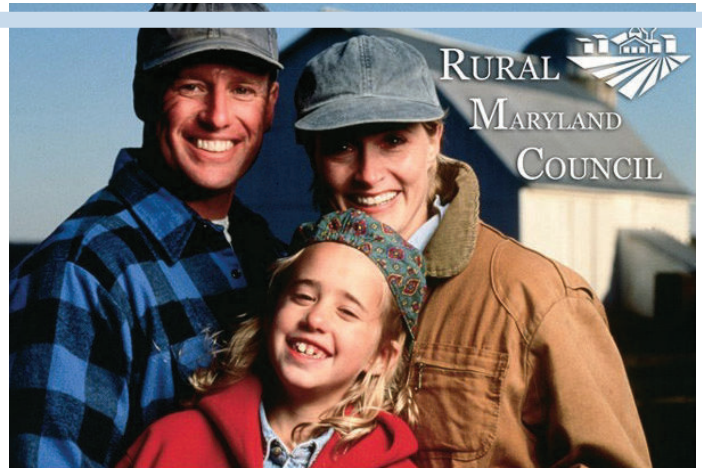


About the Rural Maryland Council

The Rural Maryland Council (RMC) is an independent state agency that brings together federal, state, county and municipal government officials, representatives of the for-profit and non-profit sectors, and interested citizens to identify and address the unique needs of Rural Maryland. As a collaborative partnership, the RMC is nonpartisan and nondiscriminatory and also functions as the State Rural Development Council under the National Rural Development Partnership.



Our Vision: By the Year 2020, Marylanders living in rural communities are achieving success in education and employment, have access to quality and affordable health care and other vital services, enjoy an environment where civic and business entrepreneurship thrives, and where natural and cultural resources are being sustained for future generations.

New Leadership, New Directions

During FY 2007, the Rural Maryland Council welcomed new leadership with a new Board Chairman, a new executive director, and a new strategic plan to guide the agency through the next few years.

Chairman **Charlie Ross**, the president and CEO of the Garrett County Chamber of Commerce, took the reigns of the 40-member Executive Board in January 2007 and led the effort to develop a strategic plan for the year ahead.



The Rural Maryland Council Executive Board Board at work, September 2006

David M. Jenkins, the former executive director of the Tri-County Council for Southern Maryland, joined the RMC in June 2007 as its third executive director.

RMC welcomed several new board members during FY 2007 (see reverse). In addition, we extend deep thanks to our departing Board members for their service to the Council and their continued commitment to Rural Maryland: **William Eckman**, former mayor of LaPlata; **Earl “Buddy” Hance**, former president of the Maryland Farm Bureau and current Deputy Secretary of Agriculture; **Annie Kronk**, retired, Johns Hopkins University; **Ginger Murphy**, USDA; **John Venitta**, Maryland Association of Public Library Administrators; and **Duane Yoder**, president, Garrett County Community Action Agency.

A Message from the Chairman: Charlie Ross Meeting the Needs of Tomorrow Today



For more than a decade now, it has been our goal at the Rural Maryland Council to be the collective voice of Maryland's 1.6 million rural residents. Despite the variety and diversity of rural Maryland -- from the Coastal Bays of the Lower Shore to my own Mountain Maryland, we have worked hard to bring various interests together to find those areas of common ground which are most important to our collective futures.

From that on-going effort has come the Rural Prosperity Investment Initiative, a 15-year strategy to bring rural Maryland's standards of living up to statewide averages by 2020. One of the most critical areas where we lag behind is in achieving adequate access to quality and affordable health care. As president and CEO of the Garrett County Chamber of Commerce, I know the direct relationship a good health care system and a healthy work force has to maintaining and growing a community's economic base.

Last year, the RMC Board conducted a strategic planning process in which we identified our most important priorities. Not surprisingly, improved access to health care emerged as rural Maryland's biggest deficiency, and the Rural Maryland Prosperity Initiative was identified as our best strategy for addressing this terrible need.

And yet, I am willing to bet that many rural leaders have never heard of Rural Prosperity. Over the next year, we are committed to changing that. The RMC staff and I stand ready to visit with your governing bodies, introduce this long-term strategy to you, and explain how it can directly help your individual communities, your regions and our state.

The next couple years are going to be difficult and tumultuous ones for all Marylanders. It is our mission and our promise to do all that we can to ensure that the Collective Voice of Rural Maryland is strong and clear.

We look forward to meeting with you in the year ahead.

A Message from the Executive Director: David M. Jenkins Rural Prosperity: A Call for Cooperative Ventures



While new to the Executive Director's position, I was a RMC Board member during my time with the Tri-County Council for Southern Maryland, so I know many of the Board members and many other rural stakeholders. After initial meetings with our stakeholders around the state, I have a much better appreciation not only for the breadth of issues facing Rural Maryland, but also the vibrancy and collaborative process needed to improve the quality of life.

As we finish another successful year, the State budget deficit and how to fix it will dominate the 2008 General Assembly session. The impact has already been felt with cuts to our FY 2007 and FY 2008 budgets. The RMC Board has developed a Strategic Plan and identified funding for the Rural Prosperity Investment Fund and rural health expertise as our top priorities. This plan will support our work with the Rural Caucus, other legislative leaders and rural stakeholders to advance these priorities as the FY 2009 budget is developed this fall, culminating with the 2008 General Assembly session. We have and will continue to conduct an education and outreach program about the importance of the Rural Prosperity Investment Initiative Fund and the direct relationship to improving the quality of life for Rural Maryland, as measured by the Rural Progress Index (RPI), which you will be hearing about more in the coming months.

I look forward to working on a nonpartisan basis with our partners -- the Rural Caucus, state agency officials, regional and local government officials and private sector leaders to advance the needs of Rural Maryland.

2007 Executive Board

- **Chairman:** Charlie Ross, president/CEO, Garrett County Chamber of Commerce
- **Vice Chair:** Michael Pennington, executive director, Tri-County Council of the Lower Eastern Shore
- **Second Vice Chair:** Bonnie Braun, Department of Family Sciences, University of Maryland, School of Public Health
- **Immediate Past President:** Phyllis Kilby, Kilby's, Inc.

Members:

- Robert Agee, city administrator, Annapolis
- Linda Bambarly, administrative director, Town of Berlin
- Sam Boston, Somerset County Commissioner
- Don William Bradley, mayor, Hurlock
- Kevin Brooks, executive director, Maryland Rural Development Corp.
- Wayne Clark, executive director, Tri-County Council for Southern MD
- Ned Cueman, circuit rider
- John Dillman, executive director, Upper Shore Regional Council
- Marlene Elliott, state director for DE/MD, USDA-Rural Development
- Rodney Glotfelty, Garrett County Health Officer
- Timothy Hann, coordinator, Western Maryland RC&D Council
- Robert Hutcheson, Allegany County Commissioner
- Carroll Jones, mayor, Brunswick
- Dave Jordan, executive director, Washington County Community Action Council
- William Kilby, Kilby's, Inc.
- Rebecca Love, policy analyst, DHMH
- William "Danny" Mayer, at large
- Leanne Mazer, executive director, Tri-County Council for Western MD
- Thomas McLoughlin, MD Rural Health Association
- Patrick McMillan, Assistant Secretary, MD Department of Agriculture
- Stanley T. Ruchlewicz, president, MD Downtown Development Association
- Jack Russell, president, St. Mary's County Commissioners
- Scott Warner, executive director, Mid-Shore Regional Council
- Jeremy West, coordinator, Southern MD RC&D Council
- Dave Wilson, coordinator, Eastern Shore RC&D Council
- Emily Wilson, government relations director, MD Department of Natural Resource

In late 2006, the Rural Maryland Council Board underwent a lengthy and intense strategic planning process in which it assessed its strengths and opportunities as well as the needs of rural Maryland. From that, it outlined a strategic direction for the agency to follow over the next few years. Highlights of that effort are included here.

New Directions - From Agriculture Toward Better Rural Health

During the last several years, the Rural Maryland Council focused most of its efforts on advancing agriculture and natural resource based industries. Working with the Governor and General Assembly, as well as several other organizations, the RMC successfully created a spin-off organization: the Maryland Agricultural and Resource-Based Industry Development Corporation. MARBIDCO's primary mission is to provide financial and business development assistance to agriculture, forestry, seafood and recreation-based businesses so that they can become profitable and sustainable.



MARBIDCO
growing rural ventures™

For two years, the RMC provided staff support for MARBIDCO, obtained a \$20,000 Rural Business Enterprise Grant from USDA-Rural Development to help fund start-up costs, and worked tirelessly with a number of agricultural and environmental organizations to include mandatory funding for MARBIDCO in Maryland's Agricultural Stewardship Act of 2006 (in which MARBIDCO is scheduled to receive more than \$45 million over the next 15 years). MARBIDCO became a stand-alone organization during FY 2007, and the RMC proudly maintains a seat on the MARBIDCO Board of Directors. After safely launching MARBIDCO, however, the RMC Board felt it had provided a vehicle for addressing the most significant needs of the state's agricultural and resource-based industries and began to consider the other pressing needs facing Rural Maryland.



New Directions - Improving Access to Quality Health Care

STRATEGIC GOAL: To ensure that rural citizens have access to quality, affordable health care services and to consider quality health care as an essential component of meaningful rural and economic development

No one agency or organization studies the impact that current and proposed state health policies and regulations have on the availability and quality of rural health care services. The RMC's strategic plan sets a long-term goal of acquiring rural health policy expertise, either through joint arrangements, contractual services or new staff, depending on available resources. Such expertise would allow the RMC and rural stakeholders to develop policy recommendations that would improve rural health. Funding for this expertise is unlikely in the immediate future; however, existing staff and committee members shifted many efforts toward rural health issues during FY2007.

FY 2007 Progress Report:

- RMC is working with the Maryland Rural Health Association to investigate whether a closer collaborative arrangement between the two organizations could strengthen efforts to address the most significant health issues facing rural Maryland. Discussions are ongoing.
- The RMC Board voted to use a portion of the Rural Prosperity Investment Fund (see reverse side) to acquire rural health expertise.
- Two RMC Board members sat on the DHMH steering committee that developed the Maryland Rural Health Plan, which was released in July 2007. The RMC will continue to work with various stakeholders to determine how best to implement this important statewide plan.
- RMC continued its partnership with the Maryland Department of Aging and its three-year grant to implement Evidence Based Prevention Programs throughout the state, including rural areas.

New Directions – Raising Rural Standards of Living

STRATEGIC GOAL: To implement RMC's Rural Prosperity Investment Initiative, a 15-year strategy to raise the standards of living in rural Maryland to a level that equals or exceeds the overall average standards of living in the state while protecting and enhancing the natural resources and cultural heritage of rural Maryland.



The Rural Maryland Prosperity Investment Fund, established in 2006, allows, but does not require, the Governor and General Assembly to include money into this fund every year until 2020. The Fund, which the RMC will administer, is designed to provide grants to rural economic and community development programs and projects which will increase the standards of living in rural areas. A key objective is to encourage intergovernmental cooperation in rural regions as well as public/nonprofit collaboration on regional projects.

Once capitalized, the Rural Prosperity Investment Fund would provide equal funding in four areas: (1) Rural Regional Planning and Development; (2) Rural Regional Infrastructure Projects; (3) Rural Entrepreneurship Development; and (4) Rural Programmatic Assistance, Community Development, and Agricultural Education. The RMC estimates that the fund would need \$2 to \$4 million a year until 2020 to meet this objective. (See: www.rural.state.md.us/Publications)

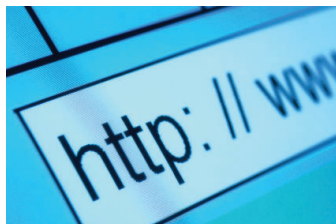
Progress Report: The Rural Prosperity Investment Fund legislation was a priority of the Legislative Rural Caucus during 2006. In 2007, the chairs of all four rural delegations signed a letter supporting \$2 million in funding; however, due to severe state budget constraints, no funding was available for FY 2008. RMC members and staff will embark on an educational campaign to explain the fund and its potential to state and local leaders.

New Directions – Wiring Rural Maryland

STRATEGIC GOAL: To support efforts that expand affordable high speed internet services to all rural Maryland communities.

Many rural communities do not have access to affordable high-speed internet services, which severely limits their efforts to create economically competitive communities. In 2006, the General Assembly adopted legislation which mandates \$10 million in funding over three years for broadband infrastructure deployment in rural and underserved areas. The Act established the Rural Broadband Coordination Board to administer those funds and charged the Rural Maryland Council with providing staff support to that effort.

Progress Report: The Broadband Coordination Board began its work during FY 2007 and will continue into FY 2008.



New Directions – Old Friends

STRATEGIC GOAL: To increase the operational capacity of the state's rural regional councils to facilitate rural regional planning projects and programs.

Each of the state's five rural regional councils serves a three-county region.

The RMC, which helped establish three councils on the Eastern Shore, works closely with all five to promote regional cooperation and help deliver needed public services within and between regions. All five councils are represented on the RMC Board.

Progress Report: One-quarter of all monies in the Rural Prosperity Investment Fund (see left) will go toward rural regional planning projects undertaken by the councils. Another quarter will go to regional infrastructure projects, which may be implemented by the councils.

New Directions – New Economic Strategies

STRATEGIC GOAL: To promote job creation and economic development in rural areas.

Traditional economic development strategies tend to focus on recruiting large companies; however, rural communities often don't have the infrastructure or labor force necessary to attract big employers. Because of the strong correlation between entrepreneurship and economic growth, rural entrepreneurship may well be the best economic development option for rural communities where citizens are typically poorer, older and isolated from markets. Helping existing businesses to grow and new businesses to start offers better long-term prospects for many rural areas.

Progress Report: RMC will study ways to foster rural entrepreneurship in the future.

The Rural Maryland Council administered two grant programs during FY 2007: The Maryland Agricultural Education and Rural Development Assistance Fund (MAERDAF) and the Strengthening Rural Maryland Families Direct Service Grant Program with the Annie E. Casey Foundation. A comprehensive annual or final report is prepared for both programs. For a copy, contact: rnc@mda.state.md.us.



Maryland Agricultural Education and Rural Development Assistance Fund (MAERDAF)

Established in 2000, MAERDAF offers financial support to rural-serving nonprofit organizations that promote statewide and regional planning, economic and community development, and agricultural and forestry education. MAERDAF also offers financial assistance to community colleges that support small and agricultural businesses with enhanced training and technical assistance.

By the end of 2007, MAERDAF will have awarded \$1,698,843 in grants to 40 rural-serving nonprofit organizations.



Because of this program, many rural-serving organizations have established or continued programs and projects that have had a significant and positive impact on Rural Maryland. In addition, MAERDAF has helped the nonprofit sector leverage a substantial amount of private and federal dollars while also helping many of them develop institutional capacity, improve grant-writing skills, and enhance the internal development of volunteer boards and staff.

In FY 2007, the MAERDAF Grants Review Board received 31 applications requesting \$815,284 in grants for the \$348,578 available. (Several applicants submitted two-year funding requests for a total of \$956,284.) The Grants Review Board awarded 25 grants to 22 organizations.

Of the grant funds distributed to date:

- 46% were awarded to organizations serving a statewide constituency
- 47% were awarded to organizations serving the Eastern Shore
- 4% were awarded to organizations serving Southern Maryland
- 3% were awarded to organizations serving Western Maryland

For a detailed report of the MAERDAF Program and its grantees, see the FY 2007 MAERDAF Annual Report at: www.rural.state.md.us/Publications

FY 2007 MAERDAF Grantees

Agribusiness Development or Ag & Forestry

- Carroll Community College
- Chesapeake Fields Institute
- LEAD Maryland
- Maryland Agricultural Education Fund
- Maryland Association of Soil Conservation Districts
- Maryland FFA Foundation, Inc.

Community Development

- Center for Children
- Delmarva Education Foundation
- Girl Scouts of the Chesapeake Bay Region
- Habitat for Humanity of Talbot County
- Lower Shore Broadband Cooperative
- Lower Shore Child Care Resource Center
- Maryland Rural Development Corporation
- Maryland Rural Health Association
- Medbank of Maryland
- Microenterprise Council of Maryland

Economic Development

- Chester Bridge Foundation, Inc.
- Eastern Shore Entrepreneurship
- Maryland Capital Enterprises
- Mid-Shore Regional Council
- Tri-County Council of Western Maryland
- Upper Shore Regional Council

Strengthening the Well-Being of Rural Maryland Families, A Direct Service Grant Program

An initiative of the Rural Maryland Council and Annie E. Casey Foundation



Strengthening Rural Maryland Families is a direct services grants program initiated in 2005-06 by the Rural Maryland Council with \$100,000 in grant funding from the Annie E. Casey Foundation. This program is committed to helping Rural Maryland families gain access to economic opportunities, find support through formal and informal networks, and have access to effective services that meet their needs. The program relies heavily on the components of the Family Economic Success (FES) initiative of the Casey Foundation, which helps low-income working families build strong financial futures by integrating workforce development, family economic support and community investment. Completing its second year in FY 2007, this initiative delivered six financial literacy programs to low-income families in rural communities.

Highlights of this year's program accomplishments include:

Tax Preparation and the Earned Income Credit:

144 lower shore residents with family incomes under \$38,000 received free tax preparation services and information about the Earned Income Credit. Each of these individuals received 100 percent of their income tax refund without having to pay a tax prep service. The total Earned Income Credit was \$87,912 for 68 federal returns (or \$1,292 per return). The total state Earned Income Credit was \$13,509 for 34 returns (or \$397 per return).



Home Ownership: 15 hours of home ownership training were provided for five families. Three qualified for mortgages through USDA-Rural Development and two others are mortgage ready; however, none of the five families have been able to close on loans due to a lack of available affordable housing. Alternative housing options are being explored.

Basic Personal Finance Lessons for Children:

12 school assemblies were delivered to primary grade students in high risk communities which resulted in 900 hours of early childhood education to 136 classrooms for 3,080 students. In addition, 220 educators and 3,000 parents received classroom and take-home materials to help teach personal

Family Financial Stability:

15 families learned their credit scores and identified steps to take to repair credit rating; 16 families learned to prepare a household budget; and 13 families opened and deposited money into a savings account

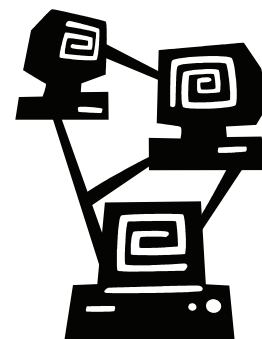
The Casey Foundation has funded the program for FY 2008. This third year of the program will include a mentoring component that encourages past successful grantees to work with new grantees, sharing best practices and lessons learned. The University of Maryland's Department of Family Sciences has also agreed to continue working with grantees to ensure the best possible outcomes for the families involved. Grantees will be announced on the RMC website: www.rural.state.md.us.

2007 Casey Grantees

- **Lower Shore Child Care Resource Center** for the Lower Shore CASH Campaign.
- **Shared Opportunity Services, Inc.** for the Basic Financial Literary for Hispanic Workers program.
- **University of Maryland Cooperative Extension** for the Parents and Teachers as Wealth Coaches program.
- **Garrett County Community Action Agency** for Money Smart Jump Start program.
- **Local Management Board of St. Mary's County, Inc.** for the St. Mary's Family Independence Project.
- **Maryland Rural Development Corporation** for the Head Start on Home Ownership program.

Rural Maryland Broadband Coordination Board **FY 2007 Annual Report (July 1, 2006 to June 30, 2007)**

Background: The Rural Maryland Broadband Coordination Board was established by Senate Bill 753 (Chapter 269) during the 2006 Maryland General Assembly session. It is responsible for coordinating efforts to deploy broadband infrastructure in rural and underserved areas in cooperation with public, private and nonprofit entities. Additionally, the Board is accountable for the disbursement of funds from the Rural Broadband Assistance Fund in the Department of Business and Economic Development. In FY 2007, \$2 million in state funds and another \$2 million in matching federal funders were allocated to the fund. The bill also stipulates that the Rural Maryland Council will provide staff support to the Board.



The Rural Maryland Broadband Coordination Board is comprised of appointees from several state agencies and all five rural regional councils. During FY 2007, they were:

- **Virgil Shockley**, Chairman; also representing the Tri-County Council for the Lower Eastern Shore of Maryland;
- **John Contestabile**, Director, Office of Engineering and Procurement and Emergency Services, Maryland Department of Transportation;
- **Ellen Flowers-Fields**, Director of Regional Economic Development, Tri-County Council for Southern Maryland;
- **Ellis Kitchen**, State Chief of Information Technology, Maryland Department of Budget and Management;
- **Dominick Murray**, Regional Development, Department of Business and Economic Development;
- **Gale Nashold**, Second Vice Chairman, Mid-Shore Regional Council;
- **Charlie Ross**, Chairman, Rural Maryland Council; and president/CEO Garrett County Chamber of Commerce;
- **Jim Stakem**, Chairman, Tri-County Council for Western Maryland; and
- **Dr. Eric Wargotz**, Chairman, Upper Shore Regional Council.

Year in Review

August 14, 2006: The Broadband Coordination Board holds its Inaugural Meeting in Annapolis. Worcester County Commissioner Virgil Shockley was elected Chairman. The Maryland Broadband Cooperative, a nonprofit organization, presented a proposed build out report of broadband telecommunications facilities in Rural Maryland.



September 8, 2006: The Broadband Coordination Board voted unanimously to release \$500,000 in state funds to the Maryland Broadband Cooperative toward completion of Phase One. This phase included laying fiber from Wallops Island to Route 13, then north along Route 13 through Pocomoke and the University of Maryland at the Eastern Shore up to Salisbury University. (Although the project was initially delayed due to “no dig” regulations in effect during Space Shuttle flights, the project was completed on schedule and on budget in April 2007.)

October 6, 2006: The Cooperative secured authorization to pull cable across the Bay Bridge along with the State. A joint use agreement was subsequently created. The Broadband Coordination Board voted unanimously to release \$303,541 in federal funds to the Cooperative for this project.

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Rural Maryland Broadband Coordination Board: Year in Review (Continued)

January 3, 2007: The Broadband Cooperative Board voted unanimously to release \$628,773 in federal funds for Phase Two which included laying fiber from Salisbury University through the City of Salisbury, around the Route 13 bypass, tying in near Hebron, and continuing north through Easton to the Bay Bridge. This phase cost approximately \$5.8 million to complete. (This phase was more expensive than the first because it included three bridges -- Vienna, Choptank and Kent Narrows -- as well as construction in some high per-mile construction cost areas, most notably in the Rt.301/Rt. 50 interchange area and the cities of Cambridge and Easton.)

March 5, 2007: The Broadband Coordination Board accepted a Project Proposal from Skyline Engineering to install 96 fiber optic strands across each span of the Bay Bridge for \$609,530. The amount budgeted was \$940,000.

May 7, 2007: The Broadband Coordination Board unanimously approved \$533,954.95 in Federal funding and \$743,959.00 in State funding to the Broadband Cooperative to continue Phase Two of the build-out project.

June 2, 2007: A ribbon cutting ceremony was held at Salisbury University to celebrate the completion of Phase One.

June 14, 2007: The Broadband Cooperative reported that Phase Two from Salisbury to the Bay Bridge would be completed in approximately two weeks while the Cecil County portion and the Southern Maryland portion were nearing completion. The Board voted unanimously to approve the release of \$373,114.05 in federal funding and \$778,320.95 in state funds to the Cooperative. Also, by acclamation, Commissioner Virgil Shockley was re-elected to another one-year term as Chairman of the Coordination Board. The term will run from July 1, 2007 to June 30, 2008.

June 30, 2007: Fiscal Year 2007 Ends.



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Our Vision for Rural Maryland

Citizens living in rural communities are achieving success in education and employment, have access to affordable quality health care and other services and amenities, and live in an environment where natural and cultural resources are being sustained for future generations. By the Year 2020, all rural citizens are experiencing a good quality of life with opportunities and living standards that objectively meet or exceed those that are typically available in metropolitan areas.