



The FORVM for Rural Maryland

Annual Report 2001

A Collective Voice for Rural Maryland

The FORVM for Rural Maryland
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Chair:

The Honorable William Eckman, Mayor,
Town of LaPlata

Executive Director:

Stephen R. McHenry

The FORVM for Rural Maryland publishes an annual report every year for our members and stakeholders. This report was written and designed by Communications Manager Vanessa Orlando. The front cover photo and the photo on this page are from the USDA photo collection. Both are farms located in Rural Maryland.

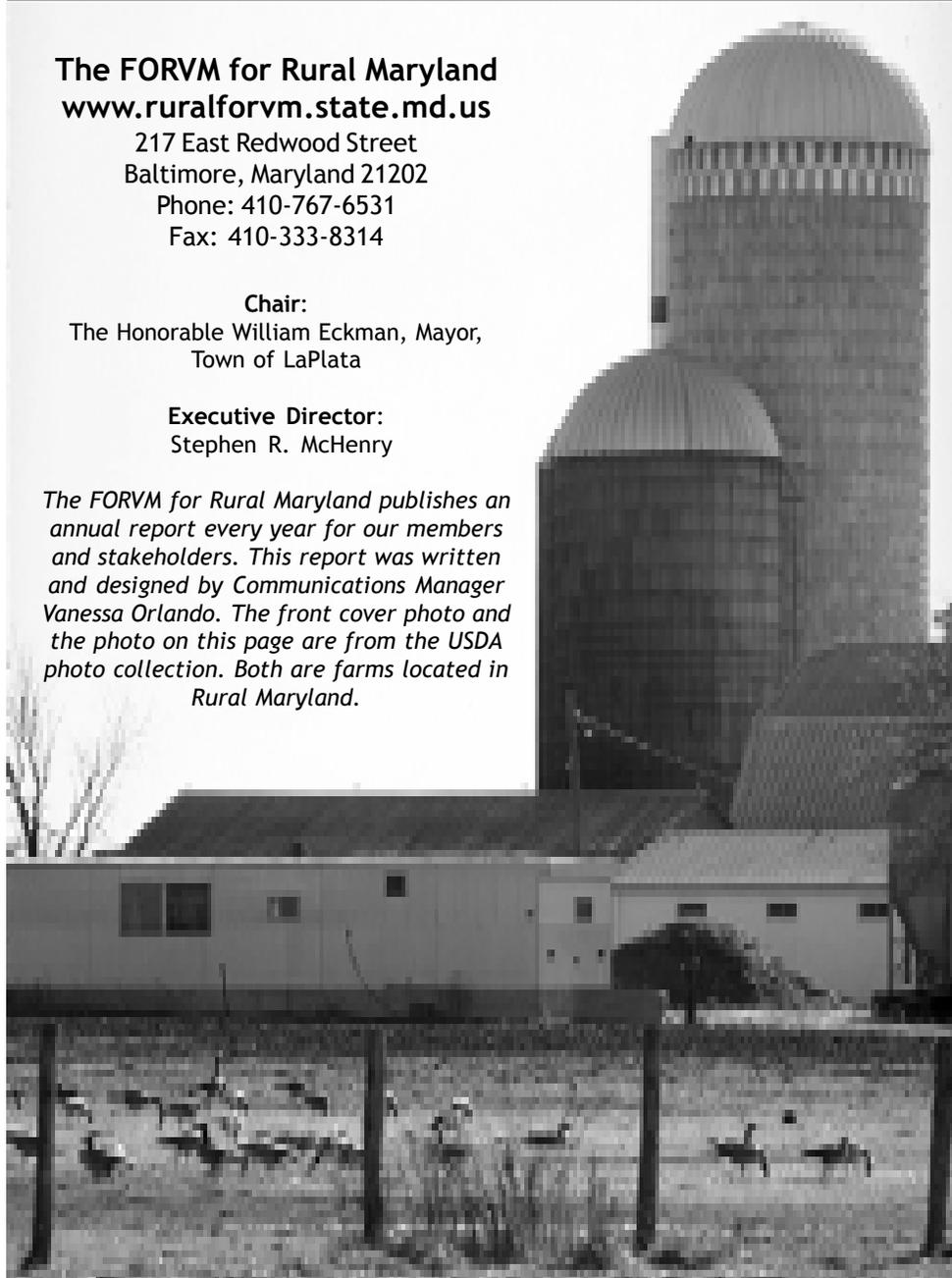


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About The FORVM for Rural Maryland

Why the "V"?

When the Roman Empire was the strongest civilization on Earth, The Forvm was its heart and soul -- the place where the Romans built their most important buildings and conducted their most important public business. It was a place of art and architecture, culture and commerce, political debate and policy shifts. The activities that took place within the Roman Forvm influenced the thinking of an Empire whose best moments remain influential even today.

We liked that. That's why the FORVM for Rural Maryland spells FORVM with a "V" and not a "U".

The FORVM: Dedicated to Serving Maryland's Rural Communities

The FORVM for Rural Maryland, the state's rural development council, is an independent state agency and the only state agency dedicated exclusively to addressing the concerns facing rural communities in a holistic manner.

With a full-time staff of just three people, the FORVM's activities are guided by a 36-member executive board and about 250 volunteer members, many of whom participate on our Working Committees. *(See pages 10-13.)*

Our goal is to bring people together from all segments of rural life to identify and address problems facing rural areas. We work closely with state and federal agencies, the Maryland General Assembly and local elected and appointed leaders, as well as nonprofit organizations, for-profit businesses and academic institutions, to develop policies and programs that have attainable and sustainable results. We provide a venue for our stakeholders to cross traditional boundaries, share information and, with one strong collective voice, address Rural Maryland's special needs. We are nonpartisan and nondiscriminatory and always work hard to make decisions by reaching consensus.

Financial resources are provided primarily by the state and various federal agencies through the National Rural Development Partnership, which is housed in the U.S. Department of Agriculture.

Our Goals

- Enable citizens in rural communities to achieve success in employment and have access to quality, affordable health care, and other services;
- Preserve agriculture and other natural resource-based industry as an integral part of Maryland's rural economy and culture;
- Advocate for a manageable regulatory process and reasonable and effective compliance; and
- Address the impact of changing conditions on the environment, heri-

tage and economic well-being of Rural Maryland.

Our Mission

The FORVM works to achieve effective solutions by:

- Providing a neutral sounding board for the development of State and federal policy affecting rural areas and the implementation of State and federal programs;
- Building a collaborative relationship with federal, State, county and municipal governments, and private for-profit and nonprofit organizations, to better serve the public in rural areas;
- Considering intergovernmental issues and opportunities shared by the rural regions of the State and enhancing local institutional capacity to consider those needs and priorities;
- Conducting policy research and analysis, and sharing ideas and information on innovative techniques for developing leadership;
- Promoting regional cooperation in order to achieve economies of scale in the delivery of public services in rural areas;
- Assisting rural communities in the development of a strategic vision which can mobilize available resources, restore commitment, and lay a foundation for future prosperity;
- Protecting and enhancing the natural resources and cultural heritage of Rural Maryland; and
- Advocating the priorities and needs of Maryland's rural communities where a consensus of opinion has been reached.

The FORVM for Rural Maryland is primarily a citizen-based agency and we welcome anyone interested in the quality of Rural life as a member. For a membership application, call: 410-767-6531 or visit us at: www.ruralforvm.state.md.us No membership fee is charged.



A Short Overview of the Rural Maryland Condition

Maryland's median family income is one of the highest in the nation at \$53,700. Our poverty rate is the lowest. We have the second highest number of doctors per 100,000 residents in the country, and we pay our teachers more than just five other states.

By any standard, Maryland, overall, is a wealthy, healthy state. Yet more than a million Maryland residents — more than a quarter of the state's population — live in the rural communities of the poverty-stricken Appalachian Mountains, the economically distressed communities of the Eastern Shore and the remote areas of Southern Maryland. Of the 14 jurisdictions in the state with median household incomes below the state average, 12 are rural. (The other two are Baltimore City and Baltimore County.)

The Story of Four Marylands

Prior to 1950, Maryland's rural economies were vital to the state's stability and economic prosperity, providing cash crops, minerals, timber and finished goods to a growing national marketplace. Half of all Maryland residents lived in rural counties, and Cumberland was the second largest city in the state.

Between 1950 and 1970, however, technological displacement, plant closures and changes in global markets resulted in chronic unemployment and economic decline in Rural Maryland. (Cumberland's population declined from 39,463 people in 1950 to just 21,518 today.) At the same time, service sector employment in federal government related industries grew, and bedroom communities appeared in concentric circles around Washington, D.C. and Balti-

more. Interstate highways and commuter mass transit appeared to support an increasingly suburban lifestyle.

Many rural communities, however, became isolated from these job markets and employment opportunities. These residents lived where they worked, but as jobs became scarce, their communities declined. Today, the demographic statistics indicate that four Marylands have emerged.

Household Median Income	
State Median: \$53,700	
Allegany	\$29,000
Baltimore City	\$34,500
Baltimore County	\$51,700
Caroline	\$35,800
Cecil	\$51,600
Dorchester	\$33,800
Garrett	\$31,300
Kent	\$42,000
Queen Anne	\$50,600
Somerset	\$31,800
Talbot	\$44,800
Washington	\$42,400
Wicomico	\$36,900
Worcester	\$32,200

Of Maryland's 24 jurisdictions, 14 have median household below the state average. Of those, 12 are rural communities. (Figures prepared by the Maryland Department of Planning, Oct. 2000.)

■ *One: Thriving Suburban Metro Counties*, which include Anne Arundel, Baltimore, Howard, Montgomery and Prince George's.

■ *Two: Economically Distressed Urban Cities*, which include Baltimore City and certain areas inside the Baltimore and Washington beltways.

■ *Three: Growing Suburban Fringe Rural Counties*, comprised of Calvert, Carroll, Charles, Frederick, Harford and Queen Anne's. These counties have a lot of residential development, but agriculture and resource-based industries are still important to the economy and culture. They also have reasonable access to health care and other vital services.

■ *Four: Economically Challenged Rural Counties*, such as Allegany, Garrett, Caroline, Dorchester, Somerset and Worcester, which are designated as "distressed" by the state because they consistently demonstrate unemployment rates exceeding 150 percent of the statewide average. These entrenched patterns of joblessness are in sharp contrast to the rest of Maryland's long booming economy. Less distressed rural counties include Cecil, Kent, St. Mary's, Talbot, Washington and Wicomico.

Rural Maryland An Overview



Total Maryland Population:
5,296,486

Total Rural Population:
1,260,096
or 24 % of Maryland. (Some rural counts include Harford County, which brings the rural total up to 1,478,686 or 28%)

Economically distressed rural counties: Allegany, Garrett, Caroline, Dorchester, Somerset & Worcester.

Somewhat Less Distressed Counties: Cecil, Kent, St. Mary's, Talbot, Washington & Wicomico.

Suburban Fringe Rural Counties: Calvert, Carroll, Charles, Frederick, Queen Anne's & Harford.

Source: 2000 Census



Rural Maryland

An Overview

One Maryland: A Vision for a Better Future Statewide

In 1998, Governor Parris Glendening established the Western Maryland Economic Development Task Force, which called for a multi-front initiative to stop the decline in rural Western Maryland. As a result, in 1999, House Speaker Casper Taylor, Jr. introduced his landmark One Maryland legislation, an attempt to eliminate, or at least vastly reduce, the disparities between the state's non-suburban and suburban communities. The One Maryland initiative called for coordinated community mobilization, special infrastructure investments and business incentives to assist distressed communities in rural and urban areas.

To build on Speaker Taylor's One Maryland vision, the Governor es-

tablished the Eastern Shore Economic Development Task Force following the 1999 legislative session, which brought almost 200 people together to work on myriad of issues. In 2000, the task force outlined six major recommendations.

1. Create two regional planning organizations on the Shore to improve business, economic, and community development;
2. Fund water and wastewater treatment system improvements to handle current and future needs;
3. Establish funding mechanisms, organize producer cooperatives, and promote production and marketing alternatives to enhance the sustainability of the agriculture and seafood industries.
4. Develop a high-speed fiber-optic network on the Eastern Shore to meet current and future needs;
5. Promote the development of an integrated regional public transportation system for the entire Eastern Shore;
6. Support local workforce investment board efforts to aid in motivating and training residents seeking to participate in the labor force.

Principles for Rural America

In September 2001, the USDA released Food and Agriculture Policy: Taking Stock for the New Century. In it, USDA Secretary Ann Veneman outlines her principles for Rural Communities

■ **Recognize the diversity of Rural America.** Opportunities and challenges facing rural America are as diverse as rural America itself. There is no single recipe for prosperity.

■ **Recognize that rural development policy is not synonymous with agricultural policy.** Traditional commodity support and farming-oriented development programs play an increasingly limited role in the improved well-being of rural Americans.

■ **Understand the importance of the non-farm economy in rural policy.** The non-farm economy anchors much of agriculture. Rural policy for the 21st century must recognize the increased importance of nonfarm jobs and income as the drivers of rural economic activity.

■ **Create an environment that will attract private investment.** Rural communities must adopt creative strategies to diversify the economy, attract new businesses, and sustain their successes.

■ **Emphasize the need for greater education and technical skills.** Today's youth, regardless of where they ultimately live and work, will need an unprecedented level of education and technical skills to succeed.

■ **Capitalize on the natural resource base.** Rural areas are well suited as sites for the development of renewable energy and more traditional fossil-fuel energy production.

■ **Protect lives and property in the wild-land-urban interface.** Rural citizens in rural communities near large areas of forested

land need assurance that their lives and property are safe from wild-fires.

■ **Expand infrastructure, community facilities, and technology.** Such improvements will help rural communities connect with the "new economy" and realize an enhanced quality of life. New information and communication technologies can help smaller communities enjoy the same benefits that once accrued solely to cities.

■ **Coordinate involvement of all stakeholders.** Rural community issues are often most effectively addressed at the local and state levels, but the federal government can provide an important coordinating role. A new look at the federal role in rural development activities, with the goal of streamlining programs, targeting resources, and improving program coordination, is needed.

Unemployment Rates

The unemployment rate in Maryland was 3.4 percent in 2000. Of the 11 areas with higher than average unemployment rates, all but Baltimore County and Baltimore City are rural communities and are shown in *italic type*.

County	2000 Avg
Montgomery	1.6%
Howard	1.7%
<i>Frederick</i>	2.0%
<i>Charles</i>	2.3%
<i>Calvert</i>	2.3%
<i>Carroll</i>	2.4%
Anne Arundel	2.5%
St. Mary's	2.6%
<i>Queen Anne's</i>	2.7%
<i>Talbot</i>	2.7%
<i>Washington</i>	2.7%
<i>Harford</i>	3.1%
Prince Georges	3.4%
State Average	3.4%
<i>Caroline</i>	3.5%
<i>Kent</i>	3.6%
Baltimore Co.	3.8%
<i>Wicomico</i>	4.3%
<i>Cecil</i>	4.9%
<i>Somerset</i>	6.5%
<i>Allegany</i>	6.8%
<i>Dorchester</i>	6.8%
Baltimore City	7.0%
<i>Garrett</i>	7.5%
<i>Worcester</i>	9.1%

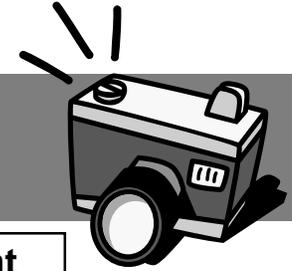
Source: Maryland Department of Business and Economic Development

Poverty in Rural Maryland

These poverty rates represent the Census Bureau's "best" estimate; however, the range provides both low and high estimates. Based on statistical modeling, the Census Bureau estimates with 90 percent confidence that the actual percentage of people in poverty falls within this range. The poverty rate is \$8,501 a year for one person; \$17,029 for a family of four. (Source: MD Budget & Tax Policy Institute.)

Jurisdiction	Poverty Rate	Range
Baltimore City	23.7%	(18.3 to 29.1)
<i>Somerset</i>	21.8%	(16.5 to 27.2)
<i>Allegany</i>	15.9%	(12.2 to 19.5)
<i>Garrett</i>	15.8%	(12.1 to 19.4)
<i>Dorchester</i>	15.5%	(12.0-19.1)
<i>Wicomico</i>	13.5%	(10.4 to16.6)
<i>Caroline</i>	12.8%	(9.8 to 15.7)
<i>Worcester</i>	11.9%	(9.2 to14.6)
<i>Kent</i>	10.7%	(8.1 to 13.2)
<i>Washington</i>	10.1%	(7.9 to 12.4)
<i>Talbot</i>	9.7%	(7.5 to 11.9)
State:	9.5%	(8.5 to 10.5)
Prince Geo.	9.3%	(7.2 to 11.3)
<i>Cecil</i>	9.0%	(6.9 to 11)
<i>St. Mary's</i>	8.8%	(6.7 to 10.8)
Baltimore Co.	7.6%	(5.9 to 9.3)
<i>Queen Anne's</i>	7.5%	(5.8 to 9.3)
<i>Charles</i>	7.4%	(5.6 to 9.1)
<i>Calvert</i>	6.6%	(5 to 8.2)
<i>Harford</i>	6.4%	(4.9 to 7.8)
<i>Frederick</i>	5.8%	(4.5 to 7.1)
Montgomery	5.6%	(4.3 to 6.8)
Anne Arundel	5.3%	(4.1 to 6.5)
<i>Carroll</i>	4.9%	(3.7 to 6.1)
Howard	4.4%	(3.4 to 5.4)

Snapshot: Rural Maryland



Educational Attainment

This table shows the percent of residents over age 25 who graduated high school or have a bachelor's degree. Source: Maryland DBED.

Jurisdiction	High School Graduate Or Higher	Bachelors Degree Or Higher
Statewide	85.7	32.3
<i>Allegany</i>	71.0	11.8
Anne Arundel	81.1	24.6
Baltimore City	60.7	15.5
Baltimore Co.	78.4	25.0
<i>Calvert</i>	79.3	17.6
<i>Caroline</i>	66.8	10.8
<i>Carroll</i>	78.5	19.6
<i>Cecil</i>	72.2	12.1
<i>Charles</i>	81.0	16.2
<i>Dorchester</i>	64.7	10.9
<i>Frederick</i>	80.4	22.0
<i>Garrett</i>	64.8	9.5
<i>Harford</i>	81.6	21.5
Howard	91.1	46.9
<i>Kent</i>	71.4	16.9
Montgomery	91.6	59.2
Prince Georges	83.2	25.5
<i>Queen Anne's</i>	76.8	19.9
<i>St. Mary's</i>	77.1	16.8
<i>Somerset</i>	61.2	9.6
<i>Talbot</i>	76.5	23.0
<i>Washington</i>	69.3	11.4
<i>Wicomico</i>	72.1	8.5
<i>Worcester</i>	70.8	14.8

"Maryland is fortunate to be among the states that have a healthy economic engine, based largely on the growth of the Federal government complex and related service sector business activity. Our ability, as a state, to apply this economic strength to the reversal of social decline among non-suburban Marylanders is among our major challenges for the century ahead."

- 1950-2000: *The Plight of Maryland's Distressed Jurisdictions, Barriers to One Maryland.*

Rural counties are shown in italics.



From the Chairman:
The Hon. William Eckman
Mayor, Town of LaPlata

Mayor Eckman is serving his second term as chair of the FORVM Executive Board. He has served 18 years as mayor of the Town of La Plata and 12 years as a council member. He has also served as president of the Maryland Municipal League and the Maryland Rural Water Association. He retired after 31 years with A. T. & T. Since retiring, he founded a fire protection consulting firm which takes advantage of his 25 years experience in the volunteer fire service.

It's not always easy to explain what The FORVM does exactly. We're different. Unique, even. Unlike most government agencies, we don't provide direct services to citizens. We don't deliver the mail or collect garbage or police the streets. Neither do we make laws or regulate industries. The FORVM, in fact, can't — and isn't designed — to accomplish anything by sitting isolated and alone in its offices in downtown Baltimore.

Instead, The FORVM proactively builds partnerships throughout the state. It is what we *must* do in order to achieve our mission, which is to identify problems and issues affecting rural communities and to develop policy and programmatic changes that address them.

We cannot mandate change, of course, but the Governor and General Assembly (which can mandate change) created us six years ago and clearly articulated its expectation that we would develop and recommend thoughtful, studied solutions to complex rural concerns. Even after we meet that expectation and research solutions, we must continue to rely on our partners in the State House and General Assembly, as well as many federal and local agencies, to work with us, to come to the table and help us amend, write and rewrite, and eventually adopt policies and make budget decisions that ultimately improve the quality of life in Rural Maryland.

About 75 percent of Maryland residents live in the corridor between Baltimore and Washington, D.C. These areas have the largest representation and the most resources in the state, and of course, they confront substantial issues affecting almost four million people. The FORVM was designed to make sure the other 25 percent — the other 1.4 million Marylanders who do not live in those urban and suburban counties — still maintain an effective voice in state government, still have a place to go to

The FORVM for Rural Maryland:

Speaking with a collective voice

have their concerns heard and considered.

Rural communities in the Appalachian Mountains of Western Maryland and the more remote counties on the Eastern Shore and Southern Maryland compete for human and financial resources along side some of the most affluent and best educated communities in the United States. Without the FORVM and its many partners, rural communities would be at a great risk of being lost in the crowd. By bringing together rural leaders from around the state, the FORVM is able to provide a collective voice for Rural Maryland, one with a certain amount of focus and clout it might not otherwise have. Rural Maryland's 18 counties, 100-plus municipalities and scores of unincorporated hamlets, indeed, have an agency that hears and represents their unique concerns.

In this Annual Report, you will read about the activities The FORVM was engaged in during the last year. Some efforts we initiated. Some we joined. All required teamwork and consensus building, and we are proud of them all. You will also read about the tremendous challenges that still face Rural Maryland. With a full-time staff of only three people, the FORVM relies on rural stakeholders throughout Maryland — from mayors to county commissioners, from farmers to doctors, from nonprofit advocates to private businesspeople — to join our Working Committees, brainstorm ideas and actively participate in identifying common problems and reaching a consensus on concrete, workable solutions to present to policymakers and lawmakers.

As you read through this report, I hope you will become interested not only in The FORVM, but in Rural Maryland. I hope, too, that you will remember that The FORVM's doors are always open to you. I invite you to join us and work with us, elbow to elbow, as we continue to make Rural Maryland a better place to live and work.

Joining together to improve Rural Maryland

The FORVM for Rural Maryland, as an independent state agency, is governed by a 36-member Executive Board. Members represent both regional areas of the state and specific rural-based organizations. Other members represent federal, state and local governments.

■ **Representing District 1** (Garrett, Allegany & Washington): Duane Yoder, President, Garrett County Community Action Committee

■ **Representing District 2** (Frederick and Carroll): Jack A. Gullo, Jr., Town of New Windsor

■ **Representing District 3** (Charles, Calvert and St. Mary's): William F. Eckman, Mayor, Town of La Plata (FORVM Chair)

■ **Representing District 4** (Cecil and Harford): R. Kevin Brooks, Executive Director, Maryland Rural Development Corporation

■ **Representing District 5** (Kent, Caroline, Queen Anne's and Talbot): Jack M. Canan, Housing and Community Development Coordinator, Kent County

■ **Representing District 6** (Dorchester, Wicomico, Worcester & Somerset): Don William Bradley, Mayor, Town of Hurlock

■ **Representing District 7** (Anne Arundel, Baltimore, Howard, Montgomery, and Prince George's): Robert Agee, Campbell Sand & Gravel

■ **Representing the State At-Large:** William Daniel Mayer, Charles County Commissioner

■ **Representing Nonprofit Organizations:** Deborah Povich, Director of Public Policy, Maryland Center for Community Development

■ **Representing For Profit Organizations:** Edmund R. "Ned" Cuman, Planning Consultant, Mason/Dixon Circuit Rider

■ **Representing Governor Parris N. Glendening:** Hagner R. Mister, Secretary, Maryland Department of Agriculture

■ **Selected by the Executive Board:** Lt. Gov. Kathleen Kennedy Townsend

■ **Representing the Maryland State Senate:**

The Honorable Thomas McLain Middleton

The Honorable Alexander X. Mooney

The Honorable J. Lowell Stoltzfus

■ **Representing the Maryland House of Delegates:**

The Honorable K. Bennett Bozman

The Honorable Louise V. Snodgrass

The Honorable John F. Wood, Jr.

■ **Representing the Maryland Municipal League:**

Henry C. Heine, Jr., Mayor, City of Taneytown; and Linda Chelton, Town Administrator, Town of Berlin

■ **Representing the Maryland Association of Counties:** Frederick Holliday, Garrett County Commissioner; and Phyllis E. Kilby, Cecil County Commissioner

■ **Representing the Maryland Rural Health Association:** Marita A. Novicky, private citizen

■ **Representing the Maryland Farm Bureau, Inc.:** Valerie T. Connelly, Director, Government Relations, (FORVM First Vice-Chair)

■ **Representing the Maryland Association of Community Action Agencies:** Michael Spurrier, Director, Frederick Community Action Agency

Some of the Leaders: The FORVM for Rural Maryland's Executive Board

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The FORVM coordinates the work of several working committees and maintains a membership of 250 people. Membership and committee participation is free and open to any Maryland resident interested in rural issues.



From the Executive Director
Stephen R. McHenry

Mr. McHenry has been with the FORVM since 1998. He currently chairs the Microenterprise Council of Maryland, which was created by the FORVM and several other entities interested in promoting community economic development. He also serves as vice chair of the Partners for Rural America, a national non-profit organization dedicated to supporting collaborative rural development efforts. He is a lifelong Marylander.

As this organization grows and becomes more well known in rural communities, our workload increases and so too does our effectiveness. In the last year, we were involved in several initiatives that we believe will be critical to the long-term sustainability of many rural communities. For instance:

The General Assembly created two regional development councils on the Eastern Shore during the 2001 legislative session. The FORVM strongly supported the creation of these councils, which will make the Eastern Shore eligible for significant federal and other funding. We worked with the Eastern Shore Delegation, the Department of Business and Economic Development and other stakeholders to develop the necessary legislation. We remain committed to assisting these councils as they get organized, and we stand ready to work with them as they begin their very important work. Thanks go to Delegate Charles McClenahan and Delegate Norman Conway who spearheaded the effort to create these councils. Thanks also go to Department of Business and Economic Development Secretary David Iannucci and his staff for their assistance with these efforts.

The Resource-Based Industry Task Force, created by the General Assembly in 2000 as a result of work done by the FORVM's Working Committee on Agriculture and Natural Resources, studied the feasibility of creating a central financ-

Focusing on improving the vitality of Maryland's rural communities

ing authority for resource-based industries, which are the backbone of Maryland's rural economies. The Legislature extended the task force through January 2002 as it takes on the daunting task of outlining recommendations for the creation of such an authority. The FORVM has been pleased to provide technical assistance to this task force. Special thanks go to Co-Chairs Sen. Mac Middleton and Delegate Charles McClenahan for leading this effort and to all the members of the Task Force for taking on this important work.

Although the law creating **The Maryland Agricultural Educational and Rural Development Assistance Fund Act** passed in 2000, the first 18 grants, totaling almost \$350,000, were distributed in the Spring of 2001. This fund was created especially for rural-serving nonprofit organizations. During FY 2002, the Governor and General Assembly allocated \$422,000 to the fund. The FORVM strongly supported the creation and ongoing funding of this endeavor, and we are pleased to continue coordinating the application and selection process. Thanks also goes to our partners with the Department of Business and Economic Development, the Department of Agriculture, and the Department of Natural Resources which help select and administer the grants.

The FORVM coordinates the work of **four Working Committees**, and I am pleased to report that each committee was active during the last year. Several dozen people from throughout the state joined our committees and began identi-

fying issues and tackling important projects. All intend to continue their work in the year ahead. (Please see pages 8 to 11.) The FORVM intends to establish more working committees as resources become available.

We also hosted the annual **Maryland Rural Summit** with the Maryland Rural Health Association and the state Department of Health and Mental Hygiene Office of Primary Care and Rural Health in Solomons during October 2000. This statewide Summit is the only time during the year when rural leaders meet to discuss common issues in an interdisciplinary way. We will host the Summit again in 2001 in Rocky Gap.

In addition to all these projects, The FORVM also worked diligently during the year to improve the way we communicate with our stakeholders. We redesigned our website (www.ruralforvm.state.md.us) and are now able to update it from our office whenever we need to. We also began publishing a quarterly newsletter for the first time this year. We are proud of these efforts, but we both invite and urge you to let us know how we can communicate with you better.

As more and more needs in our rural communities become apparent, the more we try to find new and innovative ways to address them. To do that, we need your help. We invite you to join us, participate on our committees, attend our Summit and partner with us to ensure the long-term sustainability of rural communities throughout Maryland.

Helping develop new programs that address rural concerns

Microenterprise Council of Maryland comes into its own

The Microenterprise Council of Maryland (MCM) began as a FORVM working committee three years ago and during the last year became a separate nonprofit organization. The FORVM, however, maintains a leadership role on the MCM Board and helped the MCM organize its first Annual Meeting, which was held in December 2000 and drew almost 100 people.

The Annual Meeting featured a keynote address by Lt. Gov. Kathleen Kennedy Townsend, who was instrumental in obtaining start-up and maintenance funding for the council.

Grant program helps rural nonprofits obtain new funds

After several rural-serving nonprofit groups expressed frustration that they were unable to access the necessary resources to address various challenges. The FORVM initiated legislation during the 2000 legislative session that created the Maryland Agricultural Education and Rural Development Assistance Fund, a grant fund exclusively for rural-serving nonprofit organizations which promote statewide and regional planning, economic and community development, and agricultural/forestry education, as well as for community colleges that support small, natural resource based businesses through enhanced training and technical assistance offered by the Advanced Technology Centers.

During FY 2001, the FORVM and three of its partners -- the Department of Business and

cil. The MCM, held its first semiannual membership meeting at Frederick Community College in June 2001, which also drew a large audience and featured workshops, presentations and grant announcements.

The FORVM helped staff the MCM during its first year; however, the council recently hired its first permanent executive director. The FORVM will continue to support the council's efforts to promote very small business development throughout the state and we remain committed to supporting entrepreneurial activity.

Economic Development, the Department of Natural Resources and the Department of Agriculture -- recommended 18 rural-serving nonprofit organizations receive \$349,000 in grants. The Board of Public Works approved all these selections.

The MAE&RDA Fund provides rural nonprofits with an important source of state funding not only to assist their work but to assist them in leveraging non-state sources of funding. The Governor and General Assembly allocated \$422,000 for the MAE&RDA Fund in FY 2002.

2001 MAE&RDA Fund Grantees were: the Maryland Agricultural Education Foundation, LEAD Maryland, Maryland Association of Soil Conservation Districts, The Chesapeake Fields Institute, Future Harvest - CASA, Maryland Organic Food & Farming Association, Maryland Rural Development Corporation, Maryland Rural Water Association, Tri-County Council for Western Maryland, Maryland Rural Health Association, Maryland Center for Community Development, Maryland Forests Association, Maryland Eastern Shore RC&D Council, Carroll Community College - Agriculture ATC, Garrett Community College - Alternative Agriculture ATC, and Delmarva Advisory Council/Delmarva Agribusiness Council

2001

Year in Review

Microenterprise Council wins \$230,000 grant

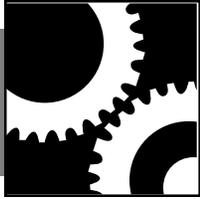
The Microenterprise Council of Maryland, little more than a year old, won a grant of almost \$230,000 from the Small Business Administration in late summer to assist disadvantaged entrepreneurs.

The MCM will use the grant to establish an e-micro-maryland digital portal site that will link the state's entire microenterprise development field. The site will feature communication interfaces, community networking, resource sharing, mentoring, education and outreach, participant referrals, training and technical assistance, and linkages with electronic storefronts.

MCM will also use the grant to increase outreach and training assistance, conduct a public education campaign, establish a microenterprise training academy for existing and emerging microenterprise development organizations, and increase capacities by sub granting funds to qualified MDO's.



Lt. Gov. Kathleen Kennedy Townsend was the keynote speaker at the First Annual Meeting of the Microenterprise Council of Maryland in December 2001.



FORVM Working Committees

Working Committees finding Working Solutions

To address a plethora of public policy issues, the FORVM Executive Board formed Working Committees, made up of interested rural citizens and officials from affected government agencies, advocacy groups and academia. These problem-addressing committees meet as often as necessary to brainstorm, exchange ideas and information, and then provide policymakers with suggestions and recommended positions on issues that impact Rural Maryland. Those

recommendations are not the good ideas of one person or one group acting alone. These are the thoughtful solutions crafted by leaders and citizens from throughout the state who are working to solve difficult problems.

Working Committees are nonpartisan, neutral forums where decisions are generally made by consensus. Below is an update of what FORVM Committees accomplished in the last year.



Agriculture & Natural Resources Working Committee

Contact: Steve McHenry, Executive Director, FORVM for Rural Maryland. **Members represent:** Association of Forest Industries; FutureHarvest; Howard County Economic Development Authority; Maryland Department of Agriculture; Maryland Ag Education Foundation; Maryland Aggregates Association; Maryland Agro-Ecology Center; Maryland Cooperative Extension; Ag Industry consultants; Maryland Energy Administration; Maryland Farm Bureau; Maryland Forest Service; the Maryland Food Center Authority; Maryland Grain Producers Association; MaryPIRG; Maryland State Grange, Resource Conservation and Development Councils; St. Mary's County Department of Economic Development; Queen Anne's County Department of Business and Tourism; and various elected officials.

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The Sustainability of Maryland's Rural Industries

The committee focused much of its attention on the sustainability

of agriculture, forestry and other resource-based industries, which are the backbone of regional economies in Western and Southern Maryland and the Eastern Shore. These industries face difficulties in adapting to economic, technological and regulatory changes and obtaining capital investment and technical assistance that would help them engage in cutting-edge, sustainable business activities. The number of family farms and other resource-based operations has declined precipitously in recent years. As a consequence, Maryland is not only losing an important component of the rural economic base but is seeing its land resources (farm and forest land) gobbled up by development. Farm and timber operation viability is a critical link in the state's ongoing effort to preserve Maryland's open spaces. Governments have not always recognized the economic impact of resource-based industries, and related economic development efforts have been fractured at best. However, that seems to be changing.

The Maryland Economic Development Commission recently paired the forest industry together with agriculture as an official "strategic industry." In addition, the Resource Based Industry Task Force, chaired by Senator Mac Middleton and Delegate Charles McClenahan, in its interim report, recommended that all county economic development plans include these industries. The FORVM's Working Committee is forming a subcommittee, consisting primarily of



Continued from previous page

state and county economic development officials, to promote this aim and undertake related activities.

The Resource Based Industry Task Force is also developing a program that would make the Maryland Food Center Authority (MFCA) responsible for providing both gap financing (i.e., loans under \$250,000) and relevant training and technical assistance to help rural businesses adjust to changing market conditions and undertake “value-added” business planning and production.

Under this program, the MFCA would work in partnership with other state agencies including Department of Business and Economic Development, Department of Natural Resources, Department of Agriculture and Maryland Cooperative Extension. The FORVM is coordinating the work of the Task Force’s interagency work group.

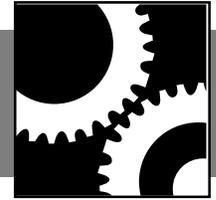
Agribusiness Development

The committee also continued to work on the development of a statewide Agribusiness Incubator program that would ultimately bring business training, technical assistance and commercial processing facilities to farmers and others living in rural communities. The program would have a “hub and spoke” service delivery arrangement, with the “hub” located at the Maryland Food Center Authority in Jessup and the “spokes” made up of stationary and mobile processing and training facilities sited throughout the state.

The committee has also been interested in expanding the use of renewable energy fuels from biomass products, such as corn, barley, switchgrass and various wood by-products.

Ethanol — especially an “E85” blend of ethanol and gasoline — holds particular promise as an alternative fuel because several makes of automobiles now in production can use it. In order to help establish a market for E85 and other renewable fuels, Governor Glendening issued an Executive Order last Spring that requires state-owned vehicles to use alternative fuels up to 50 percent of the time. In addition, the Maryland Grain Producers Association recently received a \$300,000 federal grant to help install E85 pumping facilities at 10 Maryland service stations. The MGPA is also working on constructing an ethanol processing facility in Maryland for corn and barley products.

FORVM Working Committees



Infrastructure Working Committee

Chair: William Don Bradley, Mayor, Town of Hurlock. **Members represent:** Maryland Department of Business and Economic Development; the Maryland Environmental Service; Maryland Center for Environmental Training; Maryland Rural Development Corporation; Maryland Rural Water Association; Rural Community Assistance Program; Town of Berlin; Town of Poolesville; Town of LaPlata; Town of Greensboro; U.S. Department of Agriculture Rural Development; Somerset Country Sanitary District; Southeast Rural Community Assistance Program, Inc.-SERCAP; and several elected officials.

After discussing what infrastructure issues are most important to rural communities and which ones the committee could tackle in a meaningful fashion, the committee decided to focus on the inflow and infiltration problem of aging sewerage systems in many small rural cities and towns. The Maryland Department of the Environment, under order from the U.S. Environmental Protection Agency, has begun fining some small communities \$1,000 per day for violations they have no financial wherewithal to correct.

The committee decided to establish a Sewerage System Technical Study Subcommittee to study the inflow and infiltration problem in Rural Maryland; however, members learned that the Governor had recently established a statewide task force to study sewage facility upgrades needs throughout the State. (FORVM Board Member Jay Gullo, who is also on the Town Council of New Windsor, is a member of that task force.) The subcommittee will closely follow the state task force to ensure that the rural perspective is included in its deliberations. Some estimates of the cost to adequately maintain or upgrade sewage facilities in Maryland exceed \$5 billion.



FORVM
Accepts
National Rural
Impact Award

The National Rural Development Partnership presented the FORVM with a Rural Impact Award for its work in helping to establish the Microenterprise Council of Maryland and the Maryland Agricultural Education & Rural Development Assistance Fund Act. The award was presented in Washington, D.C. last April



FORVM Working Committees

H^ealth Care Working Committee



***Chair:** Michael Spurrier, Director, Frederick Community Action Agency **Members represent:** Maryland Academy of Family Physicians; Delmarva Foundation for Health Care; Mid-Atlantic Association of Community Health Clinics; Maryland Department of Health and Mental Hygiene; Western Maryland RC&D Council; Talbot County Health Department; Johns Hopkins University; Greater Baden Medical Services; University of Maryland School of Medicine; Calvert Memorial Hospital; Health Facilities Association of Maryland; Frederick Community Action; Queen Anne's*

County Health Department; and several state and federal elected officials and/or their representatives.

The Health Care Working Committee, meeting in the City of Frederick early in the summer of 2001, identified two issue areas that members wanted to work on in the year ahead.

First: In many small communities, the lack of available transportation is a major barrier to quality health care. People who can't get to their

doctor's office often can't get medical help. Because inadequate or poor transportation services have a widespread impact on rural life that stretches beyond health care, the committee agreed to form a Subcommittee on Transportation, which will: (1) Analyze the problem and try to develop a good working model that streamlines transportation services in rural communities (like those in Garrett County and planned for the Lower Shore); and (2) Investigate whether money from Blue Cross (if it goes private) could be used to fund transportation studies or programs. Implementing an integrated transportation service in rural communities will be the subject of a plenary session at the 2001 Maryland Rural Summit.

Second: The Cigarette Restitution Fund, which provides money for cancer screening and tobacco awareness programs, distributes money to counties according to a formula, based on population. As a result, rural counties receive very small allocations, which fluctuate each year. Some rural county health officials suggested a working group or subcommittee be formed to develop a baseline funding formula that is not related to population, and which takes cancer rates into consideration, and present it to the Governor and Rural Delegations of the General Assembly for consideration. (It is believed that some rural counties have higher cancer rates than urban counties but receive less money from the fund.) The subcommittee will: (1) Develop a baseline funding formula for rural areas *not* based solely on population but one that takes cancer rates and other needs into account; and (2) Determine how reasonable stability in funding can be achieved.

H^ousing & Community Development Working Committee

***Chair:** Duane Yoder, Director, Garrett County Action Agency. **Members Represent:** Allegany County Department of Community Services; Interfaith Housing of Western Maryland; Kent County Housing & Community Development; Maryland Center for Community Development; Queen Anne's County Department of Housing and Community Services; St. Mary's County Housing Authority; Southern Maryland Tri-County Community Action Committee; and U.S. Department of Agriculture-Rural Development.*



During the Committee's inaugural meeting (October 2000), participants discussed issues that affected housing and community development in their communities. After that meeting, Committee Chair Duane Yoder sent out a survey with a list of those issues and asked committee members to prioritize them.

The biggest issue identified was the state's interpretation and application of some Smart Growth policies in rural areas. During the last year, the Maryland Department of Housing and Community Development (DHCD) began interpreting Smart Growth regulations in such a way as to prohibit grants or loans from being awarded for low-income residents to purchase or rehabilitate existing single-family houses in rural communities because they were considered "growth related" projects under the Priority Funding Area (PFA) regulations and thus ineligible for funding. (To limit suburban sprawl and protect open spaces, only growth-related projects in "priority funding areas" can receive state dollars. Many rural communities and existing homesites are located outside PFAs.)

A subcommittee was formed to work collaboratively with DHCD and members of the General Assembly to identify programs that could be used without adversely affecting the good intentions of the PFA law. This subcommittee identified 16 different programs. DHCD Secretary Ray Skinner then altered regulations and opened those programs up to rural housing organizations. Legislation was also enacted that clarified how federal funds may be used.

A second issue that FORVM members identified last November was administration of the federal HOME program.

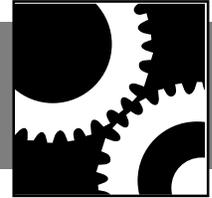
HOME was originally designed as a block grant program in which entitlement communities (i.e., larger communities) developed their own plans for the money while the state accepted and administered money on behalf

Percent of children living in poverty in rural counties

Somerset:	29.1%
Allegany:	24.2%
Dorchester:	25.3%
Garrett:	24.2%
Wicomico:	21.6%
Worcester:	21.8%
Caroline:	20.4%
Washington:	15.7%
Kent:	17.1%
Talbot:	16.7%
St. Mary's:	13.2%
Cecil:	14.2%
Charles:	12.2%
Queen Anne's:	11.3%
Calvert:	10.4%
Harford:	9.6%
Frederick:	8.6%
Carroll:	7.2%

Source: U.S. Bureau of the Census & Maryland Budget & Policy Institute.

FORVM Working Committees



of smaller jurisdictions. As a result, the state has controlled how federal money allocated to smaller communities is spent, with limited input from rural housing leaders. At the end of the year, the committee and DHCD staff had begun discussions on how to create a more effective input process for rural housing staffs.

The committee also expressed support for capital loan revolving funds, which are not currently allowed under Maryland law but are allowed in 48 other states. Under such a program, the money paid back to the state from homeowners who received loan assistance would stay in the community by going into a local revolving fund. The committee intends to work on this and other issues in the coming year.



Median Home Values in Maryland

Montgomery	\$179,900	St. Mary's	\$135,000	Kent:	\$96,000
Howard:	\$170,340	Harford:	\$130,350	Wicomico	\$92,200
Calvert:	\$152,250	Talbot:	\$130,000	Caroline:	\$92,000
Carroll:	\$150,000	Prince George's:	\$129,900	Dorchester:	\$78,000
Charles:	\$149,900	Cecil:	\$119,750	Garrett	\$71,950
Anne Arundel:	\$144,000	Baltimore Co.	\$117,000	Somerset:	\$64,950
Queen Anne's:	\$143,000	Washington:	\$106,338	Baltimore City:	\$61,900
Frederick:	\$141,923	Worcester:	\$97,000	Allegany:	\$58,000

Source: One Maryland: Plight of Distressed Counties, 1950-2000

Third Annual 2000 Rural Summit

Third Annual Rural Summit Solomons, October 2000



(left to right)
Delegate Samuel
Linton, Delegate John
Wood, House Speaker
Casper Taylor,
Delegate Louise
Snodgrass and
Senator Mac
Middleton participate
in the FORVM's Rural
Town Hall Meeting,
held during the
Annual Summit.

Here's a brief look at the activities and workshops conducted at the 2000 Maryland Rural Summit.

Wednesday, October 25, 2000

- **Special Joint Meeting of the FORVM Executive Board and Ag & Natural Resources Working Committee.** Speaker: Dr. Robert Chase on the University of Maryland's major economic study of the State's agricultural industry.

- **Meetings of the FORVM Working Committee on Housing and Community Development and Working Committee on Infrastructure.**

- **Legislative Round Up** (Plenary Ses-

sion). Legislators representing rural districts field questions in an open forum.

Thursday, October 25, 2000

- **Digital Economy & Digital Divide: The Impact on Rural America** Speakers: Dr. Philip Singerman, Executive Director, Maryland Technology Development Corporation; and Preston Dillard, Deputy Chief Information Office, Department of Management and Budget.

- **Statewide Rural Town Meeting** with The Honorable Casper R. Taylor Jr., Speaker of the Maryland House of Delegates.

- **Rural Awards Luncheon.**

- **Mobile Workshop: Traces of Maryland History and Changes in Agriculture and Economy.** Tour of Jefferson Patterson Park and Academy of Natural Sciences. Speakers: Phil Gottwals, Consultant, on the Southern Maryland Tobacco Fund and Crop Conversion Program; Jim Shepherd, Business Development Officer of Calvert County.

- **Maryland Health Improvement Plan**

- **HIV/AIDS in Rural Maryland**

- **Rural Leaders Dinner.** James Macgill, Deputy Secretary, Department of Aging, spoke on the challenges of serving elderly rural citizens.

Friday, October 27, 2000

- **Volunteerism Can be Alive and Well in Rural Maryland.** Speaker: Cole McMahon, Governor's Office on Service and Volunteerism.

- **How Electric Utility Industry Restructuring is Playing Out in Rural Maryland.** Speaker: Paula Carmody, Attorney, Office of People's Counsel.

- **FORVM for Rural Maryland Annual Meeting**

2000 Rural Award Winners	Outstanding Rural Economic Development Achievement: Howard County Economic Development Authority	Outstanding Rural Health Practitioner: Ila V. Shah, M.D., St. Mary's County
	Outstanding Rural Community Development Program: Christmas in April, St. Mary's County (tie)	Outstanding Rural Health Program: St. Mary's County Health Department Dental Care Program
	Outstanding Rural Community Development Program: Garrett County Community Action Committee (tie)	Outstanding Rural Health Achievement: Frederick County Health Department Mental Health Program
		Outstanding Legislator of the Year: Senator Mac Middleton

Summit Offered Mobile Workshop

This year, for the first time, the Rural Summit offered a Mobile Workshop, which included a tour of Jefferson-Patterson Park and the Academy of Natural Sciences in Calvert County, as well as guest speakers on the buses to and from all destinations. The Mobile workshop allowed participants to get out of the classroom setting and see, firsthand, how projects being conducted at the park and Academy are operating. (Top) Mobile Workshop participants take a photo op; (right) Phil Gotwahls, an ag industry consultant, gives a presentation on the bus to the park.



Sharing . . .

FORVM Board Member Jack Canan, Kent County Housing & Community Development Coordinator, (right) and Bill Walker of the Appalachian Regional Commission exchange information.

Solomons Island, Maryland: 2000 Rural Summit

Networking

Retired USDA-Rural Development State Director Jack Walls (right) talks with Calvert County Commissioner Bobby Swann.



Rural Leaders Reception

The Rural Leader's Reception, which was held at the Calvert Marine Museum, gave rural leaders from throughout the state a chance to talk, network and exchange ideas on the many issues that affect them while nibbling on local culinary delicacies.

(Delegate Samuel "Buddy" Linton, and NRDP Truman Fellow Leslie Medema share a laugh during the Leadership Reception.)



FORVM

Publications & Website

Spreading the word in Rural Maryland

During the last year, The FORVM created or improved several communication vehicles that helped raise our profile and better inform our rural stakeholders.

Redesigned! FORVM website

In January 2001, we went online with a completely redesigned website. We not only gave our worldwide presence a new professional look and easier navigation, we also brought the FORVM site into the office where we can update it as often as necessary. Our web statistics tell us that 169 percent more individual users visited our site during the first nine months of the calendar year than the same time period last year. We hope to improve those numbers next year. For the latest information on FORVM events and committee meetings, come see us on the web at www.ruralforvm.state.md.us

Redesigned! Annual Report

The FORVM has published an annual report every year since 1998. This year, we continue to grow with a new design, a new format and a new way of looking at our past.

Redesigned! 2001 Board Directory

This year, we updated our Board and Staff Directory and redesigned it into a small pocket directory, easy to carry in a briefcase or folder. The directory contains biographies of each board member and staff person as well as an overview of the FORVM. For a copy, call us at: 410-767-6531.

New! The FORVM Newsletter

For the first time, the FORVM has begun publishing a newsletter, distributed both on paper and electronically through the web. This quarterly publication gives us a chance to touch base with our stakeholders. All issues are available on our website in a PDF format.



New! Information Brochure

Next time you see us at a conference or outreach event, you'll also see our new agency brochure which gives readers an overview of the FORVM and our working committees.

New! Ancillary Publications

The FORVM helped create the Microenterprise Council of Maryland (see page 9) and continues to help the new organization get started by providing communication services. In the last year, the FORVM produced the MCM's major marketing piece and the publications needed for its first annual meeting.



Our website and all of our recent publications are available in PDF formats. See:
www.ruralforvm.state.md.us

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