

REPRINT

BECAUSE COLORADO IS COLORADO,
people want to live here.

BECAUSE
the opportunities
are in the front range,
most of the people
must live
there.

whether
those opportunities
will become available
in all of colorado
tomorrow
depends
on what we do
to REORDER GROWTH
today.

KENNETH E. JOHNSON
Chairman

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19 December 1972

Honorable John A. Love
Governor, State of Colorado
and
Members of the 49th General Assembly

Gentlemen:

In accordance with Senate Joint Resolution 24, 48th General Assembly, the Colorado Rural Development Commission is pleased to submit this final report for your consideration. We gratefully acknowledge the assistance given by many agencies but particularly that provided by the Division of Commerce and Development and the other divisions within the Department of Local Affairs. We also wish to thank the Economic Development Administration of the United States Department of Commerce for their financial assistance.

The recommendations in this report represent not only the findings of our own research but also the opinions and concerns expressed by local residents during the thirteen regional public hearings we held throughout the state. Two major, and related, conclusions have emerged from our study: the state must be willing to commit itself to the concept of regionalism, and it must not hesitate any longer in devising and implementing a definitive growth and development policy. By certifying the twelve planning and management districts, significant progress has been made toward the first of these objectives.

The Commission will go out of existence in April, 1973. We believe a continued dedication to rural development is needed. The establishment of a permanent office for rural development within the Department of Local Affairs would provide this continuity. Such an office would serve as a clearinghouse for the federal Rural Development Act funds and other related programs. It could also coordinate state activities designed to assist rural areas.

Our public hearings revealed that the residents of rural Colorado possess both the initiative and the desire to continue their efforts toward solving some of their problems. Sometimes, though, they need concrete assistance from the state — either directional, financial, informational, or technical.

But what the people of rural Colorado expressed most strongly was their opposition to any more "studies" or "commissions", and all that those words imply. Over and over again they said, strongly, the time has now come to act. This commission concurs. Perhaps our strongest recommendation is just this: using the information we now have, let us begin the task of deciding upon state growth policy, then implement those steps which will take us toward that goal — and let us begin now.

This report offers the recommendations of the Colorado Rural Development Commission for alleviating some of the problems plaguing rural, and thus urban, Colorado.

Many of our recommendations can be implemented by the Governor and the executive branch. Others will require legislative action.

The citizens of Colorado have raised many questions about the future of their state, and they are looking to their local and state governments for answers. We can no longer respond with only more studies, more hearings; rather, we must begin acting on our own accumulated knowledge. The Colorado Rural Development Commission believes that action should begin with the 1973 legislative session. This report provides some departure points for such action.

Respectfully submitted,

Kenneth E. Johnson
Chairman

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**THE REPORT
OF THE
COLORADO
RURAL
DEVELOPMENT
COMMISSION**

DECEMBER 1972

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1. The state legislature should enact a state growth policy directing the future growth of the state towards suitable rural areas of the state which desire growth. All state activities which accept or perpetuate the existing trends of rapid metropolitan expansion accompanied by rural decline must be examined and realigned in accord with the growth policy.

road and highway purposes, and the distribution of the revenues should be studied and made to conform more closely with the growth policy.

8. The state should take a more active role in preventing abandonment of railroad service or track and include railroads as a major component in an integrated state transportation policy.

9. The state legislature should require that the current state airport study be directed by the state growth policy, not based on projections of current trends.

10. Regular air service should be established to foster the growth and development of rural trade centers.

11. The state should continue current efforts in developing land use policies and develop a state water policy without delay. Coordination in development of the two policies is essential.

12. The state legislature should take action declaring that a state of emergency exists, and, therefore declare a moratorium on water diversion for three to five years.

13. The state should examine the present water situation and formulate water policies to ensure maximum protection of vested private rights consistent with preservation of the public interest in a healthy environment.

14. The state should adopt a comprehensive policy for education, committing itself to providing adequate educational opportunities to all parts of the state, with special emphasis on training for the skills needed in rural areas.

1. The state should adopt a housing policy consistent with the growth policy, and establish a State Housing Finance Agency to carry out the required programs.

2. The state treasurer should deposit funds into rural financial institutions with requirements that the funds be used for housing loans.

3. The state should provide financial incentives to sound, well managed industries to locate in rural areas that desire growth.

4. The state should direct tourist promotion efforts toward the noncongested areas of the state.

5. The state should adopt a comprehensive transportation policy, covering air, rail, and highway, as part of the overall growth policy.

6. The state highway department should develop a long range highway plan in support of the state growth policy in coordination with the other state agencies concerned with development including the Department of Local Affairs and the Land Use Commission. The state highway commissioners should use this plan as the basis for their decisions on the department's annual work program.

7. The highway users tax should be used only for

11. To bring government closer to the people, the state should establish and support sub-state districts. Local governments, assisted by planning and management districts, should be given direct and continuing support in organizing action programs available through various government agencies, in order to enable rural people to contribute to growth and development programs.

1. The state legislature should require membership in a regional organization before a local government can be qualified by the state to receive federal and state funds or other forms of assistance.

2. The state should enact legislation to provide matching funds for professional development staff to work for each regional organization.

3. All special and functional discipline planning councils or advisory boards in the regions, whether state or federally sponsored, should serve as advisory committees to the district boards and submit their plans to the board for approval.

4. The legislature should require each state agency that directly serves local interests to locate its personnel in the districts, and work with the district organizations.

5. Federal field offices should locate in the districts and work with the district organizations.

6. The Office of Comprehensive Health Planning should tackle manpower problems on a regional basis in cooperation with other local and state health organizations, and locate resident planners in each district organization.

7. State legislation should be amended to allow multi-jurisdictional housing authorities.

Summary of major recommendations

Task force reports containing the above recommendations appear in the second half of this document.

Introduction

Colorado, a high and handsome world, offers those who live and work within her borders an unrivaled choice. From the high plains and grasslands of the east to the desert valleys of the west, from mountain meadows and peaks to river canyons, Colorado presents a living experience that is unique in the world.

A dynamic economy enables Coloradoans to work and enjoy a special "quality of life" enhanced by blue sky, fresh air, and majestic surroundings.

Some Coloradoans seldom see their neighbors, because they do not have very many. Other Coloradoans are crammed elbow to elbow with their neighbors in one of the nation's emerging strip cities — a super megalopolis sprawling along Colorado's front range for 150 miles.

This is the Colorado dilemma; it is the problem to which the Colorado Rural Development Commission has developed alternatives. Simply, those who are jammed into the congested cities and those in Colorado's rural areas face problems of size — too large to be enjoyable on the one hand, too small to survive on the other.

The 48th General Assembly created the Colorado Rural Development Commission to "identify and study the basic causes of economic concentration in urban Colorado and deterioration in rural Colorado and to advise the Governor and the General Assembly of the alternative courses of action which may be necessary or advisable to improve the quality and quantity of economic opportunity throughout the state."

This report reflects the feelings expressed to the Commission by the people of Colorado. It discusses Colorado in terms of people's needs and desires. The consensus is a resounding one that Colorado can have a more balanced and desirable growth pattern. The consensus is equally resounding that Coloradans are ready to commit themselves to changing the direction of Colorado's uncontrolled and headlong rush into the future.

Frustration is perhaps the most general mood of the people of Colorado. Whether a community is growing too fast or is slowly dying, frustration exists over what can be done to counter the trend. A steady parade of commissions, government agencies, consul-

tants, and private organizations "studying" the causes of rural decline and uncontrollable urban growth has compounded the frustration. By now the problems should have been studied into submission. The people of Colorado are not apathetic. Rather, they are tired of all the talk and wishful thinking. They want action. They also want sense to be made of the myriad of state and federal programs, which are designed with good intentions but often operate under widely divergent procedures and operations.

The starting point for that action is the adoption and implementation of a statewide growth and development policy directing future growth away from the sprawling metropolitan area and toward those non-metropolitan portions of the state that desire and can accommodate that growth. The development policy must be based upon a concept of regional organization.

The major concern in Colorado is more than rural revitalization. It is a problem of unbalanced population and economic growth. Patterns of growth are a national concern as well as a state concern. President Nixon has stated, "The growth which this Nation will

inevitably experience in the coming decades will be healthy growth only if it is a balanced growth — and this means growth which is distributed among both urban and rural areas.”

During the recent political campaigns in Colorado most of the candidates running for the U.S. Congress talked about the patterns of growth in Colorado as a major issue. Numerous candidates for state and local offices discussed this issue also. The matter of establishing a “growth policy” is not simple. Is it a national, state or local problem? The foundations of a national growth policy must begin with the states. The Report on National Growth 1972 stated that “any consideration of growth issues must recognize that many of these issues fall within the boundaries of State and local governments.”

A state growth policy must respond to several basic questions. What are the critical problem areas in rural communities and what is urgently needed? How can the quality of life be improved? Can the reasons for rural deterioration be properly identified and counteracted? What effect would rural revitalization have on the urban areas? What would it cost? What do the people of Colorado really want for themselves? How do we do it?

The Colorado Rural Development Commission addresses these and other questions in this report. The answers are all directed toward people. The challenge is to make sure Colorado will always offer a good life to its citizens — a meaningful and productive life. The solutions require that communities and the state cooperate to direct and focus future growth — growth in both the economy and in population.

“The people will have to bite the bullet and decide whether they do or don’t want to grow, whether they want additional people.”

Statement from a Commission hearing

The Commission approached this challenge by creating eight task forces to study intergovernmental relations, housing, transportation, freight rates, financial incentives, tourism, health, and education. All are critical issues. In addition, the entire commission studied other items such as how water and land are related, the need for comprehensive state planning, and the continued value of agriculture to Colorado, both in terms of a way of life and as a major segment of the economy.

Water for Colorado’s future was found by the Commission to be the most important single resource. Water policy can be used as a primary determinant of growth. Combine water policy with land use policy, and the prospects for achieving balanced and orderly growth become brighter.

“It’s now impossible to get a well permit in our town — so we cannot have any rural development. There cannot be any type of growth without water.”

Statement from a Commission hearing

One of the study methods used by the Commission was to hold public hearings throughout the state. The thirteen hearings produced comments and suggestions from several hundred people. The Commission members also attended other meetings where public sentiments were aired. A growth attitude survey was conducted for the Commission and confirmed the previously expressed opinions.

Thus, the approach taken by the Commission was to express the concerns and needs of the people. It is for the people of Colorado and their future that this report is written.

WHY RURAL DEVELOPMENT?

Rural development means different things to different people. Rural development is not an attempt to reverse the migration back to the farm. Neither is it an effort to replace agricultural areas with sprawling cities. Definitely it is not an attempt to turn back the pages of history a hundred years. Some have mistakenly assumed that rural development programs will make all towns healthy and thriving again. That era is gone. We must now look at some new alternatives.

Rural development can be an alternative to the rapidly expanding metropolitan areas. Equally important, rural development can assure a better life for some who presently live in rural communities and who desire to stay where they are. Some towns will continue to decline and will eventually cease to exist. However, others will be able to experience economic revitalization and an improved quality of life.

Rural development is more than an alternative to the problem of urban congestion. It is not wise to assume that revitalization of rural communities means transferring the urban ills to the smaller communities.

Who are the urban dwellers? Many have migrated from declining towns. In most cases, migration had been the only choice. Rural development is one step toward providing an alternate choice. It may also mean that if some towns do continue to decline, there would be an option of migrating to another town close by. Thus the revitalization of some towns could provide a choice between migrating to a large urban center and moving to a relatively small rural community.

"I've lived in this town all my life and I'll probably die here. My main regret is that my son can't find a job here like he can in Denver. I worked hard to see that he got a good education but now he can't come home even though he wants to."

Statement from a Commission hearing

Economic development is not the only answer for developing rural areas. The National Rural Development Committee of the U.S. Department of Agriculture has identified four essential ingredients for making rural America a better place in which to live and work. They are: community facilities, economic development, "people building", and environmental improvement. Still one of the most critical needs in rural areas is job opportunities. But not just any job. Quality jobs are needed so that a broader choice is available.

The phrase "rural development" has taken its place alongside other memorable catch phrases that have suggested the better life is just around the corner. The plight of rural America is now discussed with the plight of the cities. During the sixties we talked about urban sprawl, urban renewal, core city, model cities and the attendant terms of crime, smog and congestion. The problems are still with us; but suddenly rural development is seen as the panacea, not only for rural problems, but for some of the urban problems as well.

In referring to rural development on a national scale, certain statistics have become well known:

in the past 100 years the population of the United States has gone from 85% rural to 65% urban.

eight out of ten federal dollars go to metropolitan areas.

over 50% of the nation's poor live in rural areas.

rural towns are losing population, especially people of prime age.

rural areas do not receive the same health care or education services as do the urban areas.

75% of the people live on only 2% of the land.

The plight of the depressed rural areas was brought to the attention of the nation during John F. Kennedy's campaigning through West Virginia in 1959. A few programs to assist rural areas were considered in the early sixties – fewer were actually begun.

In 1965 President Lyndon B. Johnson established a commission on rural poverty. The results of the commission's study were put in a report called "The People Left Behind".

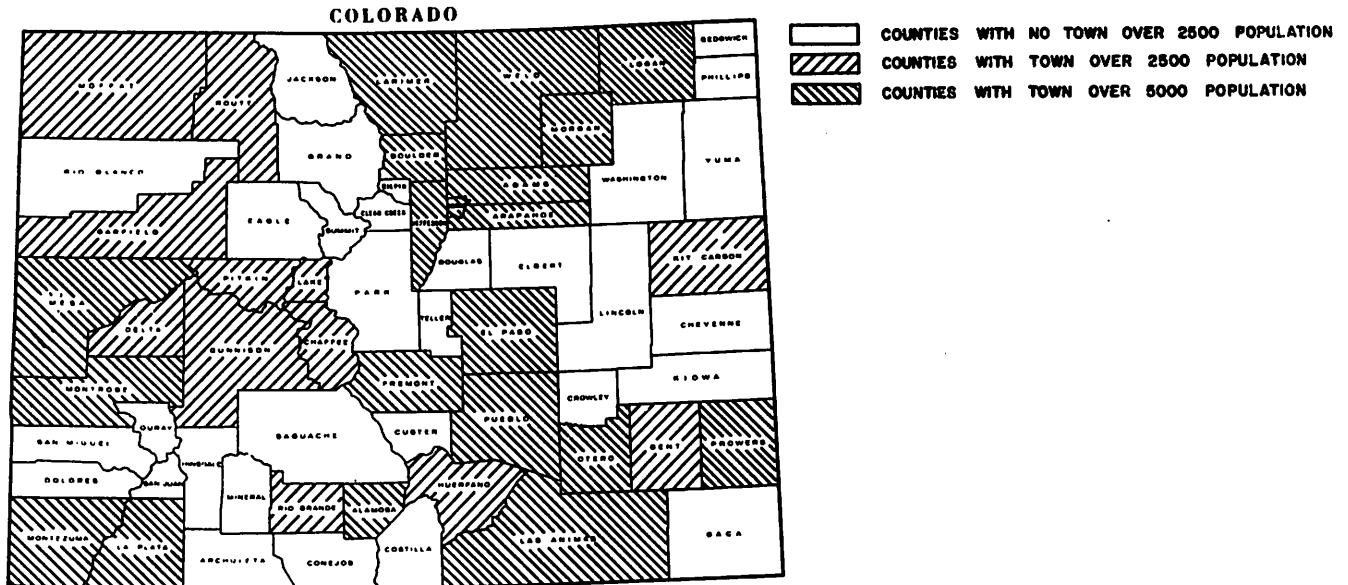
In 1969 President Nixon appointed a task force on rural development and their recommendations appeared in a report entitled "A New Life for the Country".

While there may be some characteristics common to all rural areas, it is difficult to compare rural Rhode Island with rural Colorado, or rural New York with rural Wyoming. What is rural in the East may, in fact, be urban in the sparsely populated regions of the West.

So now we must ask ourselves, what does rural development mean for Colorado? Colorado is truly a study of contrasts and extremes. The geographic features range from flat plains to rugged mountains. Population settlements vary from tiny isolated towns to one of the most important urban centers in the United States. The population in Colorado's 63 counties also reaches extreme proportions, with nine counties having fewer than 2,000 people and seven counties with over 100,000 people. Of the 2.2 million population, approximately 75 percent live in the narrow front range corridor.

Rural development in some states means revitalizing towns with a population of 25,000 to 100,000. In Colorado there are only three cities over 100,000 and only ten between 25,000 and 100,000. Of the 21 cities over 10,000 population, only two had a percentage loss and only five had under a 40 percent increase. Of those five, Denver is restricted by city-county boundaries, and Englewood did not annex vast new residential areas around it. The two cities that lost population, and Grand Junction (with a 7.8% gain), are outside the front range. Pueblo, a front range city, is the only one that does not seem to fit the pattern.

Two-thirds of the counties in Colorado do not have a town over 5,000 and nearly half do not have a town over 2,500. There is a considerable difference in trying to revitalize towns of 10,000 to 50,000 and towns of 1,000 to 5,000.



In order to directly attack the problems of rural decline, we must understand why the decline has taken place.

EARLY GROWTH

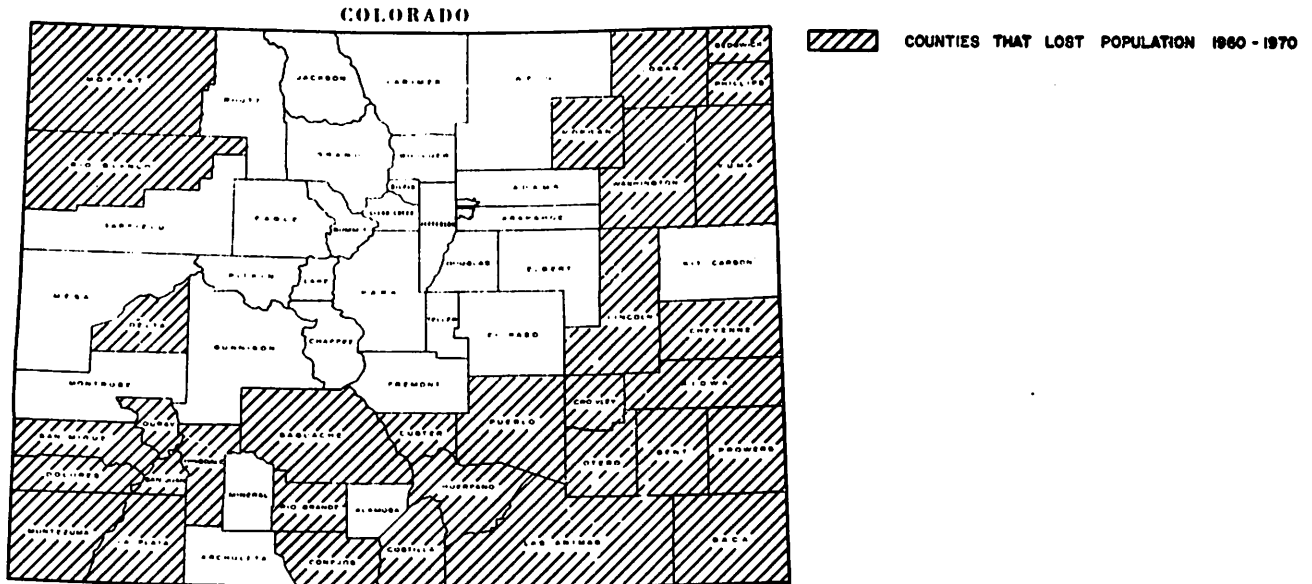
Colorado's economy started its development in the last century, during the genesis of American mass production manufacturing. However, the state did not share in that phase of the Industrial Revolution. Instead, Colorado's natural resources were largely exported for processing at points nearer the mass markets east of the Mississippi.

Mining brought the first wave of migrants to Colorado, and this supported the early towns up to the turn of the century. From then until 1920, an agricultural boom occurred, mostly in wheat and livestock. Specialized settlements also came into existence serving agriculture.

Early manufacturing, trade and services were usually linked to mining and agriculture. Manufacturing was mostly primary processing rather than consumer goods production. Only after World War II did manufacturing, first defense-supported and later more diversified, thrive in Colorado. Most of this was located along the front range. This same area had developed as the trade and service center of the state and as a center of federal military and civilian activity. In addi-

tion, a tourism industry has thrived from Estes Park to Colorado Springs.

As a result, today's front range economy is well diversified. As one of the most attractive metropolitan



areas in the country, it has had continuing growth since 1950. Most recently some of the mountain counties have grown with resort development and related construction activities.

THE PATTERN OF DECLINE

Population declined in 32 of Colorado's 63 counties between 1950 and 1970. These population losses have resulted directly from declining employment, generally in agriculture (mostly wheat and livestock) and in coal mining. Most of the declining counties had specialized economies, highly dependent on one or both of these activities.

Historically, Colorado's population has been quite mobile; when jobs were gone, the people moved. Generally no other jobs were available in their community because of lack of diversification in economic activity. Thus declining counties have accumulated relatively little unemployment, because newly unemployed people do not stay on in their communities. Exceptions are found in the San Luis Valley, and in Huerfano and Las Animas counties.

All of the declining population counties have suffered substantial decreases in population supported by agriculture. This has occurred even in areas where agricultural production has increased. Agricultural productivity may increase, yet fewer workers are required.

Nationwide, between 1950 and 1969: the production of meat animals per man hour has doubled; the production of food grains per man hour has tripled; the production of feed grains per man hour has increased fivefold; the production of hay per man hour has almost doubled (according to the U.S. Department of Agriculture).

"Now that I have graduated from high school, I am faced with the decision of what to do with the rest of my life. The choices are open — I could try my luck at being a doctor, a dentist, a lawyer, a teacher, a farmer -- wait a minute. Did I say "a farmer"? Most high school graduates scratch farming from their list because, despite the popular assumption that farmers live an easy, parasitic life, they know in the back of their minds that it is next to impossible to make a decent living farming. In spite of this knowledge, the image of the farmer has become so low in the city that the very word "farmer" is a form of profanity."

From a letter by a seventeen-year-old

Thus, wheat farming and livestock raising require less labor and directly support fewer people. Their contribution to the state's economy also was diminished by weak cattle prices throughout most of the 50s and 60s, and low wheat prices in the middle and late 60s. (Both prices have recovered substantially in 1972.)

A similar trend has occurred in coal mining production. The U.S. Department of Labor estimates that output per man-hour in 1970 was roughly three times the 1950 level. So, although the state's coal production was up twenty-five percent, the employment dropped substantially. This was particularly damaging to the coal-specialized economies of Huerfano and Las Animas counties. It also was substantially harmful to the coal and agriculture supported economies in Moffat, Routt and Delta counties. Fremont and Gunnison counties also had substantial coal production, but had more diversified economies and thus were less vulnerable.

Two other counties dependent on agriculture and mining were San Miguel and Dolores. Both grew during the 50s with the uranium boom; both declined in the 60s as the Atomic Energy Commission stopped subsidizing high-cost uranium production. (San

Miguel's economy is now stimulated by construction of a resort complex.)

The decline of the specialized rural counties is likely to continue, except in counties with major resort developments. The mining and ranching communities rarely compare favorably with alternative locations for manufacturing, wholesaling, clerical operations, and other businesses. As the communities decline they lose pace in health services, education, transportation services, and amenities, and they become even less attractive for new activity.

Therefore, the conventional decisions of the market place seldom bring new economic activity into these areas. They have limited labor pools and their isolation dictates expensive access to markets or subassemblies for manufacturing. The institutions of state and local government have not been designed to help these communities deal with either decline or rapid growth. Typical problems are:

Water allocation: In order to increase the economic opportunities of rural towns, agricultural water is often the only source for municipal and industrial supply. As the front range, mining, and tourism require more water and take it, agriculture and rural municipal supply is decreased and degraded.

Red tape: Applying for state and federal government programs or money is particularly difficult for rural areas lacking professional aid.

Land use: The state lacks future-oriented, integrated and implemented planning or state-wide zoning to help local governments enforce good land use policy.

Centralization: State offices, located in one place, prevent dispersion of population or services.

Development: Tourism, recreation, and urbanization create land speculation (often followed by despoilation) for both prime agricultural land and undeveloped forest and mountain land. High prices make the sale of land for development more profitable than the use of that land as open space or for agricultural purposes. As farmers or ranchers retire, more land becomes available which other farmers and ranchers cannot afford to buy to keep in agriculture.

Lack of expertise: Rural areas often cannot afford the professional help necessary to compete with metropolitan areas in attracting industries and obtaining federal grants. Dedicated local citizens, short of time and lacking proper training, must try to do the jobs that professionals do in the cities.

If neither the present market place nor the present structure of government offers anything but more of the same, recovery seems unlikely for many counties. Their problems will not be remedied without a variety of actions. Solutions within the authority of state government will generally require continuing legislative and executive effort for some time to come. No single "one-shot" effort can solve the problem. Continuing effort is required.

Major changes in economic and governmental institutions will be needed. Action to initiate these major changes must begin immediately.

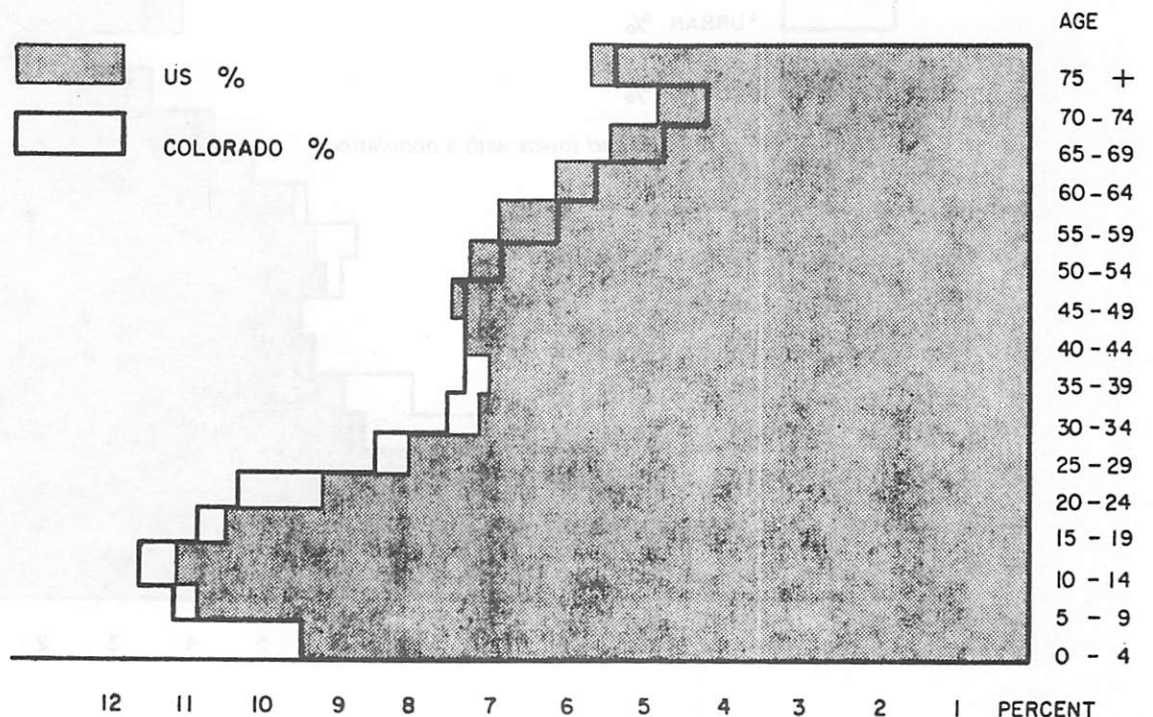
**THE YOUTH SHORTAGE:
ANOTHER INDICATOR OF RURAL DECLINE**

In rural areas of the entire nation, the percentage of youthful, working-age persons is distressingly low. For years younger residents have been moving to the city. The shortage of people between twenty and forty years of age means that rural towns are at a disadvantage when they attempt to develop business and industrial activity to replace their changing agricultural economy.

1

**AGE DISTRIBUTION
COLORADO/UNITED STATES**

Colorado's age distribution is slightly more favorable to a healthy economy than that of the United States as a whole. Colorado has a "youthful population", with fewer old people and more young people. The state's supply of people twenty to forty years old provides an ample working force for business and industry.



An excellent index of the population structure in any area can be illustrated graphically with an age distribution chart. In rural areas, which have a low percentage of people twenty to forty years old, the distribution is noticeably distorted. The chart will reveal an unnatural ratio of older residents to younger persons.

The age distribution chart for the entire United States population tapers normally, with a slight indentation

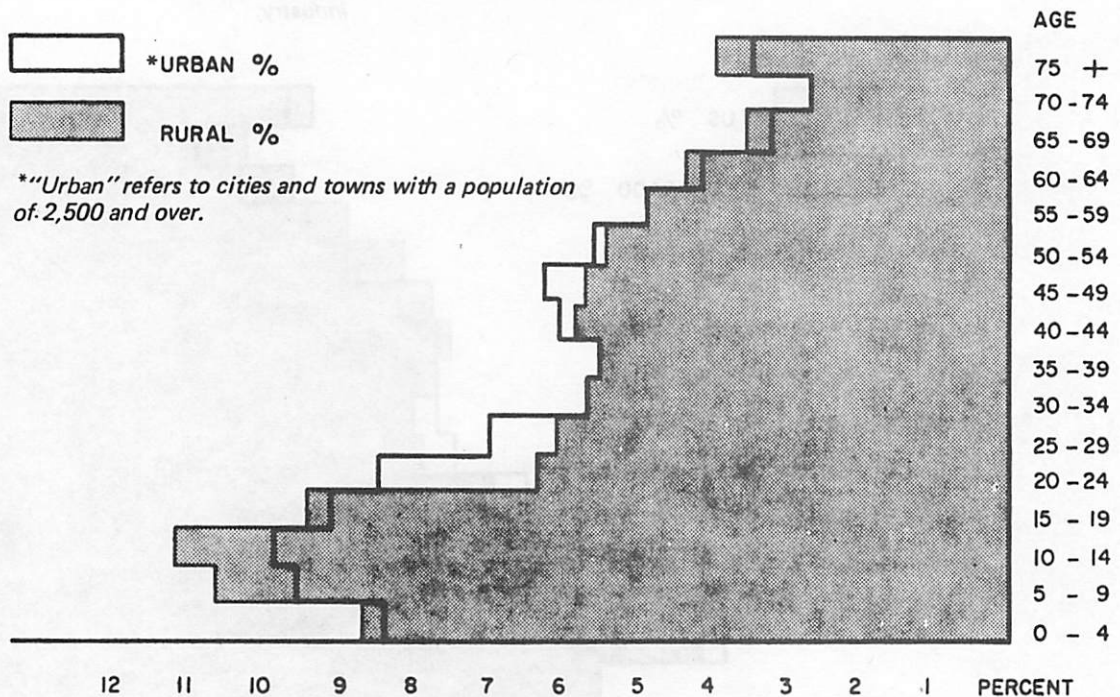
in the thirty to forty age group range because of the low birth rate during World War II. The chart for the entire population of Colorado, overlaid on the U.S. chart, shows that Colorado's age distribution is rather similar to the nation's.

The national trend of migration from the farm to the city is evident in Colorado. In fact, the difference between urban and rural Colorado is decidedly more pronounced than the difference between urban and

2

AGE DISTRIBUTION UNITED STATES URBAN/RURAL

In the nation as a whole, outmigration from rural areas has affected primarily the percentage of persons aged twenty to fifty. This overlay of urban and rural United States age distribution graphically displays the gap left in rural areas.



rural United States. Colorado's rural population has a slightly greater shortage of twenty- to forty-year-olds than the U.S. rural population; and urban Colorado has a substantially more favorable age distribution than urban America.

Colorado's urban-rural disparities are best illustrated by selecting five fast-growing urbanized counties and contrasting them to five declining counties. The fourth age distribution chart compares Arapahoe,

Adams, El Paso, Boulder, and Jefferson counties, which have grown tremendously during the last decade, to five scattered rural counties that lost population — Costilla, Las Animas, San Miguel, Washington, and Crowley. The rural counties have a disproportionate percentage of elderly residents and a severe shortage of people over twenty and younger than fifty.

The outlook for revitalizing rural communities is

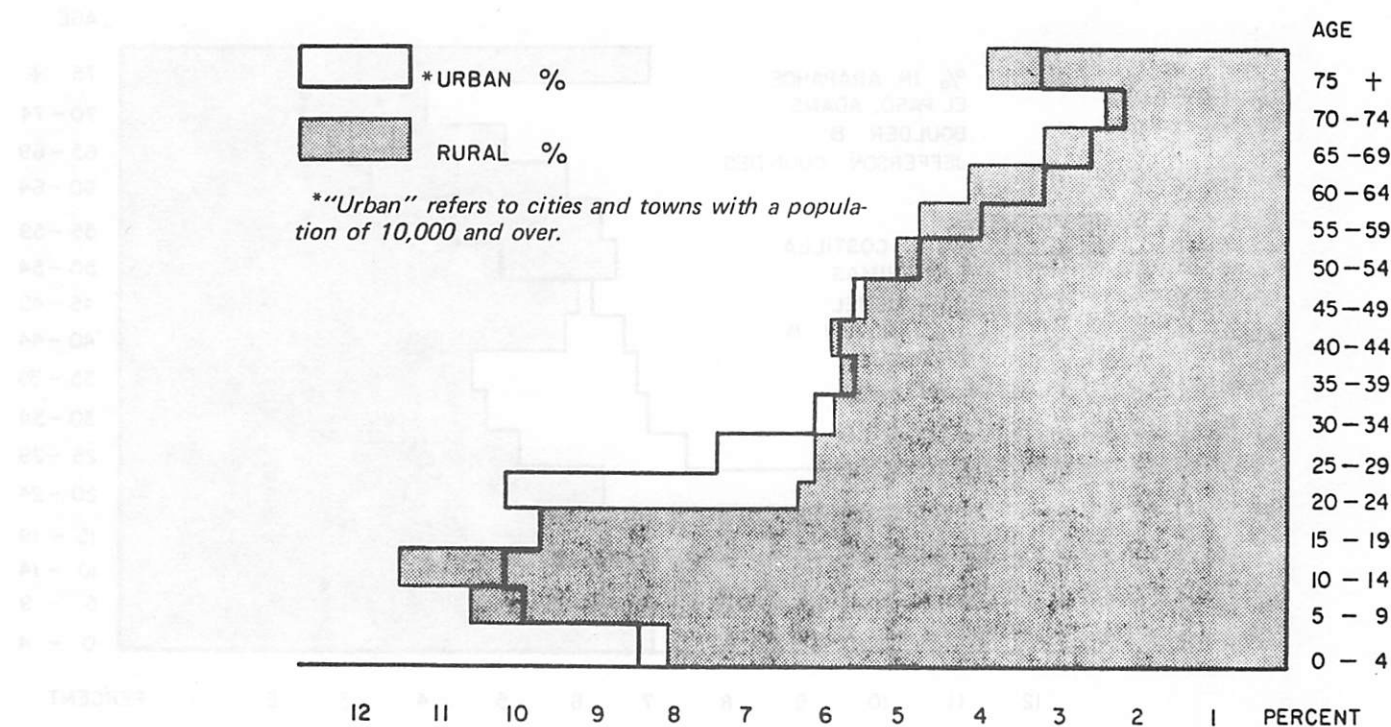
AGE DISTRIBUTION

COLORADO

3

AGE DISTRIBUTION COLORADO URBAN/RURAL

In Colorado, the difference in age distribution between urban and rural areas is even more pronounced than in the United States as a whole.



grim when we see that the youth have become the number one export from rural Colorado. We must provide them with a better choice.

TOWARD A PLAN FOR GROWTH

Despite this bleak picture, there is reason for hope. Colorado's people want the situation to change.

Simply identifying areas of potential growth will not make them flourish. We cannot wish things to happen and then sit back and await the results. A develop-

mental strategy must be designed that will enable Coloradoans to work in harmony toward the same goals. Then, tools need to be identified that will ensure the achievement of the goals.

The growth and development plan should be realistic and feasible, and yet it should also be bold and innovative. To say that we should have no in-migration would be impractical. However, a goal of achieving a ten to twenty percent growth during the next ten years is within reason. To state that no growth should occur along the front range is unreasonable; but bal-

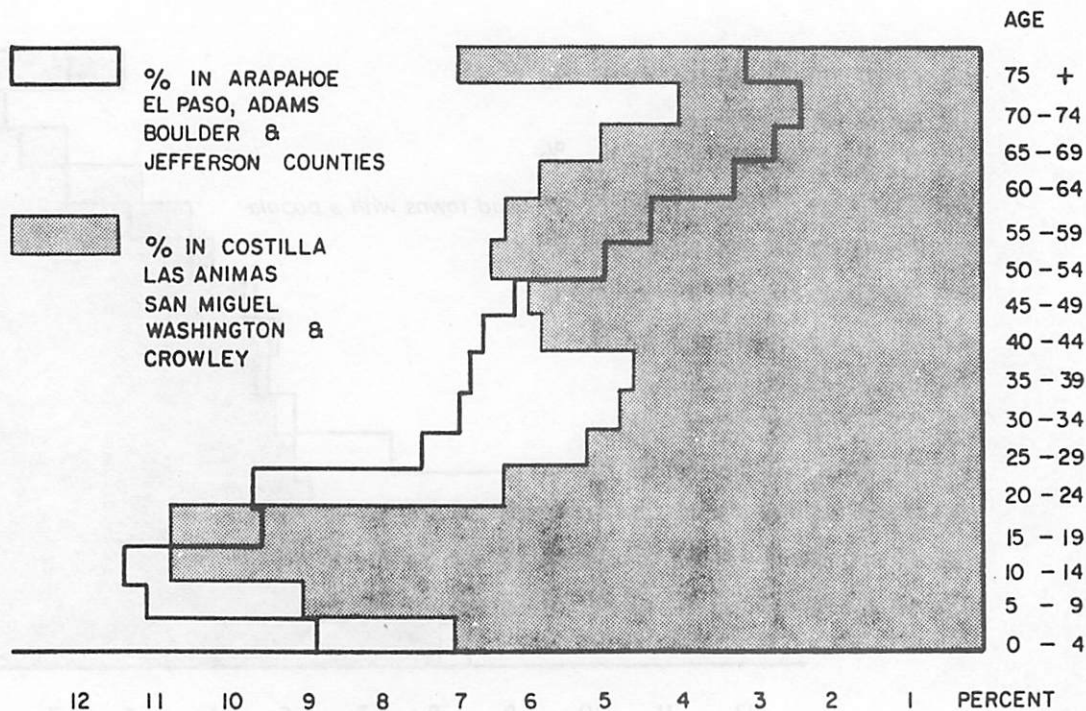
4

AGE DISTRIBUTION

COLORADO

5 GROWING COUNTIES/5 DECLINING COUNTIES

The five "growing" counties in this chart overlay were among the ten fastest-growing in Colorado between 1960 and 1970. The five "declining" counties were among ten which lost the most population. The age distribution in the declining counties is noticeably distorted. The percentage of elderly in these rural counties is three times what it is in growing urbanized counties; the percentage of population aged twenty to forty is almost half.



anced population growth is a feasible goal. Even a goal of imbalance, favoring non-metropolitan areas, is within reason.

At this time, Colorado does not have a growth and development policy. Even legislative intent, included in several bills passed during the last legislative session, is not enough to constitute a growth policy. Until we are committed to a growth policy, we will continue our growth along past and current trends. This is not what the people of Colorado want whether they are rural or urban. To change our direction, we must take positive steps.

WHERE DO WE BEGIN?

The structure of government must be designed so that policies and programs can be carried out with the greatest impact. Throughout the United States, state and local governments are realizing how important it is to coordinate their efforts with the programs offered by the federal government.

Coordination is essential if we are to achieve the full benefits of the resources of government. The best method for coordinating state and local government is cooperation on a sub-state regional basis. Units of local government must work together regionally or their very existence may be in jeopardy. State government must meet local governments half way by working directly with the regions. The Colorado Rural Development Commission is convinced that regionalization is the first step necessary if we are going to begin the rural development process.

"With our small populations, the one man one vote situation makes it impossible for us to be heard unless we combine."

Statement from a Commission hearing

The amount of federal aid available increased from \$7 billion in 1960 to over \$25 billion in 1970. An estimated 80 percent of these funds went to urban areas. The remainder went to rural communities. Competition among local governments for their share of federal aid has created a situation where grantsmanship counts more than actual needs. The planning process is often disregarded because grant applications are made on the basis of what is available at any given time. Some smaller communities face an unrealistic competition with larger communities, simply due to insufficient funds to staff people for the sole purpose of applying for federal funds.

"Regionalism means that we can know where the buck stops."

Statement from a Commission hearing

Regionalization will enable the state to be the primary grantsman for local government. Local governments must work together to establish priorities of need on a regional basis. This can be done on both short and long range plans. When needs are placed into perspective on a statewide basis, we can have a rational allocation of resources that have the greatest impact on the problems we are trying to solve.

The use of regionalization for distributing federal funds is encouraged by the federal government and several states have successfully implemented regionalism. In Colorado we have disjointed decision-making. With regionalization, we can have a communication flow that will produce greater input from local government and a reverse channel through which the input can be reflected in terms of state policy.

In most rural communities, the tax base has declined but the need for services has not. Often state or federal regulations, created for the improvement of life in urban areas, but applied statewide, impose severe drains on rural counties with a declining revenue base. Receiving federal funds to help in needed programs usually involves extra costs of local government, because of matching funds or carry-on costs.

Regionalism will assist local governments in identifying the areas of critical need, and can help them use state and federal programs to their greatest benefit. Regionalism provides ways with which local governments can work together or pool their resources.

A limited number of decisions are made each year for industrial relocation or new or expanding industries making their initial location. Regionalism will assist communities in working together so the state gains the most benefit from an industrial site selection. Labor needs can be better served if the figures on available labor sources are compiled regionally. Regional industrial parks may be desirable to serve the needs of groups of communities. Regionalism will provide a forum for those decisions to be made.

All of the Colorado Rural Development Commission's recommendations tie in with the regionalization concept. Without regionalism, the process of reversing population and economic decline in rural Colorado will be costly, uncoordinated and probably ineffective. Regionalism can provide a delivery system that will make the most efficient use of the human and monetary resources available.

THE NECESSITY OF POLICY

As the pressures of the 70s increase, so does the number of commissions and committees. Public awareness is also expanding as our state seems headed on an irreversible course toward urban sprawl and rural decline. We can study the obvious problems, and the problems are made more obvious. But each day of inaction makes tomorrow's actions more difficult. It is time now to decide what the growth and development of Colorado should be and embark upon action programs that will lead to the realization of the stated goals and objectives.

In the past few years, Colorado has established a Land Use Commission, an Environmental Commission, a Population Growth Advisory Council, and the Colorado Rural Development Commission. In addition, the Interim Legislative Committee on Balanced Population has been active during the past two years. All these groups have looked at the problems of growth in Colorado and have predicted what we can expect in the future. At this point, the state has sufficiently studied the problems — in fact, has "studied them to death". Colorado's leaders now have enough knowledge and more than enough public support to decide on the direction growth should take. That direction will be defined by state policy.

The best policy would be one that encourages self-determination for individual communities but at the same time has enough strength to effectively channel the location of growth. It is the responsibility of government to carry out the wishes of the people in a manner that is characterized by sound judgement in anticipation of the possible consequences.

The Committee on Balanced Population identified nine possible growth policies. The Colorado Rural Development Commission believes that five of these policies can be used as the basis of a broad but comprehensive state growth and development policy. The five suggested elements of policy are:

- 1. Local determination by communities to adopt population growth limits.*
- 2. Concentrated effort to attract new or expanding industry to certain selected parts of the state.*
- 3. Adoption of measures to slow the rate of growth*

in the Denver metro area.

4. Re-direction of anticipated new growth away from the front range.

5. Designation of regional growth centers outside of the front range.

A considerable amount of work has already been done to determine the feasibility of implementing a state growth policy. It is now a matter of putting it all together. The implementation of regionalism will greatly assist in the process of putting the policy into action. To make policy effective, the state must develop a suitable structure through which to operate.

The Commission believes that a state growth policy is essential if rural development is to be effective. Colorado must have a well-directed and coordinated set of programs, to ensure that all levels of government are working toward the same goals.

CONCLUSION

The Rural Development Commission identified and analyzed many of the problems facing Colorado and rural Colorado in particular. Solutions to these problems are not as easy to identify. But one thing is clear — the state cannot afford further delays in taking positive steps to achieve orderly growth.

The seven task force reports included in this report contain specific recommendations for action. Two broad recommendations form the basis for the task force recommendations.

- 1. Development of a statewide growth and development policy.*
- 2. Infusion of money, services and assistance to stimulate growth in areas which have reasonable growth potential.*

Colorado continues to be one of the fastest growing states in the nation. The state must prepare for the increased population to ensure a quality life for all. State government has a vital role to play but local communities will have to actively participate in deciding their future. The state must create the means that will enable local government to make sound decisions. The question is not whether Colorado will grow, but how it will grow.

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**The Water Policy Report
The Growth Attitude Survey**

Report of the Commission's task force on intergovernmental relations

Jim Gigoux, Chairman

RURAL COLORADO – LIVING WITH DECAY, BUT ISOLATED FROM THE SOLUTIONS

The rural areas of Colorado are becoming in many ways a land of lost opportunity, and the very problems that drive citizens to the cities prevent rural government from significantly improving the situation.

City and county governments outside the state's metropolitan areas have neither the resources nor the control to turn the trends around and bring prosperity to their regions. Financial resources are strained by the lack of a balanced economic base and the exodus of taxpayers to the cities. This lack of funds denies rural governments access to the sources of expertise – the planners, managers and grantsmen who could assist the rural areas in meeting their problems. Too many local governments in rural areas operate on too small a scale to be practical. They are able to provide no more than the most elementary public needs.

"We are not getting cross-communication between our state offices, It's a state government administrative problem."

Statement from a Commission hearing

Beyond financial problems, however, local governments also lack control over the state and federal programs and funds that do trickle into their territories. The important and costly decisions on education, health, welfare and other matters of vital public concern are made, more and more often, at higher levels. Inflexible administrative policy guidelines and program priorities are set at the state or national capitals without due concern or consideration for the vast geographic and socio-economic differences within the state and within the nation. Due to the fragmented nature of the federal and state programs proposed or currently in operation, local officials

are often unaware of projects within their constituencies. This fragmentation leads to duplication of efforts, overlapping of programs, wasted money and a lack of control over local affairs by the very people elected to deal with them.

Opportunities continue to be lost. The state government becomes oriented more to the needs of the front-range metropolis; available federal monies revert to other states when Colorado areas neglect to apply for them; and the gap in incomes and opportunities between urban and rural people steadily widens.

However, this process is not inevitable, and these problems are not insoluble. To bring progress and opportunity to rural areas, neither radical amounts of new state taxes, nor a drastic revision of local governments is necessary. Instead, the Colorado Rural Development Commission believes that cooperation, coordination and reorientation of efforts could be the initial prime ingredients in the process of Colorado rural development.

As a first step in the process of developing recommendations, the task force isolated two factors of basic concern:

1. Due to the stagnating economy, the tax base of rural Colorado has not kept pace, nor have rural communities generated the finances necessary to meet the public needs for infrastructure improvements such as water, streets, sewers, health service, fire and police protection, schools and liveable salaries.
2. Local governments in the rural areas of Colorado are characteristically void of the professional and technical manpower needed to design and implement those development projects that could help shore up the sagging economy and rehabilitate the decaying public infrastructure.

Cooperative action of local government entities to pool their strengths will be the keystone of rural revival. Information and expert technical assistance are the next ingredients in the process. This assistance will be necessary to take advantage of all outside resources which are currently untapped, such as special

federal programs, many of which are unknown to local leaders. Local people must plan cooperatively to use all their resources most efficiently, and establish some control or coordination of federal and state programs within their area.

Although designed to help rural people, the confusing array of federal programs available has often posed a quandary for locally elected officials. Each planning group funded by a federal or state agency must ultimately secure endorsement and local financing of its particular program from the local political subdivisions. The dilemma faced by the locally elected official is compounded when each of the planning groups contends it is "the comprehensive" entity with the highest priority.

The federal government encourages the re-establishment of local responsibility through its network of A-95 clearinghouses. These local or state agencies must approve all federal grants, checking to see that individual projects fit into a local plan for development. The task force on intergovernmental relations firmly believes that regionalization must be the first step in the development of rural Colorado. The recommendations that follow, when implemented, will provide local communities with the help they need to get back on the road to opportunity.

RECOMMENDATIONS

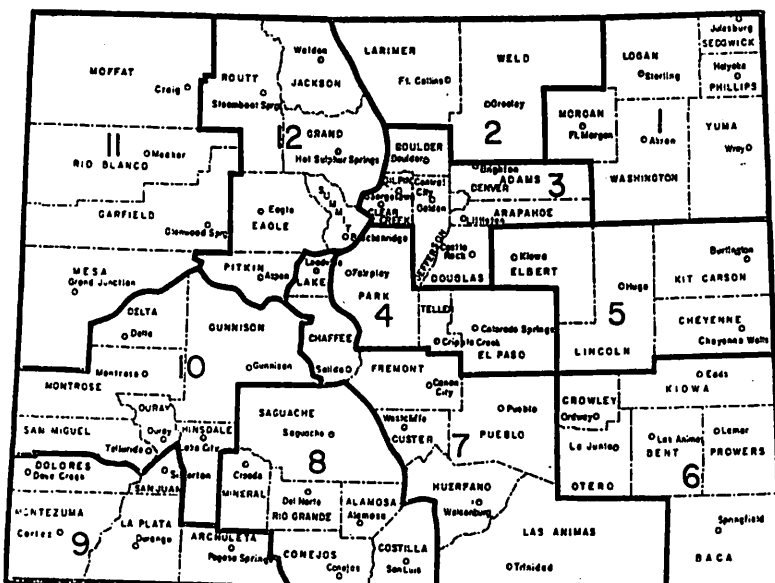
I. The Governor, having designated and certified to the Federal Office of Management and Budget the twelve official planning and management districts for the state of Colorado, should take all steps necessary to make the districts operational.

Individual towns and countries in rural areas do not have the population or the funds to support the technical and professional staff they need. These entities joined together in multi-purpose regions can, however, provide the necessary fiscal and manpower resources. The designation of planning and management districts will provide a basis for coordination of local planning, alignment of federally initiated sub-state programs, and planning and administration of state programs.

The twelve regions that have been drawn up by the State Division of Planning may not have an optimal configuration, but several years of study and compromise have gone into their formulation. Disagreements over official boundaries should not take precedence over action. Now that planning and management districts have been designated, the local progress begins. Boundary adjustments can be made as the needs become clear in practice.

The state of Colorado has lagged behind the pace set by other states in the implementation of regional planning and development. For example, in 1967, the Governor of Texas established the Division of Planning Coordination in the Office of the Governor. This division led to the formal designation of state planning regions in Texas in 1968. The formal designation of planning regions was accompanied by an executive order issued by the Governor which made it mandatory that state agencies conform to coterminous district boundaries. This mandate led to a great many changes in the configuration of state agency administrative districts. The executive order made it mandatory that state agencies use these dis-

Planning And Management Districts



strict boundaries for purposes of areawide planning and development. This trend formed a progressive contrast to many other states that had a patch-work system of districting, causing overlapping among the various state agencies.

II. The State Legislature should require membership in a planning and management district before a local government can be qualified by the state to receive federal and state funds or other forms of assistance.

To be successful, the district organization must have the cooperation of all local governments within their boundaries. Individual areas in the regional organization will be able to decide for or against specific development within their own boundaries.

III. The state should enact legislation to provide matching funds for the twelve districts.

The state should provide funds for the organization and operation of the planning and management district offices on a sustained basis.

IV. The state should assist each planning and management district to obtain development, planning and administrative funds from federal sources.

The district development organization must have a professional staff to assist local leaders. Currently, federal grants are available for many functional types of local and regional planning. By pulling together as many of these as possible, the overall effectiveness of each specialist is increased.

V. The state should enact legislation which specifies District Board composition and selection.

All planning and management district board members should be local elected officials or their appointed delegates. The legislature should establish procedures for organizing the boards.

VI. District office location will be determined by the District Board.

The Board will be responsible for the designation of a central office location within each of the regions. In general, the staff of the central office will fulfill the following functions:

1. Maintain current information on the availability of federal and state programs, and publicize that information.

2. Provide leadership and technical assistance in the planning of projects and preparation of applications.
3. Prepare coordinated regional policy plans and design programs which are regional or subregional in scope.
4. Expedite consideration of applications by federal and state agencies.
5. Provide technical assistance in the execution of the projects or programs.

The District Board will also be responsible for hiring a director whose qualifications will meet standards established by the board. The director, an administrator with both development and planning experience, will hire staff subject to the approval of the Board. The staff composition will depend on the special needs and desires of the district as well as the types of special funds available. Types of experts that should be considered include land use planners, health planners, housing experts, transportation planners, industrial development specialists, criminal justice planners, manpower planners, natural resource planners, education planners, recreation planners and community development specialists. These specialists will work on policy development and planning, subject to the wishes of the Board, and will actively pursue appropriate federal and private assistance to carry out the regional development programs. The staff will be a source of information and expertise to all participating governments, and will be available for special local projects as well as district-wide work.

VII. All tax-supported functional discipline planning councils in the regions, whether state or federally sponsored, should serve as advisory committees to the Board and submit their plans for the approval of the Regional Board.

A confusing number of special groups set policies and planning for special functional areas. At worst their goals and plans conflict with one another; at best communication and coordination are lacking. These groups should be coordinated by the Regional Board.

VIII. The Legislature should require that each state agency with field offices will regionalize along the official lines, and locate its field representatives and offices in the designated districts.

As far as possible, agencies serving the entire state should decentralize to the regions. Government can

be more effective, and will be more convenient to local citizens and more informed on regional problems. State payrolls will directly affect local economies, and less public time and money will be wasted on travel to and from Denver. The duplication and overlapping of state programs will be more apparent if agency field offices are located together in the region, and their physical proximity to the regional office will make local cooperation more feasible.

IX. Federal field office representatives should be encouraged to locate in the regions and work with District Boards.

The resources available in many federal programs can be magnified if they work in cooperation with each other and the Regional Boards.

"We had things ready to talk about to coordinate state and federal programs, but the state people didn't show up."

Statement from a Commission hearing

RECOMMENDATIONS FOR AN ACT ESTABLISHING REGIONAL ORGANIZATIONS IN THE PLANNING AND MANAGEMENT DISTRICTS

Existing planning and regional legislation in Colorado needs clarification, revision and reorganization. Local governments need funds and assistance. For these reasons, and to bring order to the confusing and overlapping array of federal and state assistance programs, the Colorado Rural Development Commission recommends legislation for strengthening and funding of planning and management districts, and establishment of a State Policy Coordination Board. These organizations would have the responsibility for setting goals, priorities and policies for regional and state development. The Commission believes that legislation incorporating these recommendations will give local governments the authority and technical assistance to bring progress and development to their regions.

I. Purpose of the Act

1. To provide for regional cooperation for coordination and economy;
2. To establish the importance of policy as well as regional and operational planning.

3. To provide for technical staff in each region, and funding for those staffs.

II. Establishment of a State Coordinator and State Policy Coordination Board

1. The Governor will appoint a State Coordinator for Non-Metropolitan Development, who will be directly responsible to the Governor.
2. The State Coordinator will have a small staff which shall work to ensure the consistency of regional plans and policies with the state growth policy.
3. The Coordinator will work with the State Policy Coordination Board to develop policy and administrative guidelines for the planning and management districts and will oversee coordination among the regions and between the region and state agencies.
4. The State Advisory Board will be composed of the chairman of each Regional Board; the State Advisory Board will develop policies and administrative guidelines for state-wide and regional development and will serve as advisors to the Governor and legislature.

III. Composition and Selection of District Boards

All members of the Board will be elected officials or their alternates, including:

1. One County Commissioner from each county;
2. One elected official from the largest town in each county, except: if a county has no town over 1,000 population, no town in that county gets a representative on the Board; and if a county has more than one town over 5,000 population, each such town gets a representative on the Board. (Alternatives: (1) one representative per county selected jointly by all towns under 5,000, and each town over 5,000 also gets a representative; or (2) one representative selected jointly by all towns in each county.)

IV. Staff of District Board

1. The paid staff shall be selected by the Board, and be completely responsible to the Board.
2. The staff must be responsible, at a minimum, for assisting in the preparation of plans, implementation of development programs and administration of any other activities specified by the Board.

V. Duties and Powers of the District Boards

1. Regional Boards will perform regional policy planning and adopt a comprehensive regional policy guide including goals, objectives, and programs for development of the physical, social, and economic elements of the region.
2. They will have A-95 clearinghouse power to approve and disapprove federal and state projects, programs or grants in the region. (This power subject to appeal by local governments to State Advisory Board).

3. Boards will exercise advisory review over city or county operational planning and will exercise final approval on any regional plans, or any state or local projects or plans affecting more than one governmental jurisdiction within the region.
4. They will have authority to approve highway plans within the region, and water diversion from the region or into the region.
5. Regional Boards will appoint committees to act as boards or councils for functional planning or federal or state government programs that require such boards or councils, or to deal with special problems. At a minimum, committees must be established dealing with regional planning, human resources, health, law enforcement, and social and economic development. The recommendations of all such committees or special boards will be subject to the final approval of the Regional Board. If any such special boards, committees or similar councils or commissions already exist in the regions, they automatically become the planning and management district's committee for that purpose.
6. Regional Boards may reconstitute themselves as a special board with the addition of appropriate citizen members chosen by the Board for the purpose of fulfilling requirements of certain federal programs.
7. The Board will establish, or constitute itself to function as, a Regional Planning Commission, Industrial Development Organization, Regional Housing Authority, or other special-jurisdiction organization.
8. Planning and management districts may combine with other regions for certain functions, or certain staff members may be hired jointly by more than one region.

VI. Comprehensive Nature of District Staff

All planners or administrators engaged in region-wide publicly financed activities will be part of the regional staff, located with the staff, and subject to the direction and coordination of the regional director and the Board.

VII. Penalties for nonparticipation by an eligible local government in the planning and management district will include:

1. Refusal by Board to allow federal or state aid into that jurisdiction;
2. Cutoff of state highway maintenance funds or other state funds or State Revenue Sharing funds.

VIII. Appropriation, funding: The state will share funding with counties and cities

IX. State and federal agencies will be required to use these regional boundaries for administration of programs.

THE GROWTH CENTER STRATEGY AND RURAL DEVELOPMENT

Not every town in rural Colorado can attract a new industry. Many towns do not want any industrial growth, although they do want economic improvement. A growth center strategy is an alternative method for bringing economic benefits to all rural Coloradoans through the best placement of public and private development money.

All but two of the twelve planning and management districts have at least one town that has the size and facilities necessary as a base for economic growth. If the State encourages its own agencies and private industry to concentrate facilities in growth centers, the combined effect will have more beneficial impact than if such facilities are scattered throughout the regions. More jobs will become available, and the regional growth centers can attract job-seekers who would otherwise move to the overcrowded metropolitan areas. Employees can commute from the very small towns which have little or no chance of attracting industry.

The federal government has studied ways of implementing growth center strategies, and the Economic Development Administration and the Appalachian Regional Commission have been the most active agencies pursuing growth center programs. In Colorado, the Federation of Rocky Mountain States has done some research on growth centers. These agencies have done technical research on criteria for selecting successful growth center towns, and some of this could be applied to designating certain towns in this state. Each regional organization could decide on a growth center for its own region. This Commission, while encouraging further study and consideration of the growth center strategy, will not identify specific towns and growth centers.

New towns are also being studied on a national basis. In many respects, new towns strategy is similar to, or at least compatible with, growth center strategy. Initial studies defined new towns as self-sufficient communities established where none existed before. Nearly all new towns in the U.S. are within 25 miles of major metropolitan areas.

Another way of applying new town ideas is to build around an existing town. This is referred to as an "add-on" or "wrap-around" town, but new town principles are still used. This latter approach merges with growth center concepts and is highly suitable for rural areas.

Any of these development strategies — growth

centers, new towns, or "add-on" towns — would provide an excellent approach to revitalizing rural Colorado. None of these strategies will benefit rural regions, however, without a restructuring of regional tax systems. If the state concentrates its resources toward only one part of a region, that one part will benefit while other counties and towns are left behind. But tax structures could be altered so that the development of one new town or one growth center could share revenues with the whole region.

TAX-GROWTH SHARING AND RURAL DEVELOPMENT

When an industry moves into a rural area, one local government usually benefits from the new taxes generated, but several other towns or counties may have to provide services for the expanded work force and their dependents.

Many small towns have been nearly bankrupted by demands for school facilities and roads for new residents working in a nearby center of growth. These new residents may have come from out of state, from a metropolitan area, or from another rural area with limited employment possibilities. Some form of tax-growth sharing would more equitably spread the benefits of economic development to those areas bearing the burdens of growth.

The Minnesota legislature recognized this problem in the Twin-Cities area and enacted a "share-the-growth" plan to distribute on a metropolitan area-wide basis the growth in nonresidential property

taxes. The act requires that forty percent of the growth after 1971 in commercial and industrial property values will be used to form a new tax base, with a share going to all the local governments, including school districts, around the metropolitan area. The local units with the lowest assessed per-capita valuation receive proportionately the largest amount of money.

This step is a breakthrough for the fiscal problems of metropolitan areas, but it has just as great a potential for assisting orderly growth and development in Colorado's rural areas. The number of suitable industries that will locate in rural areas is distinctly limited. Up to now, any state assistance to place a company in a particular town could cause inequitable distribution of economic benefits and burdens among neighboring jurisdictions. With a tax-growth sharing plan, however, the residents of the entire region could benefit from a new industry or business. This plan could also help to eliminate the undue competition among towns, which can waste money and actually discourage a prospective industry. Towns could cooperate to find the most suitable site for an industry, regardless of jurisdictional boundaries, with the knowledge that they will share in the tax benefits.

This sharing plan could be established on a region-wide basis or in sub-regional areas determined to be impacted by the location of a business or industry. The percentage to be shared, and the formula for distribution, would have to be worked out on a case by case basis. But whatever form is used, this plan has potential benefits for the development of rural Colorado.

The report of the Commission's task force on financial incentives

Art Moss, chairman

JOBS, THE KEY TO ECONOMIC DEVELOPMENT

During the decade of the sixties the concern of the nation focused upon the problems of the big cities. But as millions of dollars of federal funds were poured into urban areas, with questionable results, it became apparent that programs were treating the symptoms, but not the causes of the problems. The essence of America is found in non-metropolitan America, where many of our problems begin. The nation must realize that rural development, primarily rural economic development, is the big job for the seventies.

In his March 10, 1971, message to Congress, President Nixon said, "Rural Americans deserve a full share of the nation's prosperity and growth." He noted that the economic weakness of rural America has been a major contributor to the multiple problems of the nation's large cities. Before describing his specific proposals, the President concluded, "As never before, the Nation is beginning to see that urban America has a vital stake in the well-being and progress of rural America."

In a State-of-the-Union address of February 1, 1972, the President said, "All Americans have a high stake in rural development. For the problems which many rural areas are now experiencing are directly linked to those of our cities and suburbs. Changing patterns of life in rural America have changed the pattern of life in all America." In recognition of the need for rural development, Congress recently passed the Rural Development Act providing authority for a program of financial incentives for the location of industry in rural America.

In testimony before the Senate Subcommittee on rural development, Governor Love pointed out that the states must work with the federal government to devise policies of population dispersal which will give those who presently live and those who would like to live in rural America the chance to do so.

The problem identified by the President and the Governor now exists in Colorado. We have experienced a growth pattern that has brought an over-abundance of prosperity and population to the urban areas along with a decline in the rural areas. Rural Colorado finds

itself as a separate and unequal part of the state as a whole.

No one factor caused today's problem. But, as the number of farm and ranch families declined because of mechanization and larger-scale operations, the towns that served this population also declined. The availability of industrial and service jobs in the larger metropolitan areas, along with their cultural pull, reinforce the strain on small town America, and the town youths followed the farmers' sons to the cities.

Now the declining population, absence of well-paying jobs, lack of services and recreational facilities, and decaying housing, along with other problems, create a quality of life gap between urban and rural families.

These complete the vicious circle, and discourage new employers from locating outside the front range metropolitan strip.

The federal government, through passage of the Rural Development Act, has taken a major step towards enabling rural America to improve its economic capability. It is now up to Colorado to take those steps necessary to assure that its rural communities will be in a competitive position superior to those in other nearby states.

To assure the existence of small town Colorado, and improve the living standard of those who choose to live there, jobs and industry are the basic solution. There is no substitute for an economic base to create job income.

All the other problems with which this Commission is concerned, housing, health, education, depend for their long range solution on adequate year-round income for rural people. Growth based on land development, recreation and tourism may provide some economic stimuli to our small communities, but none of these have the potential for year-round, livable income that industrial jobs provide. Not all regions in the state are suitable for intense tourism development and those that depend heavily on a recreation-oriented job base suffer from low wage rates and seasonal welfare problems. *This Task Force sees a vital need for the establishment of a sound economic base in the rural regions of the State.*

During the past decade, industry in Colorado has grown significantly. Firms have been attracted to the state not only because of the clean air, healthy environment and scenery, but primarily because the Denver metro area has become the hub of the largest market and labor area between Kansas City and the Pacific coast region. Many companies wanting to locate near the expanding market of the mountain region consider the Colorado front range corridor. Thus Colorado is in competition with other states for jobs, and especially for the relatively few firms that are willing to locate in rural areas. The serious problem is the unbalanced intra-state distribution of jobs. The concentration and congestion along the front range create problems of too rapid growth there and a further economic decline in the rural areas.

LOOKING AT TAXATION

The Commission has identified the following problems related to taxation, which must be remedied if rural areas are to be competitive.

Basic lack of revenue in rural areas

As the cost of government services rises, the population and tax base of many rural areas continue to decline. Many local governments are reaching a critical situation — there is no way to raise adequate tax revenue.

The problem becomes more critical as new state regulations require local governments to spend increasing amounts on such programs as solid waste disposal and pollution control.

Taxation discouraging agriculture

Current assessment practices encourage farmers and ranchers to sell to speculators. In some parts of the state, agriculture has been completely destroyed in the process. Often tax policies contradict land use policies adopted by local governments, and prevent their implementation.

Tax burdens in a changing economy

When an area is changing from an agriculture based economy to an industrial or mixed economy, the source of wealth changes, but often there is no parallel shift in the tax structure. Many people oppose industry in rural areas because they believe they will be unfairly burdened by an obsolete tax system.

Rising property tax and support of schools

Many rural areas must bear tremendously high mill levies to support school systems. These high taxes discourage development, and sometimes still do not adequately finance the schools.

"You have to decide which comes first, the chicken or the egg. You can't get firms in without sewer systems or education."

Statement from a Commission hearing.

Mobile home taxation

Many rural areas have been fiscally impacted by an influx of mobile homes that do not generate enough taxes to support the government services they require. Often local attitudes are in opposition to allowing mobile home parks, even though mobile homes may be the only decent housing available, because of the conviction that "mobile home residents don't pay their fair share of taxes."

Regional industrial tax sharing

When an industry moves into a rural area, one government benefits from the new taxes generated, but several other towns or counties may be expected to provide services for the new work force and their dependents. Some form of tax sharing may be needed to share both the benefits and the burdens of new industry more equitably.

The Commission has concluded that industry coming to the state should be directed to the rural regions of the state, away from the sprawling front range cities. Also, industry already in the state should be encouraged to expand outside the front range. To accomplish this objective, policy and plans for implementation must be carefully designed. The state government must coordinate and build upon programs now in existence, and undertake several new efforts.

RECOMMENDATIONS

I. The state should adopt a balanced growth policy encouraging development away from the front range metropolitan areas to regions that desire growth.

This recommendation forms the keystone of the Rural Development Commission's position in all areas of concern. The growth policy would necessarily underlie the more specific policies and recommendations of the task force on financial incentives. Without an integrated effort, officially legislated and funded by the legislature, and endorsed by the Governor, fragmented efforts will prove ineffective.

II. The state should promote the development of regional organizations and make it possible for them to take maximum advantage of existing state and federal programs.

Local

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The lack of access roads, industrial parks, water and sewer treatment capacity and other aspects of the necessary "physical infrastructure" deter the location of industry in smaller towns and rural areas. The regional planning and management staffs (proposed and detailed in this Commission's task force report on intergovernmental relations) should make greater use of available federal programs to improve these facilities. The regional boards can work to promote cooperation among local governments in cases where too much competition might discourage a prospective industry. The regional boards should also work with local vocational schools or colleges and industries to provide custom labor force training for industrial prospects, with the promise of a "guaranteed" labor force. *The task force also recommends that state agencies dealing with development, especially industrial development, locate their agents in the regions.*

III. The state must provide financial incentives to sound, well managed industries to locate in rural regions.

Regional and local efforts to better utilize existing programs will not be enough to attract industries to rural areas. Profits are the key to industrial jobs, and because of higher transportation costs and other factors, it often costs more to operate in a rural area. To implement the balanced growth policy, the state will have to design a flexible program of incentives to allow companies to locate in rural areas without a cost penalty. These incentives will be made available only in communities that desire growth and request aid.

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Rural Colorado is coming to realize the true economic value of new industry. While various ratios are generally applied, it is agreed that each industrial payroll dollar brought into a community generates additional dollars in the community economy. State and local taxes generated by this business activity can be quite substantial, and financial incentives offered to new industry can be viewed as a sound long term investment.

While the return to the community will be balanced against the cost of incentives, the incentive program will actually involve subsidy — that is, the use of tax money to encourage industrial location.

Many other states have carefully designed incentive programs, but Colorado has made little progress in lessening the disadvantages of rural Colorado in the competition for jobs. The difficult question here is not whether to have financial incentives for new industry, but what source, form, and type of incentives offer the best opportunity for success in Colorado.

The aid should take the form of direct state grants for the types of facilities that can attract industry, and that are legal for the state to fund, such as roads, housing, water facilities, and sewer plants. The individual assistance project to a town and industry would have to be determined on a case-to-case basis and coordinated with the planning and management districts. In many areas of the state a sound economy will continue to rely on a sound agricultural base. Agriculture and industry related to agriculture are basic and should qualify for incentives.

IV. The Division of Commerce and Development should have the responsibility for administering the incentive grants program.

This Division should also be funded to coordinate research to develop dependable regional statistics comparable to those now available for Standard Metropolitan Statistical Areas. The lack of statistics on rural areas has hindered the planning and development process in the past, and would be a stumbling block to fair administration of the incentives program. The Division could also oversee research to determine desirable industries for each region and conduct a stepped-up recruiting process aimed at out-of-state firms.

The state's planning and management districts would have special functions in cooperation with the State Commerce and Development Division. They should engage in training of community industrial development personnel, classify available industrial sites, and maintain other up-to-date data. Also, they should coordinate with state and local officials, private and local development groups, property owners and financial institutions to assure proper handling of industrial prospects.

V. Other incentives should be added, as soon as constitutionally and legally possible, to build a successful rural development program.

In many other states a wide range of incentives are offered to induce industries to locate in specified areas. They are usually administered by some form of a state development corporation, and depend on either state bonds or direct legislative appropriation. This task force has concluded that to implement many of these alternative forms of assistance in Colorado would require either amendment of the State Constitution or major legislation. For this reason we have first recommended for immediate action the incentives grants program described in recommendations II, III, and IV. However, we are also recommending the adoption of a wider program dependent on the enactment of the constitutional or legis-

lative changes necessary.

The selection of specific incentives for inclusion in this broader program should be subject to at least five basic criteria: benefit to the state as a whole; need and desire of the rural communities; attractiveness of the incentive to the industrialist in the light of the economic and competitive conditions; the cost to the state in relation to the number of jobs produced in rural Colorado; and the impact of similar incentives existing in other states.

VI. The Division of Commerce and Development should be assigned the responsibility and funds for a complete report on the advantages, disadvantages and total impact of the following kinds of financial incentives to industry in rural Colorado:

A. State subsidy of interest rates to industries willing to locate in rural Colorado;

B. Direct state loans and loan guarantees that would provide attractive interest rates and loan terms to qualifying corporations;

C. State subsidies of transportation costs to and from rural Colorado that exceed those from a Denver basing point;

D. State grants and loans to local development corporations for the creation of industrial parks and necessary service facilities;

E. Changes in the state's taxation policy to encourage development.

A program of financial incentives that will satisfy the many obstacles to rural development must be highly flexible. It should be able to operate promptly, and tailor the offer of financial assistance to the needs of a particular prospect. The Commission believes that most of the above incentives will be necessary for a successful state effort.

VII. The state should consider the use of a state industrial development authority or commission that could be funded and ready to receive applications from prospects or from local or regional industrial development organizations for virtually any form of financial assistance.

Guidelines for implementation should include provisions to safeguard the funds from companies that are financially unsound, or unsuitable to the region. And also, it must be certain that companies will not be so dependent on subsidy that they collapse or leave when the subsidy period ends. Given these restrictions, broad latitude should be granted to the members of the authority to act and act quickly to provide the kind of financial incentive best calculated to succeed in locating the plant in rural Colorado.

The report of the commission's task force on tourism

Dale Hollingsworth, chairman

THE VISITOR INDUSTRY

In many Colorado counties, tourism and recreation are second only to agriculture as an economic force. In some communities tourism is the largest single source of income. In any county the tourist industry may be a key hope for generating future economic gains and assuring a better quality of life for today's residents as well as young Coloradans who will be entering the labor market in the future.

A study conducted by the Denver Research Institute indicates that during the test year (1968) tourism produced \$473 million in direct retail sales and services in Colorado and that 33,000 residents were directly employed in tourism jobs. Another 16,000 residents were employed in tourist related jobs for a cumulative total of 49,000 Colorado residents whose economic growth and ensuing life style depend upon tourism. A 1971 study by Dr. Charles Penley Rahe of the Business Research Division, Graduate School of Business Administration, University of Colorado, indicates that during the decade of the '70s, each year an average of 33,914 Colorado residents will be seeking employment for the first time. The bulk of these job seekers will be high school and college graduates who are ready to take their place in the economy. The establishment and development of tourist business in rural areas could assist materially in permitting these young Colorado natives to establish their homes in the state and locale which gave them birth.

"We should concentrate on what we have, what we are capable of doing. We should do what the area is naturally adapted to."

Statement from a Commission hearing

The state of Colorado must give full attention and support to an aggressive program aimed at further development of promotional programs emphasizing the areas and attractions located in non-metropolitan Colorado. State-sponsored campaigns must be designed to complement state policies for distribution of economic activity. Rural communities should have the opportunity to share in this process by contributing to regional studies and determining tourism-related needs that will contribute to a well balanced economy. The desirability or undesirability of the tourist income in a specific municipality, county, or region should be established by the residents of that area and communicated to the Travel Marketing Section of the Division of Commerce and Development for implementation as part of the state's overall program.

RECOMMENDATIONS

I. The Travel Marketing Section of the Division of Commerce and Development (Department of Local Affairs) should continue and accelerate its programs which utilize the state planning and management districts and which attempt to route tourist promotion efforts to noncongested areas.

The Travel Marketing Section staff presently works under a division policy directing them to organize their tourist marketing efforts within the geographic boundaries of the twelve planning and management regions. They have consolidated some of these regions to form eight Travel Marketing regions.

The Travel Marketing Section guides its travel promotions according to the in-office policies of the Division of Commerce and Development, which directs them to promote activity in non-metropolitan areas rather than in the front range. These practices are fully in keeping with Rural Development Commission recommendations and should be encouraged and accelerated.

II. The Travel Marketing Section should change its policies regarding publicity stories and releases.

Historically, the policy of the Travel Marketing Section has been to concentrate all advertising and promotional efforts on the entire state as a single

destination area and to leave promotion of individual regions to those areas which possess the money and talent to do so. We recommend that this be changed.

Paid advertising space in national magazines should still present Colorado as a tourist destination area, but emphasis should be given to non-metropolitan areas.

Publicity stories and photos prepared for the travel pages of national magazines and newspapers should primarily be directed to promotion of specific regions, areas, and attractions within the state, based on needs as established by rural areas. These releases, which appear in hundreds of leading publications each year, will materially assist areas not now reached by the state's general promotion programs.

III. The Travel Marketing Section should continue its study to establish what other agencies, associations, and corporations are doing in the promotion of travel to Colorado and to encourage coordination of all programs whenever possible.

IV. The Travel Marketing Section should restructure membership in the Travel Marketing Council.

Members of the present Travel Marketing Council, consisting of eleven non-paid businessmen, do not represent specific geographic areas. We recommend a member of this Council come from each of the planning and management districts. The selection of these members may be either by appointment or through election by residents of each region.

V. The Travel Marketing Section should renew its ski promotion efforts, especially for ski locations which appear to need assistance.

The General Assembly in its 1971 session discontinued funds for ski area promotion. Certainly, fast-growing winter recreation locations such as Aspen, Vail, and Steamboat Springs do not need state help to maintain a profitable ski industry; yet many other more isolated ski sites and newly developing areas do need promotional assistance. The state should regenerate its marketing efforts, concentrating only on areas that do need help.

VI. The Travel Marketing Section should organize a statewide coordinating effort to encourage the convention trade in rural areas.

Conventions are a tourism-related industry which have proven to be profitmakers for communities throughout Colorado. Most of the state's convention trade gravitates toward the front range cities. The state, through the Travel Marketing Section, should help direct this business toward rural regions which have expressed a desire to get it and where facilities are available.

IN CONCLUSION

While it is popularly believed that the travel industry in Colorado is self-generating and will continue to grow without guidance, the facts prove differently. Colorado's rate of growth in the tourist area has been on the decline for the last three years. In 1969, Colorado's percentage of growth in tourist arrivals was 11% over 1968. In 1970, that had slipped to 8%. In 1971, it had dropped to 7%. Colorado Economic Outlook Forum figures indicate that 1972 will see another drop.

A study by the Colorado Motel Association, completed November 5 1972 questioned motel operators in thirty-four Colorado communities, including motels as small as four units to operations as large as two hundred units. These included referral, chain, franchise, and independent companies. Twenty-five of these thirty-four towns reported a decline in occupancy during 1972 under 1971. This may or may not indicate a trend, but it does indicate the importance of encouraging an active Colorado program of tourist promotion. Unfortunately, reductions in tourist business are harder to absorb in rural areas; and yet, these declines seem to stratify in rural areas first.

The state's investment in travel marketing has been reduced in recent years; and while "cause and effect" are usually separated by a year or so, we believe an aggressive state travel marketing program, based on the new concepts and directions outlined above, can be of considerable help to Colorado's rural areas.

The combined reports of the task forces on rural education and health

Lynn Andrus, chairman

George Cowen, chairman

PEOPLE AS AN INDUSTRIAL INCENTIVE

One recurrent complaint which the Colorado Rural Development Commission heard at its hearings was: The youth of our community are leaving! It is a problem rural areas are concerned about across the whole country. It leaves our rural towns with a shortage of young people who are at a working age, young people who are productive and capable of contributing to their community.

Joining this migration away from the country and into the city are doctors and nurses, whose absence leaves a critical vacuum in the medical services necessary to maintaining a satisfactory quality of life in any community. In most rural areas, health facilities are adequate, but the hospitals and clinics lack personnel to man those facilities and carry services to isolated areas.

Colorado's non-metropolitan areas can thus claim that a manpower shortage is one of the major problems preventing them from participating in the economic prosperity enjoyed by the rest of the state. No small town outside of the front range is likely to host a big industrial complex; but no small town is likely to support a small or medium-sized industry either, if its hospital is understaffed and its schools have not trained people in skills the industry can put to use.

THE SCHOOLS' RESPONSIBILITY

Our educational institutions, at both the public and post-high school levels, ought to be attempting to solve this manpower problem; but, instead, the schools often contribute to it. Colorado's colleges train students in skills that are primarily in demand in the cities. Rural high schools and elementary schools design programs that encourage students to go on to college — particularly to big city colleges and universities. To serve the community effectively, training institutions should design flexible career education programs that can readily adjust the curriculum to train personnel for work in the community.

Colorado's largest colleges and universities are located in the front range. Any new colleges and universities should be located in rural Colorado, where they can

serve the training needs of rural communities as well as the needs of the entire state.

Rural areas need career education programs — non-degree-granting curricula that are vocationally oriented and which train people in skills needed for jobs in the rural community. The state and the community cannot afford the major expense of establishing vocational college campuses around the state; but the demand for career education can be met, by programs rather than campuses. State sponsored job-training programs are within reach of our financial resources.

"We educate our children to leave home. That is an unannounced national policy. Do we want to continue that?"

Statement from a Commission hearing

Rural Colorado already has sufficient facilities to house and run these programs. The state can establish learning centers in areas where no higher education structures exist, by utilizing existing public school buildings, libraries, municipal buildings, and so forth. Existing colleges, universities, and community colleges can contribute faculty, staff, and administration.

RESPONDING TO RURAL HEALTH NEEDS

Part of the rural health dilemma, as already mentioned, is the shortage of doctors and nurses. The best way to solve this problem will be to make rural towns attractive to medical professionals, by developing business activity in the community and increasing cultural and recreational activity; but such changes are beyond the control of health planners and administrators. What they can do is improve health delivery systems. And they can develop programs that make existing facilities accessible to rural areas.

The Colorado Office of Comprehensive Health Planning, with increased staffing and funding, would be the logical agency to study the specific needs of each

rural region and design regional programs to meet those needs. In addition, the state government should adopt a policy which would state, at the very least, that Colorado government commits itself to ensuring health care for all state residents, regardless of the location in which they live.

REGIONAL PLANNING AS A HEALTH CARE TOOL

The organizational base for comprehensive health planning already exists in Colorado. The Office of Comprehensive Health Planning, Department of Local Affairs, has helped local communities develop area-wide comprehensive health planning councils in all twelve planning and management districts. The Office of Comprehensive Health Planning's major goal presently is to assist areawide comprehensive health planning councils in each district to obtain health planners. While it is the responsibility of comprehensive health planners to coordinate the many activities and efforts in the health field toward concerted community health goals, the rural health effort still remains fragmented.

Many of the problems remain unsolved and are becoming more critical. The organizations or agencies involved directly, and often separately, in responding to rural Colorado's health needs include: the Office of Comprehensive Health Planning, the Colorado Department of Health, the Colorado Hospital Association, the Colorado Health Care Association, the Colorado Medical Society, the University of Colorado Medical Center, several federally funded Regional Medical Programs, the Colorado Migrant Council, and many others.

An initial phase of coordination has been provided by a contract between the Colorado Hospital Association and Community Health Services, U.S. Department of Health, Education and Welfare. This contract provides for the services of a rural hospital consultant/coordinator for Colorado. That program is underway for one year. The rural hospital coordinator is responsible for defining rural health problems and delineating their causes. He is to call upon the resources of all health organizations for information, analysis and documentation. Such efforts must, however, combine with an accelerated effort to strengthen the collective voice of rural Colorado by bolstering the comprehensive health planning program at the areawide and state levels.

The areawide comprehensive health planning councils throughout the nation are receiving increasing responsibilities from the communities they represent and the state and federal governments. Such areawide councils are the best available mechanism to involve

local governments, the health care consumer, and health care providers in a grass-roots process aimed at meeting the particular health needs of rural Colorado regions. And yet, with this massive task at hand, the Office of Comprehensive Health Planning has operated with a small staff, and most areawide council authorities have been totally voluntary efforts by local citizens, without staff support. Since late 1971, using various federal, state and local monies, six areawide councils have obtained full-time resident staff, and two councils have obtained part-time staff. The ultimate goal is for councils in all regions to have resident full-time staff.

The health services recommendations in this report call for a strengthening of regional health planning and services. The unique problems of each state district should be considered independently, in light of statewide policies, and the residents of each district should have the opportunity to contribute to the planning and implementation processes.

"We are being penalized for living here."

Statement from a Commission hearing

The Rural Development Commission health task force proposes, in addition, that the state government must begin assuming a larger portion of the health care funding responsibilities they share with local and federal agencies.

RECOMMENDATIONS

I. The state should adopt a comprehensive policy for education; such policy should commit the state to a larger share of responsibility for providing adequate educational services to all parts of the state, by increasing the number and quality of educational programs, with a minimum reliance upon the construction of physical institutions; and all state agencies involved in planning and administering education programs should integrate their programs under that policy.

Unless the various segments of education (notably public education, higher education and continuing education) integrate their activities under a single state policy, the success of Colorado's educational programs will be marred by fragmentation and overlapping. A definitive set of state goals can come into being if the state formulates a policy within which its agencies are obligated to work.

The central issue which state educational policies must address is the need for career training and continuing education programs.

II. Relying on already-existing facilities and institutions, Colorado's educational programs should attempt to accelerate career-oriented programs that train students in skills needed in their home communities.

The current trend toward declining enrollments in Colorado's colleges and community colleges suggests that the state should concentrate less on expanding facilities than on developing new programs within the structures that already exist. Any state policy, as suggested in Recommendation I, should include guidelines that would encourage the following programs:

A. State educational programs at all levels should become integrated under a single policy, providing for:

1. *Standardization of teacher and faculty salary policies statewide.*
2. *Equalization of tuition rates among similar categories of institutions of higher education.*
3. *Standardization of entrance requirements for degree-granting programs at all higher education institutions.*
4. *Provision for transferability of credits among all higher education institutions.*

B. State educational agencies should encourage and develop programs that respond to the individual needs of each community. Schools should make the classroom situation more responsive to the student's social and ethnic environment and to the career opportunities which exist in the local community. The twelve planning and management districts should maintain "Community Profiles" that identify the current and projected educational needs of all towns, counties, and regions, in order to provide a permanent source of information on community characteristics and the year-by-year changes in those characteristics.

C. Learning centers, using existing resources and facilities, should be established in the planning and management districts, coordinating their programs with the Colorado Commission on Higher Education, with contracting capability for on-site staff.

Such centers would be housed in already-existing buildings and borrow their teaching staffs from educational institutions and from persons skilled in the subjects to be taught. Learning centers will provide part-time, short-term occupational training and continuing education in a broad range of subjects. Learning centers would rely on programs rather than on the construction of a physical campus. State policies would specify that learning centers would carry the

responsibility for developing new vocational and continuing education programs, residency programs that would supply faculty to rural areas on a long- or short-term basis, continuing education programs, and the "Outreach" programs of existing institutions.

III. The state should accelerate its programs of continuing education.

In addition to enhancing and improving career oriented training programs for high school and college age youth, the state should provide guidance and support to existing institutions of higher education in developing continuing education programs available to residents of all ages in all areas of the state. Leadership should be taken by the Colorado Commission on Higher Education with active involvement of institutions which have interest and capabilities to provide such programs. Community education and information programs should be designed to help local citizens to understand and intelligently respond to development problems, and to permit community decision-making to be based on logic and an understanding of issues.

IV. The Department of Education should be funded adequately in order to accelerate its programs.

The Department of Education has introduced school accreditation programs that should provide local boards with useful tools for improving facilities to meet future needs — yet unless the state legislature funds the Department of Education, specifically to provide guidance and assistance to rural school boards, only urban schools which already have the facilities to undertake those planning processes will benefit. Unfortunately, the Department of Education does not have sufficient funds to provide personnel who can travel frequently into rural regions — much less to establish permanent offices in those areas — and, as a result, rural schools get left behind.

"School buildings never wear out, they just get obsolete."

Statement from a Commission hearing

With increased funding the Department of Education can better cooperate with planning and management districts to develop public education programs that meet the needs of the community and that complement state policies. The Department of Education

would be given a better opportunity to advise local school boards in the development of new programs and aid them in getting funding. Every step must be taken to assure that accountability programs will be maintained continually over a long period of time. Local school boards must be made aware that making school programs responsive to local needs will be a permanent process.

V. In administering state-funded student loan programs, the granting agency should give priority to needy students attending colleges and vocational institutions in their home communities, and should also give equal consideration to non-degree-seeking students.

A constitutional amendment enacted by public ballot in November, 1972, now enables the state to assist students enrolled in educational institutions. The amendment gave broad, undefined power to the legislature in limiting the availability of such loans. The Colorado Rural Development Commission offers the following recommendations regarding the administration of student loans, in the interest of encouraging rural students to remain in rural areas:

The Legislature should enact law providing for a student loan program.

Students receiving loans should be excused from repayment of those loans according to each year they practice their trade or profession in designated rural areas of the state.

Students attending vocational institutions, students in non-degree-granting programs, and students participating in continuing education programs, should be eligible for loans.

VI. The state should adopt a comprehensive policy for health care; such policy should commit the state to assuming responsibility for making sure adequate health services are available to residents of all parts of the state.

VII. The Office of Comprehensive Health Planning should vigorously tackle manpower problems on a regional basis, in cooperation with other local and state health organizations.

Generally, the front range cities and a few resort-type mountain communities enjoy an abundance of doctors and nurses. But rural areas often lack health manpower, and in many areas, residents have to travel long distances to get medical service. The distribution of health service professionals can improve to some extent if the state accumulates extensive information on the manpower needs of each region and formulates ways to service those needs through existing

facilities. The state must find means of encouraging medical personnel into rural communities.

A solution to manpower and accessibility problems may be programs that improve two-way mobility between health facilities and smaller, isolated areas. This includes providing transportation systems to get patients to the facilities, and mobile units that can bring the service to the patients. These mobility systems can improve the accessibility of out-patient care and most medical and dental service, but they do not answer the need for emergency medical services. For emergencies, ground and air ambulance systems will have to improve.

Getting health manpower into rural communities will not be an easy task, but medical professionals can be supplied to rural areas through the National Health Service Corps. Alien nurses and medically trained military veterans will add to the manpower pool if licensure procedures are changed. State student loan programs may provide an incentive encouraging graduates of medical, dental, and nursing programs to locate in rural Colorado, if graduates are excused from repayment of loans while they practice their profession in designated rural areas.

Students still in medical training can also provide service to rural areas. The University of Colorado's medical and nursing schools should work closely with regional comprehensive health planning councils to establish medical internship and field training programs in regions with manpower shortages. A program of this nature is working in Lafayette County, Florida, with students from the University of Florida's College of Medicine.

"Clinic operations are streamlined to meet community and student needs: one resident in medicine, three or four medical students, senior nurses, and a public health nurse live in Mayo. They are paid a small stipend to cover additional living expenses, and they staff the clinic from 8:30 a.m. to 9:00 p.m. The resident or a faculty member is on call 24 hours a day, seven days a week. About eighty percent of the medical students and fifty percent of nursing students rotate through this clinic experience. In addition to providing care in the clinic or at home, the resident and students write a health column for the local weekly newspaper and participate in the community by assisting science teachers in high school and giving talks to local service clubs and church groups. Faculty members supervise the project on site two to three days a week." (Health Care Delivery in Rural Areas, AMA, Division of Medical Practice, Department of Rural Health, Chicago, 1972, p. 14.)

Rotation of those with special skills can provide rural areas with a continual supply of medical manpower, without the need for fully staffing isolated communities. This kind of program can be administered through the University of Colorado, as Oklahoma has done through the University of Oklahoma Health Services Center.

"This pilot study program was designed to operate as an integral part of the University of Oklahoma Health Sciences Center teaching program. The initial design was that physicians in this project — an internist, pediatrician and general practitioner — would hold active teaching appointments at the University and would work in group practice on a fee-for-service basis. Residents in Family Practice and Preventive Medicine as well as medical students and other health professionals from the Medical Center would serve on rotation at the rural center." (Health Care Delivery in Rural Areas, p. 16.)

To assure retention of medical professionals who are already in rural communities, regional comprehensive health planning councils should arrange affiliation agreements between local facilities and urban centers to ensure proper back-up specialty care and continuing education of rural health professionals.

Mobility problems should logically fall under the review and administration capabilities of regional comprehensive health planning councils. They should recommend transportation improvements (e.g., bus service and vehicle pools) that allow ready access to facilities. Comprehensive health planning councils should aid regional hospitals in establishing mobile labs and clinics, telecommunications systems, and satellite clinics.

And to improve emergency care facilities, regional councils should recommend ground ambulance, air ambulance, and emergency communication systems. Regions councils should be responsible for guiding development of Emergency Medical Service systems, which will ensure prompt referral of patients to the appropriate facility with the level of acute care capability needed in every situation. The policy-making body would be the state Emergency Medical Service Council.

VIII. The state legislature should enact legislation which will give statutory recognition to comprehensive health planning, strengthen the comprehensive health planning concept in Colorado, and give local communities, through areawide comprehensive health planning councils, a stronger role in health activity coordination and planning to meet local health needs.

A bill is presently being prepared by the Interim Legislative Committee on Hospitals for consideration by the General Assembly in 1973. Entitled "Certification of Public Necessity", the bill would permit local communities, through their areawide comprehensive health planning councils, to review and comment on the need for proposed projects which would involve construction or change in service for licensed health facilities. Such local comments would provide a major information base for state officials to consider before awarding funds or licensure. At present, without such state legislation, only certain proposals involving federal funds are subject to review and comment by areawide comprehensive health planning councils, based on federal legislation and administrative requirements. The Certification of Public Necessity legislation is a needed tool to direct health resources toward real needs in a manner which prevents fragmentation, duplication and waste.

Legislation is also needed to strengthen comprehensive health planning at the state level. This would, in turn, lend strength to areawide comprehensive health planning councils. This could be accomplished by creating a Division of Comprehensive Health Planning within the Department of Local Affairs (replacing the Office of Comprehensive Health Planning) and by giving statutory recognition to the Division and its policy making body, the Colorado Health Planning Council.

IX. The Office of Comprehensive Health Planning should continue pursuing its goal of locating resident planners in each areawide comprehensive health planning council in the twelve planning and management districts, and financial support by the legislature must continue.

In order to implement this recommendation, funds will be required. The main funding combination for areawide comprehensive health planning agencies is federal funds ("314(b)" monies from the Department of Health, Education, and Welfare) for at least fifty percent of the areawide budget, and the balance of the budget paid by local funds. Realistically, rural comprehensive health planning councils may have difficulty raising the total local share, so state money is needed to help match federal funds. The state legislature recognized this need by appropriating \$60,000 to the Office of Comprehensive Health Planning in FY 72-73 for the specific purpose of assisting areawide comprehensive health planning councils to employ health planners to live and work in the regions. State financial support for areawide comprehensive health planning should be continued.

The Office of Comprehensive Health Planning should continue to assist areawide councils in obtaining federal funding through 314(b) sources, regional medical programs, and other programs.

X. The Office of Comprehensive Health Planning and its field staff should be increased to support areawide comprehensive health planning councils.

This recommendation can be implemented mostly by additional federal funds, but larger state appropriations may be necessary.

XI. Areawide comprehensive health planning councils should become part of the planning and management district board in each region, to ensure concerted efforts to meeting rural needs.

It is becoming increasingly important for various planning programs within each region to integrate, to assure that state and local policies will coincide, to promote coordination, to avoid duplication of efforts, and to ensure the development of regional plans which are truly "comprehensive" in scope. Since health factors are among the many considerations involved in comprehensive regional planning and development, areawide comprehensive health planning councils should provide the health input to comprehensive regional plans.

A comprehensive health planning advisory council or committee should be organized under the regional board. The Board would be the applicant agency for comprehensive health planning funds, and the comprehensive health planning director would report directly to the board director. This is the closest relationship which could exist between a planning and management district and a comprehensive health planning program. Care should be taken to ensure a meaningful role for the comprehensive health plan-

ning advisory council or committee in regional decision-making.

XII. The State Department of Health should petition the United States Department of Health, Education and Welfare to extend and finance, for at least one additional year, the Colorado Hospital Association's HSM 110-71-93 program.

This program is titled "Development of a State Hospital Association Program to Improve Hospital-Affiliated Extended Care Facilities". The purpose of this project is to develop, implement, and document a program of cooperative action designed to assist rural hospitals and affiliated extended care facilities to improve the effectiveness of management and the quality of care, to improve performance and enable them to meet defined specifications, standards, and community needs that are expected of health care institutions. The project will identify major problems and root causes which have prevented individual hospitals and the Colorado Hospital Association from providing more assistance to rural hospitals.

Ad hoc work groups of consultants, administrators and other interested individuals convene to study problems and develop operational programs to improve financial management, upgrade health care facilities and services, control the quality of health care, improve transportation to provide emergency health care services, and attract qualified health care personnel to rural areas.

The project is based on contract number HSM 110-71-93 with the Health Services and Mental Health Administration, Department of Health, Education and Welfare.

This study program will be beneficial to rural health efforts if the Office of Comprehensive Health Planning participates closely in the studies.

The report of the commission's task force on rural housing

George Evans, chairman

LOW SUPPLY AND HIGH COST OF HOUSING CONTRIBUTE TO RURAL DECLINE

The scarcity of housing in most of non-metropolitan Colorado imposes serious hardships on current residents and deters new industries and new people from locating outside the front range. The problem has been growing more acute during recent years. In a January 1972 report of the Colorado State Housing Board, "concentration of the housing inventory in 'Front Range' Districts" was described as "a trend which has continued through 1971." The report states: "In 1960 approximately 69 percent of all housing units in Colorado were concentrated in these districts. By 1970 this figure had increased approximately 74 percent, and by the end of 1971, indications are that about three-fourths of all units were located in these areas." Prosperous signs of new housing construction in mountain valleys are painfully misleading; these expensive new resort units offer no relief to the working people in rural Colorado.

The crisis factors of the housing situation everywhere in the country — high costs, tight money, fractionalized industry — become doubly serious when coupled with the depressed economy and inflated land prices that characterize many rural areas in the state. Low incomes, shortage of skilled local labor, and high taxes pose special problems in many counties. The rural housing famine is both a cause and a result of overall economic decline.

The housing situation in the state can be divided into two separate but related problems. The first problem is housing itself — the supply sector of the housing market. Moderate and middle income groups find that they cannot afford even modest decent housing in many parts of the state. This situation can be alleviated by relatively slight government intervention in the housing market. The solution requires increasing the housing supply, and this can be done by directing the supply of money to where it is needed.

The second problem is the demand for housing. Low-wage workers, elderly and retired people, and migrant agricultural workers often cannot afford decent housing even when it is available. Programs that encourage housing construction in rural areas will not directly benefit these groups. Policies to make decent housing

available for all rural residents must acknowledge that simply building more houses will not be the solution.

The Colorado Rural Development Commission task force on rural housing encourages the Interim Committee on Local Government of the state legislature, and other groups which may sponsor legislation, to consider these following recommendations.

RECOMMENDATIONS

I. The state should adopt a housing policy that will complement state growth and development policies.

Housing problems are interwoven with employment, transportation and other development factors, which must be met with a coordinated, well organized approach. A specific agency (probably the Division of Housing) should be designated with the primary responsibility for developing and implementing this housing policy. They must determine the goals and objectives for housing in the state and define the roles of the various state agencies involved in the housing field.

II. Funding of the State Division of Housing (or a new department) should be increased to allow more adequate and efficient execution of its current responsibilities, and to extend the division's range of activities to include other needed functions.

The highly complex housing field involves knowledge of economics, marketing, land development, construction techniques, and government programs. The policy development function of the Division of Housing should be supplemented by the role of a clearinghouse and coordination point for all groups in the state involved in housing. By providing up-to-date information and technical assistance to local and statewide organizations, the Division of Housing can chart quicker paths through the red tape and help speed up the actual building of housing. Currently the Division does fulfill this role as far as limited funding allows. Increased funds would allow a higher statewide visibility and accessibility and permit the Division to operate on a regional basis.

The Division would also assist rural areas greatly by providing training programs for local officials and

others in charge of inspection, assessment and project management. In coordination with local educational institutions and trade-groups, programs should be developed to provide training in the construction and maintenance trades.

Some housing programs which have been successful in Colorado or elsewhere, such as the Department of Housing and Urban Development 235 and 236 programs, and the "sweat-equity" or self-help housing programs, should be coordinated by the Division to ensure that they are located in the most effective areas, in line with the rural housing policy. This way over-construction in certain urban areas can be avoided.

When the twelve planning and management district offices are established, the Division of Housing can work with the local staffs, providing specialized assistance. New trial programs, such as housing rehabilitation in small towns, would be initiated at the local level, with the support of the state office. Efforts proving successful in one district would then be publicized by the Division in all twelve regions. The Division would be the clearinghouse for disseminating information on topics such as housing and building code modernization.

"Why do houses cost more here than in Denver?"

Statement from a Commission hearing

III. A State Housing Finance Agency should be established to sell revenue bonds to provide seed money, construction loans and mortgages for low and moderate income housing.

Many other states have found that federal programs are not enough, and have chartered their own housing programs. These are designed to be financially self-sustaining after an initial period of several years when direct appropriations are required. This agency should be tied directly to the Division of Housing, or become a part of it.

Although this concept, in effect a state subsidy of housing, may provide philosophical difficulties to some rural leaders, the *Savings and Loan News* pointed out in July, 1971, that: "With income eligibility (for housing subsidies) creeping above median family income, we are in the position of subsidizing ourselves. To put it differently, we are using the gov-

ernment to channel a higher percentage of income into shelter even though we adamantly resist that approach in the private, conventional market . . . Since we are unlikely to accept reduced standards of housing, and since tax, fuel, financing and construction costs are only going to increase, this self-subsidy may be the only route open."

"If it were not for Farmers Home Administration, there would be no housing development in rural Colorado at all."

Statement from a Commission hearing

IV. State legislation should be amended to allow the formation of multi-jurisdictional housing authorities.

Many local communities in the state cannot secure funds from the Department of Housing and Urban Development for housing programs because their population is too small to support a local housing authority properly. Elected officials and citizens of these communities should be able to join several other cities and counties to form a regional authority, which would have a better opportunity to secure funding from the Department of Housing and Urban Development if they so desire. The regional development organizations might become the regional housing authorities in some areas. To date over fifty housing authorities have been formed in the state, many in rural areas and in close proximity to each other. This proliferation has resulted in a wasteful dispersion of management talent.

V. State legislation should be amended to allow privately owned property leased by a housing authority to remain on the local tax roles.

The funds are available through the contractual relationship of the private owner, the local authority and the Department of Housing and Urban Development to pay full taxes on leased housing. Amending this legislation would allow the city or county to benefit, and the Department of Housing and Urban Development is prepared to include this cost in its contract.

VI. The state should aid in the reduction of real estate property tax payments on certain homeownership programs.

In many counties of the state monthly taxes on a

\$15,000 home amount to more than thirty-five dollars. Many rural families could qualify for a Farmers Home Administration mortgage of one percent interest, but high taxes raise the monthly payments above the twenty percent of income limit specified for the program. Many employees in small towns and counties do not have the gross income of over \$5,350 per year to qualify for these Farmers Home loans, so federal funds earmarked for Colorado residents are re-allocated to other states. If the local taxing bodies charge only twenty-five percent of existing tax rates, and the state reimburses them by

revenue sharing or direct appropriation, many more families would qualify for homeownership opportunities.

VII. The state treasurer should deposit funds into rural financial institutions, with requirements that the funds be used for housing loans.

This type of low-cost state effort should be exploited whenever possible to encourage housing construction in non-metropolitan areas.

The report of the Commission's task force on transportation

Bill Hand, chairman

ROADS, RAILS, AIR, AND RURAL DEVELOPMENT

Colorado's distances and terrain, coupled with the sparsity of population in the rural parts of Colorado, combine to make transportation an item of critical importance to everyone in the state. Highways and the automobile provide most of Colorado's transportation, followed by aviation, and railroads. Today, the state lacks a comprehensive transportation policy. Yet, adequate transportation is a critical factor in economic development. Without good, cheap, fast transportation industries cannot be located in non-metropolitan areas, and the cost of retail goods will remain high. Without good transportation, there will be no rural development. A good transportation network is vital for a more beneficial distribution of economic opportunities throughout the state, and to build new population centers. Where roads go, people go.

Historically, economic evolution has pulled commerce and people to the large cities. The modern American economy is based on large scale manufacturing and mass marketing. Up to the present, most economic activity has concentrated in large urban areas because of available resources — finance, labor supply and transportation systems. These elements existed in cities before industrialization, then grew tremendously as industry grew. The cities have thus pulled resources and population from rural areas. All the elements that make up the intricate urban economic system have fed on each other and grown together.

"You can build roads and make people go where you want them to go."

Statement from a Commission hearing

Conscious and unconscious government policies have reinforced the growth and sprawl of the large cities. Traditionally, transportation planning has blindly followed projected needs, and those projections have not been based on desired goals.

Rural Colorado needs a coordinated system of better highway, rail and air transportation to make industrial

growth possible, to bring the population necessary to sustain growth, and to contribute to an improved quality of life. Without a comprehensive state transportation plan, there will be only a fragmented system of transportation. Colorado must begin planning for desirably distributed future growth, and transportation planning must be an integral part of this process.

RECOMMENDATIONS

I. The state should adopt a comprehensive transportation policy as part of an overall growth policy.

The State Department of Highways, headquartered in Denver, is the chief construction, research, draft and design organization for the road system. It also provides assistance in drafting the special road requests from counties, towns, and private groups which are submitted annually at the Highway Commissioners' meeting. These requests, usually for construction and improvements of existing roads, are placed on a priority list by the nine commissioners (one from each of the eight highway regions and one at large).

The commissioners, appointed to four year terms by the Governor, are the policy makers who set the annual work program and control the budget, subject to the final approval of the Governor. Requests usually exceed three times the amount of funds available. The commissioners must make difficult priority decisions, without an overall growth policy to guide them. These decisions, made annually by the commissioners, in effect set a growth pattern for the state which reinforces the sprawl and congestion along the front range. In the absence of a state growth policy, the transportation policy establishes the state growth pattern by default. The Rural Development Commission believes that this situation should change.

II. The State Highway Department should develop a long range highway plan in support of the state growth policy, in coordination with the other state agencies concerned with development, including the Department of Local Affairs and the Colorado Land Use Commission.

The State Highway Commissioners should use this official long range plan as the basis for their decisions

on the Department's annual work program. The plan would tie in with the work of the Division of Housing and the Division of Commerce and Development as well as with other state agencies. Annual special requests should be considered within the framework of the overall plan. The Highway Department would then be part of a total state effort to direct growth to certain specified areas, away from the front range.

III. The highway users tax should be used only for the construction, improvement and maintenance of roads and highways.

The highway users fund is a special tax levied by the state for the construction and maintenance of highways. After administrative disbursements are made, the rest of the fund is distributed to the State Highway Department (65 percent), to counties (26 percent) and to cities and towns (9 percent). Since highways provide the only means of transportation in many rural areas, the funds they receive from the highway users fund are critical for their survival.

During the last few years, although the receipts from the fund have been increasing, the percentage of total receipts going to local governments has decreased because of rising administrative costs.

The current system of setting project priorities and distributing funds contributes to rural decline. Under the orientation of a state growth policy, transportation can become a powerful tool for the balanced development of the state.

IV. The state should take a more active role in preventing abandonment of railroad service or track and include railroads as a major component in an integrated state transportation policy.

Railroads historically have played a major role in the growth of Colorado's economy. This Commission believes that the overall state transportation policy should define a new, revitalized place for railroads in the state's transportation system. In some parts of the state various lines have been abandoned or allowed to deteriorate. At times this can be justified, but every effort should be made to preserve and upgrade existing rail lines in the state. Close coordination with state and regional industrial development efforts can provide railroads with increased business.

V. The state legislature should require that the current State Airport Study be directed by a state growth policy, not based on projections of current trends.

Because of the distances between population centers and the physical barriers to overland transportation,

air travel has become a significant element in Colorado's transportation network, complementing the highway network.

The eighteen month Colorado Aviation System study underway at the present time is considering the idea that improved air transportation to non-metropolitan areas of the state could be an important factor in encouraging their economic growth. An aviation plan based only on projection will not be acceptable to this Commission; aviation should be utilized as a development tool rather than as an answer to haphazard growth.

At the present time the total number of airports in the state is 172 — 62 public, 110 private. Only 46 of these are included in the national airport plan, which means they are eligible for developmental funding, of which they received, between 1947-1966, \$17,004,000. A projection of only \$12,375,000 between 1968-1972 is to be used on airports in Colorado for safety, lighting, paving and miscellaneous land acquisition.

Air transportation is not as well developed as it could be in our state. Colorado needs expanded and improved service to the rural regions — which would mean either enlarging or updating the capacity of existing facilities or construction of new airports to spur new flow. Also, better scheduled regular service is needed in many of our cities.

VI. The state should encourage regularly scheduled air service to complete the missing links in the state-wide airline service network and to foster the growth and development of rural trade centers.

Air freight requirements to attract industry and commerce in each area are as urgent as are passenger needs. Aviation has a great potential in our state for encouraging growth and development. This transportation should be utilized to the maximum extent and coordinated under a master plan to meet future needs.

VII. The state legislature should enact legislation allowing school buses to be used during the school day and on weekends to provide low cost service to rural residents.

Recommendations have been made throughout this report concerning the need for upgrading motor vehicle, railroad, and aviation transportation in this state under an integrated, comprehensive transportation policy leading to balanced growth. There is also a great need for other innovative thinking on transportation for Colorado. This last quite simple suggestion for immediate benefit to rural areas has the endorsement of the Commission.

The report of the Commission's task force on freight rates

Jim Golden, chairman

HELP FOR RURAL SHIPPERS

The Rural Development Commission believes that the present freight rate structure penalizes rural areas and inhibits rural development. For rural areas to compete economically with metropolitan areas the existing rate situation must be changed.

Most rural Colorado communities lack airport and railroad facilities, and depend almost entirely on common scheduled interstate motor carriers (those with operating authority between states) and intrastate common scheduled carriers (those operating only in Colorado). In general, the complex freight rate structures affecting these carriers and the shippers they serve discriminate against small shippers throughout the state, based on traditionally accepted economic principles.

Small shippers (those who send and receive merchandise in limited volume amounts) are unable to enjoy the economic advantages of less expensive truckload or commodity rates. Instead, they are restricted to shipping by small quantity, "less-than-truckload" class rates which are considerably more expensive.

Difficulties also face the rural community that attempts to attract new industry. These industries consider not only water, power, housing and manpower factors, but also inspect the rate structure that will affect the cost of goods they receive and ship. These industries naturally prefer to locate where they can enjoy the benefits associated with large city locations. Thus, industries contribute to urban sprawl. And the difficult process of establishing cheaper high-volume rates for attracting new industries has contributed to the decline of rural Colorado.

The regular route common carrier is the back-bone of Colorado's transportation system. The general shipping public and the consignees in rural Colorado rely on this mode of transportation for day to day needs. Service is regularly scheduled to meet local demands, but smaller shippers pay a premium for it.

There are four factors that legitimately affect the

transportation cost for rural shippers: less-than-truckload small quantity purchases; distance from breakbulk points; deadheading; and mountain-plains differential.

Fixed-costs make *less-than-truckload shipments* more expensive than truckload shipments, and small quantity shippers pay proportionately more than those who can ship either in truckload or commodity quantities. The carrier costs unaffected by the size of the shipment include wages, depreciation, insurance, secretarial time, equipment, rent, taxes, and utilities.

The second factor that increases transportation cost to rural shippers is the *distance from breakbulk points*. In Colorado, Denver is the breakbulk point. This point is where mixed carloads or truckloads, consisting of multiple small quantity shipments, destined throughout the state, are broken down and interlined to the proper destination. Freight costs are based on mileage, so the further the rural community is from the breakbulk point, the higher the cost. Once the merchandise is broken down in Denver, and moved to an interline carrier, the order must be transported again to the consignee.

The third major factor affecting rural shippers is "*deadheading*", an expression used in referring to one-way traffic. Rural areas have many goods brought in, but ship few out. This lack of return traffic means that the rates reflect the costs not only of getting a shipment to the rural area, but also of returning with an empty truck.

Cost differentials also exist in Colorado between plains and mountain territories. These differentials average fifteen percent and reflect the added expense of serving mountain areas where terrain and weather affect carrier efficiency. As mountain highways are continually improved, the differential may disappear entirely. This tendency is already making an impact in some situations.

MAKING RATES

Because of the wide variety and great number of products being shipped, the Interstate Commerce Commission and the Public Utilities Commission have prescribed the use of classification manuals.

In determining the actual rate for any commodity between any two points within Colorado, the Commissions take into consideration the shortest practical highway mileage. The carriers then establish rates based on that mileage and on the peculiarities of the product being transported.

Class rates are those predicated upon classification levels, and set forth a base price for shipments between any two points in the country. Commodity rates cover only those commodities specifically named, and are generally established on products which move in large quantities between two specific points, and do not necessarily apply in both directions.

Many businessmen understand what a tariff is, why it is necessary, and a little of how to use it, but they still lack the necessary experience and knowledge to be certain their shipments are moving at the best applicable rate.

CHANGING RATES OR ESTABLISHING NEW RATES

Theoretically, shippers who feel current rates are unjust or out of line may apply for new rates or may attempt to change existing ones. The mechanics of rate-making are handled for carriers by rate bureaus. To establish or change an existing rate, a proposal must be presented to the appropriate rate bureau. During a period of thirty to sixty days, the bureau will analyze the proposal, and once notice is provided to member carriers and interested parties, the proposal is docketed for a hearing. At the conclusion of the hearing, the Bureau's Rate Committee will consider all relevant information and then vote on the proposal. If accepted, the proposal is filed with the Interstate Commerce Commission or Public Utilities Commission (if intrastate) for further study.

The process is frustrating and time-consuming, and rural shippers are seldom successful arguing against the lawyers of the trucking companies. Shippers typically deal with more than one carrier. A single shipment may cross many modes. Coordinating these modes requires complex regulation, which to date has been slow and inflexible.

Freight rates are not an isolated segment of a community's activities. Rather, rates are an integral component of a vast number of elements which affect rural development. The justification for lower rates is based on the concept of lower costs for providing the service. Solutions will therefore

require improving the rate structure for rural shippers, and to make this possible, ways must be found to provide cost maintenance or cost reductions to the carrier.

"The PUC can't use any formula. The rates don't make sense."

Statement from a Commission hearing

RECOMMENDATIONS

I. Information about freight rates should be made available to rural shippers.

It is essential that anyone buying or selling transportation services understand the language of freight rates. Unfortunately, the typical rural businessman does not have freight rate information readily available. Most of this information is located in Denver with the Public Utilities Commission, shippers' associations, carrier offices, and transportation consultants, so rural shippers must travel to Denver to seek expertise.

To overcome this drawback, rural shippers must get more help. Rate expertise should be made available in rural areas by the Department of Local Affairs.

II. Rural areas should organize shippers' associations to help overcome the information barrier.

Shippers' associations exist in essentially every state, including Colorado. Established associations, such as those in Denver, provide service to over 170 members in four surrounding states. Few small shippers belong to these associations, often because they are not aware the associations exist. Such organizations seldom advertise and do not solicit memberships from small shippers, even though their business is welcome.

A shippers' association membership would entitle the shipper to advice and assistance in ways he can cut transportation costs. This is primarily accomplished through the pooling and consolidation of shipments for which a charge of about twenty cents per hundred-weight fee is assessed. This still means substantial savings to the shipper whose products have been moved at the carload rate rather than less-than-carload rates.

III. Rural shippers should use pooling and consolidation to solve the rate versus volume gap placed on rural shippers.

By grouping a number of small shipments together to

fill one truck, the shippers not only make better use of the carriers' equipment, but they also move the combination of goods at a lower rate.

It is the pick-up and delivery portion of transportation costs that are most difficult to combat. To help reduce this expense and still allow for consolidated shipments, a warehousing and transferring operation is needed. To help accomplish this goal, two rates should be published in the tariff manual. One rate should indicate the line-haul cost from points A to B. The other rate (between the same points) should show those costs plus the added costs of pick-up and delivery. An illustration of the difference could provide more incentives for these small shippers to establish their own consolidation and distribution service.

The carrier's cost would be greatly reduced if he did not have to pick up and deliver each shipment individually. In contrast, if a rural community designated a specific location where the carrier's driver could unload all shipments at one point, shippers could pick up their respective merchandise from this depot. A person would have to be in attendance at the warehouse to receive the shipments or hire someone to make the deliveries for them. The same possibility might be available in Denver where someone could collect shipments for rural areas from carriers or manufacturers and consolidate the merchandise at a much lower cost.

Even with consolidation, volume is still a problem. Rural towns do not have the necessary volume to fill a truck for each scheduled delivery. In this situation, it might be feasible for a combination of towns (such as Gunnison and Montrose) to pool shipments. In addition, it might be necessary to ask the various shippers within the community if daily service is really necessary. Maybe fewer shipments per week could adequately serve the community's needs.

IV. Freight forwarders should be utilized to accomplish pooling.

The primary function of these forwarders is to consolidate small shipments from several shippers into large shipments which move at lower rates. The forwarder sells his transportation services directly to the shipper. Then, in turn, he buys line-haul services from the basic modes. His operating expenses and profits are covered by the spread between rates on small shipments and rates on large shipments. The shipper pays no more than he would have to pay on a small lot movement.

Although the shipper still pays proportionately the same, he is relieved of the task of dealing directly

with the carrier, and may receive better pickup and delivery services, a faster line-haul movement, and other related distribution services.

Many of the undesirable details can be handled by the freight forwarder. This does not make freight forwarding the best alternative, however. The higher costs to the shipper still remain. He may also find the forwarders' service worse than that which a shippers' association or transportation cooperative could provide.

Finally, Colorado statutes do not provide for freight forwarding operations. Necessary legislation is required before such operations could be authorized.

V. Rural Colorado should take steps to reduce the amount of carrier competition.

Competition facing the scheduled common carriers in Colorado has contributed to the need for higher rates. This competition comes in many forms: (1) other common carriers with authority over the same route; (2) irregular-route call-and-demand common carriers; (3) class "A" contract carriers; (4) class "B" contract carriers; (5) commercial (privately owned) trucks; and (6) other transportation modes. Rural communities typically are served by one scheduled common carrier, while the metropolitan areas are served by several. The Public Utilities Commission and the Interstate Commerce Commission regulate the number of carriers, depending on the amount of traffic available. Additionally, there is competition of carriers, from the irregular, commercial, and contract carriers.

Regardless of the variations between carrier functions and characteristics, it appears the state has more trucks than it needs to fulfill its transportation requirements. The partial elimination of extra carriers would help improve the operating ratios of the remaining carriers by reducing the amount of one-way traffic.

The problem of deciding how to reduce the number of carriers is not easy to solve. The best solution may be to restrict the granting of new operating authorities and achieving reductions through attrition.

VI. The state should subsidize motor carriers to lower rural rates.

A final alternative for the equalization of freight rates is subsidy. If the above recommendations are unsuccessful in aligning rural freight rate structures, it might be necessary to directly subsidize the carri-

ers serving rural communities. These subsidies could be directed strictly toward the less-than-truckload shipments or used to provide incentives in attracting new industries.

Although subsidies would aid both the carrier and the shipper, they must be established in such a manner so as to provide incentives for rural development. Subsidies should also be coordinated with an overall growth plan for the state.

SOME ADDITIONAL CONSIDERATIONS

Today, transportation to and from Colorado is geared more to the economy of the Midwest. This trend is due to at least three factors: the creation of rates for industry developing in Colorado; the decentralization of industry; and the imbalance of East-West freight movements transcontinentally. These three factors have fostered the development of Colorado's front range, but have had a negative impact on rural Colorado's growth. Companies attracted to this state are usually interested only in front range locations. More effort is needed to place these companies in rural areas, if favorable rates can be established.

A more responsive and simplified approach is needed for rate increases. Increases should be applied selectively by commodity rather than across the board. Increases should be expressed as a percentage of the dollar amount and not as an absolute figure.

Cost differentials to the carrier such as terminal versus line-haul should be weighted accordingly. For example, terminal costs are higher for the short-haul traffic than for long-haul traffic.

Also worthy of support are proposals for the reorganization of the Interstate Commerce Commission along lines that would improve its internal efficiency and free the Commissioners to devote their time to major policies and cases.

Adequate transport facilities, routes, and rates are a necessity for economic development and maintenance of rural communities. Freight rates alone cannot determine economic development, but rates can and do foster or limit development. In assisting rural development, there is no one best freight-rate level or structure fitting all situations. What is an economically sound judgement in one geographic area is not necessarily best for another. But the application of deliberate, broadly conceived, and effective statewide freight rate controls could stimulate economic activity in rural areas.

Judgements concerning rate structures will continue to be based upon personal values such as cost of service versus value of service and the relative merits of different varieties of competition. For better or worse, rates will continue to play a significant role in Colorado's transportation economy through the foreseeable future.

Water

THE COMMISSION'S POSITION ON POLICY FOR GROWTH AND DEVELOPMENT

(An interim report, published February 1972)

Look at Colorado, and see what is happening — a decline in both population and business in 32 of our outlying counties, and a cancerous growth along the east side of the Front Range.

This growth and development pattern for Colorado is clearly established -- unless Coloradans actually do something to change this, the pattern inevitably will be followed. Simply, the sprawling growth in the metro area is following the example of Southern California.

This means that exceptionally high concentrations of people will continue to crowd into the strip extending from Fort Collins-Greeley to the south beyond Colorado Springs. Additional high density pockets in selected areas — especially around winter resort communities, vacation areas, and a few areas where natural resource development brings growth — will develop.

"If you put these restrictions on rural Colorado, and no people limit on Denver, all the water will go there."
Statement from a Commission hearing

As the magnetism of the state's major growth area and market increases, it will create more jobs and attract more and more people. Inevitably, increasing amounts of the state's limited resources will be required to support the tremendous burden of spectacularly increasing numbers of people in the growth areas. Only a strong public policy can change this explosive trend to orderly development. Water and land policies are the most effective tools available for modifying the current development trends in the state.

Governor John Love in his 1972 message to the Colorado General Assembly, pointing to the need to con-

trol the problems in both the metro and outlying sections of Colorado, said, "It seems apparent to me that the ultimate tool of control is the availability of water."

Lacking both land use controls and direction over water resources, Colorado has experienced growth in areas where aggressive water management has been followed.

"The Denver Water Board," Governor Love said, "with its farsighted, aggressive operation, seeking to secure water for its metropolitan area, has perhaps had more to do with the size and shape and configuration of the metropolitan area, than any planning or zoning board."

Water policy can be used as a primary determinant of growth. Combine water policy with land use policy and the prospects for achieving balanced and orderly growth become even brighter.

The impact of any new policies upon owners of land and water resources, as well as upon the general public, dictates that no major policy changes should be implemented in the absence of comprehensive study and analysis. At the same time, the deferral of decisions results in continued haphazard development and probably resource mis-application which is not in the long-term best interest of the state.

The Rural Development Commission recommends that current efforts in developing land use policies be continued and a state water policy be developed without delay. Coordination in development of the two policies is essential.

In order to prevent further uncontrolled reallocation of the state's water resources and the resultant negative influence upon rural development, *the Commission recommends that the General Assembly take action declaring that a state of emergency exists and, therefore, declare a moratorium on water diversion for a limited period of time.* The moratorium should be applicable to:

1. *All transbasin or transmountain diversions not currently advanced beyond planning stages.*

2. All intrabasin water transfers from presently designated usage to other uses (e.g., agricultural, industrial and municipal).

3. Any private acquisition of unappropriated water from any source, and

4. Require that all development plans provide evidence that sufficient water actually is available to support the requirements of the proposed development.

Provision should be made within the moratorium structure for creation of a special Board of Transfers to hear requests for change in water use that cannot properly be deferred.

The moratorium is recommended for a fixed and limited period of time (perhaps three but no more than five years) during which an exhaustive study of the present situation and alternative future policies must be made. Since many studies have already been made, it is suggested that existing information be consolidated and analyzed rather than to begin a series of new studies which would further delay policy development. During the moratorium, hearings should be held to acquaint the public with the basic policy considerations involved and to allow public opinions to be voiced.

The review should compare on the broadest basis the effect of intrabasin allocation of water from one use to another as well as transbasin transfer. Consideration should be given to individual or community rights and interests, population growth patterns, economic development, land use, social structures, environmental impact, recreational opportunities, and costs to state and local government.

The study committee should be composed of key officials of state government supported by an advisory panel of lay and professional persons representing the interests of all sections of the state.

The committee should be required to report to the Governor and the Legislature on a specific date, their recommendations for a state system of water management, revisions to the code of water law, and the various alternative methods that can accomplish the objective of maximum benefit to the people of the state from the use of their water resources. The committee should study, among other alternatives, the following possible courses of action:

1. Changes in the law which would:

a. Provide acquisition policies and procedures and establish forfeiture procedures voiding, under specific circumstances, decrees not used for a specified

period of time or abandoned.

b. Enact a basin of origin concept permitting transbasin diversions of available surplus waters, subject to the right of recapture within the basin if future development occurs.

c. Recognize new beneficial uses of water for purposes such as recreation, in stream use or other uses which have a general benefit to the citizens of Colorado.

d. Establish standards for re-use of water.

e. Consider establishment of zones in larger river basins which would discourage transportation of water from one zone to another unless requirements for transbasin transfer were met.

f. Consider various aspects of water quality and salinity levels as they are affected by water use policies.

2. Consider changes in the Constitution of the State of Colorado if the study should indicate such a requirement.

3. Consider the establishment of a permanent commission or board to require, then pass upon, applications for any change in the type or quantity of water use or location by any individual, group, municipality, or other governmental body. The decision making power of the board or commission should be within guidelines established by the legislature designed to protect the best interests of all of the citizens of the state. Consideration should be given to procedures for relating both water and land administration to insure coordination in resource management and policy direction.

The basic position of the Colorado Rural Development Commission is that state development policy should be designed to provide controlled, planned and orderly growth and should encourage expansion in those outlying areas of the state which are in a state of economic stagnation or decline. This policy would also help to alleviate the impact of the urban areas. The most effective manner in which such growth can be achieved is through the development and application of long-range and effective policies regarding the use of land and water.

Uncontrolled land development and uncontrolled water reallocation are two major reasons for the imbalance in Colorado's growth. Water use and land development are interrelated and interdependent to the extent that consideration of planning, direction and policy formulation must be based on an integrated approach.

Colorado has moved further in articulating land use policy to meet current problems than is true in the

case of water. It has far to go, however, in finalizing land use policies and providing for their effective administration.

Current water laws in Colorado permit any individual, group, or municipality to acquire all of the water that their wealth and inclination make possible, even to the total limits of availability of the resource within the state. This "dollar policy" of water management has not been a conscious creation but rather the result of a patchwork of law and edict that has grown from early territorial days. Its lack of vision, consistency and logic now has us facing contradictory values. On one hand the existing ownership of water rights must be respected; on the other, the threat to the public good inherent in personal or separate community decisions regarding water must be considered.

In Colorado, water is a commodity that can be bought and sold almost without regard to the consequences of such transactions upon the people of the state. Water is one of the most easily transportable of all of the state's resources and certainly the one offering the most clear evidence of the results of its arrival and departure. As the more affluent areas of the state respond to expansion pressures by acquiring greater amounts of water, they also, in reality, establish state policy regarding land use and population balance and prescribe the destiny of surrounding counties and regions.

Implementation of a policy of population balance will require the establishment of a water management policy and a system of water law that recognizes the overriding importance of that resource to the future of the entire state. Present Colorado water policy encourages the continued growth and concentration of people in those areas within the state that have the money and power to acquire water. Conversely, the policy encourages the sale of water by individuals in less affluent rural areas of the state. Such a policy could ultimately reduce nonmetropolitan Colorado to an arid wasteland incapable of making positive contributions to the well being of the state.

Control of the use of real property without denying the right of ownership is an accepted fact in modern society. Land use controls, including zoning and other restrictions, have been consistently held constitutional. It is the belief of the Commission that in addition to land use zoning, restrictions properly can be placed upon the use and movement of water and

water rights within Colorado.

The philosophy behind such a proposed approach to Colorado's growing problems is based upon legal and philosophical concepts of public versus private rights in various resources. Real property is subject to private property ownership concepts with minimal limitations and restrictions on use enforceable by other members of the community or by governmental bodies.

Colorado law states that all waters of the state are property of the public, subject to appropriation and use according to the law. A real property right to use a quantity of unappropriated water with a priority date inures to the benefit of any person or organization complying with the statutory requirements. Retention of the right is subject to standards of beneficial use, non-waste and misuse or reallocation affecting the vested water rights.

Because this fugitive resource is held in trust by the state for the public (along with other resources such as air, wildlife and specified lands), the state has an obligation and right to control, regulate and direct the uses to which it shall be put with respect to the public interest. By exercising its right and duty over these resources, the state can effectively implement a planning and development policy consistent with present and future needs.

The Rural Development Commission recognizes that the development of effective statutes and their implementation will require strong and persistent educational efforts throughout the state. Specific attention should be given to this requirement at such time as initial legislative action on the water moratorium is considered.

It is clearly evident that rational and orderly development of the state will take place only if there is strong state policy and direction. Such direction and policy is urgently needed. Each month of delay in the development, articulation and enforcement of such policies compounds the problem in terms of future decisions.

The basic objectives of new land and water use policies should be to establish the guidelines and controls which will insure maximum protection of vested private rights consistent with preservation of the public interest in a healthy, wholesome and desirable environment.

The state looks at growth

SUMMARY OF THE COMMISSION'S GROWTH ATTITUDES STUDY

Introduction

This survey of Coloradans' attitudes and opinions on growth and development was designed to produce factual information on three segments of the Colorado population. The survey was structured to provide data on (1) the Denver metropolitan area, (2) rural areas that recorded a population increase between 1960 and 1970, and (3) rural areas that recorded a population decrease between 1960 and 1970.

The survey recorded information on Colorado citizens' attitudes toward the rate of population growth in Colorado; the rate of population growth in their community, the policy of Colorado state government toward population growth, industrial and economic growth, and tourism and recreation visitor growth; the policy of the community toward these factors; the types of industry preferred; size of industry preferred; policy toward existing industry; where industrial growth should locate; and feelings about stores and medical facilities in the community.

The sample used in the survey consisted of 1,058 persons drawn from the population listed in telephone directories using a statistical random sampling plan. The sample of 1,058 was composed of 354 people from metropolitan areas, 351 from rural increasing areas, and 353 from rural decreasing areas.

Results

The response patterns of the three groups (metropolitan Denver, rural increasing, and rural decreasing) and the total sample are given in the tables that follow. Where table totals do not add up to 100 percent it is due to rounding. Table 1 indicates that the majority of respondents feel that Colorado's current population growth rate is too fast.

Table 1. How do you feel about the rate of population growth in Colorado?

Category	Metro.	Rural Incr.	Rural Decr.	Total
Too slow	.9%	2.1%	1.3%	1.4%
About Right	32.3%	44.8%	57.7%	44.5%
Too Fast	66.9%	53.1%	41.0%	54.1%
	100.1%	100.0%	100.0%	100.0%

However, 66.9 percent of the metropolitan group feels that the state is growing too rapidly while only 41 percent of the rural decreasing group feels this way. A reversal in positions is evident for the "About Right" response.

In Table 2 there appears to be a marked relationship between response and community. Only 2.1 percent of the metropolitan group feels that the community is growing too slowly as opposed to 25.4 percent for the rural decreasing group. Conversely, 60.1 percent of the metropolitan group feel that their community is growing too fast while only 15.6 percent of the rural decreasing group feels this way. The responses of the rural increasing group indicate more kinship with the metropolitan group than with the rural decreasing group.

Table 2. How do you feel about the rate of population growth in your community?

Category	Metro.	Rural Incr.	Rural Decr.	Total
Too Slow	2.1%	13.4%	25.4%	13.7%
About Right	37.9%	54.9%	59.0%	50.7%
Too Fast	60.1%	31.7%	15.6%	35.6%
	100.1%	100.0%	100.0%	100.0%

Table 3 presents opinions on Colorado state government policies toward growth.

Table 3. Attitudes on Colorado State Government Policies

What should be the policy of the Colorado State Government toward population growth?

Category	Metro.	Rural Incr.	Rural Decr.	Total
Encourage	10.8%	17.1%	21.5%	16.3%
Neither	45.9%	44.2%	53.4%	47.8%
Discourage	43.3%	38.6%	25.2%	35.8%
	100.0%	99.9%	100.1%	99.9%

What should be the policy of Colorado State Government toward industrial and economic growth?

Encourage	48.7%	63.3%	71.7%	61.2%
Neither	27.3%	18.5%	17.5%	21.1%
Discourage	24.0%	18.2%	10.8%	17.7%
	100.0%	100.0%	100.0%	100.0%

What should be the policy of the Colorado State Government toward tourism and recreation visitor growth?

Encourage	54.2%	57.9%	63.6%	58.6%
Neither	31.8%	25.8%	27.8%	28.5%
Discourage	14.0%	16.4%	8.6%	12.9%
	100.0%	100.1%	100.0%	100.0%

As would be expected, the rural decreasing group is less opposed to population growth as a formal policy

than the other two groups are. Both the metropolitan and the rural increase groups favor either a neutral position ("Neither") or active discouragement of further population growth. A clear majority of the rural groups want Colorado to encourage industrial and economic growth, but this is not as pronounced in the metropolitan group. The rural decreasing group feels more strongly about encouraging tourist growth than do the other two groups. It appears that the respondents are less opposed to tourist growth than to industrial growth.

Table 4 presents information on the same factors on the community level.

Table 4. Attitudes on Community Policies

What should be the policy of your community toward population growth?

Category	Metro.	Rural Incr.	Rural Decr.	Total
Encourage	11.0%	33.8%	48.7%	31.3%
Neither	45.1%	38.3%	35.2%	39.5%
Discourage	43.9%	27.9%	16.0%	29.2%
	100.0%	100.0%	99.9%	100.0%

What should be the policy of your community toward industrial and economic growth?

Encourage	35.8%	66.5%	80.6%	61.1%
Neither	30.5%	13.5%	11.1%	18.3%
Discourage	33.7%	20.0%	8.3%	20.5%
	100.0%	100.0%	100.0%	99.9%

What should be the policy of your community toward tourism and recreation visitor growth?

Encourage	43.4%	57.7%	59.3%	53.4%
Neither	36.5%	29.2%	33.0%	32.9%
Discourage	20.1%	13.1%	7.7%	13.6%
	100.0%	100.0%	100.0%	99.9%

There is a marked difference in the responses of the three groups. The metropolitan areas would like either to maintain their present growth rate or to actively discourage growth. The responses from the rural increasing communities are almost evenly split among the three choices, while those from the decreasing communities are quite growth oriented.

The metropolitan group is fairly evenly divided among the three choices which indicates that they are not as much in favor of industrial growth at the local level as they are at the state level. The rural groups feel that encouragement for industrial and economic growth is highly desirable both as state and local policy. As would be expected, the rural decreasing group feels more strongly about this than does the rural increasing group.

The three groups seem to be in relative agreement on tourism with the rural decreasing group most strongly in favor of growth.

Table 5 shows the respondents' preferences for types of industry.

Table 5. Which of the following types of industry would you like to have locate in your community?

Category	Metro.	Rural Incr.	Rural Decr.	Total
None	2.8%	1.6%	1.9%	2.1%
R & D	50.3%	32.5%	26.0%	36.6%
Light	26.4%	36.4%	35.3%	32.6%
Heavy	1.3%	3.6%	2.9%	2.6%
All	19.2%	26.0%	34.0%	26.3%
	100.0%	100.1%	100.1%	100.2%

It is immediately apparent that all three groups desire some new industry as opposed to no new industry. The difference between the groups lies in the types of industries desired. The metropolitan group clearly prefers research and development firms with "light" industry second. The rural groups are more evenly divided between research industries and light industries. None of the three groups prefers heavy industries exclusively, but a sizeable proportion in each group would welcome all three types of industries. As expected, the proportion desiring all types of industry is greatest in the rural decreasing group.

Table 6 shows the size of firms respondents would like to have locate in their community. All three groups responded in an almost identical pattern.

Table 6. What size industry would you like to have locate in your community?

Category	Metro.	Rural Incr.	Rural Decr.	Total
None	2.2%	1.9%	1.5%	1.9%
Small	36.4%	39.6%	33.5%	36.5%
Medium	36.7%	35.8%	42.0%	38.2%
Large	5.0%	6.9%	6.9%	6.3%
All	19.7%	15.9%	16.0%	17.2%
	100.0%	100.1%	99.9%	100.1%

Table 7 deals with the growth of firms already in the community.

Table 7. Do you feel existing industry should be encouraged or discouraged from expanding in your community?

Category	Metro.	Rural Incr.	Rural Decr.	Total
Encouraged	45.6%	72.6%	78.1%	65.2%
Neither	30.4%	16.7%	16.5%	21.3%
Discouraged	24.0%	10.6%	5.4%	13.4%
	100.0%	99.9%	100.0%	99.9%

The rural group clearly wants to encourage expansion of existing firms. The metropolitan group is less

clear cut and significant proportions of the group desire to neither encourage or discourage expansion or else to actively discourage growth.

Table 8 focuses on where future industrial growth should be located if it occurs.

Table 8. If industrial growth continues, where should it locate?

Category	Metro.	Rural Incr.	Rural Decr.	Total
Under 50,000	71.0%	76.2%	88.4%	78.5%
Over 50,000	29.0%	23.8%	11.6%	21.5%
	100.0%	100.0%	100.0%	100.0%

The three groups seem to be in agreement that future growth should take place in areas with a population of less than 50,000. The rural decreasing group is the strongest in their feelings and they are the group directly affected by the question.

Table 9 examines opinions about the variety of stores in the community.

Table 9. How do you feel about the variety of stores in your community?

Category	Metro.	Rural Incr.	Rural Decr.	Total
Adequate	78.6%	58.5%	48.9%	62.0%
Inadequate	21.4%	41.5%	51.1%	38.0%
	100.0%	100.0%	100.0%	100.0%

The rural communities are almost evenly divided on this question, suggesting a feeling of inadequate shopping opportunities in those areas. The metropolitan group as a whole believes that the selection of stores is adequate; but it is surprising that one-fifth of this group rates this factor inadequate.

Table 10 presents similar data on medical facilities.

Table 10. How do you feel about the medical facilities in your community?

Category	Metro.	Rural Incr.	Rural Decr.	Total
Adequate	79.1%	58.6%	50.4%	62.6%
Inadequate	20.9%	41.4%	49.6%	37.4%
	100.0%	100.0%	100.0%	100.0%

The pattern in this table is almost identical to that in Table 9. The rural groups are about evenly split on the question while a clear majority of the metropolitan group feels their medical facilities are adequate. This table would indicate the need for a health care delivery system which would reach into the rural groups.