

CENTER *for* RURAL POLICY and DEVELOPMENT

Seeking Solutions for Greater Minnesota's Future

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Spring 2007

Announcing the Rural Minnesota Forum on health care

Health care is the subject of the Center for Rural Policy and Development's Rural Minnesota Forum, and the date is set for June 18 in Duluth.

This year's Rural Minnesota Forum will be held in conjunction with the Minnesota Rural Health Conference (June 18-19), an annual gathering of health professionals and administrators from around the state, sponsored by the Office of Rural Health, a division of the Minnesota Department of Health. Both will take place at the Duluth Entertainment and Convention Center.

The Rural Minnesota Forum will comprise the first day of the two-day conference. After starting the day with a networking lunch at noon, keynote speaker Dr. Doug Wood of Mayo Health System in Rochester will discuss the current state of the health care system and whether we need to reform it, transform it or leave it alone.

The heart of the afternoon will be two panels discussing two key questions: what were the outcomes of the 2007 Legislative session and what should we expect for 2008; and what do legislators need to know about rural health care?

The first session will include a number of legislators, including the chair of the House Health Finance Division, Rep. Tom Huntley, and chair of the Senate Health Budget Division, Sen. Linda Berglin. The second session will give a panel of representatives from across rural Minnesota, including health care providers, farmers and business people, a chance to talk to legislators about the unique challenges of providing health care in a rural setting. After the panel sessions, a reception will give attendees of the Rural Minnesota Forum and the Rural Health Conference a chance to network and relax.

The Rural Minnesota Forum is included in the registration fee for the Rural Health Conference. To register for the Rural Health Conference and Forum together, visit the Office of Rural Health's conference web site at <http://www.health.state.mn.us/divs/cfh/orhpc/conf/07.htm>.

You may also register for the Forum as a stand-alone event. The Forum alone is free for CRPD members and also college and health professions students, or \$10 for non-members. (If you are a member or student planning on attending, please register anyway even though your registration is free.) For more information on how to register for the Forum by itself, visit our web site at www.ruralmn.org. Or watch your mail for a brochure. Join us June 18!



Rural Minnesota Forum

**Examining Rural
Health Care**

June 18, 2007, Duluth

Rural Health Care Journal available now

With health care topping lists everywhere as the issue of concern, the Center is pleased to announce the release of the spring 2007 edition of the Rural Minnesota Journal, "Examining Rural Health Care." The 170-page Rural Minnesota Journal contains a collection of articles spanning such topics as trends and challenges in MinnesotaCare, telehealth issues, the future of rural independent pharmacies, the coming long-term care crisis, and more.

"This may be our most timely of issues so far," said Center president Jack Geller. "As we've been saying for a while, health care is a universal concern right now, but especially in rural areas, with their unique issues of declining population and aging population." This issue of the Journal brings together more than a dozen authors to bring to light and suggest solutions to some of rural Minnesota's most pressing health care questions.

CONTINUED ON 3



Rural Perspectives

Sherry Ristau, President
Southwest Initiative Foundation, Hutchinson

Q

Sherry, please tell us a little about yourself and the Southwest Initiative Foundation.

A

One of the things that really defines who I am is my commitment to rural Minnesota. I have spent my entire life in southern Minnesota—growing up in Mountain Lake, Heron Lake and Blue Earth, and then going on to live in Mankato, Clarkfield, New Richland, Waseca and now Hutchinson. I truly love rural Minnesota and have spent my entire professional life working to advance opportunities for our rural communities. I am a product of a MnSCU higher education institution, receiving my bachelor's degree in sociology/gerontology and home economics/family life and child development from Mankato State University, as well as a master's degree in organizational leadership.

I have worked for the Southwest Initiative Foundation for a total of over 13 years. I was first employed as a grant program manager and later, assistant director, from 1988 to 1991. I then returned in 1997 to become the president of the Foundation. I love to tell people I have the best job in the world because of the talented, successful, innovative, caring people and leaders I get to work with every day, both inside the Foundation and in our southwest Minnesota communities and beyond. (They are the BEST!)

The Southwest Initiative Foundation was established 20 years ago by The McKnight Foundation in response to the economic crisis of the 1980s. Greater Minnesota was struggling to survive and McKnight was one of the first to take notice and take action. They created the six Minnesota Initiative Foundations as a means to deliver an economic counterpunch and to become leaders of Minnesota's rural resurgence.

Twenty years later, the Southwest Initiative Foundation has become a rural regional community foundation that has grown from an experiment to a permanent and trusted resource. With combined assets totaling over \$53 million, a highly committed volunteer Board of Trustees, and a staff of 18 professionals, the Foundation is better poised than ever to help local people and communities build a region of prosperity, growth, and opportunity.

Q

How do the six Minnesota Initiative Foundations work individually in their regions and together as a whole?

A

The six Minnesota Initiative Foundations function independently in order to address the unique challenges and assets of the regions they serve. Each foundation has its own priorities, initiatives, staff and board. We do not compete in any way. Rather, we compliment each other's work and enjoy a collegial relationship that has facilitated a sharing of information and ideas and allowed us to work together when it makes sense.

A good example of our joint efforts is the Minnesota Early Childhood Initiative, an initiative to assure that all of our youngest children thrive and have a healthy life of learning, achieving, and succeeding. The statewide program is a network of community coalitions supporting and advocating for our youngest children. The six Minnesota Initiative Foundations, The McKnight Foundation and Ready 4 K have pledged to bring vitally important early childhood care and education to the forefront of public discussion during this ambitious partnership. To date, 64 coalition communities have been established across the state and over \$9 million have been invested in this important work for our most vulnerable citizens.

CONTINUED ON 3

Latest report on telecommunications shows rapid rise in broadband use

After six years of tracking computers, the Internet and broadband use in rural Minnesota, the Center's 2006 Minnesota Internet Study now documents that a full 49%, or very close to half the households in Minnesota now connect to the Internet using broadband. Whether via a cable modem, DSL, wireless or satellite, broadband is no longer an exotic technology, but has firmly entered the mainstream, said Jack Geller, president of the Center.

"If you think about it, if just five years ago

you saw someone sitting outside a coffee shop, surfing the web on his laptop, you would think, 'That's really amazing!' Now we don't even think twice," he said.

The increase in broadband use was unmistakable in this year's survey, conducted in December 2006 and January 2007, surveying 1,495 households in both rural Minnesota and the Twin Cities metro area. The report, which will be released at the end of April, shows that the number of households

with a computer stayed virtually flat, and those with an Internet connection increased by a very small amount (see accompanying chart for percentages in rural Minnesota). The number of households using high-speed Internet access, or broadband, however, increased sharply, from 36.4% statewide at the end of 2005 to 49% at the end of 2006.

Broadband has apparently hit that point on the technology adoption curve, said Geller, where,

CONTINUED ON 4

Center welcomes new board members

Several new members will be joining the Center's Board of Directors this spring, while we bid farewell to some longtime friends. Past members Sen. LeRoy Stumpf and Rep. Tony Cornish, as well as charter board member Kevin Kelleher are leaving the board. New to the board are William McCormack of Marshall, Stephen Ringquist of Hallock and Tim Houle of Little Falls, while Stumpf and Cornish will be replaced by Sen. Dan Sparks of Austin and Rep. Kathy Brynaert of Mankato. Also, reappointed to the board is Cynthia Johnson of Battle Lake. "These board appointments are very important to us," said board chair Daniel C. Reardon. "Since the Center is a statewide organization, we really appreciate seeing board members coming from all over the state. As for the legislative appointments, a significant part of the Center's central mission is to provide information to the Minnesota Legislature, and having these legislators as members of our board keeps us connected to one of our primary audiences."

The Center's Board of Directors consists of 17 members, 12 of whom are appointed by the governor and represent different facets of rural Minnesota. Two more seats are reserved for legislators and are appointed by the Speaker of the House and the Senate Majority Leader. One seat is ex-officio, and two other seats are held by at-large members who are appointed by the board members themselves.

Long-time member Cynthia Johnson has been reappointed to fill the board seat reserved for a representative of an agricultural organization. Johnson is a member of Farmers' Union. McCormack, who will fill the board seat representing rural business, is an executive vice president at Schwan Food Company of Marshall and is also president of the Schwan's Development Corporation and a board member of the Southwest Initiative Foundation in Hutchinson. Ringquist will be filling the seat representing a town of fewer than 5,000. An attorney in Hallock, Ringquist is also an Assistant County Attorney for Kittson County. Tim Houle, who will fill the seat representing a county government, has been the county administrator for Morrison County since 1994.

"We're very pleased to welcome all our new and returning board members, and we're really looking forward to having them plunge right in," said Reardon.

Thank You and Welcome New and Renewing CRPD Members

Thank you to our new and renewing financial partners from throughout Minnesota who continue to support the Center through our "membership" program. This support helps to build a growing alliance of businesses, government partners, organizations and individuals working together to seek solutions for rural Minnesota's future.

Benefactor

Northland Foundation, Duluth

Organizations

Connexus Energy, Ramsey
Prairieland Economic Development Corporation, Slayton
Southern Minnesota Advocates, Mankato
Fairmont Medical Center, Fairmont

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Garfield Eckberg, Nicollet
John Mac Farlane, Fergus Falls
Kevin Paap, Garden City
Dr. Jennifer Imsande, Duluth
Larry Anderson, Frost

Yes, I would like to become a member of CRPD.

Name: _____

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Please choose a level:

Individual \$50 \$100

Organization \$100 \$250 \$500

Benefactor \$1,000 or more

I have enclosed a check.

Please bill me.

May we e-mail your invoice?

Occasionally the Center will publish lists of members in publications and on our web site. Please check here if you do not wish to be included in these lists.

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Larry Anderson leaving the Center

The staff of the Center for Rural Policy and Development regret to report that after nearly three years of exceptional service, Larry Anderson is leaving to pursue another career.



Larry started his association with the Center as a charter board member in 1997. He left the board in 2001, but was back in 2004 to join the staff as outreach coordinator, in charge of the Center's membership campaign and fundraising.

Larry's next move will be to ag lender AgStar, where he will be working with former USDA FSA State Director John Monson in AgStar's Rural Markets area. This new program offers tools to provide needed capital in rural communities, giving AgStar the opportunity to work collaboratively with local community leaders, public officials, entrepreneurs, business bankers and others on financing rural projects.

The move for Larry means he will be able to continue to work in rural development. "That was one of the things that really attracted me to the job," he said. "I'm looking forward to the hands-on opportunities it's going to offer."

But even though he's leaving the office, Larry said he will continue to be a strong booster of the Center. "I've had the unique opportunity to watch the Center develop, both as one of the original board members and also as a member of the staff," he said. "I believe the Center is a tremendous asset for rural Minnesota. I'm proud to have been a part of its history and I'm looking forward to its very promising future."

Mark your calendar: Cross-Border Conference set for May 2008

The Center for Rural Policy and Development is pleased to announce that its U.S./Canadian Cross-Border Conference on Rural Affairs will take place in May 2008 in the Twin Cities. The two-day conference will examine the common issues of rural communities on both sides of the border, such as agriculture and trade, business development, community development, higher education and more. This event will be followed up by a companion conference in Canada.

The conference planning committee is made up of a number of rural and rural-minded organizations, including the Center; the Office of the Canadian Consulate in Minneapolis; the Manitoba Ministry of Agriculture, Food and Rural Initiatives; USDA Rural Development-Minnesota; the Minnesota Department of Employment and Economic Development; the Center for Small Towns at the University of Minnesota, Morris; the Iowa Rural Development Council; Northern Great Plains Inc.; the Midwest Governors' Association; the Rural Development Institute at Brandon, University in Brandon, Manitoba; the Rural Secretariat of the Government of Canada; and the Rural Policy Research Institute. Watch our web site for more information on the conference and ways to register.

RMJ Rural Minnesota Journal

Winter 2007

Examining Rural Health Care

Yes, I would like to order the Center for Rural Policy and Development's *Rural Minnesota Journal: Examining Rural Health Care*.

Please send me _____ copies of RMJ. I have enclosed \$3 per copy for shipping and handling.

Name: _____

Organization: _____

Address: _____

City: _____ State: _____ Zip: _____

Email: _____

____ Please put me on the Center's email list to be notified of future Center publications and events. (You may unsubscribe at any time.)

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www.ruralmn.org.

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Back in 1999, I was meeting with a group of academic and government leaders when someone mentioned the growing diffusion of high-speed broadband Internet service throughout the Twin Cities metro. Of course my question was, “So what do you think about broadband throughout rural Minnesota?” And surprisingly, the primary response was, “Well...we really hadn’t thought about it.”

Much has changed throughout rural Minnesota since then. In the year 2000 less than half of all rural households had an Internet connection and only 6 percent reported having a broadband connection. Today 60 percent of all rural households are online and approximately 40 percent of all rural households have a broadband Internet connection. Simply put, over the last few years the adoption of broadband services throughout rural Minnesota has been not just growing but accelerating. So what exactly is driving all these families to purchase a more expensive broadband connection?

Well, each year when we conduct what has become our annual Internet surveys, we not only ask rural residents about their technology purchases, we also question them about what they do online. And for several years in the earlier part of this decade, we found, unremarkably, that people who connected to the Internet using a broadband connection did exactly the same things online that people with a dial-up connection did. The only difference was that those with a broadband connection were able to do these things much faster and more conveniently. Everyone used email; they all surfed the web for fun; many conducted price comparisons of an upcoming purchase; many conducted research on a medical condition; and we all check the weather online—yep, in Minnesota we ALL check the weather!

However, in more recent years people’s activities have diverged in a remarkable way, depending on whether they have broadband or dial-up service. Today the Internet seems to be driven by at least three main factors: personal entertainment, business and commerce, and public services. It seems what a person does online is driven by the speed of their Internet connection—and vice versa.

On the personal entertainment side, you would have to be living under a rock to have not heard about websites such as Myspace, YouTube, iTunes, NetFlix, and the list goes on and on. The widespread appeal of downloading video and music files, engaging in social networking, watching streaming

The wrong side of the digital divide

Jack M. Geller, Ph.D.,
President

videos and satisfying one’s personal entertainment needs is hard to overestimate. But the fact is that for all practical purposes these new services require you to have a broadband connection. The amount of data transferring back and forth is just so large, slower dial-up speeds virtually lock a person out of many of these activities.

Business and commerce are also experiencing explosive growth on the Internet. In 2001 fewer than 30 percent of rural Minnesotans with Internet service reported that they purchased goods or services online. Today that percentage has risen to around 70 percent. And it’s not just businesses such as Amazon.com or eBay. Think about the real estate market’s newfound dependence on the Internet, the acceptance of online banking and online investing, and the millions of business-to-business transactions that occur over the Internet every day. As with personal entertainment, many of these new applications rely on higher-speed connections to perform optimally.

Last but not least, one should not overlook the effort government expends to find efficiencies in the delivery and processing of public services on the Internet. Today many Americans file their taxes online, as do the majority of businesses. Consumers can buy their car tabs online. You can even submit unemployment claims online. Locally, you can often pay your municipal utility bill online and purchase all types of permits, building and otherwise. And that’s just the beginning. Our state, federal and local governments will continue to aggressively accelerate their efforts to seek efficiencies by pushing more and more public services onto the Internet. So don’t be surprised if within five years we

start hearing about pilot tests of actual voting online. Imagine that—the need for an Internet connection to fully participate in our democracy!

The main point here is that if I were asked back in 2000 what the consequences were of rural Minnesotans being on the wrong side of the “digital divide,” my answer would have been, “Not that much.” But things are changing. From the way we interact with each other to the way we entertain ourselves, to the way we conduct our business and the way we interact with our government, the Internet is rapidly and functionally integrating itself into our daily lives. So today I would say that the consequences of being on the wrong side of the digital divide are getting greater and greater. Rural Minnesotans can’t afford to get left behind.



Rural Perspectives

CONTINUED FROM 1

Q *The Southwest Initiative Foundation has recently refined its priorities to two primary areas of focus - economic advancement and leadership development. In the area of economic advancement, why did the Foundation choose to focus on renewable energy, and how has it been helping to develop the renewable energy industry in the region?*

A With input from the Foundation’s board and a group of regional business leaders, we identified renewable energy as one of the region’s most promising economic asset sectors several years ago. Since then, the Foundation has been working to advance and support the industry by facilitating greater public awareness and education, providing grant and loan resources, and seizing opportunities to support the growing industry in our region.

The Foundation created the Renewable Energy Marketplace(tm) as a marketing strategy to help position southwest Minnesota as the premier place for commerce based on renewable energy. As part of that effort, we created the Renewable Energy Marketplace™ Web site to help facilitate renewable energy commerce in the region. We are now working on plans to bring the site to the next level to be part of a data center for renewable energy in the region. The site can be found at www.renewableenergymarketplace.org

In addition, we are working on a new component that will focus on providing renewable energy education and awareness to area youth and encourage high school graduates to pursue career opportunities in the field of renewable energy. We have also recently created a Renewable Energy Loan Program, which offers loans to businesses engaged in renewable energy activities, whether directly or indirectly, that help build the renewable energy industry in the 18 counties of southwest Minnesota.

Q *And leadership development?*

A The Foundation is piloting a new program called the Connected Communities Initiative (CCI), focusing on leadership and capacity building for individuals, communities, and the southwest Minnesota region. The goal of the CCI is to equip community members with knowledge, skills, and connections to help them create communities where growing numbers of people choose to live, work, and retire. More information will be released soon about this exciting new program.

Q *The Foundation has long been involved in economic development, especially in helping small businesses. Lately, you’ve been taking a more active role in the development of minority-owned businesses. Please tell us more about your work there.*

A Our Micro-Loan Program has been one of the primary mechanisms by which we have supported small business growth in our region. This program offers loans and technical assistance for start-up or existing for-profit small businesses that do not have reasonable access to other

sources of funds. Foundation staff and consultants work with entrepreneurs to develop a business plan and provide on-going assistance and training. Because of the hands-on nature of this program, it has proven to be an invaluable resource for Hispanic business owners in the region. To enhance services to Spanish-speaking clients, the Foundation hired Adolfo Avila to be its Hispanic business consultant. He provides business training and facilitation services to the Foundation’s Hispanic loan recipients as well as the larger Hispanic business community in southwest Minnesota. Avila’s work has been recognized statewide and beyond, especially in the Worthington area, where he has served as a community organizer/connector, bringing people of all cultures together to assist the Latino business community.

In addition, we are working on a larger Entrepreneurship Initiative that will provide coordinated services and resources for entrepreneurs in the region, including our minority business owners.

Q *The Southwest Initiative Foundation just celebrated its twentieth anniversary. What role do you hope the Foundation will continue to play into the future in southwest Minnesota?*

A First and foremost, we will stay connected and in tune to the region and its changing needs and opportunities. This area of the state is rich in so many ways, and the Foundation is uniquely positioned to be the ambassador for southwest Minnesota. I believe our role will continue to grow as we seek to build bridges between our region and the rest of the state.

As our assets continue to grow, we will also be able to provide more resources to individual communities and the region as a whole. It is encouraging to see this happening as we become more recognized and visible as a community foundation for donors both inside and outside of the region. Philanthropists are increasingly looking to the Foundation as the vehicle that can help them achieve their charitable goals for southwest Minnesota.

Rural Health Care

CONTINUED FROM 1

Although each article can stand on its own, put together they show the demographics and economics at work in rural Minnesota health care. The aging population is increasing demand for services, including long-term care and ambulance services, but it is also putting pressure on the means of financing health, i.e., Medicare. The tendency for lower incomes and more poverty in rural counties increases the rates of uninsurance, but also the use of MinnesotaCare, a health insurance program for the low-income employed. And these pressures on public programs like MinnesotaCare and Medicare affect how health care providers—hospitals, long-term care facilities and small independent pharmacies—are paid. At the same time, the state’s medical schools are turning out students who are willing and want to serve in small rural communities.

As always, the Rural Minnesota Journal is available on our web site at www.ruralmn.org to download in its entirety and as individual articles. To order a hard copy, clip and send in the form on page 2. And watch for more information on the Center’s upcoming Rural Minnesota Forum, “Examining Rural Health Care,” (see accompanying article) on our web site and in the mail.

Telecommunications

CONTINUED FROM 1

after being largely in the realm of early adopters for many years, it moves into the mainstream and adoption rates take off. In the past, price has been a factor keeping people from moving from dial-up service to broadband. In fact, according to the survey, it is still the most common reason given by people for not switching (42% of urban and 41% of rural dial-up users).

One significant reason for the sharp upswing, however, may be less to do with price and more to do with the array of new web sites offering products in the form of large video and music files, sites such as YouTube (streaming video), MySpace (lots of photos) and iTunes (music, TV shows and movies for download). The size of the data transfers involved with any of these sites and others like them would make downloading via a dial-up connection maddeningly slow, if even possible.

The fact that school-age children in the household are a big predictor of broadband use may be no coincidence either, since this group is the most likely user of these types of web sites. In households with children age 6 to 18, 62.2 percent had broadband, compared to 42.5 percent of households without children in the same age group.

One statistic that has not changed is the continuing “digital divide” between rural and metro areas. In all three categories—computer ownership, Internet connectivity and broadband adoption—use in rural areas was consistently lower (see table).

	Computer ownership	Internet connectivity	Broadband adoption
Rural Minnesota	65.5%	59.4%	39.7%
Twin Cities metro	71.4%	67.0%	57.0%

Interestingly, among those dial-up users who hadn’t yet switched to broadband, 10 percent in the metro area cited lack of availability, compared to 22 percent in rural Minnesota.

Finally, the current study also showed that income and age continue to be significant factors affecting computer, Internet and broadband use. In rural Minnesota, for example, 11 percent of people over age 65 reported having a broadband connection at home, compared to 49 percent of people in the 36- to 55-year-old group. Likewise in rural Minnesota, 13.6 percent of households with incomes of less than \$25,000 reported having a broadband connection, compared to 42.8 percent in the \$50,000-\$74,999 income group and 65.3 percent in the \$100,000+ income group. And there were significant gaps between rural and urban households in the same age and income groups.

A complete copy of the report is available for download on the Center’s web site at www.ruralmn.org. For a hard copy of the report, contact the Center at (507) 934-7700 or email us at crpd@ruralmn.org.

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SPRING 2007

Letter NEWS

- New report on telecommunications out soon
- New *RMI* is out and Rural Forum to follow in June
- *Rural Perspectives*: Sherry Ristau, Southwest Initiative Foundation
- New board members announced
- Larry Anderson leaving the Center

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