

MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Wednesday, February 04, 2015

TIME: 8:00 A.M.

PLACE: Room WW55

MEMBERS PRESENT: Acting Chairman Lakey, Senators Davis, Hill, Winder, Siddoway, Johnson(Lodge), Stennett and Werk

ABSENT/ EXCUSED: Chairman McKenzie

NOTE: The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

CONVENED: **Acting Chairman Lakey** called the Senate State Affairs Committee (Committee) meeting to order at 8:00 a.m.

GUBERNATORIAL APPOINTMENTS: **Senator Davis** moved to send the gubernatorial reappointment of Sheila Olsen to the Idaho Commission on Human Rights to the floor with the recommendation that she be confirmed by the Senate. **Senator Hill** seconded the motion. The motion carried by **voice vote**.

Senator Winder moved to send the gubernatorial reappointment of Ruthie Johnson to the Idaho Commission on Human Rights to the floor with the recommendation that she be confirmed by the Senate. **Senator Siddoway** seconded the motion. The motion carried by **voice vote**.

PRESENTATION: **Acting Chairman Lakey** welcomed Mike Field, Executive Director, Idaho Rural Partnership (Partnership).

Mr. Field introduced the presenters: Priscilla Salant, Director of the McClure Center for Public Policy Research at the University of Idaho (U of I). Director Salant will discuss what has happened in rural Idaho since the recession. Josh Hightree, a Master of Science Student; Director Lilian Alessa; and Professor Andy Kliskey from the U of I Center for Resilient Communities, will discuss the state of rural communities in Idaho.

PART I: **Director Salant** noted that the connection between her subject matter and the Committee is the plethora of urban and rural issues they address. The information in the presentation can be used as background as the Committee thinks about how those issues might look different in urban versus rural Idaho. The Office of Management and Budget (OMB) defines rural by making the distinction between metro and non-metro counties. Metro counties have been identified as those with an urbanized area of 50,000 or more including adjacent counties. There are 12 metro counties in Idaho.

Idaho is known as a rural state, but it is becoming less rural. Two-thirds of Idahoans live in metro or urban counties. Thirty-five years ago, Idaho was forty-four percent rural; now it is thirty-four percent rural. Demographic changes since the recession show that population in Idaho is flat because there is net out-migration. In contrast, there is net natural change, excess of births over deaths, and net in-migration in urban Idaho. When a county has more deaths than births, it indicates it has an older age structure and the population isn't replenishing;

there are four counties in that situation: Clearwater, Shoshone, Lemhi and Washington. Employment was hit hard in both rural and urban Idaho during the recession; rural is recovering slowly. During the recession, employment was hit harder in urban areas than in rural areas. Now, urban employment is moving upward but rural is flattening out. This is an area of concern. There is a similar pattern nationwide.

Senator Werk noted that the information shown here is not the same as news from other sources that indicate that the agriculture economy is booming.

Director Salant responded that farm counties have a different trend, and she would be addressing that later.

Unemployment rates are coming down in both urban and rural areas but have not reached pre-recession levels. Economic indicators like median wage, per capita income and poverty rates indicate a converging trend of economic well being in rural and urban Idaho. Per capita income in rural areas is increasing while urban area income is leveling out. Rural areas are very diverse and the indication of economic well being is not the same in all rural areas.

Farm dependent counties, as classified by the United States Department of Agriculture, are mixed because of the diversity within that designation. Overall, population numbers are flat, jobs are up compared to Idaho as a whole, unemployment rates are below the State level and decreasing, and average wages are slightly higher than the State level. The numbers imply that there is a demand for a young labor force in the agricultural economy. That translates into young families with more children; there are more births over deaths. Because of the younger age structure, population numbers will increase. If the economy recovers, it is expected that migrants will increase as well. Those two factors, migration and births over deaths, will be favorable for the agricultural counties.

Senator Siddoway asked how the graphs related to productivity. Population and employment levels may be down in both rural and urban areas and the State hasn't recovered to the pre recession levels of production. However, through technology or better processes, production levels in both urban and rural communities have increased since the recession began. **Director Salant** responded that the lack of 2014 data could be one possible explanation why the analysis doesn't indicate a more rapid recovery. Some parts of the agricultural economy are more labor intensive than other segments; dairy uses a lot of labor. Increased productivity could also come into play.

Senator Johnson(Lodge) inquired about the effect that raising minimum wage would have on these demographics. **Director Salant** said she had not prepared an analysis on the impact of an increase in minimum wage, so she could only speak about the research that she has done. The dairy industry already pays wages that are higher than minimum wage so they would not be impacted. It would affect the parts of the economy that are more dependent on minimum wage jobs.

Senator Johnson(Lodge) asked Director Salant to comment about the State's colleges and universities that are dropping or reducing the number of agriculture programs. **Director Salant** responded that when she first came to work in Idaho, she had a preconception that agriculture would always be a declining sector of the economy. Instead, Idaho has a very large, growing agricultural sector and there are many very important research questions and labor force issues that higher education needs to address.

Acting Chairman Lakey thanked Director Salant for her comments.

PART II:

Professor Andrew Kliskey, Co-Director, Center for Resilient Communities (Center), U of I, noted that the newly established research center was given a mandate to undertake research to support Idaho's communities and other communities in the western United States to strengthen community well being through interdisciplinary research. The Center developed a strong relationship with the Partnership Program forming a collaboration that bridges U of I research with community needs and state issues.

Josh Hightree, a graduate student from the Bioregional Planning Program at U of I, summarized the analysis of the surveys that the Partnership does when a community applies for a community review. This analysis draws on information from 26 surveys of the 33 community reviews that were completed through 2014. Those 26 surveys formed a representative sample that identified common issues. **Mr. Hightree** said that the teams working in each community included partners from private, federal and state entities.

Each survey had about 70 questions that were drawn from a base of 212. Surveys were customized to the community and there were 67 questions the communities had in common. There were 7000 responses from across the state. Different issues were identified depending on the population and remoteness of the community. The popular themes of the survey were:

- Smaller communities lacked manufactured/built capital.
- Smaller communities possessed greater social capital.
- There were areas where impacts seemed to escalate.

When the recession occurred it was expected that jobs would drop off, that wasn't the case although jobs were lost. Dissatisfaction with jobs was low and has remained low. The trends show that the perception of the quality of education was dropping for K-12; it went from very high in rural Idaho to an average response. Both availability and condition of housing showed a downward slide. The research indicated very little difference in the responses from northern Idaho compared to southern Idaho.

The lack of recreational opportunities, jobs and training opportunities were the areas of most dissatisfaction. People were very satisfied with fire protection, the quality of libraries and the quality of banks. Social capital was closely related to those areas of satisfaction. Healthcare also rated quite high. Rural Idaho has a community dynamic that is valued by the people in the community.

PASSING THE GAVEL:

Acting Chairman Lakey passed the gavel to Senator Winder.

Senator Stennett noted that there is a disparity of doctors compared to population. How does that relate to this analysis which indicates rural communities have a positive view of their health care. **Mr. Hightree** stated that very small communities may rate the availability of doctors very low but, on the average, it is viewed as satisfying.

Mr. Hightree explained that the surveys were sent to everyone. That is not exactly representative of the community. Respondents to the surveys were disproportionately older, white, long term residents and about 55 percent of the respondents were female.

The conclusions that can be drawn are:

- There are strong population trends in rural Idaho. Rural is not necessarily rural, there are many variations involved in defining rural.
- Smaller communities have more social capital and less financial resources to build physical capital.
- Lack of entertainment is a big issue, especially for teens and young people.
- Lack of jobs and vocational training is an issue.

Senator Hill asked what the numbers on the survey type represented, and does the type affect the average score for the community. **Mr. Hightree** responded that the survey type does affect the score.

Senator Johnson(Lodge) asked if age groups from the female respondents were considered in the analysis and if there was any corresponding work with the number of suicides in rural areas. **Mr. Hightree** said that there is an older demographic that responded to the surveys but age range was not reported. The data could be correlated with outside data sources like suicide rates but that hasn't been done.

Senator Siddoway asked for a definition of entertainment. **Mr. Hightree** noted that the analysis did not have a definition, but the perceptions of entertainment were talked about at length.

Part III:

Dr. Lilian Alessa, Co-Director and President's Professor at U of I Center for Resilient Communities (CRC), stated that knowledge is power, obtaining this information allows future planning. There are some points that are availed in the analyses that have been presented.

1. The discussions on rural and urban. There are different types of rural communities. That is a primary point when targeting a way to intervene, govern and manage those communities.
2. Social cohesion and social capital is a set of assets to be considered.
3. More attention must be given to the linkages between rural and urban. There is movement of goods, people and ideas between ruralities and urban centers. An urbanizing state must be thought about differently because it is a new system requiring a different approach.

In Idaho, there is agriculture, dairy, and cattle. Instead of thinking about each one separately, think about integrated food systems. It is central to the ruralities and an urbanizing state. Idaho needs to think about a vision for food, water and energy 50 years into the future. There is a willingness in rural communities to codevelop the solutions that leverage the enormous assets that reside there. Through people with experience like the CRC, the Partnership and each community, the western states will carry the nation through the future.

Senator Winder thanked Dr. Alessa for her comments.

ADJOURNED:

Senator Winder adjourned the meeting at 10:20 a.m.

Senator McKenzie
Chair

Twyla Melton
Secretary