



INVESTING IN RURAL MARYLAND

THE 2030 RURAL MARYLAND PROSPERITY

INVESTMENT FUND



The Rural Maryland Prosperity Investment Fund (RMPIF) was authorized by the General Assembly in 2006. The primary goal of the Fund is to provide targeted investments to various regional, nonprofit and educational entities in order to bring Rural Maryland's standards of living up to statewide averages. The

Governor is authorized, but not required, to include an appropriation in the annual Budget Bill for fiscal years 2008 through 2020.

Stronger rural communities = A stronger Maryland

Once again the Maryland budget has not funded the Rural Maryland Prosperity Investment Fund. Rural Maryland, which continues to lag in recovering from the Great Recession, experiences the highest unemployment and poverty rates in the State. The manufacturing sector has eroded and our strongest economic engine, agriculture, is under severe stress. Access to health care providers and services presents additional challenges for our rural residents. And while many budget allocations are determined by population density, just because a community lacks population density doesn't mean that it doesn't make a huge impact statewide.

The numbers alone report that Rural Maryland is merely one-quarter of the state's population. But the commerce that takes place in Maryland's 18 rural counties sets the pace for the rest of the State that depends on the food, fiber, and fuel produced there. Agricultural and resource-based industries continue to support the local economies in urban and suburban regions, but are increasingly under threat from outside competition, land development pressure and regulatory changes.

The Rural Maryland Prosperity Investment Fund's goal is to bring Rural Maryland's standards of living up to statewide averages. However, a dedicated revenue source is needed to generate the funds to help the Rural Maryland Council (RMC) address the equities in Rural Maryland. RMC

Poverty Rate by County (Rural Counties Shaded)

| Jurisdiction | Poverty Rate |
|------------------------|--------------|
| Allegany County | 17% |
| Anne Arundel County | 8% |
| Baltimore City | 24% |
| Baltimore County | 9% |
| Calvert County | 5% |
| Caroline County | 12% |
| Carroll County | 8% |
| Cecil County | 10% |
| Charles County | 6% |
| Dorchester County | 16% |
| Frederick County | 6% |
| Garrett County | 11% |
| Harford County | 7% |
| Howard County | 5% |
| Kent County | 13% |
| Montgomery County | 7% |
| Prince George's County | 9% |
| Queen Anne's County | 8% |
| Somerset County | 17% |
| St. Mary's County | 8% |
| Talbot County | 8% |
| Washington County | 12% |
| Wicomico County | 16% |
| Worcester County | 12% |
| MARYLAND | 10% |

Source: U.S. Census Bureau ACS

NOTE: Highlighted counties are designated as rural by the Rural Maryland Council

is the voice of Rural Maryland and is the most efficient conduit to take on this task. In Maryland we have the opportunity to close the great rural vs. urban divide. Join us in this effort for a stronger Maryland.

Updating RMPIF

Since eight years will have passed since the passage of RMPIF, it is time for an update. While many of the challenges remain or have increased, RMC continues to support funding for RMPIF with some changes to reflect the current environment.

The overall aim of the 2030 Rural Maryland Prosperity Investment Fund remains the same; to expand economic opportunity, reduce the gap between rural employment and service delivery disparities and generally improve the quality of life in all rural areas of Maryland. The five rural regional planning and development councils are expected to continue to play a vital role in facilitating regional cooperation in the State's rural regions. Moreover, educational institutions and

nonprofit organizations continue to play a vital role in supporting entrepreneurs, developing workforce housing and helping small or fledgling businesses succeed.

Under this updated initiative, the Governor would be authorized to allocate funding each year in the State budget for the 2030 Fund. The 2030 fund would be administered by the Rural Maryland Council.

The 2030 Fund, as updated, would have five distinct divisions:

- Rural Regional Planning and Development Council Assistance – Providing grants specifically for projects and activities of the five rural regional planning and development councils. A variety of regional projects and programs would be eligible to be funded including special regional planning projects and revolving small business loan funds.
- Rural Entrepreneurship Development – Providing grants targeted to entrepreneurial development activities offered by rural-serving nonprofit organizations and institutions of higher education. Eligible entities could include community colleges, microenterprise development organizations, cooperative extension programs, regional small business development entities and other nonprofit organizations. Entrepreneurship supports important existing rural business sectors (including agriculture, tourism and technology), and is emerging as a key economic development strategy.
- Rural Regional Infrastructure Projects – Providing grants for projects related to water, wastewater, transportation and broadband deployment. In order to provide incentives to develop regional solutions to small community challenges, infrastructure grant would only be made for projects that involve two or more units of local government.
- Rural Research, Community and Programmatic Assistance and Agricultural Education – Providing funds which would be split between the Maryland Agricultural Education and Rural Development Assistance Funds and the Rural Maryland Council. Under the existing MAERDAF program, matching grants would be provided to regional and statewide rural-serving nonprofit organizations and community college for community development

and revitalization, small town advancement, agricultural education and leadership development. These grants are typically used to help rural nonprofit organizations and community colleges to leverage federal and other funds. Additional funds would be used by the RMC to administer the above mentioned grant-making activities; conduct research to support statewide and regional rural development efforts; develop or expand rural organizational knowledge-sharing; and publicize information and best practices.

- Rural Health Care – Providing grants for projects related to health care access. Currently, health care programs are funded through MAERDAF, but RMC has recently experienced an increase in health care related grant proposals.

Examples of projects that could be funded under Rural Maryland Prosperity Investment Fund:

Entrepreneurship:

Business training in conjunction with business incubators
Revolving loan funds
Business plan competitions

Regional Planning and Development Council assistance:

Food system distribution
Timber industry market research and promotion

Infrastructure projects:

Broadband installation
Waste water and drinking water projects
Expansion of telemedicine

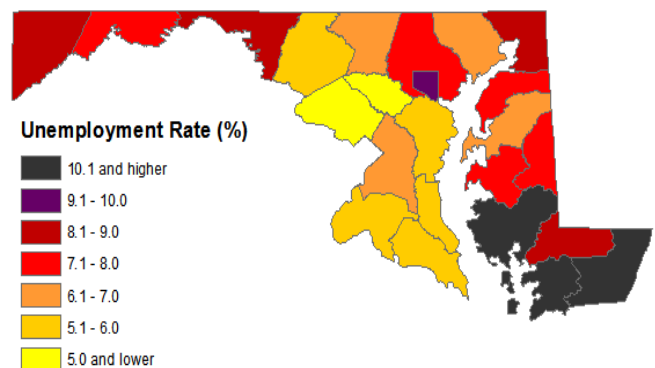
Healthcare:

Chronic disease prevention programming
Local food production and nutrition education
Health care career training

Leveraging Existing Resources:

Based on experience with the Maryland Agricultural Education and Rural Development Assistance Fund (MAERDAF), by placing a priority on matching funding, MAERDAF funding has been on average leveraged at a 1:4 ratio with other federal, local and private sector funding sources. Over the lifetime of the program, with \$2.8 million in state investment, an additional \$10.6 million is leveraged.

Unemployment Rates by County in Maryland, March 2013



Source: Bureau of Labor Statistics, www.bls.gov/ro3/mdlaus.htm

About the Rural Maryland Council

The Rural Maryland Council (RMC) is an independent state agency that is governed by a non-partisan, 40-member board that consists of inclusive representation from the federal, state, regional, county and municipal governments, as well as the for-profit and nonprofit sectors. Its mission is to bring together federal, state, county and municipal government officials as well as representatives of the for-profit and nonprofit sectors to identify challenges unique to rural communities and to craft public policy, programmatic or regulatory solutions. RMC serves as the State's federally designated state rural development council and functions as a statewide rural program and policy development and coordination entity. The organization also administers the Maryland Agricultural Education and Rural Development Assistance Fund, which provides targeted assistance to rural-serving nonprofit organizations and community colleges. The Fund promotes statewide and regional planning, economic and community development and agricultural and forestry education efforts.

About Maryland's Rural Regional Planning and Development Councils

In addition to the Rural Maryland Council, five regional planning and development councils have been established to address the individual needs of rural communities in Maryland in a cooperative fashion. Each regional council serves a three-county region that is organized according to geographic, cultural, and socioeconomic similarities. These councils provide a framework for cooperation and coordination among each region's elected, civic, and business leaders and undertake action programs that focus on federal, state, and local resources for projects that help foster the physical, economic and social development of their respective regions.

There are currently five rural regional planning and development councils operating in Maryland. The Tri-County Council for Southern Maryland serves Calvert, Charles, and St. Mary's Counties located in fairly close proximity to the nation's capital. The second council established was the Tri-County Council for Western Maryland which serves Maryland's mountain counties of Allegany, Garrett and Washington. The Upper Shore Regional Council serves Cecil, Kent and Queen Anne's Counties located in the northern-most part of the Delmarva Peninsula. The Mid-Shore Regional Council serves Caroline, Dorchester and Talbot Counties in the central region of the Eastern Shore and the Tri-County Council for the Lower Eastern Shore serves the three southernmost Maryland counties on the Shore: Somerset, Wicomico and Worcester Counties.

For more information, visit the RMC's website at: www.rural.maryland.gov

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