



Rural Virginia Prosperity Commission

Interim Report

The Rural Virginia Prosperity Commission was created by House Joint Resolution No. 129 and Senate Joint Resolution No. 140 in the 2000 session of the Virginia General Assembly. The resolutions (Appendix A) directed the Commission to

undertake a detailed analysis of Virginia's rural economies and recommend flexible but targeted state policies which, combined with local efforts, will help foster sustainable economic growth in Virginia's rural areas.

The Commission is composed of 18 members: 6 members of the House of Delegates, appointed by the Speaker of the House; 4 members of the Senate of Virginia, appointed by the Senate Privileges and Elections Committee; and 8 lay citizen members, 4 appointed by the Speaker of the House and 4 appointed by the Senate Privileges and Elections Committee. The Commission's membership is attached as Appendix B.

Staff services for the Commission are provided by the Rural Economic Analysis Program, Virginia Tech; the Southside and Southwest offices of the Cooper Center for Public Service, University of Virginia; the Virginia Division of Legislative Services; and the House of Delegates Clerk's Office. Three part-time staff members from Virginia Tech are paid. Time for two faculty members from Virginia Tech and employees of the University of Virginia's Cooper Center for Public Service are contributed by their respective institutions. A retired banker volunteers his time to this important effort. A full roster of the staff is attached as Appendix C.

The Commission held its organizational meeting in Richmond on August 27, 2000. Delegate Steve Landes was elected Chairman and Senator Emmett Hanger, Delegate Whitt Clement, and Mr. Eric Fly were elected Vice-Chairmen. Senator Philip Puckett was selected Vice-Chairman at the September 26 meeting.

The Commission has met monthly since its initial August, 2000 meeting. The Commission's first two meetings, held in Richmond, focused on understanding the nature of the problems facing rural Virginia and their underlying causes (Appendix D). Subsequent Commission meetings have been held in strategic regional locations throughout the Commonwealth: Staunton (October 31, 2000), Danville (November 27,

2000), and Abingdon, (December 12, 2000) Virginia. Three additional regional meetings are scheduled for early 2001: Richmond, Tidewater Virginia, and Northern Virginia.

Each of the regional meetings has been preceded by public meetings conducted by Commission members and staff in each of the Planning Districts geographically composing the areas served by the regional Commission meetings. The purpose of the “pre-regional meetings” is to call public attention to the scheduled regional Commission meetings, enable participation in Commission deliberations for those citizens who live in jurisdictions remote from the regional Commission meeting locations, and to deepen the Commission and its staff’s understanding of the issues confronting communities in every part of the Commonwealth. Pre-regional meetings were held in the

Roanoke Valley/Alleghany Regional Commission (Dabney S. Lancaster Community College, October 24, 2000);

West Piedmont Planning District Commission (Patrick Henry Community College, November 15, 2000);

Southside Planning District (South Hill, November 15, 2000);

Central Virginia Planning District Commission (Central Virginia Community College, November 20, 2000);

Piedmont Planning District Commission (Farmville, November 21, 2000);

New River Valley Planning District Commission (Fairlawn, November 21, 2000);

Cumberland Plateau Planning District Commission (Southwest Virginia Community College, November 28, 2000),

Mount Rogers Planning District Commission (Marion, December 5, 2000); and

LENOWISCO Planning District Commission (Natural Tunnel State Park, December 6, 2000).

The format for the Commission’s pre-regional meeting consisted of an afternoon discussion group followed by an advertised evening public hearing.

Since the Commission will continue to hold regional Commission meetings preceded by pre-regional sessions in each Planning District Commission, a comprehensive set of findings at this time would be premature. However, certain broad common themes are beginning to emerge:

- There is no one rural Virginia. Consequently, no single one-size-fits-all solution exists for rural Virginia.

- The incomes of rural Virginians are increasing at significantly slower rates than the incomes of urban Virginians.
- The economic importance of the agricultural and manufacturing sectors, the traditional economic foundations of rural Virginia, is declining. The growing income gap between urban and rural Virginians is directly related to the emerging new economy.
- The decline in the traditional economy is not unique to Virginia. Rural areas everywhere are finding that commodity-based economies are incapable of supporting the existing population at stable or growing income levels.
- As rural economic opportunities have shrunk, many better educated and entrepreneurial young people are leaving the area. This diminishing stock of human capital is occurring in precisely the areas that need leadership the most.
- Economic problems confronting rural areas are unlikely to self-correct. Outside public and private intervention, in some ways and for some time, will be required to reverse rural Virginia's growing fiscal dependence on its economically thriving urban neighbors.
- Economic prosperity in rural Virginia requires the creation of new economic bases—new products and resources that can be traded profitably on the global market.
- In the emerging global economy and marketplace, the agricultural and forestal sectors of the Commonwealth face growing competition from low-wage alternatives in other countries. Agriculture, forestry, and agribusiness are important to the economic well being of rural communities. Any revitalization of these basic sectors will contribute to correction of the growing divergence between the economies of the rural and urban sectors in the Commonwealth.

Commission activities conducted to date throughout the Commonwealth have shed considerable light on what prevents the development of new economic bases. Among these are

- Lack of a necessary critical mass that attracts voluntary private sector involvement in rural telecommunications. Rural community representatives have repeatedly told the Commission members that high speed broad band access is not available or that it is available only at costs that are significantly higher than similar or better urban center services. The Commission has created a Subcommittee chaired by Senator Emmett Hanger to work with private sector providers to identify incentives to improve telecommunication services in rural Virginia, services that are competitively priced with those offered in urban Virginia.

- Lack of capital for investment in new and on-going rural business activities.
- Legal and resource barriers that complicate regional public cooperative endeavors that attempt to create the economies of scale and the critical mass for infrastructure development that urban areas have in abundance.
- A declining cadre of energetic, informed, and entrepreneurial local leadership to develop and implement development strategies at the community and regional levels.

In summary, the Commission has been gathering facts and information to more comprehensively and thoroughly describe the social and economic position of rural Virginia. Clearly, rural areas have fundamental economic disadvantages that, if left alone, will continue to expand the gap between the economic haves and have-nots. The problems confronting rural Virginia, while exhibiting similar broad dimensions, will require unique solutions for individual communities. Communities must be able to determine their unique destinies and understand the consequences of not developing a broad-based community and regional vision.

In its travels to date, the Commission has also found examples of excellence in rural Virginia. Charlotte County, for example, is a rural county whose public schools have achieved some of the Commonwealth's highest SOL test scores. The Regional Renaissance project throughout the Central Virginia Planning District Commission is a regional effort allowing citizens of those areas to chart their own course. Comprehensive community building efforts in Carroll County are finding fertile soil to create broad-based citizen participation and construct meaningful long-term economic and social agendas.

As the Commission continues its deliberations, preliminary policy, programmatic, and legislative proposals are emerging. Appendix E lists proposals from the December 13 Commission meeting in Abingdon. Staff briefings and preliminary analyses dealing with each of the December 13 proposals were presented to the Commission at the January 9 meeting in Richmond.

Much work remains for the Commission. The Commission acknowledges that this work is critically important, not only to rural areas, but for the economic revitalization and vitality of the entire Commonwealth.

Appendix A. Enabling Legislation

Appendix B: Rural Virginia Prosperity Commission Membership

**Honorable R. Steven Landes,
Chairman**

Virginia House of Delegates

Honorable Whittington W. Clement
Vice Chairman

Virginia House of Delegates

Honorable Emmett W. Hanger, Jr.
Vice Chairman

Senate of Virginia

Mr. Eric Fly
Vice Chairman

Wakefield

Honorable Phillip P. Puckett
Vice Chairman

Senate of Virginia

Dr. James H. Dixon
Fairfax

The Honorable Allen W. Dudley
Virginia House of Delegates

Mr. Linwood Duncan
Danville

Mr. Harold Durrett
Mt. Crawford

Honorable Charles R. Hawkins
Senate of Virginia

Ms. Bonnie Hoover
Broadway

Mr. Robert Hurt
Chatham

Honorable Terry G. Kilgore
Virginia House of Delegates

Ms. Beverly L. Lucas
South Boston

Honorable Joe T. May
Virginia House of Delegates

Honorable Kevin G. Miller
Senate of Virginia

Honorable Jackie T. Stump
Virginia House of Delegates

Mr. William Tucker
Amherst

**Appendix C: Rural Virginia Prosperity Commission Staff; Virginia Division of
Legislative Services; and the House of Delegates Clerk's Office**

James Hite, Staff Director
Agricultural and Applied Economics
Virginia Tech

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Virginia Division of Legislative Services and the House of Delegates Clerk's Office

Jeff Sharp
Legislative Services

Scott Maddrea
House of Delegate's Clerks Office

Appendix D. Prosperity for Rural Virginia: The Continuing Story of Rural Virginia

Appendix E. Proposals for 2001 Legislative Initiatives

Following are initial 2001 legislative initiatives adopted, pursuant to further refinements, at the Commission's December 13, 2000, meeting in Abingdon, Virginia. These initiatives will be discussed by the full Commission in the Richmond meeting January, 9, 2001.

1. Propose a constitutional amendment equalizing borrowing powers of Virginia counties, cities, and towns. This provision would permit counties to issue General Obligation debt up to 10 percent of their assessed value without a constitutionally required referendum.
2. Propose a reduction of eligibility threshold requirements that new/expanding companies must meet to qualify for the Department of Business Assistance (DBA) Workforce Services Program **and** to extend such reduced requirements to existing companies for retraining. Current thresholds require the creation of 25 new jobs **and** a minimum investment of \$1,000,000.
3. Additional funds are needed for DBA's workforce training program. In an effort to reduce the fiscal burden of this need on State funds, additional funds could be assigned from the Commonwealth's existing Workforce Investment Act (WIA) funds (Federal pass through funds) or request additional Congressional funding for the WIA or both.
4. Propose "tweaking" of existing State program requirements to make them more useful to rural Virginia.
5. Propose discussions with VDoT officials regarding the use of rights-of-way for the purpose of placing telecommunications fiber along public right-of-ways.
6. Legislation dealing with adult education initiatives.

Also submitted to the staff by Commission members at the December 13 meeting in Abingdon but not discussed or voted on by the Commission members present were

1. A proposal by Virginia Farm Bureau to expand funding for state cost sharing of Best Management Practices on Virginia farms.
2. A proposal by Virginia Farm Bureau to expand funding for the Ag Vitality Program created in the 2000 session of the General Assembly.