



Governor's Empower Rural Iowa Initiative
Growing Rural Iowa Task Force Meeting Minutes
Zoom Meeting
Tuesday September 8, 2020
10:00 a.m.

1. Roll Call

Members:	Lt. Gov. Gregg	Sandy Ehrig	Maison Bleam (for Sec. Naig)	
	Senator Sweeney	James Hoelscher	Jennifer Crall	
	Whitney Baethke	Ron Reischl	Emily Schmitt	
	Jenae Jenison	Linc Kroeger	Cindy Im (for Rick Young)	
	Phil Jones	Jason Neises	Ashley Moyer	
	Tina Bakehouse	Caleb Knutson	Sharon Stroh	
	Rob Denson	Bethany Wilcoxon	Nathan Katzer	
Others:	Liesl Seabert	Bill Menner	Troy Weary	Jake Swanson
	John Hirl	Amy Kuhlers	Gary Taylor	Jim Thompson

2. Approval of Minutes from November 6, 2020 meeting:

Minutes from the previous meeting had been distributed for review. Phil Jones made a motion to approve with Sharon Stroh seconding. Approved unanimously.

3. Welcoming Remarks from Lt .Gov. Gregg

The Lt. Governor offered thanks to members, ERI staff and the IRDC partnership. Provided an overview of accomplishments since inception two years ago and gave an update on what the task forces will look at this year.

Connecting: Much progress on broadband policy, now ready for implementation. This group will continue to meet but on a limited basis. The Governor's Economic Recovery Advisory Council has a sub-group working on broadband as well. Focus for this task for will to be ensuring broadband efforts don't leave rural behind.

Investing: Focus had been on rural housing with the expansion of the workforce housing tax credit program and rural set-aside. This year's focus will be rural entrepreneurship, business succession, and helping businesses gain an online presence.

Protecting: This will be a new task force focusing on rural EMS. How can we better support, recruit and retain volunteers.

Growing: How do we grow rural Iowa, make communities more attractive, empower leaders and keep young people and professional in rural Iowa? Still planning Leadership Exchange. We will inventory what we already do and find gaps. Identify Iowan's who have moved and how to get them to come back. Will bring representatives from similar programs in other states.

4. Remarks by Co-Chair Sandy Ehrig

Thanks to all. IRDC just had our 4th Summit, which was a virtual, two half-days representing 150 different Iowa communities. ERI initiative has been a valuable partnership. New synergy. Looking forward to new themes.

5. Leadership Exchange Status – Tina Bakehouse:

After Leadership Iowa, saw value on training and education of leaders. Helped with Exchange planning. Discussed what it is and how to structure, how to communicate. IEDA crafted logo. Tagline is Enhance Programs, Empower Leaders, Engage Communities. Exchange will be virtual, probably over two days Oct. 21-22, two hours each day. Will have an opening/closing keynote, breakouts, 30 ideas/30 minutes for sharing. Ask members to share with others.

In August she met with a community leader focus group. Highlighted what they want out of a session, ways to commit and connect and what new ideas can come from it to benefit the community. How can we spin off programs for youth, funding, programming, trends in diversity, strategies for leadership?

Sen. Sweeney: Have you already put things in place or is this ongoing? Tina – have not started marketing yet, still building, then will push for registrations in next couple of weeks.

Jenae: The focus group conversation surrounded how to add value to programs already in place. Looking at both old and new.

James: Everyone involved in the Exchange has come with a skillset and they divided up the tasks. For members, look at asset mapping, what people bring to the table, model they will use. If not involved in the Exchange, there is much to do on other issues as well.

Tina: Appreciated the input from leaders in rural communities. Not competitive, but collaborative to attract and retain.

Lt. Governor: Excited to see this come to fruition. It's nice to have something tangible, see if we are adding value. Likes the tagline. Lot of work, now time to execute.

Liesl: This is phase one. The Exchange could be repeated annually, but also have other offerings, trainings, maybe a boot camp for interested communities in the spring. Will let everyone know when dates are confirmed.

6. Update on Rural Grants – Liesl:

Rural Innovation Grants: All \$300,000 was awarded, and there will be another round open in spring. There were 17 grantees, and awardees are on the ERI website. Projects covered issues under each of the three task forces. Housing Innovation Grants: There were six grantees, and an additional \$40,000 still available. Have opened a second application round and anticipate using all additional funds.

7. Presentation on Iowa Programs Supporting Job Attraction & Retention:

Iowa Veterinary Medical Association: Dr. Randy Wheeler, Jennifer Dorman

Randy: Loan repayment program is to help with student debt for veterinary students pursuing large animal practice, which differs greatly from small animal. Issues finding jobs for spouses, longer hours, harder work. There is less interest coming from students with rural background. Small, solo rural practices finding difficulty with succession.

Jenny: There is a rapidly aging group of rural vets. Many younger veterinarians don't want to take on the expense of a practice. They have found it takes about four years to take over a practice, but about 3.5 years to get fully vested and have a commitment in the community.

James: What is your vision?

Jenny: The federal program has been very successfully (jobs allocated by USDA). The goal of the Iowa program is to supplement the federal program. Use the same criteria as federal.

Randy: Federal program started in 2010 when he was the Assistant State Veterinarian. He helped to develop the Iowa program so they could compete for talent nationally. Iowa has seven underprivileged areas eligible for awards and we've had 46 awards given to the state. In 2019 there were 137 applications for the seven positions available. By bringing in a state program we help add to those numbers. We wanted to fill all seven, but USDA awarded just four as there is only have a certain amount of funding. We can determine which counties and those contiguous to the seven counties that would be eligible for applying. Federal program gives \$25,000 year for three years, Iowa is \$15,000 a year for four years. Federal program is taxed at 39%.

Jenny: We supported legislation priority to those who graduated from Iowa hospitals. Many leave state to go to school, so hoping this encourages them to come back to Iowa after school. Also, state budget changes, we added a fund within student aid condition to have a rural education program. Private companies can put money into the program. If they don't have a food producer in their community, there needs to be a 12% community match.

James: Can you provide three suggestions for some other field to set up a similar program?

Jenny: They have a good coalition of stakeholders such as Farm Bureau, Cattlemen's Association, Pork Producers, ISU College of Veterinary Medicine and legislators. They see the need. Having a way to incentivize people to stay. Also, demographic of graduating used to be male driven, but the last 5 to 10 years the majority is female and less likely to go into a large animal practice.

Randy: Getting that profession to start working at the student level to get word out that there is a lot of opportunities in this profession.

Jenny: From the legislator standpoint, finding legislators that have constituents in need.

Lt. Governor: The Governor signed legislation this session that provides priority to Iowa high school grads. When layering programs of federal and state, it's a good incentive to bring students back. Liked that you looked at other state's programs as we know we are in competition with other states. Also liked creating the fund to accept donations. How much was budgeted? \$300,000.

Jennifer: What is the retention of veterinarians in rural communities after the ten years?

Randy: If the person gets in the community and makes a commitment, they are vested and have clients. Jenny: On hill day there were several people from the program that spoke to the benefits and appreciated of the opportunity. Jennifer: Spouse issues with work – how does that limit? Randy: We have seen more people working from home. In his case when he went to Winterset, his wife got a job in Des Moines. In smaller towns the spouse might have to drive 50 or so miles for work.

Lt. Governor: Regarding the trailing spouse, the Governor signed a professional license reform and if relevant it might help reduce some of the barriers if spouse is a licensed professional.

Emily S: The Grow task force is looking at expanding more remote work opportunities to allow for more jobs in rural areas.

Rob: The Strategic Doing program through ICAD is a strategic solution process that every community college uses. Teams are trained so they can go to rural communities. This is a program that gets things done in a short timeframe.

Beginning Farmer Tax Credit Program: Lori Beary, IFA

Purpose is to keep beginning farmers in Iowa and to incentivize farmers to lease land to a beginning farmer. Our definition is different than federal. Ours is based on net worth of no more than \$682,000 and must be over 18, have proven education to farm and have access to capital. Landowner gets an Iowa tax credit of 5% if cash rent, 15% if crop share lease. Legislature has provided \$12 million annually in tax credits, and usually do about \$6 million. Deadline is Aug. 1. Lease must be 2-5 years and can then reapply. Limited to 10 years. Cash rent must be less than 30% of county average. Lease can be between family members. They market the program with community colleges and other universities. Other programs we might look at in Iowa? Minnesota has a program for beginning farmers to purchase land. Landowners get a tax hit when selling valuable farmland so this might be beneficial.

James: What are older beginning farmers going to do if this program wasn't in place? Lori: It depends, if family land there would be a succession, but if not, farming is really difficult to get into. This program allows them to get some cash flowing. Most don't own their own equipment; they borrow or trade labor. This allows them a foot in the door.

James: Can there be multiple farmers, such as brothers? Yes. True with the equipment too.

Lt Governor: Takeaway – when we think of these programs, we think about licensed professionals such as veterinarians. We are also doing things for non-licensed professionals as well. 1) are you aware of a policy reason why legislature has chosen just leases and not purchase? 2) The Governor dedicated some CARES funds to beginning farmers, can you talk on that?

Lori: Unsure on why the lease vs purchase. Not sure if purchase tax credit has been proposed. CARES funding provided up to \$12 million for farmer debt service relief. Lender must show applicant ag debt with original term of over 10 years. Purposes is to help with cashflow, they would get \$10,000 to help with the debt payment.

James: How is this marketed to farmers? Lori: Beginning farmer (pre-COVID-19) they did a lot of workshops at community colleges and regional workshops and with lenders, as well as workshops with CPAs and tax accountants to help educate their clients.

Phil: \$12 million vs \$6 million, why the gap? Lori: We had \$12m then it was reduced to \$6 million, and a couple of years ago increased back to \$12 million. They had stopped marketing because of the reduced amount. Phil: There is outgoing wealth with landowners who inherit but not living in Iowa.

Sandy: Would like to see more info on the purchase program from Minnesota.

James: Ron indicated we may want to do something similar for trades, can you give me a few suggestions for how they would build that?

Lori: If you were selling a business like a veterinarian business, there would be tax ramifications so maybe do something with the tax policy to incentivize. Lt. Governor: He will bring up with the Governor's task force on business succession. Lori: Student loan debt is severe for many professions so maybe an incentive that if you locate in a rural area there would be some debt relief.

FIND – Fulfilling Iowa's Need for Dentists - Susan Heckenlaible, Dental Dental and Bruce Hansen, IADG:

Suzanne Heckenlaible, VP public affairs with Delta Dental. Bruce Hanson VP Bus. Development – have been in partnership with DD since 2008

Reference PowerPoint Program for details.

James: Loves the detail of research used to tell the story. Of those that become rural dentists, what percentage are from a rural community? Bruce: We do have a number that find their way back to their hometown. They might get someone from outside of the state that wants to come to Iowa. Susan: The majority of FIND dentists are students from the UI so most have Midwest roots. It really is about having the community and the dentist find the right fit. Want the dentist to be engaged and a leader in community.

Medical Residency State Matching Grants Program – Suzanne Dixon, IDPH and Dr. Gerald Clancy:

Reference PowerPoint presentation for program details.

Lt. Governor: Thanks for presentations. Numbers are concerning. Smart policy move to start prioritizing psychiatric issues in rural Iowa. How are we doing in terms of meeting demand? We are supporting residencies, do we need to continue to grow that, are there more students who would take advantage? Dr. Clancy: Demand for clinic care will outstrip what we can provide. Need more nurse practitioners and nursing assistants. They can become skilled in half the time it takes to become a physician.

8. The Iowan Project Presentation – Brian Waller:

Technology Association of Iowa is a trade association representing information technology professionals and technology companies. They partnered with IEDA, Grow Cedar Valley, WDM Chamber, Ames Chamber and the GDMP to identify Iowa expats - someone with some kind of connection to Iowa - to get Iowans to move back to Iowa. Created a website iowanproject.com. Mapped database with self-identified new locations. Enacted an aggressive digital marketing campaign. Did promo things such as sending a free Raygun t-shirt to get them to map themselves. Sent to 40 different states. We want them to know there are great opportunities in Iowa. We post jobs, have had meet-ups around the country that average about 50 people. There are about 3,000 on map so far. We do have

success stories and think Iowa can be the remote working capital of the country. Next – is there some money we can put towards as an incentive? Cities can do this as well. Example, “Move to Sioux County you will get no property tax, forgiven student loans, \$10,000 travel bonus” etc. ‘Sioux City Iowan project’ to draw former resident’s back.

James: Addressing the culture and the network and creating the environment - how aggressive are we as compared to other states? Brian – thinks we are being very aggressive.

Lt Governor: We have an opportunity with business now looking a remote working, and we have the broadband funding. Thinks people are looking at smaller community living as well. Are there things we can do to help your efforts in identifying other expats outside of tech field to continue to grow the database? Brian: If you would talk about the Iowa Project and ask people if they know someone out of state to encourage them to map.

James: Three suggestions on best practices? Brian 1) not a silver bullet – hard metrics to track; 2) Clean data is important; 3) longevity of project is important.

9. Discussion on Presentations

Liesl: No time to discuss during meeting but go through the provided worksheet and send thoughts and we will compile and continue the conversation at the next meeting. Also, share other programs and other topic ideas. Next meeting will be on Zoom on Wednesday, October 7 with more info coming. There are additional task force meetings you can attend as well. Invest will meet on September 21 from 1:00 – 4:00, Protect on Friday, September 25 from 10:00 – 1:00, and the first Connect in October.

10. Public Comment

None

11. Wrap up & Next Steps

Lt. Governor: Think about the gaps that exist and ways we can build on existing programs. Seek out data from IWD or Future Ready Iowa and community colleges on the roles they play in filling these needed roles.

Sandy: We need to make people aware of these opportunities and start young.

12. Adjourn