A NEW DAY IN RURAL ILLINOIS

Annual Report
to the Honorable Rod R. Blagojevich, Governor
and the
Illinois General Assembly

Prepared by

Governor’s Rural Affairs Council
Lieutenant Governor Pat Quinn, Chairman
and
Illinois Institute for Rural Affairs
Western Illinois University

2003
Member Agencies of the Governor’s Rural Affairs Council
Department on Aging
Department of Agriculture
Department of Commerce and Economic Opportunity
Department of Employment Security
Department of Human Services
Department of Natural Resources
Department of Public Health
Department of Revenue
Department of Transportation
Environmental Protection Agency
Illinois Community College Board
Illinois Development Finance Authority
Illinois Farm Development Authority
Illinois Housing Development Authority
Illinois Institute for Rural Affairs
Illinois Rural Bond Bank
Illinois State Board of Education
Rural Partners
Southern Illinois University
University of Illinois Cooperative Extension
To: Governor Rod R. Blagojevich  
   Senate President Emil Jones, Jr.  
   House Speaker Michael J. Madigan  
   Senate Republican Leader Frank C. Watson  
   House Republican Leader Tom Cross  
   Members of the General Assembly

As the new chairman of the Governor’s Rural Affairs Council (GRAC), it is my pleasure to present the 2003 Annual Report to Governor Blagojevich and the Illinois General Assembly. The report will give an account of the current status of rural Illinois, along with my vision for the future of our rural communities and the mission of the GRAC.

I am deeply concerned about the various challenges and opportunities that influence rural residents. I vow to address these issues in an innovative manner and explore ways to strengthen both the rural community and economy. I believe we can improve the quality of life for rural citizens by providing fundamental services and bridging the gap between local and state government – predominantly through grass-roots activities and strategic private-public partnerships.

I am particularly focused on initiatives that increase access to adequate health and dental care; bring Internet service to rural communities to close the digital divide; promote educational programs and prevent the exodus of trained teachers; promote awareness of the earned income tax credit that provides tax refunds to working taxpayers; and support the adoption of a renewable energy standard that expands all-American energy sources such as wind, solar, ethanol and soy biodiesel.

As Lieutenant Governor, I also oversee state rural programs such as the Illinois Rural Bond Bank, Illinois Main Street program and the Illinois River Coordinating Council. All three programs are dedicated to rural development and preservation, whether environmental or historical. The Rural Bond Bank provides low interest financing to local governments for community improvements; Main Street helps communities revitalize their historic downtown districts to boost tourism; and the Illinois River Coordinating Council concentrates on commercial and recreational issues to improve the tributaries of our state, and emphasizes environmental initiatives that restore and preserve habitat for species such as the bald eagle.

This annual report details population and employment trends facing rural Illinois; key issues affecting our rural communities such as health care, housing, public transportation and education; grants by the GRAC to local agencies for innovative economic development programs; state and federal initiatives for the 2004 fiscal year; as well as the future direction of the Council.

I look forward to working with GRAC members and community leaders to create a rural agenda for our state that benefits all Illinois residents.

Sincerely,

Pat Quinn  
Lieutenant Governor of Illinois
The Governor’s Rural Affairs Council shall develop and implement a comprehensive strategy for improving delivery of state services to rural Illinois with the aim of expanding opportunities and improving the quality of life for rural residents.

Executive Order Number 1 (2000)
George H. Ryan
Governor

The Annual Report of the State of the Rural Illinois Economy shall assess rural economic indicators and make recommendations to the Governor and General Assembly on rural infrastructure needs.

Executive Order Number 13 (1991)
Jim Edgar
Governor

*Copies of these Executive Orders are located in the Appendices.*
# Table of Contents

A New Day in Rural Illinois ................................................................. 1

Trends in Rural Illinois ................................................................. 2
  Population Changes ................................................................. 2
  Employment Changes ............................................................... 5

Important Issues Facing Rural Illinois ......................................... 10
  Public Transportation ............................................................. 11
  Economic and Community Development .................................... 13
  Value-Added Economic Expansion ............................................ 19
  Health Care ............................................................................. 23
  Housing .................................................................................. 29
  Managing Information Technology Issues ................................. 30
  Illinois Rural Bond Bank ......................................................... 31
  Strengthening Decisionmaking Capacity .................................... 32
  Education .............................................................................. 33
  Rural Roads and Bridges ......................................................... 34
  Energy and Environmental Issues ............................................. 37

Grants by GRAC to Local Agencies .............................................. 40
  Economic Development Projects .............................................. 40
  Programs for Youth ................................................................. 41

Legislative Initiatives ................................................................. 41

GRAC Issues in FY04 ................................................................. 43

Conclusions ............................................................................. 46

References .............................................................................. 49

Appendices ............................................................................. 51
A New Day in Rural Illinois

Increased attention has been paid in recent years to the future of rural areas across the nation both in terms of expansion opportunities and policies needed for these areas to prosper. Long-term population movements, changes in the structure of industry, global competition, and advances in technology have worked against rural areas in many ways (Drabenstott and Sheaff 2001; Walzer et al.). Especially important are trends in information technology that have literally revolutionized the ways in which many businesses function, placing a heavy emphasis on access to technology that is costly to provide in sparsely populated areas (Pew International and American Life 2002).

At the same time, urban sprawl and relatively rapid growth in many suburbs have focused attention on ways to help smaller nonmetro centers retain or attract population and/or industry. In various research projects, residents have a documented interest in remaining in nonmetro areas if they could retain employment at acceptable wages (W. K. Kellogg Foundation 2001). At the same time, however, industry closings in rural areas force residents to migrate to larger centers to find suitable employment opportunities.

Responding to economic shifts and trends is a challenge for rural areas because many elected officials serve part-time with very few staff members who are professionally trained. Volunteers play a significant role in policy formation and implementation and, while committed to improving local conditions, they often have limited experience with management practices and knowing what assistance is available from state agencies.

The Governor’s Rural Affairs Council (GRAC) was created in 1987 to assist community leaders and elected officials in solving local concerns and especially in accessing state agencies with programs to address these issues. The GRAC, chaired by Lieutenant Governor Pat Quinn, helps local officials, especially in rural areas, to easily and efficiently obtain information and/or technical support that they need. Without this assistance, the complexity of state government and the diversity of programs available could limit the ability of local officials, unfamiliar with state programs, to access these services.

Often, rural issues involve more than one state agency and seem relatively small compared with those in large metro areas. Limited fiscal resources force state agencies to address high impact issues or those that will have major outcomes, thus, possibly overlooking equally important issues faced by smaller rural governments. The GRAC calls attention to these issues and helps rural community leaders find solutions.

The GRAC also identifies innovative practices and makes them available to other local governments. In this way, rural areas can contribute effectively to the overall prosperity of the state economy. Since no single state agency has responsibility for addressing rural issues in a holistic way, the GRAC plays a pivotal role in formulating and implementing state policies for rural revitalization and development, especially when multiple agencies are involved.
The Illinois Institute for Rural Affairs (IIRA), created in 1989 at Western Illinois University, researches issues faced by rural policymakers; presents educational programming; and provides technical assistance on economic development, education, healthcare, public transportation, finance, housing, and technology issues. It works closely with the GRAC and other rural institutions to increase the viability of rural Illinois in the future.

As the agency focusing on rural issues, the GRAC is required by Executive Order #1 (2000) to compile an annual report on the status of rural Illinois showing evidence that state agencies are addressing rural issues, and recommending actions for rural policy, when needed. The IIRA assists with the research for this report and serves as an information clearinghouse on a variety of rural issues for local officials and practitioners.

The 2003 report contains four main sections. First, recent trends in rural Illinois are compared with those in adjacent states to determine similar experiences and identify future issues. Second, innovative programs in rural Illinois, especially those involving multiple agencies, are briefly described with outcomes. Third, projects supported by GRAC directly are reported so that rural leaders understand the types of assistance available. Legislation supported by the GRAC during the spring legislative session is described. Fourth, recommended directions for involvement by GRAC member agencies during the next several years are presented.

**Trends in Rural Illinois**

Rural Illinois performed differently from nonmetro areas in adjacent states (Indiana, Iowa, Kentucky, Missouri, and Wisconsin) during the 1990s, and the precise reasons, though not fully understood, may involve public policy. It is important to understand these trends in order to design innovative and successful state initiatives to address them.

**Population Changes**

Population in the 74 nonmetro counties in Illinois increased by 1.1 percent during the 1990s compared with an increase of 10.1 percent in the 28 metro counties and 8.6 percent for Illinois as a state (Walzer, Gruidl, and Sutton 2002). By comparison, nonmetro counties in five adjacent states increased 7.6 percent, and rural areas nationwide grew 4.2 percent during the 1990s.

Population changes within Illinois were not evenly distributed, and the impact of large downstate metro areas on surrounding rural population changes is clear. Metro areas increasingly provide the jobs that allow adjacent counties to attract or maintain residents. The main population declines have been in western and southeastern Illinois counties (Figure 1). These areas depend heavily on agriculture and/or extractive industries and are often without access to four-lane highways. Southern Illinois has had population outmigration but recently has experienced some growth, possibly reflecting expansions in coal mining, value-added agriculture, or tourism industries.
Of special importance for public policy are shifts in the age structure of the population because each cohort represents demands for specific public services. Once again, rural Illinois trends do not mirror other states (Table 1). Youth (less than 18 years old) in rural Illinois declined 3.9 percent compared with an increase of 2.5 percent in adjacent states and a 4.2 percent growth in the U.S. Of special interest is a 8.7 percent decline in the 0 to 4 cohort compared with a decline of only 1.2 percent in adjacent states.
Table 1. Population Change, 1990 and 2000

<table>
<thead>
<tr>
<th>Area</th>
<th>Illinois</th>
<th>Adjacent States*</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Nonmetro</td>
<td>Metro</td>
<td>Nonmetro</td>
</tr>
<tr>
<td>Total Population</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>1,856,803</td>
<td>9,573,799</td>
<td>8,231,731</td>
</tr>
<tr>
<td>2000</td>
<td>1,877,585</td>
<td>10,541,708</td>
<td>8,860,413</td>
</tr>
<tr>
<td>Percent Change</td>
<td>1.1</td>
<td>10.1</td>
<td>7.6</td>
</tr>
<tr>
<td>Under 18 Years</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>446,052</td>
<td>2,799,399</td>
<td>2,215,164</td>
</tr>
<tr>
<td>Percent Change</td>
<td>-3.9</td>
<td>12.8</td>
<td>2.5</td>
</tr>
<tr>
<td>18-64 Years</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>1,077,193</td>
<td>5,970,498</td>
<td>4,792,092</td>
</tr>
<tr>
<td>2000</td>
<td>1,120,911</td>
<td>6,552,906</td>
<td>5,315,737</td>
</tr>
<tr>
<td>Percent Change</td>
<td>4.1</td>
<td>9.8</td>
<td>10.9</td>
</tr>
<tr>
<td>65 Years and Over</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>315,569</td>
<td>1,120,976</td>
<td>1,278,883</td>
</tr>
<tr>
<td>2000</td>
<td>310,622</td>
<td>1,189,403</td>
<td>1,329,512</td>
</tr>
<tr>
<td>Percent Change</td>
<td>-1.6</td>
<td>6.1</td>
<td>4.0</td>
</tr>
</tbody>
</table>

*Adjacent states include Indiana, Iowa, Kentucky, Missouri, and Wisconsin.  

Likewise, the 5 to 9 years cohort declined 8.4 percent in rural Illinois compared with a 1.1 percent decline in adjacent states. These declines help explain the negative trends in rural school enrollments and suggest that the school closings will continue in the near future.

At the other end of the age distribution, rural Illinois counties lost 1.6 percent of residents 65 years and older compared with a gain of 6.1 percent in metro counties in Illinois. By contrast, rural counties in adjacent states gained 4.0 percent, and rural counties in the nation as a whole gained 8.8 percent in residents 65 years and older. These figures indicate that retirees may leave rural Illinois either for metro areas or out of state. The availability of healthcare institutions in rural Illinois and innovative programs to improve the delivery of these services are important and will be described later.

The somewhat encouraging news is that the proportion of the working age population (18 to 64 years) living in rural Illinois increased 2.9 percent, comparable with adjacent states (3.1%) but still substantially less than in rural areas nationwide (8.8%).

2003 GRAC Report
**Employment Changes**

Employment availability is crucial if a community is to retain population. Two approaches can be used to examine employment changes: (1) location of employees and (2) location of jobs. For instance, a person living in a rural area may commute to a metro center to work. Thus, the job is in a metro area, but the jobholder lives in a rural area. In subsequent analyses, comparisons are made mainly by where the employees live rather than work.

Adjacent states outperformed rural Illinois in terms of number of residents employed in manufacturing (Table 2). The number of residents employed increased more rapidly than population which may reflect an increase in those working part-time, especially in service industries, or that more residents entered the labor market to supplement family incomes.

While rural residents in Illinois reported a 7.3 percent increase in total employment during the 1990s, their counterparts in adjacent states reported a growth of 14.5 percent. By comparison, employment in metro counties in Illinois increased 7.7 percent, with a 12.5 percent increase in metro areas in adjacent states. Much of the metro growth in Illinois reflects expansions in the Chicago metro area, which have spilled over into the surrounding rural areas contributing to relatively large increases in the northern third of the state. Employment changes in metro and nonmetro areas are linked because as businesses close in rural areas residents seek employment in nearby urban centers as shown by an increase in miles traveled to work during the past decade (U.S. Bureau of the Census 2000).

Changes in industry affect the viability of rural areas since manufacturing usually pays higher wages than either trade or service industries. In recent years, rural Illinois has shifted from manufacturing to service industries, although some increases in rural manufacturing occurred in the mid-1990s. Manufacturing employment in nonmetro Illinois counties in 2000 was 97.7 percent of its level in 1990, including both full- and part-time workers. A trend has been for businesses to contract for services at lower pay, avoiding health insurance and other business costs.

Compared with other industrialized states, however, the experience with manufacturing employment in Illinois was not unusual during the 1990s. California (-18.2%), New York (-31.6%), and Pennsylvania (-16.6%) decreased much more than the 11.7 percent decline in manufacturing in Illinois based on comparisons of trends from the U.S. Bureau of the Census (2000). By contrast, adjacent states—Indiana (2.5%), Iowa (8.1%), Kentucky (3.7%), and Wisconsin (3.9%)—reported growth in manufacturing employment. Reasons for these differences should be explored further.

---

1 Rural residents traveled an average of 28 minutes to work in 2000 compared to 25 minutes in 1990, a more than 10 percent increase.
Table 2. Employment Change, 1990 and 2000

<table>
<thead>
<tr>
<th>Area</th>
<th>Nonmetro Illinois</th>
<th>Nonmetro Surrounding States*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Industry Employment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>161,180</td>
<td>830,048</td>
</tr>
<tr>
<td>2000</td>
<td>157,441</td>
<td>920,561</td>
</tr>
<tr>
<td>Percent Change</td>
<td>-2.3</td>
<td>10.9</td>
</tr>
<tr>
<td>Percent Employed in Manufacturing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>20.2</td>
<td>23.3</td>
</tr>
<tr>
<td>2000</td>
<td>18.4</td>
<td>22.6</td>
</tr>
<tr>
<td>Percent Change</td>
<td>-9.0</td>
<td>-3.1</td>
</tr>
<tr>
<td>Wholesale and Retail Trade</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>161,832</td>
<td>714,248</td>
</tr>
<tr>
<td>2000</td>
<td>129,678</td>
<td>603,487</td>
</tr>
<tr>
<td>Percent Change</td>
<td>-19.9</td>
<td>-15.5</td>
</tr>
<tr>
<td>Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>274,774</td>
<td>1,126,847</td>
</tr>
<tr>
<td>2000</td>
<td>364,950</td>
<td>1,596,898</td>
</tr>
<tr>
<td>Percent Change</td>
<td>32.8</td>
<td>41.7</td>
</tr>
</tbody>
</table>

*Adjacent states include Indiana, Iowa, Kentucky, Missouri, and Wisconsin.


The somewhat positive news is that in Illinois and adjacent states, rural areas outperformed urban areas in manufacturing employment trends. Unfortunately, metro areas in Illinois reported the largest decline of the four groups. This trend, especially in metro Illinois, is of concern because, at least in manufacturing, the Illinois economy did not perform as well as surrounding states in a high-paying industry. Likewise, during the expansionary 1990s, metro Illinois counties experienced a 13.4 percent decline in residents employed in manufacturing.

Several factors may be at issue. Productivity changes bring changes in employment. Thus, employment decreases can still mean higher aggregate output. For example, the automobile industry has become more important to the Illinois economy over the past two decades which could affect how it responds to the business cycle; however, Michigan, a state in which auto production is very important, reported only a 1.9 percent increase in manufacturing during this period.
The costs of doing business and/or the incentives offered within a state are major considerations as well. States with above-average labor costs can expect slower growth rates as documented by a recent study of business trends and costs in Illinois and other states (Illinois Chamber of Commerce 2002). This research reports that Illinois is above average in costs, which could partly explain the difference in employment trends compared with adjacent states but does not explain why Illinois outperformed several other major industrial states. Worker’s Compensation and other insurance costs, for instance, were mentioned in the recent Chamber survey as reasons why businesses locate outside of Illinois (9).

Declines in manufacturing have not been evenly distributed across Illinois, with western and southeastern Illinois especially hard-hit. Since 2000, major plant closings such as Northwest Steel and Wire in Sterling (Whiteside County), Maytag in Galesburg (Knox County), PPC in Macomb ( McDonough County), and World Color Press in Salem (Marion County) caused serious job losses. In some cases, these businesses were the largest employers in the community and displaced 1,500 workers or more. Likewise, replacement jobs often pay less.

Trade and Service Industries. Illinois compares more favorably with adjacent states in service industry expansions but was outperformed in wholesale and retail trade. During the 1990s, residents in nonmetro Illinois employed in wholesale/retail trade declined 19.9 percent compared with a decline of 15.5 percent in adjacent states. Similar changes in metro counties in Illinois involve a 26.0 percent decline, compared with 21.4 percent in adjacent states.

Services were definitely a growth industry in the 1990s, and rural Illinois increased at approximately the same rate as the metro counties (32.8% increase versus 33.3%). The Illinois economy, in both cases, underperformed adjacent states with increases of 41.7 percent in rural areas and 38.9 percent in metro areas.

Increases in service jobs benefit residents, but the types of service jobs created are not the same in metro and rural counties. Increases in metro counties often include relatively more producer services such as accountants, engineers, and lawyers, which command above-average salaries. In rural counties, on the other hand, service jobs more often involve fast-food industries and other personal services with lower wages and limited benefits. As a result, increases in service employment do not have as positive an economic impact in rural counties as in metro counties.

Income Trends

Per capita incomes in rural Illinois, in constant dollars, increased 15.4 percent compared with a 12.4 percent in metro counties in Illinois. The increase in rural Illinois was less than the 19.3 percent reported in adjacent states. Per capita income trends are affected by several factors. Significant declines in populations less than 18 years old, typically with little or no income, and retired populations with less income than in their working years increase the average income. Both of these population trends have occurred in rural Illinois.
Likewise, the 2000 Census documented that rural residents now travel farther to work in order to access higher wage jobs in metro areas. While wages may be higher, commuting expenses are also higher, leaving these rural residents in the same relative financial position.

A comparison of wages paid in metro versus rural areas shows that the gap continues to widen mainly because wages in rural areas have been relatively flat in constant dollars while real wages in metro areas increased. The average wage paid in metro areas in 1990, for instance, was $25,959 compared with $18,249 in rural areas, a gap of $7,710. By 2000, however, that gap had increased to $10,805 in constant dollars (Figure 2). In fact, the wages in constant dollars paid by manufacturing in rural areas have stagnated since 1980, especially during the mid-1990s.

**Figure 2. Earnings Adjusted for Inflation, 1990-2001**

![Graph showing earnings adjusted for inflation, 1990-2001.](image)

**Note:** The Consumer Price Index was used to adjust for inflation where 1990 = 100.0 and 2000 = 135.5.  

In any event, available information indicates that the overall income increases in rural areas were competitive with those in metro areas during the 1990s although the manufacturing wages may not have contributed to this increase as much as other income sources. The extent to which the income increases reflect population shifts, changes in employment patterns, or increased importance of transfer income such as retirement is not clear. All of these factors affect income growth.

**Unemployment Trends**

The national economic downturn since 2000 adversely affected virtually all counties. Rural areas traditionally have had higher unemployment than metro areas, especially during the prosperous 1990s. Since 2000, however, the unemployment rates in rural and metro counties in Illinois have converged (Figure 3), mainly because of unemployment increases in metro areas. In fact, the
unemployment rates in 2003 were virtually even in rural and metro counties at 7.0 percent in rural areas and 7.1 percent in metro areas, respectively.

**Figure 3. Unemployment Rate, 1990-2003***

*2003 is an average of the first three months of 2003 (January through March).


A comparison of unemployment rates by rural versus metro areas in Illinois (Figure 4) shows the importance of regional differences which, in some instances, are hard to interpret. The Bloomington-Normal, Champaign-Urbana, and Springfield areas performed well with respect to employment and benefited from expansions in both private industry and public agencies. The recently announced possible expansion by Mitsubishi will add a further economic stimulus to central Illinois. Although the unemployment rate is below average in western Illinois, wages are relatively low when compared to those paid in metro areas. For example, in Brown County, a correctional center and a major private business provide a major stimulus to the surrounding region. Several other pockets of low unemployment can be attributed to the presence of state institutions.

The unemployment rate in rural Illinois is above the rates in adjacent states (Indiana, Iowa, Kentucky, Missouri, and Wisconsin)—6.5 percent compared with 5.7 percent—posing special challenges for policymakers to design strategies aimed at starting or attracting businesses in rural
Illinois. This issue is crucial to the future of rural Illinois because additional employment could help stem population declines and strengthen the economic climate.

**Important Issues Facing Rural Illinois**

Both rural and metro Illinois have been adversely affected by the continuing national economic downtown and, in both cases, seem to underperform adjacent states by several economic indicators. The specific reasons for this adverse situation are not entirely clear, especially in light of Illinois again being awarded *Site Selection Magazine’s* Governor’s Cup in FY03, which the
47-year-old Atlanta-based magazine awards annually to the top state in America for business development. *Site Selection*’s annual analyses are regarded by corporate real estate analysts as “the industry scoreboard.” Several rural communities (e.g., Peru, Danville, and Effingham) were listed among the top 20 small towns for corporate facilities. Clearly, more research into factors underlying the population outmigration and slow manufacturing growth, or declines, is needed (Illinois Chamber of Commerce 2002). A strong economy, both rural and metro, is crucial to prosperity in the future and necessary to create the quality of life needed to attract residents.

Meetings, including the 2000 Rural Leadership Forums, with rural leaders from across the state at various GRAC and IIRA activities have documented several major issues that need attention. Many of these issues are already being addressed through a variety of programs offered by GRAC member agencies. Likewise, during FY03, Lieutenant Governor Pat Quinn and the GRAC staff worked directly with local groups on issues raised. This section briefly discusses rural programs provided by GRAC member agencies. This list is not exhaustive; rather, we have included programs mainly addressing economic development (job creation), value-added agriculture, transportation, housing, and health care since these issues usually surface during discussions with rural residents and community leaders. The difficult fiscal conditions currently faced by the state of Illinois have limited the amount of support available for some of these initiatives.

**Public Transportation**

Adequate public transportation is an increasingly important issue in rural Illinois as residents must travel farther to jobs, schools, hospitals, and healthcare facilities as well as entertainment and shopping. Lack of transportation can be a barrier to obtaining a job and can restrict residents’ access to quality health care. Because elderly and low-income residents have less access to dependable vehicles, lack of adequate transportation affects them most severely (Baird et al. 1999). Better public transportation may also help retain population, especially the elderly, in rural Illinois.

“Adequacy of public transportation” ranked highest in importance as an issue at Rural Leadership Forums in 2000 with 61.2 percent of participants rating public transportation in their region as poor. Participants (45.3%) also identified adequacy of transportation to get to jobs as poor (GRAC 2000). Because public transportation is integral to the economic health of rural areas, state and federal programs are in place to help these areas improve their infrastructure. The following section describes some of these programs.

*Federal Funds for Rural Transit Systems.* The Transportation Equity Act for the 21st Century (TEA-21) provided $19 million in Section 5311 formula grant funds to Illinois during FY 01-03 to support transit services in nonmetro areas. Eligible projects include transit capital, operating, project administration, and state administrative expenses for rural transit services. Assistance to intercity bus services in rural areas is also eligible.
The funds are apportioned to the state based on non-urbanized population with 30 rural and small urban service areas receiving support. Examples of projects in FY 2002 and 2003 include the following:

- **Macomb and McDonough County** – IDOT provided nearly $784,000 in grant funding to purchase three 40-foot transit buses and two para-transit vehicles. Grants were also used to increase the size of three heavy duty buses funded in FY 2001.

- **Coles County** – IDOT provided $337,600 for the acquisition of land and construction of a vehicle storage/light maintenance facility.

- **South Central Illinois Mass Transit District** – IDOT provided $111,285 in grant funds to design a new bus facility in New Baden (Clinton County).

**Coordination of Services.** Access to essential public services or gainful employment is a major concern in rural areas. This is especially true for those with an aging population because elderly residents may not own a dependable vehicle or may no longer drive. At the same time, 44 rural counties do not have general public transit programs. While specific population segments, such as the elderly, may have some transportation service available, often it is uncoordinated (Walzer and Heflin 2001).

The current fiscal climate makes it especially important that the 58 rural Illinois counties with public transportation use existing resources, especially vehicle fleets, efficiently. Better coordination of service delivery will allow transit operators to expand the amount, quality, and quantity of the services provided without expanding fleet sizes; however, coordination can be difficult because of issues involving insurance coverage, funding restrictions, and conflicting requirements by funding sources. Nevertheless, lack of coordination can lead to duplicative transit systems and people unable to obtain transit services.

For example, the Rural Transit Assistance Center (RTAC) in IIRA was contacted by a rural resident seeking weekday transportation for a visually impaired daughter who had found employment in a neighboring town. The local mental health center made regular trips to this community but could not transport her because its insurance carrier does not allow transportation of nonclients. Lack of a coordinated transportation system was a significant barrier to employment, even though transportation could have been provided. By enrolling her in services provided by the mental health center, she could be transported. This is but one example of the barriers faced.

RTAC, with funding from GRAC, is researching a better coordinated rural transit system in Illinois. Ride Solution, a model program in Washington, Indiana, was reviewed. RTAC and the Division of Public Transportation in IDOT are trying to pilot this program in rural Illinois. Local officials, transit providers, and other groups in rural areas were asked for information to design a system that minimizes duplication and increases overall efficiency. While the process is in the early stages, operators have been queried regarding unmet needs, and the findings will be presented along with recommendations such
as a central dispatch system, adjusted service hours, and operational changes to improve compliance with funding requirements. Expected outcomes include more riders, lower costs, and improved access to transit services within the community.

**Economic and Community Development**

As noted previously, unemployment, low wages, loss of manufacturing jobs, and business closures are important issues in rural Illinois. The need for effective and coordinated economic development programs is widely recognized by rural leaders. The current DCEO efforts to better integrate workforce investment and economic development will help in this regard.

The importance of economic issues was recognized in the Rural Leadership Forums with 47.9 percent of participants rating “Wages paid for available jobs”; 42.3 percent rating “Job advancement possibilities”; 32.9 percent rating “Availability of local government to solve issues”; and 30.8 percent rating “Local shopping opportunities” as poor. Participants in the Forums also rated the importance of 13 issues during the next five years (2000–2005). Attracting more high-paying jobs was rated very important by 84.4 percent of the participants, and attracting more retail businesses to downtown was rated very important by 71.6 percent of the participants (GRAC 2000).

The Illinois Rural Life Panel, a survey of 1,510 residents of rural Illinois conducted in spring 2000, also identified economic and community development as very important to the quality of life in rural Illinois. More than 80 percent of respondents rated “lack of jobs that pay a living wage” and “small business closings as threats to their community (Thistlethwaite, Sutton, Struthers, and Straub 2001).

The Department of Commerce and Economic Opportunity (DCEO) is the lead economic development agency within state government and manages numerous programs involving loans and technical assistance to start or attract businesses. It works with cities across the state on a variety of development initiatives. Examples include the Community Development Assistance Program (CDAP) and the Competitive Communities Initiative (CCI). In addition, DCEO manages a community outreach program, MAPPING the Future of Your Community, provided through the IIRA, to bring in other state agencies as well as DCEO on issues beyond strictly economic development. The outcomes of these programs are described briefly.

**Community Development Assistance Program (CDAP).** This program supports efforts by city governments to expand local infrastructure facilities enhancing the ability of cities to attract or support business expansions, or otherwise improve the quality of life. During FY03, 90 water and sewer improvement projects were financed and, of those grants, 79 were in rural areas. Projects included extending rural water lines to unserved areas, constructing water treatment facilities, and improving sewer systems.
Typical of CDAP-funded projects, the city of Bushnell (McDonough County) received a $400,000 grant to construct a water treatment plant to remove radium from its water supply. Bushnell (pop. 3,200) had been on the Illinois Environmental Protection Agency’s (IEPA) “Public Water Supply – Restricted Status/Critical Review List.” With CDAP funds, the city addressed serious water treatment needs and provided residents with a safe source of drinking water. The project funding includes a low-interest loan from the IEPA’s Public Water Supply Revolving Loan Fund.

**Competitive Communities Initiative (CCI).** This program, initially modeled after approaches used in the MAPPING program, assists communities to make them more competitive in attracting businesses. Within the CCI program, communities can more effectively participate in DCEO grant programs. The CCI program collaborates with IIRA staff to generate baseline information and help local leaders formulate an economic development agenda. While CCI does not focus solely on rural areas, as does MAPPING, several rural examples are included here:

- **DuQuoin (pop. 6,448 in Perry County).** Participants created an action plan that strengthened the city’s economy. The action plan is a blueprint for economic and community development that outlines short-, medium-, and long-term goals. The steering committee is “invested” in the project and continues to serve on the implementation committee after the ad hoc steering committee completed.

- **Eureka (pop. 4,871 in Woodford County).** Eureka has worked to unite the community in addressing difficult situations. US 24 currently runs through the middle of the town, and the community would like to present an alternative route plan to the U.S. Department of Transportation. Eureka organized the first Eureka Lilac and Fine Arts Festival to highlight the numerous varieties of lilac bushes grown in the community. This festival was a great success.

- **Virden (pop. 3,488 in Macoupin and Sangamon Counties).** This community has two major projects. The first, a zoning plan referendum for the community, was narrowly defeated in the April election. The steering committee is working on new strategies aimed at implementing zoning since it sees zoning as essential to attracting businesses and families. Second, the steering committee, which includes the school superintendent, wants to consolidate the schools to provide better educational opportunities. A smaller project involves beautifying the downtown to attract more residents.

**MAPPING the Future of Your Community.** The MAPPING initiative, started in 1991 in the GRAC and transferred to DCCA in the mid-1990s, works with community and business leaders in rural Illinois (communities smaller than 25,000 and/or nonmetro counties) on a broad range of community development issues, in addition to economic development efforts. While job creation, the main focus of DCEO, is paramount to continued prosperity of rural communities, other issues such as public transportation, health care, public schools, housing, and access to technology are vital to rural revitalization and development. MAPPING helps rural leaders build capacity in these areas and work with various state agencies on relevant issues.
Since its beginning, MAPPING has worked in 85 communities, 50 schools, and 10 healthcare agencies across rural Illinois. It is expanding its Community Resource Response Team of state agency representatives to work directly with community leaders on community development projects and, by actively participating in the Team Illinois initiative, increases access to state resources for rural development.

Examples of outcomes in MAPPING communities include the following:

- Canton (pop. 15,288 in Fulton County) conducted a MAPPING program in 1998 and a MAPPING Update in 2000. After several years of a successful development initiative through the Canton Community Resources, the city hired a full-time economic developer and formed a 501(c)3 Canton Economic Development Corporation. Several significant successes have taken place. In a $69 million development initiative, the Central Illinois Energy Cooperative will break ground this year for a new ethanol plant, creating 45 jobs. The community is in the final planning stages for a $14 million development on an industrial brownfield site. The plans for this site call for commercial development as well as green space for public enjoyment and light industrial development. Finally, the “336 Project” continues its forward movement with $12 million in IDOT funding. The current stage of this project is to identify possible highway corridors.

- Annawan (pop. 868 in Henry County) began a MAPPING program in 1998 and then hosted an IIRA Peace Corps Fellow (PCF). To create a long-term commitment to community and economic development in Annawan, the PCF helped form a 501(c)3 economic development group that works as a Chamber of Commerce. In addition, a part-time economic developer has led local efforts resulting in job creation through new business attraction. In 2002, a Holiday Inn Express opened on newly annexed land near an I-80 interchange. Since then, a full-service Mobil station has opened and a major restaurant chain is under development in this location.

- Toulon (pop. 1,400 in Stark County) conducted a MAPPING program in 1999 with significant outcomes. The Toulon Community Foundation, formed from the MAPPING group, obtained 501(c)3 not-for-profit status. Following MAPPING, a historic building on Main Street was renovated and currently houses a community newspaper, coffee shop and community room, and loft apartments. The renovation restored the exterior to its 1895 appearance. This project also represents an innovative partnership between local schools and the business community by using high school students to design a community website and create an electronic version of the community newspaper.

- Havana (pop 3, 577 in Mason County), after completing a MAPPING program in 1998, finished the infrastructure for a business park at a cost of nearly $2 million. A County Market grocery store will be constructed in the business park at a cost of $2.5 million. This store will create an estimated 30-35 full-time and 40-45 part-time jobs. Havana has launched a downtown façade program that has completed eight buildings, is currently working on three more
buildings, and has several other buildings in the planning and negotiating stage. Most recently, it has embarked on a tourism project focusing on the Illinois River.

The Enterprise Zone Program. The Enterprise Zone Program, administered by DCEO, offers local and state tax incentives to businesses that make investments to create or retain jobs in the 93 certified zones in Illinois. Eligibility varies according to specific incentive requirements. Businesses locating or expanding in a designated zone may qualify for an exemption on the Retailers’ Occupation Tax paid on building materials, an investment tax credit of .5 percent on qualified property, and an enterprise zone jobs tax credit for each job created in the zone for which a certified dislocated worker or economically disadvantaged individual is hired.

During FY03, the following activities occurred in rural Enterprise Zones:

- **Robinson (Crawford County).** $54 million was invested in an ethanol production facility; 40 jobs were created.

- **Canton (Fulton County).** $40 million was invested in an ethanol production facility.

- **Bureau/Putnam Counties.** $33.7 million was invested by a steel fabricator retaining 135 jobs and creating 100 jobs.

- **Greater Centralia.** $750,000 was invested in a building expansion creating 25 jobs.

- **Freeport (Stephenson County).** $1.6 million was invested in a relocated egg processing facility. The project is expected to create 17 jobs and retain 28 jobs.

Small Business Development Network. DCEO manages a network of 39 Small Business Development Centers (SBDCs) across the state. The SBDC network is of major assistance to business investors in rural Illinois, many of whom have had limited experience with starting a business and do not know what state and federal programs are available. It actively facilitates small business growth thereby increasing economic development activity in rural Illinois as can be seen in the following FY03 projects:

- The John A. Logan College, “State of Illinois Mini Match Maker Conference” helped 140 participants search for state contracting opportunities, focus on specific areas of interest, and complete the paperwork required for state certification and financing. Increases in government contracts for rural Illinois businesses are expected.

- Cave-In-Rock State Park Restaurant and Lodge opened with help from the Southeastern Illinois College SBDC on a business plan to secure financing.
• An English Tea Room opened on the historic Woodstock Square with help from the McHenry County College SBDC. The owner continues to use SBDC resources on hiring, regulations, and marketing efforts.

• A pizzeria opened with help from the Rend Lake College SBDC with a feasibility study, a business plan, and capital access through the City of Mt. Vernon’s Revolving Loan Fund.

• Southeastern Illinois College SBDC assisted in efforts to open a gas station/convenience store. Help in preparing a business plan to secure financing for the business was provided.

• The WIU SBDC helped an implement dealer locate in Macomb, which will create 17 full-time jobs. The SBDC assisted in business plan development, financing, and marketing efforts.

**Entrepreneurship Training and Promotion.** The role of entrepreneurship in revitalizing local economies is increasingly being recognized, and Governor Blagojevich recently announced the creation of six Entrepreneurship Centers across the state to open within a year (IGNN 2003a). These centers are linked to educational institutions and five of them (SIU-C, SIU-E, UIUC, WIU, and Rock Valley College) will serve mainly rural areas. They will augment the SBDC network and pull other resources together to help entrepreneurs and small businesses poised for expansion.

In fall 2002, the GRAC collaborated with IIRA and Spoon River College (SRC) on a pilot entrepreneurship training and outreach program in Canton (Fulton County), an area with high unemployment. Additional support was provided by the DCEO Five-Year State and Regional Strategic Planning Project to build an outreach and succession program that will help participants link with potential sites to start businesses.

SRC offered a NxLeveL class to help participants acquire the skills needed to create a business plan and to ultimately establish a business in rural west-central Illinois. The target audience for this class is residents currently working in small businesses and now interested in starting their own. Partnerships with local businesses and business-related organizations, including the WIU SBDC, network program participants with experts in businesses. This program also fosters partnerships with leaders in communities to identify resources that are available such as vacant buildings, financial support, and technical expertise.

The first entrepreneurship class enrolled 16 participants in the spring of 2003 and included presentations from key business and community leaders on topics related to starting businesses. A website was created for class participants to interact with business owners and community leaders. This website gives participants access to mentoring, advice, and support beyond the classroom. It creates a virtual community of fledgling entrepreneurs, small business owners, and experts in small business development issues as well as contains publications and links to available, up-to-date resources. During this class, several businesses were planned with services
involving digital imagery and printing. If created, these businesses will generate five part-time and two full-time jobs.

A related issue facing small rural communities is that business owners nearing retirement age, or even past retirement age, have no one to replace them in the business. These businesses are small but provide essential services in the community. A succession network is being explored to facilitate the transfer of ownership from retiring small business owners to younger entrepreneurs. This succession system will help retain youth who, otherwise, would leave rural areas to seek employment.

It is too early to determine the success of this pilot program, but initial response and reactions are positive. This GRAC-sponsored initiative has offered SRC an opportunity to more directly engage in regional economic development initiatives and provide entrepreneurship training in an area with high unemployment. Plans to deliver entrepreneurship training materials via the Internet and digital video will be further investigated for local implementation.

**Illinois Main Street**

Downtowns across Illinois and America changed dramatically during the last half of the 20th century. The creation of the interstate highway system and subsequent growth of suburban communities transformed the ways in which Illinoians live, work, and spend leisure time. Roads that once connected neighborhoods to downtown now carry residents to outlying shopping strips and regional malls. Economic booms brought increased development outside traditional areas, and “urban sprawl” with its uncontrolled growth and cookie cutter architecture that reflected neither a sense of place nor a sense of pride. Downtown businesses closed or moved to malls, shoppers dwindled, and property values and sales tax revenues dropped.

To address these issues, the National Trust for Historic Preservation created the National Main Street Center and developed the trademarked “Four Point Approach.” This nationally recognized practical strategy is now working in more than 1,600 communities in 44 states. In 1993, Illinois joined the Main Street program as an initiative in the Lieutenant Governor’s office. Nine initial rural communities were selected; now there are fifty-six designated communities, including rural, suburban, and large towns in Illinois.

Day to day operations were transferred to the Illinois Department of Commerce and Community Affairs in 1999, and the Illinois Main Street Advisory Council was created by Executive Order to oversee the program’s strategic growth and direction. The Lieutenant Governor chairs the council. After funding in the FY03 budget was discontinued, legislators restored more than $100,000 to continue the program and provided architectural services through the Illinois Historic Preservation Agency. A staff member was also transferred to the Lieutenant Governor’s office to provide technical services and training.
The administration of the program is currently housed in the Office of Lieutenant Governor Quinn. Efforts are underway to reinstate design services, and plans are underway for managers’ meetings and an annual conference. The Illinois Main Street Advisory Council met in March and identified primary goals for the program.

Rural Partners

Rural Partners, the Illinois Rural Development Council, is a statewide membership organization that brings together rural leaders from both the private and public sectors to address rural issues. Rural Partners focuses on the collaborative use of its membership network to link rural individuals, organizations, and communities with the resources they need to successfully resolve local issues. Overall, it focuses on leadership, economic vitality, and quality of life issues in rural Illinois.

In 2002, Rural Partners held three statewide conferences on Economic/Community Development, Leadership, and Telecommunications. More than 700 participants participated in these conferences. Multiple workshops on Housing and Child Care Center Development were also held, with the housing workshops resulting in multiple communities initiating housing needs surveys in preparation for housing development initiatives.

The childcare center workshops resulted in five new childcare centers with six more in the planning stage. The Rural Partners network also was instrumental in helping Franklin County leaders save the Franklin County Hospital. Collectively, efforts by Rural Partners help ensure that rural needs remain a focus of the state government leadership in Illinois.

Value-Added Economic Expansion

During the Rural Leadership Forums, 31.7 percent of participants rated the “Use of ag products in local economic development” as poor (GRAC 2000). More than 75 percent of participants in the Rural Life Panel rated loss of family farms as threatening their community (Thistlethwaite et al. 2001). Value-added agriculture and rural development are crucial to economic prosperity in rural Illinois because increasing the value of locally produced commodities, crops, byproducts, and waste products stimulates the rural economy through higher incomes and increased employment.

Recently enacted legislation (HB46) extending the subsidies for ethanol will help several value-added groups in Fulton and Crawford Counties form businesses and stimulate employment. This legislation encourages the development of value-added production by extending the state sales tax credit exemption on ethanol for ten years and by creating a tax credit for biodiesel fuels.

The legislation also establishes the Illinois Renewable Fuels Development Program providing up to $15 million a year in grants for financial assistance for the construction and/or retrofitting of plants that have a production capacity of at least 30 million gallons of renewable fuel per year.
DCEO estimates that local corn prices will increase by 5 to 10 cents per bushel with the opening of each new ethanol plant, and farmers who invest in the plants will earn an average 13 percent annual return. In addition, each plant is expected to generate approximately 40 full-time jobs and nearly 700 jobs in the surrounding region (IGNN 2003b).

Value-added agriculture is important for its economic development potential. The Illinois Department of Agriculture (IDOA), recognizing a need for financial assistance to help organizations and individuals create value-added businesses, established the AgriFIRST program in 2001. This initiative provides grants to individuals or groups pursuing value-added economic development endeavors that will ultimately stimulate Illinois’ rural economy. To date, IDOA has awarded 49 projects for $2.2 million in two rounds of project funding. Grantees use the money for feasibility studies, competitive assessments, and technical assistance.

Funding for the following AgriFIRST projects was provided in FY03:

- **Biotechnology Research and Development Center.** For technical assistance to hire an engineering firm to determine the improvements and requirements necessary to convert space into an agribusiness commercialization center in Peoria, including zoning, building codes, and the types of environmental and safety issues.

- **Illinois Beef Association.** To complete a competitive assessment of the beef industry in Illinois and to provide the necessary technical assistance required for identifying the best way to add value to Illinois beef.

- **Illinois Branded Beef LLC.** For technical assistance which allows beef producers involved in the organization to develop and market a specifically identified beef product to Chicago grocers.

- **Illinois Corn Marketing Board.** To commercialize an economical process for producing oil and zein that would interface with dry mill corn processing or dry grind ethanol plants.

- **Illinois Pork Producers Association.** To complete a feasibility study and determine if production of a premium pork product can result in higher profits for Illinois producers. Specific objectives include determining the qualities that high-end restaurants want in a premium pork product and the premium they are willing to pay; determining how to provide consistent, reliable quality measurements to differentiate pork quality that can be incorporated into a pricing system; determining the premiums currently available for high-quality pork; determining if producers will respond to a new pricing system; and evaluating the potential for a premium pork product in a retail grocery setting.

- **Illinois Soybean Association.** For technical assistance to test market a computer-based, identity-preserved quality control system and to fund three components of the business plan: (1) promote integration of the program with the needs and procedures of elevators and
processors, (2) conduct real-time tests of the system throughout the entire production chain, and (3) conduct a needs assessment of end users of identity-preserved grains.

- **Midwest Prairie Products.** To complete a feasibility study that determines the most appropriate business model for establishing a flexible soybean processing plant in north-central Illinois.

- **Prairie Premium Ag Coalition.** To complete an in-depth feasibility study for producing and marketing biodiesel and coproducts in west-central Illinois.

- **Sustain.** To conduct a feasibility study assessing the current market for locally grown organic food, current and potential providers and processors of organic foods, and the infrastructure necessary to support the growth and maintenance of an Illinois-based distribution system.

- **Illinois Institute for Rural Affairs.** To provide technical assistance, research, and consulting services to several ag-producer groups to facilitate the creation of new businesses, scan for new opportunities, and assist in the enhancement of business-related skills. The Illinois Value-Added Rural Development Center (IVARDC) at IIRA works with agricultural producers and small business owners to help them capture more of the value-added to improve their incomes and expand employment opportunities in rural Illinois. During FY03, IVARDC worked with the following groups:

  * **Agricultural Development Association (ADA)/Lincoln Agri-Energy (LA-E).** ADA/LA-E completed the design/build contract for an ethanol plant and an operational agreement in December. The Lincolnland Agri-Energy plant property was purchased and wetland determination, flood zone certification, and an archaeological review of the site were completed. A project manager and a construction manager as well as an insurance consultant have been hired, and the groundbreaking ceremony was held in March 2003.

  * **Logan County Ag Development Coalition (LLAC).** LLAC recently completed the Agricultural Community Assistance Program visioning sessions in Lincoln with 34 ag producers, economic development professionals, and agribusiness leaders from Logan County participating in the workshops. The outcome was an action plan addressing key goals, strategies, and specific action steps for achieving the goals.

  * **OMNI Ventures, Inc.** OMNI Ventures, Inc. recently completed the second phase of a kenaf market feasibility study which addressed four major areas of concern raised during the Phase 1 study. The Phase 2 study identified one company interested in using processed whole stalk kenaf, and OMNI Ventures is actively following up on this lead.

*Marketing Assistance.** The rural landscape in Illinois has undergone many changes over the years, including shifts in farm subsidies, continued low commodity prices, vertical integration, consolidation within the agriculture industry, and increased dependence on global markets.
These trends have forced communities to consider alternative businesses to fill the void left by farmers leaving the industry. In addition, as the agriculture industry becomes more competitive, especially with those countries that imported Illinois products in the past now competing in the same market with Illinois producers, market development is becoming increasingly important.

The IDOA is aggressively seeking both domestic and international market opportunities for Illinois products. In FY03, IDOA sponsored six Illinois-product specific events, involving 174 small- to medium-sized Illinois companies resulting in increases in sales and 357 leads. To date, 16 companies have attracted attention from stores and ultimately obtained shelf space for 39 Illinois products.

The marketing arm of IDOA helped organize participation by Illinois food and agribusiness companies in 15 international trade shows and buyers missions in six countries, two domestic trade shows, 7 industry tours with participants from 11 countries, 16 regional state cooperator activities, and 12 alternative and specialty crop projects. These initiatives assisted more than 212 companies and 85 agricultural organizations resulting in more than 6,400 buyer-seller introductions and more than $60 million in sales of Illinois food and agricultural products.

IDOA’s Bureau of Marketing and Promotion helps expand Illinois food and agricultural exports by providing market assistance. The department has four international offices, and this bureau enhances market opportunities for Illinois food and agricultural products both domestically and abroad.

The alternative and specialty crop industries continue to increase in popularity throughout the state. The growth of Illinois’ Community Farmers Markets has provided an opportunity for Illinois’ rural citizens to enhance their income. Illinois has more than 130 farmers markets, and new markets continue to surface. These markets are often the first step in direct marketing fresh produce, and larger tourism centers are beginning to surface surrounding the markets in rural Illinois. For example:

- IDOA received funds from the National Organic Certification Cost-Share Program to help growers and handlers of organic agricultural products recover part of the costs incurred in obtaining USDA certification. Reimbursements will cover 75 percent of the cost of certification up to a maximum of $500.

- IDOA funded the Partners for Agricultural Literacy organization, which works with other private sector partners to provide agricultural awareness programs in 42 counties serving nearly 202,000 students (pre-K through adult) in Illinois. These programs help participants to better understand important issues facing agriculture as well as to see the important contributions that agriculture makes to the state economy.

- IDOA also hosts the Illinois Agricultural Youth Institute. This six-day educational program provides high school students with an opportunity to learn about the diversity of careers available in the agriculture industry today. A strong agriculture industry requires well-
informed leaders, and this program lays the groundwork for an educated workforce and leadership corps in the future.

Public education also contributes to sound natural resources and environmental policy. The IDOA operates several education programs that help Illinois residents preserve and enjoy the state’s natural amenities. The Henry White Farm in St. Clair County serves as an outdoor laboratory for sustainable agriculture. The farm has 94 acres containing wetlands, evergreen and deciduous groves, restored prairie, and wildlife habitat. Research conducted on the farm involves projects for corn and soybeans, prairie, wetlands, and woodlands. Sixty-five of the farm’s 94 acres are devoted to the cultivation of crops, mainly corn and soybeans. In addition to providing valuable research information for farmers, the site also hosts an annual field day where specialists explain how the farm benefits agriculture and wildlife.

In August 2001, IDOA launched a year-round permanent interactive exhibit (known as Watershed Park) to educate the public on water protection. This one-acre, interactive exhibit features 13 different stations, which explain soil conservation, urban storm water management, farm and home health safety, integrated pest management, stream bank protection, wetlands, and wildlife.

Health Care

The availability of accessible, high-quality health care has a direct impact on the quality of life. Recent closures of rural health clinics and hospitals and an inability of small communities to attract and retain physicians force rural residents to travel farther for necessary care. Lack of access to health care may contribute to population declines, especially the elderly, who are forced to move to areas that provide the care they need. Participants in the Rural Leadership Forums identified health care as important, with 65.9 percent of participants rating attracting more doctors to their communities as very important (GRAC 2000).

Because of age and other factors, rural residents often have more health problems than their urban peers but also have access to fewer healthcare services locally. A major reason is the long-standing shortage of healthcare providers in rural areas. Although 20 percent of the U.S. population lives in rural areas, only 9 percent of physicians practice there and only 3 percent of recent medical school graduates plan to do so (Rabinowitz and Paynter 2002). In Illinois, 20 of the 27 counties designated as having underserved populations are rural counties (Leitner, Gast, Sarvela, Ring, and Newell 2001).

The transformation of the healthcare industry, starting over a decade ago, will continue well into the 21st century, and rural Illinois will continue to face many challenges in maintaining quality healthcare services. These issues will include a stagnating local economic base, deteriorating community infrastructure, and dwindling service amenities. Rural Illinois has a diverse and aging population with limited economic resources, which raises the issue of access to affordable healthcare services in their rural communities. The complexity of rural healthcare access is
aggravated by issues of transportation, technology, recruitment and retention of healthcare providers, adequate reimbursement for services provided, and availability of specialists.

Innovative Healthcare Practices. In an effort to better understand rural health issues, the GRAC worked with IIRA staff to identify innovative approaches appropriate for rural Illinois. The project, released in the summer of 2003, shows that, despite the healthcare challenges, rural Illinois agencies have implemented creative and successful strategies. These approaches include all-volunteer rural EMS (emergency medical services) departments, mobile mammography clinics, and in-school wellness centers.

Rural hospitals make significant contributions to the health promotion, education, and prevention needs of rural communities; however, recent closures and consolidations of rural hospitals show that these institutions alone cannot address the problems of rural residents. Other organizations, such as professional associations, public schools, social service agencies, and community-based groups, must participate in community healthcare activities.

Several successful local strategies were identified in GRAC-sponsored research on health care and can serve as models for other small and rural communities trying to improve local access to health care.

Jamieson Community Center (Monmouth). The Jamieson Community Center began 50 years ago as a church affiliated group providing residents with clothing and food. As the program evolved, volunteers and staff members recognized additional needs within the community and the program expanded. Currently, the program provides Meals on Wheels, a thrift store, food and clothing for those in need, a nutritional education program, an Indigent Resident Program, prescription medicine assistance, and support in locating affordable housing. These programs are supported through a wide variety of funding sources, including state and private foundation grants, financial and volunteer support from local religious groups, and local donations from activities like rummage sales and fund drives. Two key variables contributing to the accomplishments of this program include providing residents with a sense of ownership of the program and collaboration with a wide variety of respected community groups.

Strom Center (Monmouth). The Strom Center provides the local indigent population with free prescription drugs, a soup kitchen, and a nutritional education program. This community foundation uses funds from the Area Agency on Aging, prescription medication donations from pharmaceutical companies, and food and financial assistance from local businesses for the soup kitchen. The center also depends in part on volunteers to staff the soup kitchen.

Tri-County Council (Rock Falls). The Tri-County Council assists individuals in need through a wide variety of services, including emergency assistance; free prescription drugs; assistance with medical costs; and medical, social, and nutritional programs targeted to the elder population. As with the Strom Center, the Tri-County Council uses funding from a diversity of sources and depends largely on collaboration with local volunteers and charitable organizations.
Charitable Care (Monticello). Charitable Care, a foundation created by the John and Mary I. Kirby Hospital, helps low-income individuals pay outstanding medical bills. Qualifying individuals who have unresolved medical bills after a period of one calendar year may qualify to have those balances paid by the hospital or contributing insurance companies. One factor contributing to the success of the program is that the individuals administering the program know the community and, therefore, know who will benefit most from the program.

Gallatin County School Wellness Center. Located in southern Illinois, this area has experienced a population decline of 6.7 percent since 1990. A full 20.7 percent of Gallatin County residents live below the poverty level compared to the 10.7 percent statewide average for Illinois (U.S. Bureau of the Census 2003). Currently, no physicians practice in the county.

Many students in the Gallatin County School did without even the most basic preventative healthcare services because their parents were either unable to afford to pay for medical care, unable to take time off from work to take their children to the doctor, uninsured, had no reliable transportation, or were embarrassed to ask for assistance. The poor academic performance and behavioral and social problems exhibited by these students partly reflected their poor physical health. The Gallatin County School Wellness Center serves the healthcare needs of both students and staff. Funded by the Welborn Foundation in 2001, the center addresses the lack of convenient and affordable healthcare services. It provides a nurse practitioner and licensed practical nurse on site for students and staff members for direct medical and counseling services; prescription medication on site; and health education workshops to students, staff, and community members. Long-term, the project will expand the services of the Wellness Center to include all Gallatin County residents.

These programs represent innovative approaches to address local needs, usually with resources obtained from private sources, donated help, or other non-tax resources. They are a credit to the ingenuity of residents and can encourage other areas to consider innovative approaches in their regions.

Center for Rural Health. The goals of the Center for Rural Health in the Illinois Department of Public Health are to improve access to primary health care and to encourage community involvement in health issues. These goals are accomplished through programs and services that include community assistance, recruitment of health professionals, identification of areas in need of additional health professionals, consultation about rural health clinic certification, health professional educational support, rural health networking, serving as an information clearinghouse, rural hospital assistance, and the provision of grants to improve the availability of and access to primary healthcare services.

Residents in many rural areas of Illinois do not have adequate access to primary healthcare services. A federal designation granted by the U.S. Department of Health and Human Services—health professional shortage area—qualifies providers and facilities in these underserved areas to participate in a variety of state and federal programs. There are 86 primary care physician
shortage areas in rural Illinois, 72 rural counties with dental shortage designations for the low-income population, 63 rural counties with shortages of mental health professionals, and seven additional rural counties that meet state criteria for physician shortage areas.

Multiple programs, including educational loan repayment and scholarships, increase the number of primary care providers practicing in underserved areas. Eighteen of the 42 primary healthcare professionals who receive financial assistance to repay their educational loans through the State Loan Repayment Program practice in rural shortage areas.

In FY03, $3.6 million was awarded to health professions students, including 143 nursing students, 19 medical students, nine physician assistant students, six advanced practice nursing students, and one podiatry student.

All state scholarship programs require students to practice or be employed in underserved areas of Illinois one year for each year of scholarship support provided. For all programs except nursing, approximately half of all participants have selected rural practice sites. Nursing scholarship participants have been more likely to come from urban areas of the state and remain there upon completion of their education.

Center for Rural Health staff assist foreign physicians seeking practice opportunities in the United States. Physicians who agree to practice in an underserved area for a minimum of three years can remain in the U.S. upon completion of their graduate medical training. Each year, the department can assist 30 foreign physicians, and in FY03, ten of the 30 foreign primary care physicians selected rural practice locations.

The Center for Rural Health maintains a recruitment web site for communities and facilities seeking physicians in the primary care specialties of family medicine, general internal medicine, general pediatrics, and obstetrics/gynecology. The website, www.illinoishealthpro.org, averages 3,800 inquiries per month.

Grants, such as the following, are available to support educational programs that give students and resident physicians’ experiences in underserved areas to promote both selection of primary care specialties and future practice in underserved areas:

- Ten Illinois graduate medical education programs in family practice were awarded grants for special educational projects.

- $90,000 was provided to the Illinois Academy of Family Physicians to support a six-week summer externship for medical students in family physician offices; in most years, approximately 70 students participate, and half complete their experiences in rural communities.
Seven local health departments in underserved rural counties were awarded a total of $220,000 to develop or enhance dental service projects.

The Rural/Downstate Health Act provides grants to organizations in rural and underserved urban areas to develop or enhance access to primary health care. In FY03, $1.2 million was awarded to nine rural hospitals, eight community-based organizations, and six federally qualified health centers.

The Community Health Center Expansion Act authorizes grants to enable existing federally qualified health centers to begin development of new service sites or expand existing clinic locations. In FY03, $3 million was available for grants, and of the ten grant recipients, one was in a rural area.

The Critical Access Hospital Program supports the smallest of the rural hospitals in their efforts to become financially stable and to meet the healthcare needs of residents. Currently, 30 rural hospitals have a special Medicare certification as a critical access hospital, enabling them to receive cost-based reimbursement from Medicare and grant funds for special projects. In FY03, 75 grants were awarded to these hospitals.

Critical access hospitals, as the name implies, are crucial to meeting the healthcare needs of service area residents and also to the economic health of the communities served. A University of Illinois study reported that a typical critical access hospital contributes an average annual payroll of $4.2 million and has an average of $1.6 million economic impact in its community (McNamara and Straub 2002). The economic contribution of 30 such facilities is quite substantial to the rural economy in Illinois.

Grant funds have been sufficient to bring the number of critical access hospitals participating in the Critical Access Hospital Telehealth Network to 28. The network supports voice, video, and data transmissions using Internet-based standard protocols. The Illinois Century Network provides the communications backbone for the telehealth network. The telehealth network is one of the largest of its kind in the nation. Grants are provided to participating hospitals to purchase the required network and videoconferencing equipment. Technical assistance is provided by a network/video specialist available on a full-time basis.

Center staff also provide consultation to healthcare providers interested in becoming certified rural health clinics, and 190 clinics are now certified in Illinois. This Medicare certification helps primary healthcare providers meet the needs of individuals whose care is reimbursed by Medicaid and Medicare since the providers are paid on a cost-basis.

Pleasant Hill Rural Health Clinic. In February 2002, a Community Health MAPPING program in the Village of Pleasant Hill made it apparent that sustaining the current level of healthcare services is important to the residents of Pleasant Hill and nearby communities. Many residents use the clinic for primary care services and do not have access to an alternative healthcare facility. Unfortunately, the clinic was in danger of closing because of a funding shortage. The Village of
Pleasant Hill purchased the clinic and entered into an arrangement with the Quincy Medical Group to provide staff.

In spring 2003, the GRAC provided additional funds to sustain the clinic as it resolves its funding issues. The community and the Quincy Medical Group are currently working to reduce the barriers that have prevented some residents from receiving services at the clinic in the past. Increasing the accessibility of the clinic increases the number of residents using its services and increases the clinic’s long-term economic viability.

*School-Based Health Clinic.* The SIU School of Medicine Family Practice Center-Carbondale and Southern Illinois Healthcare, a multi-site hospital and healthcare system based in Carbondale, are leading a project aimed at addressing the healthcare needs of children in underserved areas of southern Illinois. The project, funded by the GRAC, is conducting a study of the need and feasibility of a school-based health clinic to serve children in Franklin and/or Williamson Counties. Included in the project are an assessment of the services needed and potential sources of operating funds to guide the development of this program. A school-based health clinic will make healthcare services accessible to children living in an underserved area of Illinois.

*Community Assistance and Networking.* A grant from the federal Office of Rural Health Policy enables the Center for Rural Health to offer awards to university-based community assistance programs such as the following:

- Funds were provided to Illinois State University staff to develop and present a series of grant writing workshops offered on three separate occasions. To enable the greatest number of people to participate, the programs were provided on the Critical Access Hospital Telehealth Network at eight different communities throughout the state.

- Funding was provided to the University of Illinois’ Department of Agricultural and Consumer Economics to develop and implement economic impact assessments in two rural communities to determine the health sector contribution to the local economies. The model will be applied in other communities in future years.

- IIRA received funding to conduct MAPPING the Future of Your Community’s Health to create action plans in four rural communities that will expand their healthcare capacity; IIRA also provides technical assistance on specific projects.

- University of Illinois College of Medicine at Rockford was funded to develop health professional recruitment materials for three rural communities.
**Housing**

Many rural communities have older housing that increasingly does not meet local needs. Past population declines caused disinvestment in housing, and the market was not profitable enough to justify housing construction or remodeling. Now, young families are unable to find adequate housing at a price they can afford, given the local wages. Elderly residents live in homes that exceed their space requirements because of a shortage of housing options beyond traditional nursing homes. Rural communities cannot attract or retain residents if appropriate housing is not available.

Housing was identified as a critical issue in the Rural Leadership Forums. The availability of affordable high-quality housing was rated as poor by 43.9 percent of participants. Sixty-six percent ranked “building more affordable housing” very important in the next five years (GRAC 2000).

The GRAC collaborated with IIRA to determine the condition of housing for rural seniors and to identify acceptable senior housing alternatives. The project was a follow-up to issues raised in the statewide Rural Housing Conference that took place in December 2001. The project included preparing a questionnaire; selecting a sample population; arranging for the questionnaire distribution; and then distributing, collecting, tabulating, and analyzing data. Questionnaires were distributed through senior centers in three regions of the state: (1) northwestern, (2) west central, and (3) southern.

The findings are important because, although national studies of housing conditions are available, relatively little research on housing conditions exists for specific states such as Illinois. Little is known about senior housing alternatives that rural elderly might find acceptable.

Preliminary findings of the project are encouraging. Few respondents reported moderate physical problems with their homes, and most rated their current homes high on a scale of 1 to 10. Most respondents have access to public or private water systems and public sewer systems. In addition, respondents did not see the necessity of making major improvements to their homes. They reported that desired improvements would include new windows, roofs, and painting or siding the exterior of their home. Inside, they would improve air conditioning and modify kitchen and bathrooms for easier mobility; they would also like fresh paint and carpeting.

On the other hand, moderate physical problems reported relate to upkeep issues—for example, water leaking from outside or inside the home, cracks in walls or ceiling, peeling paint, holes in floors, and the presence of mice or rats. Although very few respondents reported severe physical problems, those that did reported several concerns. Respondents would move washers/dryers, bedrooms, or bathrooms to a single floor to eliminate climbing stairs. They would also address safety issues such as rewiring electrical systems, installing handrails, and fixing wet basements.

The most significant findings involve the issue of alternative housing. Overwhelmingly, respondents want to stay in their homes with in-home support services. As an alternative,
congregate housing is the most acceptable form of group housing, followed by assisted living facilities. Those 64 years and younger are more likely to find group housing more acceptable than the older elderly groups surveyed. The findings are significant for rural policymakers as they develop programs to meet the housing needs of elderly residents.

**Regional Housing Workshops.** The Illinois Rural Housing Task Force, coordinated by Rural Partners, conducted regional housing workshops in Galesburg, Clinton, Mattoon, Jacksonville, Carterville, Litchfield, and the LaSalle/Peru area between November 2002 and April 2003. Participants learned the basics of planning, how to conduct housing assessments, housing development perspectives from the public and nonprofit sectors, and specifics on assisted living and other types of housing programs implemented in rural places. Approximately 280 participants attended these workshops.

**Managing Information Technology Issues**

The importance of access to high-quality Internet services cannot be overstated; however, the costs of providing this service to sparsely populated rural areas is sometimes considered prohibitive by private investors. Compounding the issue is that public officials in many rural communities are not conversant with the latest techniques or options available for using information technology (IT) in rural areas and, as a result, may not take full advantage of the resources available.

In FY03, the GRAC and USDA-Rural Development funded a pilot project in which public officials and community leaders in rural areas obtained assistance with technology planning initiatives. The Rural Information Technology Planning Project (RITPP), conducted by IIRA, helps leaders in rural communities evaluate how to best use IT for local community or economic development. The focus of this program is to increase IT usage rather than just expand the physical infrastructure.

This project involves forming a group of residents from higher education, government, business, K-12 and/or youth, health, retirees, and the community at large. The Information Technology Action Research Team (ITART) then helps the community leaders address both IT and IT-related economic development issues. As an optional addition to the program, communities can support a representative from VISTA (Volunteers In Service To America) who works in the community to facilitate the achievement of the goals developed in the strategic visioning sessions.

The RITPP consists of six steps: (1) formation of an ITART team, (2) assessment of IT usage in the community, (3) exploring capacity of IT in local development, (4) local strategic visioning effort to determine the role of IT in a community, (5) consultation with IT/economic development specialist, and (6) supporting a VISTA to promote IT use in the community.

IIRA held a full-day IT workshop attended by the community ITART groups (20 participants) and facilitated by an economic development professional with expertise in using technology as a development tool. Technology sessions were also presented at the IIRA annual Rural Community
Economic Development Conference. The project also has a website, www.iira-it.org/, with links to technology-related research, publications, community assessments, best practices, resources and grants, and a technology glossary for use by leaders in other communities that might be interested in this approach.

Three communities completed the technology planning process during FY03 and reported increased activity in community and economic development. Each city completed a Technology Master Plan, and a listserv is being developed for project participants to exchange ideas and information. Plans are to start another group of communities in fall 2003. The focus will be on IT usage and facilities to attract businesses to the region.

The RITPP built capacity in several ways. Using the issue of technology and the structure of the ITART, Canton (Fulton County) re-energized its community and economic development efforts. It created a Technology Master Plan and will host a VISTA member for a year starting in August. A subcommittee of the Canton ITART, including representatives from the local hospital, community college, local business people, and the newly hired economic developer meet on a regular basis to implement their plan. This subcommittee has developed a sustainable structure and process that can be used to address other community issues. Other participating communities are making progress as well. Monmouth also has a VISTA member currently working on IT issues.

**Illinois Rural Bond Bank**

The Illinois Rural Bond Bank (IRBB) provides local governments throughout the state with access to affordable financing for infrastructure projects that benefit the health, safety, and economic welfare of Illinois residents. Since January 2000, the IRBB provided more than $45.5 million in financial assistance to 47 local governments in rural Illinois. These governments have borrowed funds for water and sewer projects, public works facilities, new fire stations, a community pool, projects to resurface streets and roads, a community center, park improvements, and a variety of other projects.

The IRBB developed two new programs for 2002 and 2003. The first is an interim funding program that provides immediate financial assistance to local governments facing emergency needs. When local wells went dry, the city of Avon obtained emergency funds at low interest from the IRBB within two weeks.

The second program is a Tax Anticipation Warrant Program for schools. This short-term loan program “pools” the financial needs of school districts into one bond issue in anticipation of the schools receiving state funding. The loans are offered at interest rates usually half those of other lenders.

In addition, the legislature recently passed a Fire-Truck Revolving Loan Program to be administered by the IRBB. This legislation has not yet been signed nor has funding been secured, but the program would allow local governments to purchase fire trucks at zero percent interest. The program is to be jointly administered by the State Fire Marshal and the IRBB.
In June 2003, the IRBB will conclude a refinancing of outstanding bonds issued between 1990 and 1996. This refinancing is expected to save local governments millions of dollars in interest alone. In July 2003, the IRBB also expects to close on the annual spring pool program. Eight local governments are expected to borrow approximately $10 million.

Since 1990, the IRBB has received an appropriation from the legislature of approximately $4 million to administer programs. During this period, it has provided more than $230 million to 248 units of local government located throughout rural Illinois. During the spring session, the Illinois General Assembly (SB1075) consolidated seven lending programs into one central fund, the Illinois Finance Authority, which will begin operations in January 2004. Cost-savings through administrative efficiencies notwithstanding, the new agency must continue to meet the capital needs of small rural governments with part-time elected officials.

**Strengthening Decisionmaking Capacity**

The fact that so many elected local public officials are part-time with limited formal training in economic development or management practices can reduce the effectiveness of communities in pursuing community and economic development. Even after communities have participated in a strategic visioning program, they may have an action plan but no full-time personnel to implement it.

The ability of local governments to solve issues was rated as poor by 34.9 percent of the Rural Leadership Forum participants, and 63.0 percent said that it was very important to involve more residents in public decisions. In addition, 68.0 percent reported that better coordination in providing public services is very important (GRAC 2000).

*Peace Corps Fellows Program.* Rural communities interested in obtaining short-term assistance in community and economic enhancement can participate in the Peace Corps Fellows Program in Community Development at WIU. This program places returned Peace Corps Volunteers, trained in community and economic development, in small towns for 11-month internships to coordinate and lead community development projects. The Fellows spend at least two semesters on campus before their internship in an Illinois community or in groups of communities.

Financial support from the GRAC expanded the number of Fellows available to work with rural communities. In FY03, nine Fellows provided on-site support and specialized training in community and economic development. Peace Corps Fellows mobilized more than 675 community volunteers to work on the following projects:

- **Clark County, Community and Economic Development.** Established a new development organization with widespread participation by residents; assisted the Clark County Economic Development Committee in preparing a written action plan to maximize economic development capacity and opportunity in Clark County; and coordinated two surveys, one of
youth and the other of adults, on countywide issues with an approximate 50 percent response rate within the county.

- **Cass County Health Department, Cass County, Community Health.** Established diabetes education and support groups to serve Hispanic residents; assisted Cass County Health Department to improve overall services to the Latino population; assisted with the provision of family planning, outreach, and health education; and conducted fundraising for a “mobile clinic” to better serve rural residents.

- **City of Hamilton, Community and Economic Development.** Organized an all-volunteer effort to build a toddler park and beautify entrances to the community (Hamilton); organized and incorporated the Hamilton Community Development Coalition as a nonprofit 501c(3) corporation; opened a Regional Tourism Center; started a citywide garage sale; and conducted six city beautification projects.

**Education**

Today, more than ever, school officials must partner with community leaders to build local alliances, making healthy schools a crucial part of successful local communities. Among Rural Leadership Forum participants, 78.1 percent reported that improving course offerings in schools will be very important in the next five to ten years (GRAC 2000). A shared vision must exist in the community so that healthy communities produce and support educational excellence. Likewise, policymakers must agree that good schools are the best guarantee of a community’s future.

GRAC member agencies have several programs underway to involve schools in community development efforts. A few examples are described here.

*School MAPPING.* Successful community economic development relies heavily on high-quality local school programs. Students are the future workforce and leaders in the community. They must not only receive high-quality education, but also must effectively participate in the community as leaders. The Community MAPPING program, described previously, works broadly with all sectors of the community to ensure a higher quality of life in support of economic development.

A more focused program, School MAPPING, works directly with school administrators, elected officials, and other groups in the community to strengthen the link between schools and the community action agenda. In this process, school officials and administrators work directly with community leaders on development projects that benefit both the school and the community. This ongoing program is provided by IIRA personnel across the state, and more than 50 school districts have participated in programs since its beginning. This program supplements the overall community vision and action plan developed in the broader Community MAPPING program.
Building Community Partnerships. The GRAC collaborated with IIRA, the Illinois Association of Rural and Small Schools, and the Illinois Center for Rural Education Studies on a project to help rural school administrators access federal funds to enhance local school initiatives. The funds are being used to develop a pilot program to strengthen community/education partnerships in rural communities by using school outreach efforts to promote community development.

Two regional one-day workshops were held in LaSalle and Jacksonville during April 2003 on the topics of building school-community partnerships for sustainable rural development. These workshops addressed the complex economic interdependencies between rural schools and rural economic issues, highlighted examples of innovative school-community partnerships, presented funding opportunities for collaborative school-community efforts, and introduced the 21st Century Grant program as a funding resource.

Seventy-two participants, representing diverse sectors of communities in each region, participated in the workshops. Four school-community teams (Pleasant Hill, Stark County, Toulon/Galva, and Gridley) decided to further investigate the 21st Century Grant program in a second, more intensive technical assistance workshop in Macomb with 18 participants.

Seven retired school superintendents and trained educators are participating in this pilot program as community consultants/mentors, and they attended both workshops. Currently, two school districts have determined that they meet the eligibility requirements to compete for a 21st Century Grant, and each is working with a mentor to complete and submit an application.

The final phase of this project will further use the mentors for specific project consultation with MAPPING communities beyond the 21st Century Learning Center proposals. Eight communities that identified education, schools, or youth issues as high priority targets have been contacted and offered the services of mentors. When projects are identified, mentors will be assigned to assist with project development and implementation.

The focus of this pilot endeavor is to strengthen ties between schools and community development initiatives. Based on initial interest and participation, it appears to offer useful opportunities for replication in other rural areas at low cost and by effectively using local resources such as retired school personnel.

Rural Roads and Bridges

The perceived quality of rural roads and bridges is not high according to Rural Leadership Forum participants, with 47.8 percent of respondents reporting them as poor (GRAC 2000). Likewise, a 2002 survey of Illinois municipalities showed that roughly one-third of the city streets and bridges in cities smaller than 25,000 needed more than regular maintenance (Norris and Walzer 2003).
Rural governments’ share in the state motor fuel tax collections and other Illinois Department of Transportation programs provide important transportation benefits to rural counties and cities throughout the state, including support for highway and road improvements, transit systems, airports, and rail transportation. For rural residents, these transportation systems are vital links in conducting the everyday business of life.

*FY 2002 State Highway Improvement Program.* The highway improvement program provided $609.6 million to preserve or reconstruct the existing system or construct pavements/bridges in rural counties. This program is financed by a combination of local, state, and federal funds and addresses both local road and state highway system projects. During FY02, projects were funded for the construction of additional lanes, rehabilitation of bridges, and resurfacing of roads in Saline, Clark, Hancock, McDonough, Stephenson, and LaSalle Counties.²

As a part of the FY02 program, IDOT also provides funds for improvements that enhance the quality of life in Illinois cities. The Illinois Transportation Enhancement Program (ITEP) provides alternate modes of transportation, enhances the transportation system through preservation of visual and cultural resources, and improves the quality of life in communities.

The types of projects emphasized in the ITEP are scenic/historic highways, bicycle/pedestrian facilities, landscaping, transportation museums and historic preservation. The following are examples of projects included in the FY02 program:

- *Marshall Downtown Renovation (Clark County).* The department provided $400,000 to the city of Marshall for a historic preservation project, including sidewalks, historic-style pedestrian lighting, landscaping, and bicycle racks. This project preserves the historic character of downtown Marshall and improves the transportation system for pedestrian, bicycle, and vehicle traffic.

- *Galesburg Downtown Streetscape (Knox County).* The department provided $1.5 million in ITEP funds to the city of Galesburg to create a historically compatible streetscape for the National Register Historic District. This project reinforces the historic character of downtown Galesburg and enhances visitor use of the downtown area by making it a more visible and accessible commercial and cultural district.

The IDOT Economic Development Program (EDP) provides state assistance for road improvements needed to provide access to new or expanding industrial, distribution, or tourism developments. The program focuses on the retention and creation of primary jobs and provides up to 50 percent in matching state funds where development is imminent.

² Information from FY03 was not available for all programs at press time, so FY02 information was used in some cases.
In FY02, IDOT committed nearly $3.4 million in EDP funds to local governments in rural Illinois. The rural county share of this program varies each year based upon eligible projects. The following projects are examples of those eligible for the EDP:

- **Franklin County.** IDOT committed EDP funds to provide access for a plant expansion by Bombardier Motor Corporation of America in Benton. The company currently employs 500 employees and is expanding its production of recreational products, creating 125 new positions in the company.

- **Edgar County.** IDOT funds will provide access to a new North American Lighting Company plant in Paris. North American Lighting plans to invest $23 million in a new products facility, which will create 289 jobs.

- **Stephenson County.** IDOT also has committed EDP funds to provide access to a new Pearl Valley Eggs production facility in Pearl City. This facility will invest $1.6 million for this expansion and create 17 full-time and eight to 20 part-time jobs.

In addition to the highway improvement program, the state provides local units of government with assistance in financing their road and street improvements. There are two categories of state assistance: (1) Direct State Assistance and (2) Special State Assistance Programs.

**Direct State Assistance.** The state assists counties, townships, and municipalities with local road and highway improvements from revenues collected through the motor fuel tax. These funds can be used at the discretion of the local government to support road and bridge construction. In FY02, local governments in rural Illinois counties received a total of $138.2 million.

**Special State Assistance Programs.** The increased revenues generated from Illinois FIRST made additional funding available for special assistance programs that targeted specific local transportation needs:

- **County Consolidation Program.** The County Consolidation Program assistance is distributed among all counties (excluding Cook County), with $8 million shared equally and $13.8 million distributed based on registered vehicles. In FY03, distribution from the County Consolidation Program to rural Illinois counties totaled $10.1 million.

- **Needy Township Program.** Needy townships/road districts are those that levy the maximum tax rate yet do not generate enough revenue to meet a statewide minimum level of acceptance per mile. Townships and road districts in rural Illinois counties receive the bulk of this benefit, garnering $9.3 million of $10 million distributed statewide during FY02.

- **Township Bridge Program.** The Township Bridge Program provides assistance to townships and road districts to address a backlog of bridge needs. Each year, $15 million is appropriated for
this program. During FY03, approximately $10.8 million was distributed to townships and road districts in rural counties.

- **Truck Access Route Program (TARP).** The Truck Access Route Program is designed to help local governments upgrade highways and roads to meet the wear and tear of the heavier weight and geometric requirements for 80,000 pound trucks on the Designated State Highway Truck Route System. Local governments in rural Illinois counties received $2.8 million from TARP in FY02. The rural county share of this $7 million program varies each year based upon eligible projects.

- **State Matching Assistance.** This program assists counties with matching federal funds when the county cannot derive sufficient matching funds from local taxes. The Illinois FIRST program increased funding for this program to $4 million per year statewide. During FY02, $3.9 million was distributed to rural Illinois counties to assist with matching federal funds.

### Energy and Environmental Issues

Clean air, clean water, and recreation opportunities contribute to the quality of life in rural areas. Quality of the local environment was rated poor by 15.6 percent of the participants at the Rural Leadership Forums, and 27.0 percent rated the quality of drinking water as poor (GRAC 2000). More than half of the Rural Life Panel respondents identified the erosion in the quality of the environment as threatening their community (Thistlethwaite et al. 2001).

The Clean Water Bond Act (HB3506), passed by the General Assembly in the spring session, makes $35 million available in general obligation bonds for a variety of projects to enhance water quality across rural Illinois. The bonds will be deposited into the new Anti-Pollution Fund and then transferred to the “Clean Water Trust Fund” to be used by Lieutenant Governor Pat Quinn to issue loans or grants to local governments, soil and water conservation districts, and other entities for a range of clean water programs, including upgrading wastewater treatment plants, managing wetland habitats for endangered species, and removing sediment which impedes navigation. Flood control, land acquisition, and farm conservation practices will also be enhanced by this legislation.

Rural Illinois is known for its beauty, recreational opportunities, natural resources, and as havens from the problems of urban sprawl, but these areas are also integral to the mining, agricultural, timber, tourism, and outdoor recreation industries in Illinois. Thus, protecting the wildlife and natural resources is vital for the preservation of the quality of life for all Illinois residents. Several programs are underway to preserve Illinois’ natural heritage as well as to revitalize local economies and employment.

***Illinois Coal Infrastructure Program.*** The DCEO Coal Infrastructure Program, created in 1996, helps businesses improve and expand coal mining, transportation, and utilization industries,
especially in rural southern Illinois. The program supports specific infrastructure improvements that allow these businesses to preserve existing and capture new markets for Illinois coal. Annual appropriations are made to the Coal Technology Development Assistance Fund which, through FY02, has awarded 184 grants totaling $64.7 million and leveraging more than $425 million in private investment.

The following FY03 projects are underway:

- A grant of $750,000 to Central Illinois Energy’s “Waste Coal Co-Generation Facility for Ethanol Plant,” is a $20 million project to build a 30-million gallon per year plant in Canton, Illinois. The project will provide steam and electrical requirements at an economical price, using waste coal in producing a clean, renewable fuel—ethanol. The operational phase of the plant will create an annual overall economic impact of $83 million, with an increase in earnings of $16 million and creation of 873 job years.

- Arclar Coal Company’s “Expansion of the Willow Lake Mine Complex,” was awarded $935,000 to assist with the $12 million project for a surface mine in southeastern Illinois, taking advantage of inexpensive transportation rates, efficient strip mining practices, and a state-of-the-art “clean coal preparation facility.” The mine will create 40 permanent mining jobs and 40 trucking jobs, and the new mining operation will have an estimated annual output of 1.5 million tons.

- Illinois Department of Natural Resources – Mines and Minerals received a grant of $200,000 to assist with the purchase of mine safety equipment for the statewide mine rescue teams. Replacing existing equipment will ensure compliance with MSHA (Mine Safety and Health Administration) requirements.

DCEO also manages several grant programs that help businesses and other groups to research, develop, or expand energy production:

- **New Horizons Dairy LLC (Peoria County).** This is a large biogas from cattle waste project in Peoria County rated at 260Kw of renewable electric power generation. DCEO has provided $550,000 in funding for this project from the Renewable Energy Resources Program (RERP).

- **Illinois Wind LLC (Bureau County).** A large wind energy farm near Princeton, rated at 51Mw of renewable electric power generation, is in the planning stages. DCEO has provided $2.75 million for this project from the RERP.

- **Willow Creek (Lee County).** A large photovoltaic system in Lee County, rated at 50Kw of renewable electric power generation, is under consideration. This system will produce electricity using solar energy. DCEO provided $300,000 for this project from the RERP.
**Wind Energy**

Illinois State University is currently working on a project to build a wind tower to provide research opportunities and provide energy for the university. Wind energy offers a clean form of renewable energy especially suited for production in rural Illinois. Areas in Adams, Boone, Bureau, Carroll, Coles, Edgar, Lee, McLean, Pike, and Stephenson Counties, identified as “Wind Pockets,” have the potential to successfully produce wind energy. Unlike conventional power, plants generating wind energy produce virtually no air pollution or greenhouse gases, and the use of wind energy helps to reduce U.S. dependence on foreign oil.

The Illinois Value-Added Rural Development Center (IVARDC) in IIRA is involved in several projects to promote wind energy in west-central Illinois, including working with community leaders to install a wind turbine system that will provide power to a school and other local entities.

A separate initiative is exploring the feasibility of constructing a wind turbine system that involves a local coalition of community leaders. The GRAC provided financial support for technical assistance, including facilitating feasibility studies and data gathering, identifying funding sources, and facilitating community meetings. As part of a regional task force, a five-member group visited seven wind energy sites in northern Iowa in June 2003 to see first hand how Iowa promotes and supports the use of wind power. An informational handbook on wind energy has been commissioned to provide information for those interested in developing or participating in a wind energy project.

DCEO has grant programs that promote alternatives to landfill disposal, conservation of resources, and recycling. Many of these grants involve rural communities but also affect large cities, especially where recycling or waste management issues are addressed:

- **Jackson and Marion Counties.** The cities of Carbondale, Centralia, and Salem have received grants to educate residents about recycling and reducing solid waste; conducting recycling, litter control, and solid waste reduction activities; and developing markets for recycled content products.

- **LaSalle County.** Phoenix Paper Products received a Recycling Industry Modernization (RIM) grant for its manufacturing facility in Lostant. Total project costs are approximately $210,000. RIM funds purchased and installed capital equipment to upgrade key functions in the firm’s manufacturing process. Because of the RIM project, Phoenix expects to increase its annual use of recycled paper to manufacture recycled content products by eight million pounds, increase annual sales by over $1 million, and add at least three full-time manufacturing positions.
Morgan County. Midwest Linen Recovery will increase production of remanufactured linens within the next three years through a $250,000 grant. The total number of pieces remanufactured will exceed one million by 2006.

Soil and Water Conservation Districts. IDOA’s Bureau of Land and Water Resources annually allocates nearly $15 million to Illinois’ 98 soil and water conservation districts through operating grants and cost-share grants to landowners for the purpose of reducing soil loss and protecting water quality. Illinois’ soil and water conservation districts provide technical assistance to landowners on a variety of natural resource issues. These districts offer help on soil conservation, water quality protection, wetlands management, flood control, soil erosion control at urban construction sites, stream bank stabilization, recycling interpretation, land use and site suitability, and conservation education. The bureau also works with other local and state officials to reduce conversion of farmland resulting from state-sponsored projects.

IDOA laboratories partnered with the Illinois Department of Natural Resources (IDNR) to survey the health of the state’s free-roaming white deer population. During the first weekend of shotgun season, IDOA and IDNR employees collect tissue samples from hunter-killed deer. The tissue is evaluated for tuberculosis and chronic wasting disease. The testing is important to livestock producers because tuberculosis in the wild deer population can easily be transmitted to domestic cattle. Testing for chronic wasting disease is also important to hunters, the sporting industry, and tourism across the state.

Grants by GRAC to Local Agencies

The Governor’s Rural Affairs Council provided direct assistance to agencies working to improve conditions in rural Illinois. GRAC funded both local and state agencies for a variety of projects, and this funding was typically matched by local contributions from the agencies or communities. GRAC funding focused on projects such as those that follow that directly supported economic development initiatives or initiatives that built leadership skills in rural youth:

Economic Development Projects

• Western Illinois Corridors Council (WICC). $10,000 was awarded to WICC to support a regional marketing effort. Included in this project was a newspaper insert featuring western Illinois industrial sites. WICC member agencies provided matching funds for this project amounting to $500 per agency.

• Rural Coalition on Development (RCD). $8,000 was awarded to RDC to provide seed money to sponsor monthly meetings, annual events, localized conferences, informational seminars, etc. GRAC’s grant is matched by RDC member contributions.
• Iowa-Illinois Regional Ferry Service. $7,000 was awarded to the Ferryboat Task Force (FBTF) to conduct a feasibility study of a ferryboat service between Mercer County, Illinois, and Louisa County, Iowa. The reinstatement of the ferry service is expected to have a positive economic impact for spawning new businesses and improving existing local businesses.

• Jacksonville Regional Economic Development Corporation. $3,000 was awarded to fund a one-day, not-for-profit board development seminar. This session built on training provided earlier in the year and gave participants a more in-depth understanding of their roles as board members.

• Illinois Development Council (IDC). $5,000 was awarded to IDC to partially sponsor the 2002 Fall Conference. This conference covered topics pertinent to community economic development, including the state of Illinois economy, economic development strategies, national data standards, and budget cuts and their local impact. Approximately 150 economic development professionals attended the conference.

Programs for Youth

• Illinois Association FFA. $10,000 was awarded to the Illinois Association FFA for technology, equipment, and educational materials. The grant allows FFA to purchase additional resources for its Springfield facility.

• Illinois State 4-H. $10,000 was awarded to the Illinois State 4-H. This funding provided partial support for (1) 4-H CAN Make A Difference program, a youth volunteer program that provides service to food banks, pantries, and shelter programs; (2) 4-H club community action grants; (3) Illinois 4-H Leadership Convention; and (4) sponsorships for registration at 4-H Junior High conference and leadership training workshops.

The funding provided by GRAC enhanced the efforts of local development agencies; supported professional development for economic development professionals; and supported programs to develop the skills of youth, the future leaders of rural communities.

Legislative Initiatives

The GRAC actively supports legislation to improve conditions in rural areas of Illinois. In FY03, several initiatives addressed community and economic development, health and health care, housing, the environment, and natural resources. Although all of this legislation does not necessarily target the rural areas of the state, it will contribute to the quality of life and the viability of rural areas (Table 3).
Table 3
Legislative Initiatives Supported by GRAC

<table>
<thead>
<tr>
<th>Bill No.</th>
<th>Health Care</th>
</tr>
</thead>
<tbody>
<tr>
<td>SB1109</td>
<td>Requires hospitals to submit quarterly reports to the Department of Public Health and provides whistleblower protections.</td>
</tr>
<tr>
<td>SB1109</td>
<td>Restores provision of current law that under Medicaid program, the co-payment for brand name drugs may not exceed $3 (instead of reducing the maximum co-payment to $1). Requires that there be no co-payment for generic drugs.</td>
</tr>
<tr>
<td>HB2268/SB1430</td>
<td>Provides that the state shall implement a healthcare plan that provides access to a full range of preventive, acute, and long-term healthcare services. Establishes the Bipartisan Health Care Reform Commission.</td>
</tr>
<tr>
<td>SB467</td>
<td>Requires that if an insurance policy provides coverage for prescription drugs, it may not restrict coverage for prescription inhalants.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bill No.</th>
<th>Housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>HB2345</td>
<td>Creates the Illinois Housing Initiative Task Force to develop an annual comprehensive plan that prioritizes the development of a range of permanent housing for certain underserved populations, including low-income and homeless persons.</td>
</tr>
<tr>
<td>HB2246</td>
<td>Creates a housing opportunity tax abatement program for the purpose of promoting access to housing near work and to alleviate the concentration of low-income housing in areas of high poverty.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bill No.</th>
<th>Environment and Natural Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>SB1239</td>
<td>Appropriates $35 million from the Clean Water Trust Fund to the Office of Lt. Governor for the purpose of making loans or grants to local governments.</td>
</tr>
<tr>
<td>HB46</td>
<td>Provides tax incentive for the use of biodiesel fuel. Directs DCEO to create the Illinois Renewable Fuels Development Program to provide financial assistance for the construction and retrofitting of renewable energy plants.</td>
</tr>
<tr>
<td>HB422</td>
<td>Creates statewide wetlands standards.</td>
</tr>
<tr>
<td>HB386</td>
<td>Requires electric utilities to establish a “net metering” pilot program for its retail customers that own and operate for their own needs, a solar or wind energy generating facility with a capacity of not more than 40 kilowatts.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bill No.</th>
<th>Community and Economic Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>SB600</td>
<td>Raises the minimum wage to $6.50 per hour by January 1, 2005.</td>
</tr>
<tr>
<td>SB1705</td>
<td>Consolidates seven lending programs into the Illinois Finance Authority.</td>
</tr>
<tr>
<td>HB115</td>
<td>Allows the Rural Bond Bank and the State Fire Marshal to administer a fire truck revolving loan program to provide zero interest loans for the purchase of fire trucks by a fire department or fire protection district.</td>
</tr>
</tbody>
</table>
GRAC Issues in FY04

At its June 2003 meeting, the GRAC identified several issues to address before the end of 2003. Interagency working teams will examine the potential for the following programs, which were developed to address these issues, in promoting the revitalization of rural Illinois.

Wind Energy. The potential for expansion of wind energy and other renewable energy sources in Illinois should be explored further. Iowa has been a leader in this field and can serve as a model for surrounding states (American Wind Energy Association 2003). In Iowa, regulated and municipal utilities purchase wind generated electricity.

This is not to say that Illinois currently has no wind energy efforts underway. Major initiatives near Bloomington (McLean County) and Princeton (Bureau County) are in the planning stages. The McLean County project will cost $400 million and meet the annual energy requirements of over 100,000 homes. A proposed Pike and Adams Counties project will cost roughly $200 million and benefit rural electric cooperative members.

Wind energy is not limited to large operations, however, and several groups in rural Illinois are already studying the potential for this revenue source as noted previously. Illinois State University is considering an investment in a wind turbine to study its potential for energy generation but also to generate power for internal use. IIRA staff recently led a group of rural development leaders on a tour of wind generating facilities in northern Iowa and are currently studying wind patterns in Macomb and Monmouth to determine wind patterns in western Illinois.

More information on the potential for small wind farms to provide power for municipalities or other local governments or businesses and the administrative structure needed for landowners to share in the revenues generated is needed. States such as Texas and Iowa, which have a long history of these initiatives, should be examined.

A task force of GRAC member agencies could generate basic information about the potential for wind energy; associated costs; legislative or administrative changes required; and a pilot program for local governments, utilities, agricultural producers, and other groups interested in investing in this renewable energy source. As the power generation capacity of wind turbines increases, the cost differential will reduce, making this energy source more competitive. Programs are currently managed by USDA-RD, DCEO, and other agencies that could assist development of these programs.

Earned Income Tax Credit. Legislation passed by the General Assembly in the spring 2003 session and recently signed by Governor Blagojevich (SB0004) retained the earned income tax credit that provides tax refunds to low-income residents. While these residents can benefit substantially from this program, they must apply, and some population groups such as the elderly may either be unaware of the program or be reluctant to engage in the application process.
A Tax Counseling Project exists in which volunteers assist senior citizens and other groups in filing income tax forms and, in this way, ensure that residents receive the income tax credit. While these programs work well in urban areas, they are less common in rural areas and should be expanded. Several agencies could help increase the number of rural sites. The 56 Illinois Bureau of Employment Security Offices will provide this assistance in 2003. Credit unions are another possibility for people involved in this segment of the financial industry. Libraries, staffed by volunteers, could also help in encouraging residents to apply for these refunds. The UI-Extension Centers offer yet another potential place for rural residents to obtain assistance. GRAC member agencies will work on this issue in FY03 to increase the number of rural locations that provide assistance with the application forms.

*Digital Divide.* Rural areas continue to lag behind metro areas in broadband access even while businesses increasingly rely on the Internet for data transmission and decisionmaking. More and more, rural areas that formerly were attractive for back office operations now must compete for these jobs with off-shore locations—especially in English-speaking countries with low wage rates. Serving sparsely populated rural areas is costly for Internet providers, and they have been slow to make the major investments required to provide this service.

At the same time, it is crucial for rural areas to have this access if they are to keep pace with recent developments in the education and medical communities. Distance learning is essential for students in small high schools to have the classes required by universities or professional programs such as medicine. Likewise, telemedicine now provides major opportunities for small communities to obtain access to specialized health care and treatment. In order for educational programs to take advantage of these recent developments, however, access to modern information technology is required and, for many small communities, this access does not exist.

Wireless communication is a relatively recent innovation that could bring major advances at relatively low cost to rural communities in the near future. The use of satellite technology to link to the Internet make high speed Internet services accessible and affordable for rural businesses and residents. Rural telephone cooperatives are investing in wireless technology, and this offers major opportunities for rural areas. Even so, local officials and community leaders must know about these efforts and understand how to take advantage of them. The GRAC funded an information technology planning initiative in western Illinois, and these types of initiatives should continue.

Likewise, GRAC member agencies with technology programs could combine efforts and funding initiatives in working with rural community leaders to enhance access to essential services as well as to position the city for investment by businesses using this technology. The intent of these efforts will not only be to help rural areas obtain access to modern information technology but also to help local leaders find the most productive uses for this technology, including secondary education programs, workforce investment, and medical or health services.
**Shortage of Professional Personnel.** Rural areas facing population outmigration are experiencing significant shortages of trained personnel, especially teachers and medical personnel such as doctors, nurses, dentists, and mental health service providers. The result is shortages of services in a variety of medical care or healthcare services which are aggravated by closures of hospitals in rural areas. Rural residents must travel longer distances, especially for specialized services.

Several university-based programs, such as the UI Rockford School of Medicine, the UI Peoria School of Medicine, and the Southern Illinois University School of Medicine, are working with the Office of Rural Health in the IDPH to attract rural youth into medical and healthcare professions. The hope is that attracting residents with strong ties to rural areas will increase the likelihood that they will practice in these areas after graduation. There is evidence to suggest that this approach works. Continued efforts by GRAC member agencies to encourage rural youth to consider careers in health care and medicine and then return to rural areas to practice are needed. The Rural Consortium of Healthcare Educators (RCHE) in the Peoria area works with secondary schools and community colleges to make students aware of healthcare careers in an effort to increase the labor force prepared for healthcare industries.

A working group of GRAC member agencies, university personnel, and medical providers has been formed to identify ways to attract more rural applicants into the medical field to ultimately place more medical practitioners in rural Illinois. These efforts will include dentists and mental health providers as well. Innovative practices will be studied in an effort to implement them in rural Illinois building on past efforts by medical schools and other organizations.

**Adequacy of Health Services.** Related to a shortage of primary care health personnel is access to pharmacies and community health clinics staffed by physician assistants or nurse practitioners. Unfortunately, federally funded rural clinics often do not support the number of physicians required to make them competitive. Opportunities for additional uses of telehealth in rural areas should be explored in some areas along with the local telecommunication capacity to implement these programs and ways to increase this capacity when needed. Mobile vans and similar initiatives to serve sparsely populated areas are also possible in some areas.

Likewise, the adequacy of health education in small secondary schools should be addressed with an effort to encourage schools to expand this curriculum offering when possible. Ways to increase the status of health education in small rural schools at a reasonable cost should be explored.

A working group of GRAC member agencies and other agencies will explore options for improving healthcare delivery in rural areas and ways in which these services might be financed. Options might include legislative or administrative changes as well as studying innovative successful programs in other states.

This working group will also identify ways through which the availability of Automated External Defibrillators (AEDs) and the training on their use can be increased in rural areas.
AEDs are especially important in rural areas because of the longer response times experienced in emergencies and the longer distances to medical services.

**Rural Public Transportation.** Continued concern about uncoordinated public transportation services, need for better sharing of vehicles, and inadequate service coverage in rural areas has caused GRAC member agencies and public transportation managers to form a working group that can evaluate a more regional approach in delivering a better coordinated system of public transportation services. This approach might offer administrative efficiencies if a multicounty grant application were submitted rather than applications from several different agencies.

Innovative approaches to be explored include the possibility that larger urban systems, such as PACE, might be willing to share vehicles with small rural agencies. A capital needs assessment currently underway will be used to determine equipment shortfalls in rural areas.

Possible legislative or administrative changes may be necessary to allow public transportation managers to cross county lines or, in other ways, serve rural populations more effectively and at the lowest cost. Possible use of busses owned by other agencies to serve rural populations will be explored as will other approaches to local financing of transportation services used in other states.

**Higher Paying Employment Opportunities.** Rural areas continually face manufacturing losses, and the replacement jobs often are in lower-paid service industries. While it is clear that rural Illinois has not performed as well as adjacent states in population and employment changes, the reasons are not fully understood, especially in the case of rural manufacturing.

A working group comprised of GRAC member agencies and other groups will try to isolate the factors causing rural manufacturing employment in Illinois to underperform adjacent states. This group will then try to develop ways to retain or increase rural manufacturing in Illinois through applied research on trends and practices in other states, workshops for local development practitioners, and programs for local officials in target areas.

**Conclusions**

Rural Illinois has lagged behind adjacent states in population and economic trends according to generally accepted indicators. Consequently, it will need special attention in the next several years. The Governor’s Rural Affairs Council was created to work with local public officials and community leaders to design policies and approaches to address rural concerns, restore economic vitality, and improve the quality of life in rural areas by coordinating the efforts of state agencies.

This annual report to Governor Rod Blagojevich and the Illinois General Assembly identifies issues facing rural Illinois, summarizes programs currently underway, and identifies concerns to address in the next several years. Retaining high-paying manufacturing jobs, expanding the use of renewable energy, helping rural areas access high-speed technology, addressing the shortage of
healthcare and housing needs, and minimizing duplication of local public services such as public transit are areas to be addressed.

The GRAC is currently working with state agencies and professional organizations to evaluate options to address these needs and during the next session of the General Assembly will support legislation to help improve the quality of life in rural areas.
References


Appendices

A. Executive Order Number 1 (2000)

B. Executive Order Number 13 (1991)
EXECUTIVE ORDER REGARDING THE RURAL AFFAIRS COUNCIL.

WHEREAS, the Governor's Rural Affairs Council was created in 1986 to maintain the rural emphasis in Illinois government, strengthen the rural economy, increase the capacity of viability of local governments and improve education and human service opportunities in Illinois, and

WHEREAS, these goals remain priorities of the State of Illinois in order to improve the capacity and viability of rural residents into the 21st Century, and

WHEREAS, the needs of rural residents and communities vary greatly from one part of the State to another, and

WHEREAS, the rural challenges and opportunities continue to evolve over time; and

WHEREAS, rural residents are best served by a comprehensive approach to rural development and planning;

THEREFORE, I, George H. Ryan, hereby order the following:

The Governor's Rural Affairs Council shall include the Illinois Departments of Aging, Agriculture, Commerce and Community Affairs, Employment Security, Human Services, Natural Resources, Public Health, Transportation, Environmental Protection Agency, Community College Board, State Board of Education, University of Illinois Cooperative Extension Service, the Farm Development, Development Finance and Housing Development Authorities, Southern Illinois University, Rural Partners, the Illinois Institute for Rural Affairs, and the Illinois Rural Bond Bank. Membership may be expanded at the discretion of the Governor, however, membership shall not exceed a total of 20 members.

The Governor's Rural Affairs Council shall be chaired by Lieutenant Governor Corinne Wood.

The Chair of the Governor's Rural Affairs Council may appoint representatives from government, private industry and not-for-profit organizations to serve on Council committees and to provide input to the Council as a whole.

The Governor's Rural Affairs Council shall develop and implement a comprehensive strategy for improving delivery of state services to rural Illinois with the aim of expanding opportunities and improving the quality of life for rural residents.

This Executive Order Number 1 (2000) shall be effective upon filing with the Secretary of State.

January 11, 2000

FILED
INDEX DEPARTMENT
JAN 1 2000
IN THE OFFICE OF SECRETARY OF STATE
EXECUTIVE ORDER

AN EXECUTIVE ORDER
CREATING AN ANNUAL REPORT ON THE STATE OF THE RURAL ILLINOIS ECONOMY

WHEREAS, the Institute For Rural Affairs at Western Illinois University is the State's academic clearinghouse for rural development data and initiatives; and

WHEREAS, the Governor's Rural Affairs Council and the Institute For Rural Affairs coordinate rural development initiatives through the Office of the Lieutenant Governor; and

WHEREAS, the Lieutenant Governor as the Chairman of the Governor's Rural Affairs Council is given the authority to organize government and private sector resources to secure assistance for and to enhance the quality of life in rural Illinois; and,

WHEREAS, the Institute For Rural Affairs at Western Illinois University has developed a format for an Annual Report on the State of the Rural Illinois Economy and has agreed to produce this report.

THerefore, I, Jim Edgar, hereby order the following:

A. Executive Orders Number 6 and 7 (1986) are hereby amended in accordance with the provisions of this Executive Order.

B. There is created an Annual Report on the State of the Rural Illinois Economy.


D. The Institute For Rural Affairs at Western Illinois University shall organize the Annual Report in cooperation with the Governor's Rural Affairs Council.

E. The Annual Report on the State of the Rural Illinois Economy shall assess rural economic indicators and make recommendations to the Governor and General Assembly on rural infrastructure needs.

F. The Governor's Rural Affairs Council and the Institute For Rural Affairs Western Illinois University shall issue the Annual Report on the State of the Rural Illinois Economy no later than August 1 of each year to the Governor and General Assembly.

G. For the purposes of the Annual Report on the State of the Rural Economy the following United States Bureau of the Census definitions as detailed in Rural Revitalization: The Comprehensive State Policy For The Future shall apply:

a. Rural County -- No municipality over 50,000 population. Under this definition Illinois has 78 non-metropolitan or rural counties.

b. Rural Area -- Under 2,500 population regardless of whether they are in a Metropolitan Statistical Area or not

This Executive Order Number 13 (1991), shall become effective upon filing with the Secretary of State.

October 11, 1991

[Signature]
JIM EDGAR
GOVERNOR

Date: 10/11/91