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A QUICK LOOK INTO IMPORTANT ISSUES OF THE DAY

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Boosting America's Rural Workforce

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During the last half century, rural counties across the United States have suffered from a shrinking population and workforce. Since the 1990s, rural population growth continues to remain stubbornly low compared to urban and suburban areas. Rural counties experienced a 3% population growth rate since 2000, which can be attributed to gains in rural communities on the edges of metropolitan areas, while more remote counties continued to lose population. During this same period, by contrast, suburban and urban counties grew by 16% and 13%, respectively.

Individuals, especially young people, move out of rural areas in favor of more densely populated suburbs and urban city centers to seek economic and education opportunities. Economists point to this so-called "brain drain" as a major cause of decreased human capital and other resources in rural areas. To keep rural communities and economies thriving, state policymakers are experimenting with a variety of different policy solutions to attract new residents and retain current ones.

State Action

State lawmakers' efforts include offering incentives to communities, businesses and individuals to help make working and living in rural areas more attractive and attainable.

■ **Community-targeted incentives.** States use targeted incentives for investments in rural communities, including broadband infrastructure. The Oregon legislature is considering SB 505, which would create a statewide broadband plan and provide funding for broadband infrastructure projects in rural areas that lack adequate access. Georgia lawmakers considered legislation creating a new tax on digital goods and services to fund infrastructure for rural broadband this year.

States are also discussing initiatives that offer

Did You Know?

- Nearly 40% of the 60 million Americans living in rural communities don't have access to the low-bar minimum broadband standard set by the Federal Communications Commission.
- Between 2000 and 2017, the percentage of young adults ages 25 to 34 with bachelor's degrees in urban areas grew from 29% to 38%, compared to rural areas, where it increased from 15% to 20%.
- Since 2013, employment growth in rural America has been 4%, even though 14% of the population lives and works in these areas.

incentives to businesses to move to rural areas. In 2018, the Utah Legislature passed HB 390 to administer rural employment expansion grants to businesses that create jobs locally, remotely, online or in a "satellite hub" in counties with a population of less than 31,000. The Washington Legislature debated a bill during its 2018 session that would strengthen rural communities by providing tax credits for employers that allow employees to telework.

States are also tackling workforce development with apprenticeship programs. This strategy benefits rural areas where attaining an advanced education and opportunities for new entrants to the job market may be less accessible. Each budget year, state legislatures appropriate funds to community and technical colleges to administer apprenticeship programs. Some states, such as Iowa and Maryland, go beyond this. In the last few years they implemented targeted programs intended to develop strong apprenticeship infrastructure. These programs create pipelines for apprentices by establishing postsecondary courses for high school students aligned with high-demand careers, internships, youth apprenticeship programs, registered apprenticeship programs, grant funding for state businesses and scholarship funds for students.

States are also finding ways to offer incentives to private companies or individuals to invest in communities through development, business creation and capital investments in rural growth funds. To guide investment into rural areas, states create rural economic development zones or target investments to areas federally identified as opportunity zones. Last year, the Utah Legislature created The Rural Economic Development Incentive Program to reward businesses that create jobs in rural counties with grant money for each new, full-time employee position they fund. New York, Massachusetts and Kentucky lawmakers are considering legislation this year to create rural growth funds, a new avenue for state governments to award tax breaks to businesses for investing in rural communities.

■ **Individual-targeted incentives.** Offering incentives targeted at individuals to attract new workers and better train current workers is another approach states are considering. One such incentive involves a state paying a portion of a workers' student loan debt if he or she pursues a specific profession in an underserved area. New York's SB 1200 creates the New York Rural Doctors and Nurses Loan Forgiveness Program intended to attract nurses and doctors to the state's rural areas. Montana and Idaho have put similar programs in place. In 2011, the Kansas Legislature created the Kansas Opportunity Zone Program, which offers college graduates as much as $15,000 over five years to help repay student loans if they relocate to designated rural counties.

States are considering various other policy solutions to bolster the rural workforce. Vermont is experimenting with a telecommuting program, offering people who move to the state and work remotely for an out-of-state employer $10,000 over two years. The money can be used to cover expenses related to relocation and other items like internet fees. In 2018, the Utah Legislature passed HB 327, the Rural Online Initiative. It is designed to provide Utah's rural workforce and businesses with the training, education and online connectivity they need for remote employment, freelance work and e-commerce. Finally, the Montana Legislature is considering HB 405, which would offer grants to help offset the expenses of workers moving into rural areas.

What is Rural?

The Office of Management and Budget (OMB) designates counties as "metropolitan," "micropolitan" or "neither." A metro area contains a core urban area of 50,000 or more population, and a micro area contains an urban core of at least 10,000 (but less than 50,000) population. All counties that are not part of a Metropolitan Statistical Area (MSA) are considered rural.

Federal Action

The Federal Communications Commission (FCC) launched the Connect America Fund last year with an investment of $500 million in funding for rural broadband. Within the last 10 years, Congress passed the Telework Enhancement Act requiring federal agencies to set up policies for teleworking and communicate to all eligible employees that teleworking is an option.

The Federal Workforce Investment Act and The Workforce Innovation and Opportunity Act provide funding to employers and registered apprenticeships through state and local governments. Although not specifically targeted at rural communities, these funds can be used to assist with training and tuition costs, support training expenses, and provide additional recruiting, placement and support services. To attract investments to areas that often get overlooked by investors, the Opportunity Zones Act, passed in 2017, uses tax incentives to draw long-term investment to parts of the United States that continue to struggle with high poverty and low job and business growth.

Additional Resources

- "Jump-Starting Rural Economies," NCSL LegisBrief
- Resources on Rural Communities, NCSL
- Legislation Encouraging the Skilled Trades, NCSL
- Incentives for Apprenticeships, NCSL

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