



House of Representatives Rural Development Council

Recommendations Overview

**Co-chairman Terry England
Representative, 116th District**

**Co-chairman Jay Powell
Representative, 171st District**

Vice-chairman Sam Watson
Representative, 172nd District

The Honorable Patty Bentley
Representative, 139th District

The Honorable John Corbett
Representative, 174th District

The Honorable Matt Hatchett
Representative, 150th District

The Honorable Mack Jackson
Representative, 128th District

The Honorable Dominic LaRiccia
Representative, 169th District

The Honorable Eddie Lumsden
Representative, 12th District

The Honorable Chad Nimmer
Representative, 178th District

The Honorable Clay Pirkle
Representative, 155th District

The Honorable Terry Rogers
Representative, 10th District

The Honorable Ed Rynders
Representative, 152nd District

The Honorable Darlene Taylor
Representative, 173rd District

The Honorable Bill Werkheiser
Representative, 157th District

Ex-officio Members:

The Honorable Brooks Coleman
Representative, 97th District

The Honorable Sharon Cooper
Representative, 43rd District

The Honorable Robert Dickey
Representative, 140th District

The Honorable Penny Houston
Representative, 170th District

The Honorable Rick Jasperse
Representative, 11th District

The Honorable Tom McCall
Representative, 33rd District

The Honorable Butch Parrish
Representative, 158th District

The Honorable Don Parsons
Representative, 44th District

The Honorable Jason Shaw
Representative, 176th District

The Honorable Ron Stephens
Representative, 164th District

The Honorable Kevin Tanner
Representative, 9th District

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Introduction

The House Rural Development Council was created by House Resolution 389 during the 2017 Legislative Session of the Georgia General Assembly. HR 389 acknowledges that despite an overall, steady economic recovery for the state as a whole, rural portions of Georgia have not shared proportionately in the recovery and that lag is being exacerbated as rural areas are losing population. Because the challenges facing rural development are distinct, the resolution calls for an intensive, two-year working group to learn about the unique issues impairing the stabilization and potential growth of these valuable communities. Moreover, the breadth of the committee's study is to include the interrelated components that maintain and enrich the success of a community's growth and well-being, such as: education, health care, infrastructure and industries. The council will report recommendations for the consideration of the General Assembly at the end of each calendar year before the council sunsets on December 31, 2018. The council is co-chaired by Representative Jay Powell and Representative Terry England.

At the opening of the first meeting, Speaker of the House David Ralston addressed the bi-partisan council as "the state's trustees" for finding solutions to move the entire state forward through an intense study of the issues and the formulation of tangible solutions to enhance the symbiotic relationship between the state's rural and urban areas. He noted that as the largest state east of the Mississippi with a population over 10 million people and growing, our successes in economic activity to date have been a highly coordinated, deliberate effort, and that coordination must now amplify its reach to all portions of this state regardless of zip code.

During this first year of the council, members met 18 times in 11 communities across the state and heard over 70 hours of testimony from local officials and policy experts on designated topics to gather sufficient knowledge on the barriers and potential solutions for bolstering the economies of rural Georgia. To consolidate this information, an itemized catalog of recommendations made through testimony is attached in Appendix A and detailed highlights of those meetings are attached in Appendix B. In addition, documentation for all meeting agendas, PowerPoint presentations, as well as a video archive of all the 2017 live-streamed meetings may be accessed on the Georgia House of Representatives website at:

<http://www.house.ga.gov/Committees/en-US/HouseRuralDevelopmentCouncil.aspx>.

Through the collection of all this information, several themes emerged over the course of the meetings, and while there are many recommendations that will be promoted, the council has outlined the highest priority items to be developed for legislative action during the 2018 Session.

The success of the state's metro areas is deeply aligned with the contributions of rural Georgia. The entire state's well-being depends on a recognition of this relationship, as well as better communication and cooperation across county lines and regions. The economic future of rural Georgia requires us to connect our small communities so that services, educational opportunities and jobs that make up our quality of life are equally available to all of our citizens.

Rural areas are losing their most valuable resource for economic survival – people. Census data highlights the flow of people to urban centers, not only in Georgia but across the entire nation. Large states, such as North Dakota, Florida, California, New York, Arizona and Texas are facing similar rural “demographic headwinds” that reflect an aging population outpacing the birth rate, which is also not being replenished by people moving in to these communities. Thirty-six of Georgia’s counties have a higher death rate than birth rate at this time, and they are all classified as “rural.” Georgia’s population also reflects the national reverse of “The Great Migration.” While the state’s population has doubled over 40 years, two-thirds of this growth is concentrated in seven metro counties, primarily near Atlanta and Savannah. Migration of indigent Georgians shows an overwhelming 71% relocating to urban centers, 23% moving out of state and 7% choosing a rural relocation. The 7% relocating to rural regions are having a minimal impact on the exodus, as 80 of the 159 counties – half – have lost population since 2000 to the present. There are 11 of Georgia’s rural counties that had a lower population in 2010 than was counted 150 years ago in 1860. While the loss of workforce to sustain a community may seem intuitively negative on growth, the council also heard testimony that there can be a net positive despite declines if the income levels increase with those who do relocate to rural areas.

While Georgia will add more than one million people by 2030, most of those will be concentrated in Atlanta and other hub counties. According to the Georgia Chamber, 53 percent of Georgia counties are in distress (declining population and losing jobs) compared to 20 percent nationwide. With relocating and new industries focused on areas with talent, rural communities must figure out how to attract and retain its younger population, as one million baby boomers are set to retire in the next 10 years and the millennial workforce is leaving rural Georgia.

GENERAL WORKFORCE

To reverse the current population migration trend, the council proposes a “Rural Relocate and Reside” program designed to incentivize rural living, especially for professional, high wage earners through a local and state government partnership that:

- Is available in counties experiencing less than five percent population growth over five consecutive years (currently 124 counties).
- Provides a one-time, per person/filing jointly 10-year income tax deduction up to \$50,000 for new residents.
- Allows local governments to pass a referendum to provide a one-time, 10-year, abated property tax exemption to provide more affordable housing and improved cash flow for new residents to pay back school loans/establish businesses/start medical practices.
- Provides a one-time per person/filing jointly, 10-year state income tax exemption up to \$100,000 where the local property referendum is in place to draw professional-level, high-wage earners.
- Exemptions are transferrable within a county during the 10-year period for relocations to encourage growing families to upsize and retain retirees.

BROADBAND

Another key to attracting and retaining people to rural Georgia is broadband connectivity, which is a critical tool for the vitality of rural communities. Broadband is modern infrastructure – the “road” to anywhere or anyone in the world, and a survey of Georgians conducted by the Carl Vinson Institute of Government noted that today’s citizens overwhelmingly equate internet access with opportunities to earn a living and the quality of life. Businesses, health care providers and children in school depend on that accessibility to compete; however, 16 percent of the state’s citizens have no access. Building out this infrastructure is fundamental to all other issues challenging rural Georgia and may partially provide solutions, such as on-line classes in education, access to clinicians and specialists through telehealth, and real-time connections for businesses to compete and respond in a global market.

Program Components:

- Enable a state relationship with Electric Membership Cooperatives in statute.
- Establish a reverse auction, with kick-out clause, to fund underserved census tracts.
- Prioritize funding to tracts with no cell/broadband coverage.
- Prioritize census tracts related to "public safety" (hospitals telemedicine/records access).
- Include incentives for adopting and implementing a model broadband ordinance for added priority in grant programs and OneGeorgia projects for industry development and/or spec buildings with fiber needs.
- Allow for pole attachment fees at the Federal Communications Commission formula rate plus 50 percent.
- Streamline permitting for small cell (HB 533, B. Harrell) and broadband permitting.

Funding:

- Flatten the telecommunications tax rate to all providers of the same service, which expands to include satellite providers.
- Utilize the equivalent amount of the telecommunications tax collected toward program.
- Utilize the equivalent of sales tax on network equipment toward program.
- Reduce the right-of-way default to DOT’s \$5,000 per linear mile rate per year.
- Eliminate franchise fees.

ECONOMIC DEVELOPMENT

In addition to broadband as an absolute need toward economic prosperity, there were a large number of other economic development strategies that emerged as best practices for propelling the growth of a rural community. “Regionalism”, “partnerships” and “connectivity” that pool together resources for workforce, training, marketing, health care and infrastructure dominated

conversations. To that end, smaller communities do not always have the resources to instigate these partnerships nor the leadership to execute them; the state needs a focal point with the expertise to connect smaller areas with the multitude of existing state and federal programs, execute a statewide rural strategy, and provide leadership training. The council will work to incorporate many of the suggestions made for improving economic development in existing legislation, as well as within budgeted programs. Highlighted action will include:

Best Practices:

- Establish a Center for Rural Prosperity and Innovations with the Board of Regents to provide a central information and research hub for rural leadership training and best practices that may include: community planning models for proactively identifying value added/gaps or strengths, industry-specific assistance; and includes coordination and cooperative efforts with non-profits, religious, and other higher education partners.
 - Reconstitute and incorporate the Rural Development Council.
 - Incorporate the Centers of Innovation Agribusiness.

Infrastructure:

- Maintain the CPI/CAFÉ motor fuel tax indexes for ongoing construction and maintenance needs.
- Create a state 45G rail tax credit program for Class III to allow a 50 percent deduction at \$3,500 per mile for a company or customer and applied to income tax or withholding tax that enables the connectivity of Georgia products to buying points through the timely movement of freight, as well as reduces the pressures on road infrastructure/traffic.
 - Appropriate an equivalent amount of the sales tax collected from diesel rail to increase federal matching funds for rail.
 - Address the backlog of state-owned short rail projects in DOT's 5-year plan.

EDUCATION

Because economic development is centered so heavily in the availability of a qualified workforce, educational programming must be coordinated over the course of an entire academic career. Repetitious complaints that educational systems are not able to quickly respond to needs for industry programming because of a lack of flexibility or leadership were heard. Moreover, students are leaving their smaller communities for post-secondary education and never return. The state must provide opportunities that allow rural students to stay in place, as well as make the long-term investment in leadership and soft skills training that prepares a quality workforce.

- Provide additional grant funding for rural, lowest socio-economic counties for Birth to 5 literacy/numeracy education and training.

- Provide competitive grant funding for rural schools under the Chief Turnaround Officer's purview to implement character education curriculum and programming. Schools with students participating in character education have an environment more conducive to learning, as evidenced with better attendance (teachers and students), fewer disciplinary issues and in turn, higher achievement. Teachers are more satisfied because they do not have to devote as much time on classroom management (disruptive behavior), which is also the primary reason why teachers leave the profession in the first three years.
- Increase part-time to full-time and add new positions/coordinators for Career, Technical and Agricultural Education/work-based learning based on need.
- Transfer the Career, Technical and Agricultural Education program to the Technical College System of Georgia.
- Request the Board of Regents conduct a market analysis of masters and professional level degree programs needed in South Georgia locations for accessible programming recommendations.

HEALTH

Georgia's overall health status, health system performance and clinical care rankings are low in the nation, and because the scores are an overall average that include metro Atlanta's relatively positive performance and delivery, it means rural rankings are likely even lower. In addition to the aging of rural Georgians, rural populations on the whole are sicker, have less or no access to prevention and services, are more likely to suffer from mental illness and chronic diseases, have higher rates of teen pregnancy, and higher mortality rates. The ability to pay for care has no bearing in the six counties without a physician, 63 counties without a pediatrician, 66 without a general surgeon and 79 without an OB-GYN, and the shortage is expected to grow primarily due to increased utilization by the aging of the population and general population growth. Simply to maintain current level of coverage will require a projected 38 percent increase, or over 2,000, in additional primary care providers by 2030.

In addition to the lack of providers, the changing payer mix, high poverty levels, expensive capital, inflationary costs of operating and bad debt are decreasing hospitals operating margins. These challenges are hospitals to close and leaving rural areas without access to acute care. Based on testimony, as well as results from the Rural Hospital Stabilization Committee, several best practices are emerging to revamp care delivery through telehealth, care coordination models and the creation of hub-and-spoke, free-standing emergency departments where patients can receive acute care, stabilize and transfer if necessary.

The council recommends a multi-layered approach to stabilizing rural, as well as other health systems, which include:

Pharmacy:

- Encourage a hospital pharmacist be on the Pharmacy Board.
- Clarify the inconsistencies in Remote pharmacy laws related to the 24-hour requirement for pharmacists to check-in and the requirement for a physical pharmacist.
- Encourage a transparent live-bid, real-time auditing Pharmacy Benefit Manager model.

Billing:

- Allow billing for multiple specialists at one visit in safety net/critical access/FQHC and general practitioner settings (warm hand-off).
- Allow billing during provider credentialing period retroactive to 45 days.
- Allow billing for IT-delivered treatment options, and allow payment for both the presenter and the specialist.
- Create a consolidated, uniform billing platform and require all participants in state-funded and administered health care programs to utilize it to curtail denial/overturn rates; reduce the need for additional administrative specialists and improve the transferability of workforce skill sets.

Health Workforce:

- Require state and insurer credentialing (behavioral, physicians, dentists) to be done within 45 days to participate in state funded and administered health care programs.
- Provide premium relief for rural practitioners who: live and have a practice in a rural county; are board-certified; complete a minimum 100 hours of CMEs; employ a PA; employ Saturday morning or extended hours and accept Medicaid and Medicare.
- Expand the scope of practice/training for some mid-levels (EMS, pharmacists, PAs, social workers) to provide certain services for: minor care; chronic case management; urgent care; telemedicine; and post-hospital visits to avoid readmissions.
- Restore Emergency Management Services state training positions.
- Finalize passage for HB 301, (J. Lott), tax credits for physicians/preceptors/instructors at facility.

Best Practices:

- Establish a Rural Center for Health Care Innovation and Sustainability, which will develop and promote a best practices curriculum, to include leadership for all health providers, as well as mandatory training for hospital CEOs, board and authority members who participate in state-funded health programs.
 - Include centralized health data analytics staff for workforce and community hospital niche planning to coordinate with DCH, DPH and DBHDD.
- Require nursing homes to have the ability to do telehealth.

- Enable the Department of Community Health to develop an 1115 Medicaid Waiver for a five-year demonstration project to shift from a fee-for-service to a capitated, value-based delivery model (block grant) with care coordination at 100 percent of the federal poverty level.

Certificate of Need:

- Codify “micro” hospitals.
 - Define a limited-bed, 24/7 or extended hour, stabilizing “micro-hospital” in state law.
 - Allow the certificate of need and bed licenses of a closing facility in a contiguous county to be purchased together.
 - Allow the micro-hospital to be moved and/or rebuilt anywhere in the original county.
- Create a two-tier system in CON to: 1) protect and keep CON rules for service areas under 85,000; and 2) allow large institutions to provide care if the institution is engaged in a mandatory partnership with a regional critical access or safety net hospital to perform all prep and/or follow-up treatment.

The House Rural Development Council presents these recommendations to improve the social and economic vibrancy of the state’s rural communities and regions. The recommendations are interrelated and reflect the complexity of building upon our assets without hampering the many unique attributes and contributions of the state’s rural communities.