



GOVERNOR'S  
**EMPOWER RURAL IOWA**  
INITIATIVE

Governor's Empower Rural Iowa Initiative  
Investing in Rural Iowa Task Force Meeting Agenda  
Tuesday, July 20, 2021  
1:00 – 2:30

1. Roll Call

Lt. Governor Gregg	Sandy Ehrig	David Barker	Chuck Morris
Hunter Callanan	Nathan Katzer	Kiana Johnson	Sarah Thompson
Wayne Pantini	Tim Ostroski	Jordan DeGree	Jim Thompson
Kimberly Tiefenthaler			

2. Approval of Minutes from November 13, 2020 meeting

Minutes from the November 13, 2020 meeting had been distributed for review. Sarah Thompson motioned to approved, seconded by Hunter Callanan. Passes unanimously.

3. Welcoming Remarks from Lt. Governor Gregg

Lt. Governor thanked members for attending today and thanked Iowa Farm Bureau and SWIPCO for sponsoring. Task force focus this year will be to work on previous recommendations to get work done including continued rural innovation grants, rural entrepreneurship co-ops, rural leadership, and a pilot program for a rural return incentive to recruit Iowan's back. So rather than new ideas, let's put the existing ideas into practice. So, for the task force members, it probably means a brief meeting for an update, and more work through a committee process. Thinks we are reaching a point where our own momentum is carrying us forward.

4. Remarks by Co-Chair Sandy Ehrig

Sandy provided an update on the Iowa Rural Summit to be held August 18-20 and encouraged members to attend if able as part of the IRDC and ERI partnership.

5. Presentation on SHIFT: Alexis Fleener & Jessie Shiels

Provided an overview of the nonprofit SHIFT (Social, Housing, Infrastructure, Finance, Transformation). Organization was founded in April 2019 by area young professional

women to help with economic development efforts in Atlantic. They wanted to focus on a commercial space so have invested in a building downtown purchased with the help of local investors. They have a network of 100 women who each donate \$100 annually to help with projects and to remain sustainable. They have leveraged a Rural Iowa Innovation Grant and a Community Catalyst grant for the building project. They also have other fundraising events throughout the year. In addition to the commercial building, they have also purchased a local house that was not livable and have rehabbed it. It is now available for sale.

The organization is all volunteer led by a six-member board, with the chamber and city as ex-officio members. The Shift Network is the larger donor body. They are now starting a high school SHIFT Leaders group to help students gain experience in helping with community events. From every house they hope to sell, they are giving a \$500 scholarship to a local high school student who is going into the trades industry.

Tour of the SHIFT projects was held prior to the meeting.

#### 6. Childcare Feasibility Study Grant

Liesl provided some information on a new childcare grant that ERI has been tasked with creating in coordination with Department of Human Services. The structure may look like housing assessment program and will hopefully launch this fall. She will continue to keep the task force updated.

Also, a rural leadership grant program launched last Friday that can provide \$1,000 to small communities who want to start a leadership program. Part of the program would require applicants to attend the leadership boot camp in Newton being organized by the Growing Task Force to be held on October 27, following the October 26 Leadership Exchange. Attendees would then be connected to a mentor for a year. Liesl will send out a link for reference.

#### 7. Supporting the Cooperative Model – David Holm, Iowa Institute for Cooperatives and Paul Kinghorn, University of Northern Iowa:

David discussed the cooperative trade association model as well as what the Institute provides for member cooperatives. Institute launched in 1951 to provide advocacy and built out other services. (Reference PPT)

The coop model is an alternative to an ESOP, which may not be a good fit for every business based on company size and cost. There is currently no cooperative program formed in Iowa yet. Must build awareness targeted at thought leaders in the local community (champions). Need a network of experts who understands the complexities. If we could build an initial coop model, thinks the opportunities are unlimited.

More information can be found in this abstract drafted by ISU profession Dr. Georgeanne Artz:

[https://www.iowainstitute.coop/wp-content/uploads/2021/07/worker\\_cops\\_Artz\\_Kim\\_2011.pdf](https://www.iowainstitute.coop/wp-content/uploads/2021/07/worker_cops_Artz_Kim_2011.pdf).

Paul Kinghorn: Agrees with David on the concerns and complexities around coops. Iowa has a serious business transition situation with the potential to lose \$15-20 trillion over the next decade, so UNI launched business transition services. They add value by representing the deal itself, not buyer or seller. Business owners often think business is valued higher than it is, so they work with them on valuation to provide a range. Many businesses don't plan for a transition until they are ready to sell, when they should be building towards transition for years. If they can plan for 3-5 years a lot of due diligence can take place leading to a successful transition.

UNI received a grant from the Kauffman Foundation research cooperatives. There might be two in Iowa and they mission-driven careers (grocery stores, childcare, rural farming/ag). Many are startups with owners driven by legacy and what they give back to employees and community, as well as want their equity (retirement).

Challenge they see: In order to effect change, there has to be education and awareness so service partners know they can provide it as an option. Awareness leads to discussion, then feasibility. Programmatic support is currently missing. There needs to be resources to continue to pursue and promote and identifying the network.

David: Coop would take money from the business and share with employees towards ownership, probably with a vesting period. There has been a lot of discussion, but nothing has been done. It's a long-term project so won't know outcomes for several years. He doesn't know where you can get the expertise. There are outside experts but expensive.

LG: Who do you promote to? David: Community economic developers should be education so they can take message back locally. Mark R: There are models outside of Iowa – what steps did they go through, can't we use as a model? Paul: Not developed across the country, but NE has more. Only 500 across US. Key business influencers such as attorneys and accountants also need to be educated so they are aware of this as an option.

Paul: The model doesn't require every employee to be a shareholder. Distribution of profits does not have to be even among shareholders. And not everyone has to be deeply involved in leadership. Can have a core owner/leader team.

LG: We have \$100,000 so have some resources – how should we use? Dedicate funds to find other models/examples? Should we use for promoting education? Paul: Success depends on dedicated resources for promoting, financially incentive for someone to learn the process.

8. Public Comment: None

9. Wrap up & Next Steps:

There will be no task force meetings in August as the Rural Summit will be held.