched this program at the beginning of 2024. We are working on a number of projects from rural housing challenges, as I mentioned earlier, to small business incubation and main street development.

**PIPA:** Beth has also been working directly with federal agencies, so the state can act as a bridge for rural places to take advantage of federal programs.

[25:22]

**HASKOVEC:** We work to complement what is available at the federal level. We have great partnerships with our federal agencies, in particular the EDA and the USDA

and their Rural Development Team. Wisconsin has five communities that are participating in the Rural Partners Network, which has been a great partnership.

So, we look to identify in the work that those agencies are doing, how can the state resources complement what they're doing? How can we bring some on the ground knowledge of state resources to pair with what the federal agencies are bringing to communities. And then there's also an opportunity for the state to really help build capacity for rural communities by being the applicant to some of these federal opportunities and knowing what's happening on the ground.

**PIPA:** In some instances, the state has even been able to leverage its resources to lower the barriers for rural localities and access those federal programs.

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**HASKOVEC:** We have a great example of that with the Department of Energy Rural and Remote Energy Program. The State of Wisconsin applied and is working with rural and tribal communities to build out microgrids, again focused on rural resiliency and energy resiliency in rural communities in the state. So, us being able to kind of have that scan of what's important, where there are great projects and ideas, but perhaps not the local capacity to really go after the funding.

And in this case, the state being the applicant reduced the match from 50 percent to 20 percent. So, reducing that match burden to some of these federal opportunities as well.

**PIPA:** The office's creativity is helping the state's rural towns maximize what's distinctive about their particular place.

[27:20]

**HASKOVEC:** Rural Wisconsin has a lot of natural and cultural assets that make life a little bit more fun and enjoyable. And I think that's one of the draws for people to live in rural Wisconsin. They want to live in vibrant communities where there's good jobs, safe housing, and amenities that add to the quality of life.

And I think placemaking is a huge opportunity for rural communities to create public gathering spaces and create a unique community identity that attracts new residents and tourists. The Wormfarm Institute in Sauk County partners with dairy farmers and artists to bring a 50-mile public art tour through Wisconsin countryside. It draws over 20,000 people to the small rural community during the fall leaf viewing season.

So, there's a lot of creative ways and approaches that I think people are taking to really celebrate rural culture and to use both the natural assets and the cultural assets of their communities to really think about their economy in new ways.

**PIPA:** And they are going beyond that. Beth sees a significant opportunity for rural leaders to embrace technology as path for creating more local value.

[28:33]

**HASKOVEC:** We have one of the most renowned sustainably managed forests in the country located on Menominee tribal lands. We also have one of the largest forestry undergraduate programs in the country at UW Stevens Point. And the forestry industry has a long history in Wisconsin. But it's really at a point where it's thinking about what does the next phase of this industry look like and how can it pivot, how can it embrace technology in that pivot?

There are a number of really forward-looking partners like the Wisconsin Institute for Sustainable Technology that's working to develop sustainable technologies and products that help the forestry industry diversify. But we're also using technology simulators to really expose young people to careers in the forestry industry and learning about what opportunities exist, and convening and connecting the dots across partners to have a clear roadmap for what that industry will look forward.

**PIPA:** Ultimately, however, the vision for sustaining rural communities in Wisconsin sounds *very* similar to what we heard in Kansas and Michigan.

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**HASKOVEC:** I think the future of rural Wisconsin really centers around local communities who really have a strong vision for what their local economy looks like. That we're growing homegrown businesses in rural parts of the state. Those businesses tend to invest more locally, keep their dollars circulating more in the local economy.

And those businesses are more invested in contributing to not only the economic health of the community, but the civic health of the community. They invest in community projects. They help to build community pride. And that, I think, creates that cycle of energy where there's new amenities and services and it's attracting new people to the community and new tourists that are spending their dollars in rural Wisconsin.

**PIPA:** So, by now you're probably starting to get the idea. Governors and state legislators across the country are recognizing that getting investment and support to rural communities might require specific and intentional approaches.

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Given the limits on administrative and fiscal capacity, and the way in which economies evolve in rural communities, it's not good enough to think of them as just "smaller versions" of suburban and urban places. Listening to local rural leaders and developing programs that fit their needs are necessary if you're going to help them develop locally led solutions. And, as Robin, who's the director of the Empower Rural Iowa program recounts, that's how they got started in Iowa.

[31:30]

**BOSTROM:** So, the Empower Rural Iowa program was created in Iowa about seven years ago through an executive order from our governor. And it started with three task forces that had volunteers from all across the state. They reached out to people that were already involved in rural, that had rural expertise whether they be business owners, service providers, educational institutions, county economic development folks, whoever those people were.

And again, they're folks that have expertise in rural, either they've owned a rural business, or they've been a service provider, either SBDC, or maybe they're a county economic development professional, or they may be someone that works directly within the rural communities. Our rural telephone cooperatives, we have folks in those arenas. Just really anybody who is living and working in rural and understands the challenges and the opportunities.

And so, what we are trying to do is to elevate and provide the resources to our rural communities that they maybe do not have access to.

**PIPA:** Robin herself has direct experience as a leader in rural Iowa.

[32:37]

**BOSTROM:** I am a lifelong resident of rural Iowa. I grew up in the town of Hawkeye, Iowa, population 528 friendly people. I did go off to college, came back. My husband's family had owned a rural independently owned grocery store in the community where we both graduated from high school, community of West Union. And we purchased the business from my husband's family. We were the third-generation owner-operator of the grocery store that had been in the community for 60 years.

As the owners of the store, we quickly became involved in community aspects. On the Chamber [of Commerce], I served as president of the Chamber. You're on every board, every committee. We were presidents of the booster club at the high school and all those sorts of activities. The population in our community is about 2,500 people.

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We're a county seat community, county population about 22,000. And so, we are very much rural, Northeast Iowa.

**PIPA:** Like some other midwestern states, Iowa as a whole has experienced a drop in population.

[33:39]

**BOSTROM:** You have less and less people living in your rural communities to do all the jobs that need to happen in a rural community. And what we're seeing in my home community is a decline of people being involved in service organizations. We've lost our Rotary. We don't have our Lion's Club anymore. And then there's not a lot of leadership development programs, and people aren't stepping up to be

involved in leadership roles, whether it's as simple as serving as president of the Chamber or even being a member of the Chamber of Commerce.

But it also presents some really great opportunities. So, when you do find those communities that can rally those people, and we are starting to see, even in my home community, younger business owners coming in, and they're wanting to change the trajectory, and they're wanting things to be better.

**PIPA:** The Empower Rural Iowa program receives an annual appropriation of \$700,000 from the legislature. And with guidance from the task force, they've focused on specific issues to a greater extent than Michigan or Wisconsin. They have separate grant programs to help communities do a housing readiness assessment; or plan for a childcare center; or receive technical assistance on economic development plans; or even help local grocery stores be more sustainable.

[34:57]

**BOSTROM:** We also do a leadership program. As I said, we're finding many folks are struggling to find those young leaders in their community, those folks that are willing to step up. So, we have a leadership bootcamp and exchange program where we help communities develop a leadership program so they can start to cultivate and groom those new leaders for their community.

**PIPA:** They also recognize that locally owned businesses are both an economic lifeline as well as a key part of the civic infrastructure of a place, so they've even started providing assistance on business succession.

[35:33]

**BOSTROM:** We do some work with the Drake Law Clinic and the University of Northern Iowa on business succession and employee ownership transfer. Another huge issue that we are seeing is that we have a lot of small business owners within the next 5 to 10 years that are going to be ready to retire and there are not going to be enough people to come in and pick up those businesses.

So, Iowa's been working very hard to kind of change the laws and to allow ESOPs and employee ownership programs, or even just to help with traditional business succession. As I mentioned previously, I am someone who has personally gone through that in transferring a family-owned business and successfully transferring that business to new ownership so that it's still open and operating in a small rural community.

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**PIPA:** Leadership development, succession planning. From my perspective, these variations on building "capacity" demonstrate such a keen understanding of the things that help keep a rural community healthy and resilient.

[36:37]

**BOSTROM:** I think what we're hoping is that, you know, sometimes we hear people say, and I was guilty of this, too, growing up like, well, I'm just from a small town, and

it's almost like an excuse that you're in rural Iowa. And I would like to see us change that, that it's not an excuse that you're from a rural part of the state. But that's something to be celebrated.

And so, again, as I said, we're, we're really trying to lift up those communities. We're helping them address quality of life, because we know for a lot of people choosing to live in, in a rural area is a choice. They're choosing to go there because it's a great opportunity. It's a great place to raise your family.

And so, I hope that we continue to celebrate, that we continue to lift those people up and that it's not an excuse that you're in rural, but that it's a great thing. And that we'll have some really good programs to help people celebrate that more. And again, to be sustainable in those areas.

**PIPA:** The state of Utah has also made leadership development a pillar of their strategy. Here's Stephen Lisonbee, senior advisor for rural affairs to Governor Spencer Cox.

[37:56]

**LISONBEE:** We recognized early that we had incredible champions throughout rural Utah, who really wanted to tackle some very meaningful and important tasks, lifting large infrastructure projects, bringing partners together on strategies. And, we recognized that there was a need to help build their leadership skills, a real sense of adult professional development.

So, we created the Utah Rural Leadership Academy. This was in partnership with our Utah Association of Counties, Southern Utah University, and Utah's Governor's Office. These three organizations built just a very high-end master's degree level annual program that could support 40 individuals a year.

**PIPA:** That academy has produced about 120 graduates in three years, preparing those local leaders to take on major projects and expand their responsibilities. Stephen also recognized the need for a pipeline.

[39:04]

**LISONBEE:** As we began working with the locally elected officials, we could see that there was a need to help them build kind of a sense of bench strength—individuals who might be preparing to join local boards, prepared to eventually run for office in local community.

And in order to help prepare that bench strength, there was a gap of understanding for individuals. And so, we created a Utah Local Leadership Academy structure where throughout a year, a cohort of individuals could learn a wide range of what it takes to run a community. Spending a whole day getting back-end access to the key leaders in education to understand all aspects of education. Spending a day with all of your economic development leaders to know what it takes from a city to county to regional structure.

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And after a one year of having these different academy days, we find that there are now individuals in a position to go join a school board, go join a Chamber board, go look for an opportunity for city council.

**PIPA:** These leadership development programs are two activities that feed into an annual One Utah Summit, which has become the premier rural event of the year, a conference that seeks to bring in visionary leaders and thinkers similar to something like a TED conference, provoking rural leaders to generate all kinds of new ideas. But in addition to supporting leadership development, the state is also providing funding that gets at the heart of strengthening capacity.

[40:50]

**LISONBEE:** We learned very early that as a state, we had created some really complicated processes for local rural communities to understand what programs were available and how to access or use them. So, we consolidated nine rural programs down into three and made those programs very targeted and focused and locally driven.

The first of those programs is the rural county grant. And this grant is designed about ensuring those counties could count on having \$200,000 a year to become seed funds for what was important for them. But there were some requirements to this. There was an expectation that they would have a county economic development board that had a representation from a wide range of industries and partners. And that they would come up with an annual strategic plan about how to use that money. And if they were to run that process, submit what their priorities were, and how would they use the money, it would become available for them. And they would have 12 months to execute the funding utilization.

We have seen through that process counties now really becoming targeted on their priorities and developing a way to move them forward quickly. And now they take that money, a seed to design something that they go after larger money to execute.

**PIPA:** So, flexible money that is also consistent year to year to give rural counties a chance to develop locally designed projects. But that's just the beginning. They have a second program offering larger investments to expand economic opportunity, with incentives to collaborate with neighboring jurisdictions.

[42:46]

**LISONBEE:** The Rural Communities Opportunity Grant is competitive and encourages our rural communities to be thoughtful about long-term strategic investment. It's designed around supporting business recruitment, development and expansion, workforce training and development, and other infrastructure that could support, you know, capital facilities, improvements. It's up to \$600,000, needs to be spent in two years, and there is a component of collaboration across counties for regional opportunities that is an incentive for them to start doing things together.

[music]



**PIPA:** In addition to these grant programs, the state also set out to create a rural version of their economic development tax increment finance program. Not only does it target rural places, but it also sets the eligibility benefits at levels that make sense for rural businesses, which are more likely to grow somewhere between \$100,000–\$500,000 per year rather than, say, \$5 million a year. And the incentive is structured to focus on expanding businesses already in their rural areas. The response has been astonishing.

[44:08]

**LISONBEE:** The Rural Economic Development Tax Increment Financing Tax Credit Program has seen \$1.2 billion in projected investment into rural Utah that came to our board just in FY23. Now, keep in mind, that is more than double the capital investment from 2017 to 2021 combined through all of rural Utah. So, we see that one change in policy signals significant behavioral change to capital investment in rural Utah.

**PIPA:** The state hasn't created an office of rural prosperity per se, but Stephen sits with a team of senior advisors working together on specific policy priorities, and he works actively across the governor's cabinet to integrate rural interests. This work fits directly with the governor's vision.

[45:06]

**LISONBEE:** The future of rural Utah is different in each part of the state, but there's a few underlying pieces that are important.

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One is that if you live in rural Utah, you can maintain a very high quality of life. You have access to all the resources from healthcare to business development, that they're easily accessible, they're understood, and they can be leveraged for you so that you can live and work right where you were raised. That's the dream for rural Utah.

**PIPA:** And one of my favorite stories emanates from the Kentucky state legislature. Hannah Conover is executive director of a fairly new non-profit called Grant Ready Kentucky. Here she describes the reasons that she and her co-founder, Lincoln Brown, created the organization.

[46:16]

**CONOVER:** And so, we were already working with communities and already hearing their barriers that they were having, and this issue of capacity and this issue of not being able to access the state and federal resources that were available and coming available at a much quicker pace. That kept coming up in our conversations with folks all across the state.

And so, really, we were looking for something where we could invest time where a dollar would go a really long way on social impact. My background, I'm a CPA—a recovering CPA and a background in finance—so, I can't really separate the way I

think about things from an ROI standpoint, but we were really looking for social impact ROI.

**PIPA:** She knows what goes into creating a successful grant application.

[47:05]

**CONOVER:** I think what that really boils down to though is in rural places everyone is wearing 15 different hats, and there's not a lot of excess time or money to go around. And when you're applying to a federal grant, you know, those grants they can easily be a 150-page long application. It can easily take over a hundred hours to write it. And they're competitive.

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And so, you have a big city that's actually competing against a smaller town with very few resources. And then on top of that, most federal grants require the community to have a little skin in the game in what they call local match.

**PIPA:** That match requirement—well, that's something I hear about from pretty much every local leader I interview for the podcast. Quite simply, it's often an immediate barrier for most rural communities. Why is that? I'll let Hannah explain.

[48:06]

**CONOVER:** I think that makes sense on paper. These are public dollars, and you want to make sure they're spent wisely. But at the end of the day, what the federal government with these grants is essentially saying is we'll give you a dollar, but you have to put up 20 to 50 cents of that.

And so, from our perspective, the ROI on that is great. Who wouldn't give up 20 cents to get a dollar back? But the reality of it is that they say, no, no, no, you have to give us your 30 cents first. And when you're a small community, and you've lost population, and you've lost your tax base, and there's not a lot of extra funding to go around, then you're sort of dead in the water if you can't come up with that match funding up front, or if you can't fund all of the work that needs to be done and be reimbursed for it later, which is the way grants typically work. Then you simply are not in the game.

**PIPA:** With all the opportunity available for rural places in the infrastructure law, the Inflation Reduction Act, the CHIPS and Science Act—match requirements just make it hard.

[49:11]

**CONOVER:** So, we saw sort of this mountain of opportunity coming down the way pretty quickly. And we already had been working with communities long enough to know they weren't going to be able to take advantage of that if there wasn't some pretty serious capacity building and removal of barriers on the other side.

And so, honestly, we took all of that data to policymakers in Frankfort and just laid it out and said, look, we have all this opportunity that's coming. For one of the first

times, it's really being prioritized for what the federal government calls "energy communities." But that's really just our rural coal communities here in Kentucky. So, we're being prioritized, but we can't access it. What can we do to solve that problem?

**PIPA:** Hannah found out that West Virginia was thinking of a matched funding pool, and she had been part of an effort at the Foundation for Appalachian Kentucky where private philanthropic dollars were used to provide a match.

[50:05]

**CONOVER:** And so, I already knew that it worked, at least at a small scale. And so, we were able to take that information to state policymakers and say, look, this is a problem. We think we have the solution. Other states are piloting things like this. Can we pilot it? And so, we did pilot it with a small amount of funds in 2023. There were only \$2 million in that pool.

Applications opened in August of 2023 and by December of 2023 there were over a \$100 million dollars in match requests from over a hundred different applications. And so, that was proving that we were right, that there was a tremendous amount of pent-up demand.

**PIPA:** The impact of that \$2 million pool? Well, let's just say these are gaudy numbers.

[50:55]

**CONOVER:** And then after that year went by, that pilot year, we were able to demonstrate at the state level, an 8-to-1 return. So, every dollar that the state put in was leveraged and 8 federal dollars came back to the state.

And most importantly, it came back to the state in the form of really important projects that communities cared about in rural and distressed communities. So, it's not just about the amount of funding that this leverages.

[music]

It's also about the projects that are important to these communities and where this funding is, is going.

But between those two things, between proving high demand and high ROI, we were able to take that pilot match pool from \$2 million to \$200 million in the 2024 General Assembly session.

**PIPA:** From \$2 million to \$200 million in a matched funding pool—that's a serious vote of confidence in your rural places. Now, as we often say in rural development, it's not just about the money, and that's where Grant Ready Kentucky comes in, offering the training and expertise necessary to be able to put the projects and grants together in the first place. Implementation of the funding pool just started in June, but Hannah says they're already seeing projects move forward that couldn't previously.

[52:20]

**CONOVER:** It also provides a sense of hope that if you are in a small community and you have a project, you can move forward with it now. There aren't quite as many barriers as there were before. And I think just a lot of what we do at Grant Ready Kentucky is self-confidence and hope building, that you can take control of your community, that you can prioritize what is right for your community. And we're going to be here to support you in that journey.

**PIPA:** Whew! That's quite a lot of innovation, experimentation, and new initiatives across many different contexts, all grounded in the realities of rural communities and attentive to the limits of their capacity and the constraints it causes. These states have been willing to try new things, create new offices and set aside new funds. It begs the question: What could the federal government be doing?

When I posed that question to Senator Debbie Stabenow, she had just been in rural Michigan, in a town on the edge of Lake Michigan that my wife and I regularly visited when our kids were toddlers.

[53:27]

**STABENOW:** South Haven, Michigan, at the Blueberry Festival and, which is by the way, the best blueberries in the world. And not only do they have our growers there and the you pick and so on, but there's this great place called the Blueberry Store where you can go in and get everything made out of blueberries.

And that really takes the next step on products and promotion. When we're talking about the Rural Partnership and Prosperity Act, we're talking about help with marketing. How does South Haven market themselves as the blueberry head?

[music]

How does Traverse City market themselves as the National Cherry Center and the National Cherry Festival and so on?

**PIPA:** I knew exactly what she was talking about. We'd picked blueberries together as a family when we used to visit. She came back to where pretty much all of those state leaders started.

[54:27]

**STABENOW:** It takes people. It's not just the one person who's the mayor and the business owner and is also working on the farm. There needs to be help, and having additional people that can put together the plans, apply for the grants, help with the marketing and so on. That's how any business grows. That's how any community grows. And we've not seen enough support in rural communities to help them be able to do what they can do.

**PIPA:** And, honestly, similar to the states, there has been a great deal of fresh thinking at the federal level as well.

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One of our episodes last year featured now-USDA Deputy Secretary Xochitl Torres Small discussing the Rural Partners Network, a pilot program in 10 states that places federal staff in rural communities to act as a navigator and help local partnerships identify and secure relevant federal resources.

Some rural places have benefited from the new Recompete Pilot Program, which offers large, flexible, multi-year grants to severely distressed places. Or the Economic Recovery Corps, which is embedding mid-career economic development professionals in geographically diverse locations. Both of these are run by the Economic Development Administration, which is part of the Department of Commerce. And the IWG, which is an interagency effort across the federal government to support communities transitioning from coal and fossil fuel, has created rapid response teams. Yet none of these has achieved significant scale to reach a wide range of places across rural America.

Senator Stabenow has been a champion of bipartisan legislation co-sponsored by Senators Fischer of Nebraska and Casey of Pennsylvania that would create a new program, a Rural Partnership Program, to make money directly available to local rural partnerships for whatever capacity they need—new staff, grant writing, engineering expertise, partnership coordination—all of it to help them unlock other investment. She's integrated it directly into her framework for the Farm Bill, which is a massive piece of legislation that happens once every five years.

[56:50]

**STABENOW:** I think there is support. President Biden and Vice President Kamala Harris have made this their top ask of what they want to see in the Farm Bill—one of the things that they think is absolutely critical. And so, they are all in supporting our efforts. And it has bipartisan support. So, I feel that we will be able to make that case and, hopefully we've seen bipartisan support on legislation in the House and the Senate.

So, I feel like we're in a good spot to be able to get this done, assuming we can get a Farm Bill. I think the bigger challenge is being able to get folks to come together to actually agree on a Farm Bill. There are twelve different titles that cover everything imaginable in the food economy, and rural America, and forestry, and food assistance, and nutrition help, and so on. We've always been able to put our heads down and work together in a bipartisan way and kind of work our way through all the politics.

Unfortunately, this time around, partisanship is getting involved in this debate much more than I would like. So, I'm working very hard to get through that.

[music]

So, if we get the Farm Bill that works for everyone, both for farmers and families and rural communities, I think we'll be in great shape to get the capacity building provisions into the bill.

**PIPA:** As Senator Stabenow pointed out, investing in rural capacity has bipartisan support. The state programs you just heard about cross Democratic and Republican

leadership in governors' offices and the state legislatures. Here in Washington, her counterpart on the Agriculture Committee, Ranking Member Senator John Boozman of Arkansas, has also included support for a rural capacity building program in his framework for the Farm Bill.

Senator Stabenow suggested a baseline of \$50 million for the rural partnership program. That amount is so much small than the billions for agriculture and nutrition programs that dominate the Farm Bill discussions. But for rural towns across the country, it may be just as consequential.

[59:11]

**STABENOW:** Well, let me emphasize the fact that we should be leaning in to support small towns and rural communities, not giving up on them. I don't agree with the philosophy that says go big or go home, whether it's go big in a city or whether it's go big on a farm or whether it's go big anyplace else. We need this quality of life that comes with growing up in a small town, neighbors knowing neighbors, people that go off to serve our country in the military—more of them come from small towns than big cities.

[music]

And we just see a set of values and support that, we need to make sure we keep going.

**PIPA:** And that's the challenge to policymakers: to provide investments and support that strengthen local rural capacity at scale while preserving rural distinctiveness. It seems easier, even tempting, to consolidate and achieve some economies of scale. But too often that diminishes agency and control of local residents over their own destiny, which rarely turns out well.

As you've heard from so many of these leaders today, rural places thrive by emphasizing and enhancing and protecting their quality of life, the quality of their places. There is much to learn from these evolutions and new initiatives happening at the state level. I'm convinced, after listening to leaders in the six states we've sampled today, that those lessons can inform new policy and help a wider array of rural communities across our country attain sustained prosperity on their own terms, and in their own way.

[music]

And that's a wrap on this second season of *Reimagine Rural*. Thanks so much to all of you for listening, for sharing your reactions, your stories, and your own hopes for your favorite places in rural America. Our show was fortunate to be recognized with an industry award this year, which is a tribute to the amazing team that puts these episodes together.

But the towns I visit and the people who care about them—their residents, their civic leaders, and you, our listeners—it's their spirit, your spirit, that remains at the heart of this production. So, until we meet in your ears again next season, I'll look forward to possibly bumping into you ... someplace rural.

[music]

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I'm Tony Pipa, and this is *Reimagine Rural*.