

Office of Policy and Legal Analysis

Date: March 24, 2021

To: Joint Standing Committee on Innovation, Development, Economic Advancement and Business

From: Rachel Olson, Legislative Analyst

Re: [LD 492, “An Act To Create a Regional Grant Program To Help Rural Businesses Find Qualified Staff” \(Stewart\)](#)

Bill Summary

This bill creates a grant program and related fund for the purpose of aiding entities in hiring a workforce recruiter. The purpose of the position is to advertise and promote jobs in rural Maine and to locate qualified staff to fill open positions. Funds for the program are provided by a one-time appropriation from the General Fund of \$1,000,000.

Testimony:

Proponents: Senator Trey Stewart, sponsor; Kate Foye, DECD

- Population growth is critical priority in rural Maine; must draw people here
- The work of growing the population/recruiting more families to rural regions must be done with a strategy and commitment from government at all levels
- Support of actions/initiatives that align with 10-year statewide economic development strategy released in 2019
- To thrive, must have ability to recruit and retain newcomers

Opponents: None

Neither For Nor Against: None

Information Requests:

Norther Border Regional Commission:

Kate Foye, DECD, provided the following:

- The following provides background on NBRC’s authority:
<https://www.nbrc.gov/content/about>
- Also, the individual application manuals for each grant program are extremely helpful in answering questions about eligibility and the scoring of project based on both State and NBRC region criteria. Here is the application manual for this year’s State Economic & Infrastructure Development grant program:
<https://www.nbrc.gov/content/EID>

What defines “rural”?

- [What is Rural?](#) – A look at the varying definitions of rural put out by the USDA Economic Research Service. Please see the original report for more details and for two maps which include maps detailing urban and rural regions.

- Many definitions to distinguish rural from urban areas.
- Nonmetro counties commonly used to depict rural
 - Defined on the basis of counties or county-equivalent units (OMB)
 - Generally, a metropolitan area has central counties with one or more urbanized area, or a densely-settled urban entity with 50,000 or more people and whose outlying counties that are economically tied to it as measured by labor-force commuting.
- Census Bureau (2010) defines Urban and Rural areas on the basis of population density.
 - Rural areas comprise open country and settlements with fewer than 2,500 residents.
 - Urbanized area wherever it finds a urban nucleus of 50,000 or more people
 - Do not necessarily follow municipal boundaries
- The following two definitions come from the Maine Revised Statutes:
 - Title 22: Health and Welfare
12 MRSA §5104, sub-§10

10. Rural area. "Rural area" means a geographical area or place of less than 10,000 inhabitants. "Rural population" consists of all persons living in places of less than 10,000 inhabitants incorporated as cities, villages, boroughs and towns, including those persons living in the rural portions of extended cities, unincorporated places of less than 10,000 inhabitants and other territory, incorporated or unincorporated.
 - Title 36: Taxation
36 MRSA §2551, sub-§14

14. Rural community health center. "Rural community health center" means a person that delivers, or provides facilities for the delivery of, comprehensive primary health care in a place or territory that is classified as rural according to the most recent federal decennial census.

Additional Information:

- [Maine Economic Development Strategy 2020-2029](#) – pg. 25 of the report is focused in Strategy B: Attract new talent
- [Maine Strategic Plan](#) - website tracking progress and stories
- Senator Stewart referenced another bill request he has submitted related to funding streams from the Northern Border Regional Commission. According to the preliminary list of working titles for precloture legislator bills:
 - LR 1685 Resolve, Directing the Department of Economic and Community Development To Amend Its Current Guidelines under the Northern Border Regional Commission's Allowable Grant Requests To Include Support of Population Growth Strategies around the State in Concert with the State's 10-year Economic Development Plan*

Possible Amendments:

Kate Foye, DECD, recommends a few changes to the bill to better align it with the 10-year Plan and to put the program design into the hands of those most affected by the effort. Senator Stewart indicated in

both his oral and written testimony that he supports the amendment as a way of accomplishing what he seeks to address in this piece of legislation.

Fiscal Impact: Not Yet Determined