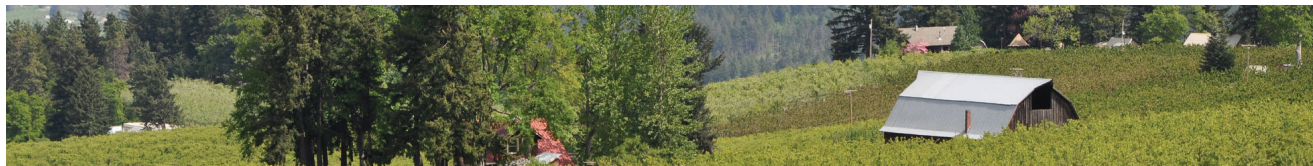




JUNE 2020



Challenges and policy recommendations for rural economic stimulus

INTRODUCTION

America is facing its second economic crisis in a dozen years. While there may be a sentiment of collective suffering, the reality is that communities are not facing this financial disaster on an equal playing field. Rural communities, like other disadvantaged segments of society, are already coming from behind in confronting the coronavirus and its many ripple effects. Rural recovery after the Great Recession lagged behind that of the economy on the whole – in some places by a decade – and still [trails urban areas](#) on many measures. Non-urban America also faces long-standing challenges, from limited internet connectivity to fewer public health resources, that threaten to make coronavirus impacts worse and recovery harder. And yet, the wellbeing of rural areas is vital to the success and stability of our country as a whole. Rural America is both the home and the steward of the natural resources that are the bedrock of our economy. It is the locus for energy, agriculture and forestry sectors that are crucial to our self-sustainability, particularly given limits of the global supply chain. And it embodies the resourcefulness, the “can-do” attitude, and the industriousness that have long been foundational to our nation’s progress. Cultivating healthy, local communities and economies, including and especially in rural areas, is key to our national resilience in the face of crises like the coronavirus pandemic.

In these challenging times, RVCC believes it is essential to keep rural communities at the forefront of policy decisions.

As a coalition of community-based organizations, conservationists, business owners, contractors, landowners, and researchers, we have spent nearly two decades finding ways to use natural resource policy to advance rural community vitality through land stewardship.

In the following paper, we have brought together the diverse perspectives and experiences of our coalition members to synthesize coronavirus impacts to rural communities, identify unique conditions that need special attention, and outline specific policy principles and recommendations. Our goal is to provide a solid foundation for creating recovery policies that lift up rural communities through ecologically responsible and economically sound and equitable solutions.

KEY CHALLENGES & POLICY RECOMMENDATIONS

- Demographics & Workforce
- Economics
- Wildfire
- Infrastructure, Connectivity & Access

RURAL RECOVERY & THE PATH FORWARD

- Rethink Rural Policy
- Distribute Investments Equitably
- Tackle Big Problems
- Leverage Local Capacity
- Support Local Jobs
- Provide Direct Financial Assistance



DEMOGRAPHICS & WORKFORCE

CHALLENGES

The demographics of rural workforces increase their susceptibility to severe impacts from this current crisis. Rural residents are generally older and have higher chronic disease rates, both of which are associated with greater risk of severe illness and death from COVID-19. Rural workforces also generally [have lower incomes](#) and [are less likely to have paid sick leave and health insurance](#). Service-sector jobs, which [employ the largest portion of workers](#) in rural counties, not only pay relatively low wages but [often cannot be moved online](#). Furthermore, because rural households have [lower median incomes](#) than urban households, they likely have less in savings to rely on if their paychecks dwindle or end altogether. With the closure of schools, many free and reduced meal programs have [ended or become less accessible](#), placing further hardship on economically insecure families. An older workforce also is potentially less able to take on new occupations if needed as the economy shifts and rebounds. Together, these factors make the rural workforce more vulnerable to the virus and less prepared to weather the financial impacts.

POLICY RECOMMENDATIONS

DIRECT FINANCIAL SUPPORT

Direct payments to people will allow them to safely socially distance without suffering long-term economic impacts.

- ✓ Establish consistent individual payments that allow people to afford basic necessities while keeping themselves safe.
- ✓ Provide dedicated funding to community-based nonprofits, which are instrumental to delivering services to rural communities.
- ✓ Directly support state, local, and county governments to help ensure access to critical public health and other support programs.

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP)

SNAP provides critical support to the growing number of families in need of food.

- ✓ Expand eligibility requirements and increase funding substantially.
- ✓ Remove unrealistic work requirements that are difficult to meet during social distancing and severe recession.

CONSERVATION AND JOB CORPS

USDA Job Corps and nonprofit conservation corps programs provide important skill building and job training, while helping to expand the nation's natural resources workforce.

- ✓ Strengthen support for Job Corps and conservation corps programs to help provide skills training to rural youth.
- ✓ Expand eligibility for Job Corps funding to local workforce development organizations providing similar training and experience.

POLICY RECOMMENDATIONS

SECURE RURAL SCHOOLS (SRS) & PAYMENTS IN LIEU OF TAXES (PILT)

The Secure Rural Schools and Self Determination Act, and the Payments in Lieu of Taxes program, have long offered economic stability for rural counties in the West.

- ✓ Implement a long-term funding solution to SRS to help stabilize county budgets.
- ✓ Move forward any existing SRS Title II recommendations, even if they have not completed the full Resource Advisory Committee process (i.e., allocate the funds based on Forest Service recommendations alone).
- ✓ Provide greater flexibility in the use of Title III funds to allow for support of community health programs.
- ✓ Fully fund the PILT program to provide critical income to counties with federal public lands.

RURAL HEALTHCARE SUPPORT

Improving healthcare infrastructure and outcomes is key to creating thriving rural communities.

- ✓ Create community wellness funds to support already fragile rural medical infrastructure where market forces alone cannot maintain needed medical services.
- ✓ Maintain changes made over the past three months so that telehealth can become a new norm for rural health care providers and rural residents.



CHALLENGES

Several characteristics of rural economies could make them more vulnerable and less resilient to the impacts of the coronavirus pandemic. Tourism and natural resource production—important [economic drivers](#) for many rural counties—face either decreased demand or inability to employ remote work. In rural Oregon for example, these industries represent [40 percent of all jobs](#). While the wood products industry is considered essential infrastructure, slowdowns in markets have led the Forest Service to [extend timber sale contract deadlines by two to three years](#).

Agriculture, which accounts for nearly [17 percent of employment](#) in highly rural and remote areas, has taken a major hit due to [price declines](#) and disrupted markets and supply chains. Livestock auctions, a key income source for ranchers, [have been canceled](#) and livestock prices have [slid steeply downward](#). In a bid to assist farmers, the U.S. Department of Agriculture introduced a [proposal to adjust the adverse wage rate and pay farm workers less](#), though this would have damaging ripple effects for rural families and businesses. Agricultural workers are members of rural communities and their well-being should be considered integral to rural success.

Small businesses [dominate in rural areas](#) and they operate with low margins, limited savings, [tight cash flows](#), seasonal markets and revenue, and longer distance to markets, all of which make them [more vulnerable to the economic downturn](#). Rural economies are less diverse, meaning they are [less able to recover](#) if an important sector is heavily impacted. Over the past decade, the data show that rural economies have [struggled more than their urban counterparts](#) to recover from the Great Recession. This does not bode well for their ability to bounce back from this pandemic without assistance.

POLICY RECOMMENDATIONS

SMALL BUSINESS SUPPORT

Direct grants and loans to small businesses are vital to help rural communities remain resilient after the immediate crisis.

- ✓ Ensure that current and future Small Business Administration (SBA) loans equitably reach rural communities and provide flexibility to meet the diverse needs of each business.
- ✓ Provide financial support to rural businesses, including outfitter and guiding and other tourism-dependent businesses, through the SBA Paycheck Protection Program (PPP) to support their lost revenue for the season.

FARM BILL CONSERVATION PROGRAMS

Private working lands programs help get money to the ground quickly, purchase services and supplies from local businesses, improve natural infrastructure, and stimulate rural economies.

- ✓ Increase funding for the Regional Conservation Partnership Program (RCPP), Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CSP), Conservation Innovation Grants (CIG), and Agricultural Conservation Easement Program-Agricultural Land Easements (ALE).

POLICY RECOMMENDATIONS

USFS ECONOMIC ACTION PROGRAM (EAP)

The EAP had a strong track record of helping rural communities and businesses dependent on natural resources better capture benefits from public land management.

- ✓ Consider reviving the EAP to help communities improve their own economic sustainability and resiliency beyond this current crisis.

FORESTRY

The wood products industry plays an important role in employing rural workers and implementing forest thinning needed to reduce wildfire risk and improve forest health.

- ✓ Fund adequate amounts of forest restoration work to help maintain highly leveraged logging and wood product businesses. Provide no-interest loans and grants to loggers for equipment and capital acquisition.
- ✓ Focus on science-driven commercial harvest and service work in close proximity to existing wood products infrastructure to prioritize keeping that infrastructure in business.
- ✓ Boost funding to community forestry programs for rural and tribal communities to increase rural economic self-sustainability.
- ✓ Waive any bids or fee requirements for a business willing to take low value wood for community-scale energy generation.

STEWARDSHIP AND PARTICIPATING AGREEMENTS

Stewardship agreements represent a powerful tool for land management agencies to accomplish restoration through a partnership approach that leverages resources and prioritizes local community benefit.

- ✓ Increase investments in existing long-term master agreements that have established partnerships and ready infrastructure to accomplish forest restoration and support local jobs.
- ✓ Reform agency administration of stewardship contracting to better allow for consideration of local preference and benefit.
- ✓ Expand stewardship contracting to a broader suite of work beyond forest, watershed, and rangeland restoration.

LABOR LAWS AND WAGES

Agricultural and forestry workers are members of rural communities and their well-being should be considered integral to rural success.

- ✓ Maintain and improve wages of H-2B visa holders to reduce economic pressure on businesses.



CHALLENGES

Rural communities in the West, already on the front lines of wildfire risk, will be disproportionately affected by reduced wildfire suppression capacity due to the coronavirus. Wildland firefighters, many of them members of rural communities, will also face significantly increased personal risk this season. According to media reports this spring, a sizable portion of firefighting crews in multiple states were either [infected with coronavirus or under quarantine](#). Coronavirus-related tasks also have [diverted Incident Management Teams](#), other personnel and equipment away from firefighting work. Concerns about spreading the virus [could limit the ability for crews to supplement](#) lost capacity by bringing aging retirees out of retirement or moving crews across state and international lines. On top of that, necessary strategies to reduce the risk of coronavirus transmission during fire response (e.g., manning engines with fewer crew members, splitting crews into different shifts, and managing fire camps differently) will require [even more people to provide the same amount of firefighting capacity](#). Managing evacuees will also be complex, as the typical strategy of directing residents to gyms or other other community areas risks creating [a hotbed of coronavirus infections](#). All of this combined is likely to reduce the capacity to respond to wildfires and lead to high risks to rural communities.

Fire season preparation and wildfire risk mitigation activities have also been hindered by this crisis. Large trainings have been delayed, held virtually or done on smaller scales, and meetings focused on fire season planning and risk assessment [have been canceled](#). Pre-season [prescribed burning](#), pile burning, thinning and brush clearing have been reduced or put on hold in many areas, leaving communities at greater risk for the upcoming fire season. [Inspections of properties](#) with increased fire risk are also being reduced or delayed and coronavirus could make it difficult for homeowners to complete mitigation work. People seeking outdoor recreation opportunities in greater numbers in response to social distancing guidelines and closures of many businesses could [cause increased risk of fire starts](#).

Apart from the acute risks of wildfire, rural communities face an increased risk of respiratory complications caused by wildfire. Smoke from wildfires can increase residents’ susceptibility to COVID-19 and [increase the severity of symptoms](#), which could send more people to hospitals already overburdened with coronavirus patients. Smoke, coupled with increased transmission rates that are likely if traditional wildfire suppression strategies are used, is also anticipated to put firefighters at severe risk, with some worst case scenarios predicting a [six percent cumulative mortality rate](#) on large incidents under “business as usual” scenarios.

POLICY RECOMMENDATIONS

WILDLAND FIRE BUDGETS

Congress should anticipate an abnormally expensive season and be prepared to offer additional emergency funding if needed.

- ✓ Support state and local acquisition of personal protective equipment (PPE) by increasing funding through the State Fire Assistance and Volunteer Fire Assistance programs.



POLICY RECOMMENDATIONS

WILDLAND FIRE STRATEGY

Health and human safety should be prioritized for both communities and firefighters.

- ✓ Provide sufficient PPE and coronavirus testing to wildland firefighters.
- ✓ Raise awareness amongst firefighters of the magnitude of risk.

HAZARDOUS FUELS REDUCTION

Thinning and clearing dense forest fuels is an opportunity to create jobs for rural, resource-dependent communities while accomplishing much-needed wildfire risk reduction.

- ✓ Provide sufficient funding for large scale hazardous fuels reduction projects.
- ✓ Prioritize completion of "shovel ready" projects that have already been analyzed and planned, with a priority on fuels reduction and prescribed fire.
- ✓ Fund State & Private Forestry programs to support community and state wildfire risk reduction implementation partners.

COLLABORATIVE FOREST LANDSCAPE RESTORATION PROGRAM (CFLRP)

CFLRP prioritizes restoration work at the large scales necessary to match the extent of current wildfire and forest health risks.

- ✓ Fully fund and expand CFLRP to increase essential forest restoration treatments on public lands and support local input on projects.
- ✓ Reauthorize expiring successful projects in order to continue implementation and quickly select new projects.

WILDLAND URBAN INTERFACE (WUI) RISK REDUCTION PROJECTS

In a year when firefighting resources will be strained, community-level wildfire risk mitigation will be more important than ever.

- ✓ Prioritize and invest in treatments in the WUI for fuels reduction and defensible space as well as home hardening and community preparedness.

HEPA AIR FILTERS

Social distancing regulations have closed public spaces that are sometimes among the few places in town with filtered air.

- ✓ Develop a program or work with partners to purchase HEPA air filters to aid shelter-in-place for smoke-sensitive populations.



CHALLENGES

Rural areas have long lagged behind urban areas in terms of infrastructure, connectivity and access. These disadvantages will have repercussions in their ability to weather the coronavirus, mitigate immediate effects, and recover afterwards. Broadband access has been a persistent challenge in rural areas and a [full third of rural homes](#) still lack a broadband internet connection. Internet speeds are also [slower in rural areas](#). This lack of connectivity is [now even more detrimental](#) as coronavirus-related social distancing regulations push daily activities, including education, health care and day-to-day work, online. Inadequate broadband connectivity, as well as lower accessibility to government and [financial institutions](#) in rural areas, make it harder for residents to take advantage of state and federal stimulus funding and other assistance programs. County governments, small businesses, and small nonprofits with no paid staff may not have an existing relationship with a bank or creditor and are less likely to have staff who know how to apply for an SBA loan. Small local governments also don't often have in-house public works planners to develop project concepts and applications for infrastructure funding. As the Aspen Institute has observed, there remain "[structural inequities, complexities and challenges](#)" in how state and federal assistance gets channeled to rural areas.

Meanwhile, community pillars, from [local governments](#) to first responders to social safety net resources such as [food banks](#), are already being strained by coronavirus response. Medical [infrastructure in particular](#) was already insufficient in some rural communities, and coronavirus will only push hospitals and care providers [further toward the edge](#). Because these entities have limited capacity, they will be less able to help the community respond to and recover from other natural disasters like drought, flood, and wildfire.

POLICY RECOMMENDATIONS

RURAL BROADBAND CONNECTIVITY	
Reliable high-speed broadband is now a requirement for equitable access to education, job opportunities, and telemedicine.	
✓	Fund "last mile" broadband connectivity for rural areas, which is necessary to meet the geographic realities of rural communities.
✓	Support free-access community WiFi.
DAM AND IRRIGATION INFRASTRUCTURE	
Dams and water transportation infrastructure in the West are aging and financially unstable; improvements to efficiency and reliability are long overdue.	
✓	Provide funding to modernize water infrastructure and restore salmon fisheries that are an economic lifeline to tribes and rural residents.



POLICY RECOMMENDATIONS

USDA FOREST SERVICE CAPITAL IMPROVEMENTS AND LEGACY ROADS AND TRAILS

Infrastructure maintenance is crucial to ensuring public lands use does not negatively impact ecosystem functionality and the natural resources rural communities rely on.

- ✓ Increase funding and direct to road improvements, as well as infrastructure improvements and maintenance, particularly for recreation sites that are a crucial amenity for tourism-dependent communities.
- ✓ Prioritize capital improvements in economically distressed and socially vulnerable communities.

USDA COMMUNITY WOOD ENERGY, WOOD INNOVATION PROGRAM AND RURAL ENERGY FOR AMERICA PROGRAM

These programs help develop local, decentralized power generation while also helping reduce the cost of forest restoration by growing markets for biomass.

- ✓ Fully fund or expand these existing programs.

USDA RURAL DEVELOPMENT

Programs that bolster essential infrastructure in rural areas are key for making these communities liveable for years to come.

- ✓ Increase funding to the Community Facilities Direct Loans and Grants, Single Family Housing Repair Loans and Grants, and Energy Efficiency and Conservation Loan programs to encourage energy efficiency and heat pump installations in municipal buildings, schools, and tribal buildings.

COMMUNITY STABILIZATION LOANS & GRANTS

In responding to this crisis, there is a need for new funding streams to empower and enable local communities to establish their own unique response actions.

- ✓ Create new loan and grant funds that would make capital available to local Community Development Financial Institutions (CDFI) and community development corporations for affordable housing and community ownership of important infrastructure, such as farmers markets, community centers, community forests, and parks.

TECHNICAL ASSISTANCE FOR COMMUNITY INFRASTRUCTURE DEVELOPMENT

Many small communities lack the personnel and resources to plan and implement self-driven improvement actions.

- ✓ Provide low income and small communities with technical assistance for infrastructure planning and development, natural resource innovations, collective impact, and economic innovation.

PRINCIPLES FOR RURAL RECOVERY

The Path Forward

While immediate stimulus actions are crucial to the coronavirus response, addressing a crisis of this magnitude will require broader policy innovation that goes beyond increasing investments in existing programs. RVCC encourages partners and decision-makers to reevaluate old programs and consider reforms and new approaches. This process will likely be longer-term and require redesigning long-standing ways of doing business. RVCC offers the following principles to help inform the process of crafting new policy to meet the needs of people and communities in the rural West.

RETHINK RURAL POLICY

The coronavirus crisis presents a unique opportunity to revamp policies and programs to better match the needs of rural America. The approaches promoted by the 2009 American Recovery and Reinvestment Act provide a starting point, yet we must also present bold, innovative visions for economic recovery and rural policy.

➔ **Solutions to this crisis must embrace new ideas and approaches, or redesign existing ones, with a greater focus on truly meeting the unique needs of rural communities.**

DISTRIBUTE INVESTMENTS EQUITABLY

Rural communities have long trailed their urban counterparts in terms of economic growth and job creation. In light of this inequality, government allocation of stimulus funding should be especially focused on equitable distribution across geography, demography and generations in ways that reflect local needs, assets, and priorities. Programs should be informed by the communities and people they are meant to serve, including Native American tribes, immigrant communities, and those experiencing poverty.

➔ **Programs should be designed to ensure equitable access and should reduce the risk of exacerbating trends towards greater wealth concentration.**

TACKLE BIG PROBLEMS

Stimulus spending provides an opportunity to direct dollars toward solving some of rural America's most pressing and neglected problems. Strategically channeling stimulus funding towards these long-standing issues is a smart investment.

➔ **Whenever possible, stimulus funding should be used to spur economic recovery while also addressing long-standing challenges such as widespread wildfire risk, outdated county payment structures, inadequate water and broadband infrastructure, and climate change.**

PRINCIPLES FOR RURAL RECOVERY

The Path Forward

LEVERAGE LOCAL CAPACITY

In many rural areas, community-based capacity is a critical success factor in quickly and effectively deploying public investment to address priority projects and needs. Community Based Organizations (CBOs) often play important intermediary roles in small communities, helping to deliver government programs, bring in outside philanthropic investment, and fill gaps in service delivery between government programs. These organizations also play a key role in engaging with local communities and fostering inclusive strategies for decision-making.

➤ **Federal programs should look to CBOs to help get funding to communities as fast as possible and facilitate that work by reducing or eliminating matching requirements for federal agreements with these organizations.**

SUPPORT LOCAL JOBS

Government contracting dollars can be a powerful tool for sustaining and invigorating local businesses in small communities. We believe that *how* contracting dollars are spent is just as important as *how much* is spent. Best value contracting criteria allow agencies to consider community benefit as a key factor in awarding projects, better enabling federal dollars to be directed toward local contractors. Keeping project funding within a community provides multiple benefits, including the development of local capacity and wealth creation. Agencies can also use best value contracting to help ensure contractors provide quality jobs with higher wages and labor law compliance.

➤ **Stimulus programs should utilize best value contracting authorities and new programs should incorporate local preference and rewards for quality work and good business practices.**

PROVIDE DIRECT FINANCIAL ASSISTANCE

In light of the uncertainty about the duration and magnitude of this economic crisis, a continuation of direct payments to people, small businesses, and local governments will be critical. Many rural residents are unable to work and face uncertain futures. Small businesses and CBOs face immediate cash shortfalls, are either unable to operate or operate at the same scale, and will likely face months of disruption. County and local governments are confronting immediate fiscal crises as tax bases shrink and collections are delayed, all at a time when providing public health and emergency services is essential.

➤ **Congress should provide direct financial assistance to state and local governments and should continue to provide direct support to individuals for as long as needed.**

CONCLUSION

RVCC believes it is possible to craft solutions that benefit rural communities, sustain our natural resources, and promote diverse economic development. As the country begins the long journey of recovering from the coronavirus crisis, there is an opportunity and an obligation to implement approaches, programs, and policies that ensure non-urban America does not get left behind. Rural communities are on the front lines of much of our natural resource and food production. They are places of local-level innovation and they provide jobs for an increasingly diverse pool of workers. They are places of resilience and resourcefulness. Policy action, both immediate and long-term, should reflect and specifically address the unique character and needs of rural America.

COALITION SIGN ONs

*Denotes RVCC Leadership Team member

TRIBAL GOVERNMENT

Kootenai Tribe of Idaho

REGIONAL/NATIONAL

Center for Rural Strategies
Communities Unlimited, Inc.
The Corps Network
Integrated Biomass Resources, LLC
Rural Assembly
Rural Community Assistance Partnership
Sustainable Northwest*
The Wilderness Society
Western Environmental Law Center
Western Landowners Alliance

ALASKA

Living Systems Design
Sitka Conservation Society

CALIFORNIA

California Center for Rural Policy
ForEverGreen Forestry
Mid Klamath Watershed Council
Sierra Business Council
Watershed Research and Training Center*

COLORADO

Mountain Studies Institute
Coalition for the Upper South Platte, Coalitions and Collaboratives, Inc.
San Juan Headwaters Forest Health Partnership

IDAHO

Conservation Voters for Idaho
Framing Our Community
Lemhi Regional Land Trust
Policy Analysis Group*, Univ. of Idaho
Salmon Valley Stewardship*

MONTANA

Future West
Heart of the Rockies*

NEW MEXICO

Forest Stewards Guild*

OREGON

Blue Mountains Forest Partners*
City of Oakridge, Oregon
Confluence Consulting, LLC
Ecosystem Workforce Program*
Lomakatsi Restoration Project

McKenzie Watershed Stewardship Group
Oregon Environmental Council
Rural Engagement & Vitality (REV) Center
Rural Development Initiatives
Siuslaw Institute*
Southern Willamette Forest Collaborative
Southern Oregon Forest Restoration Collaborative
Wallowa Resources*
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