

Good morning. I am Mark Critz, Executive Director of the Governor's Advisory Council on Rural Affairs, the Rural Development Council and I'm also the Western Regional Director for the PA Department of Agriculture. I formerly represented the 12th Congressional District of PA and before that worked for Congressman Jack Murtha for many years. I'm reporting to you today in my fourth decade working on rural issues.

In this discussion about rural population loss and its impacts, we shouldn't fool ourselves that it's a new issue. As an example, each state is apportioned a number of US Representatives according to their population. In 1950, PA had 30 members of Congress. After the 2020 census, we now have 17. Of course, that is not all attributable to rural, but we all have seen the exponential population growth in the Philadelphia MSA as the rest of the state has lost population.

As the Center for Rural PA's report highlights, the rural population loss will continue into future decades and there is a need to plan for the changes already occurring and develop a strategy and response as the impacts are realized. Although the impacts will be felt across the spectrum of government and quality of life, I just want to highlight three to set the stage. I've picked these three because we are already seeing the impacts, as our population struggles started decades ago.

Municipal government & school districts:

With the move of industry out of downtowns to "business parks," many small cities were placed in a precarious situation where they had built up municipal services; government, police, fire, public works; only to lose a great deal of the tax base needed to maintain it. Many, like my hometown of Johnstown, continue to struggle with loss of revenue while still being required to maintain a built infrastructure and the blight that comes with the loss & aging of the population.

Now, pile on top of that, a population loss of 12% over the last ten years, and approximately 50% over the last forty. The impacts to a local school district are similar as they have a built infrastructure, staff, that is constantly responding to the demographic changes happening within the district.

Since this is not a new reality for many municipalities and school districts, there is empirical evidence as to how challenging, and often unsuccessful, the opportunities for economic development are. But the population decline is also challenging to our townships as they experience the loss that many of our rural cities & boroughs have been experiencing for forty years.

As a note, as PA's funding of public education has been in the news, the lower the funding is from the state, the more the school's funding relies on the local real estate tax. Therefore, programs are discontinued and/or real estate taxes are raised. As these population declines and aging continue, the base for real estate taxes will shrink causing financial hardship for our school districts.

Healthcare:

Many rural hospitals are in danger, every year, of closing due to financial strain. Although hospitals are non-profits, more often than not, they are a for profit entity. I say that because their income is derived from the health insurance industry, which is for profit, therefore they must meet the demands of private industry. And they just can't do it. Too few beds, a shrinking population, an aging population that demands more services, are too much for many of our rural hospitals to endure.

In PA, we did initiate the "rural health model" which is based on a global budget. A global budget is a mechanism that allows the insurance carriers to work with the hospitals to determine a yearly budget that allows the hospital to survive and thrive, while working with the insurance carriers to lower the amount of chronic conditions in their patients through outreach and community programming. Eighteen of our hospitals are in the model and due to it, all survived COVID and the aftermath.

The Rural Health Redesign Center & the PA rural health model were funded by a grant from Medicare which is expiring. Once the federal funding goes away, the model may too.

Broadband:

Broadband has virtually universal support. It's becoming a greater part of our everyday life as utilities rely on it as part of their own infrastructure. Accessing government services, from local through federal, is becoming more internet dependent.

As rural hospitals struggle and the availability of care becomes more remote, the advent of telemedicine is, and will be, a lifeline to an aging population. Even as rural hospitals struggle to recruit doctors, the connection to specialists via the internet connection has allowed them to better serve their rural patients.

On the same note, as schools struggle to recruit teachers, the connection to high-rigor teachers via broadband, can allow rural students to receive the most rigorous education and compete in whatever path they choose. If COVID showed us anything, it's that remote schooling & working, although not perfect, allowed us to continue to produce and learn.

I wanted to discuss these three topics, although there are a myriad of topics we could cover, as there are potential and needed solutions for these three.

There is no facet of life or industry, anymore, that is not touched by broadband. From the farmer using drones, hi-tech tractors, robotic milkers, and constantly communicating with suppliers and customers; to the doctor examining her 90 year old patient, via the internet, in her home, to save her from having to arrange transportation; to the teacher working with his students on a snow day; to a grandmother keeping in touch with her family via email or texting, broadband has become an integral part and necessary part of our lives. Yet PA has no dedicated funding of broadband, and our definition of broadband is woefully out of date.

PA is fortunate that the federal government has dedicated well over a billion dollars to improving internet access here. But it won't be enough to get service everywhere. The need exists and it's long-term. The time is upon us for PA to redefine broadband to meet current & future standards and to build a ten-year funding strategy of how we will fund the expansion of broadband in PA. Because of the expense, \$50M/year for ten years, shows private industry the commitment and the understanding that robust internet, fiber, is not inexpensive.

As stated, our rural hospitals are struggling. Via the work of the Rural Health Redesign Center, there is hope for their long-term survival and vibrancy. To maintain this program will require PA to pick up the financing when the Medicare funding ends. Their current budget is approximately \$2M/year.

As for the municipalities and the school districts, we're seeing this play out already as they lay off people, they discontinue programming, the join forces where they can, just to continue. Many of these organizations struggle to get people on the ballot to run to be elected leaders. The conundrum is real and it's expanding.

For municipalities, mechanisms have to be put in place to allow them to evaluate their financial health into the future in an unbiased manner. But, maybe more importantly, it will also need to provide options on steps to continue or discontinue operations. The discussion of dissolution, or merger, is not one most small, rural, communities want to entertain. Unfortunately, circumstances may force the subject.

For school districts, the many have already been slashing programs, joining forces with other schools, and raising real estate taxes. The dwindling population hits here hard. Bussing kids all over creation can't be the best solution, yet that's what they're forced to do. The only suggestion I have for this issue is that we need to figure out some path forward as many of our rural schools are already struggling and the future doesn't look bright.

One parting thought as I close regarding population decline. Over the years private industry and farming have responded to the need for employees in similar ways, recruiting and employing immigrant labor. Through the late 1800's and early 1900's, we saw a tremendous influx of eastern and western European immigrants. Throughout the years, farming brought folks from Puerto Rico, Mexico, the Caribbean, and Central & South America to fill the need for labor. Many immigrants came to stay and start a new life, many others only came temporarily. Many of the places I've lived and worked, were built mainly by immigrants, their families, and their descendants. This might be an area where PA can be a leader in how we welcome and handle immigrant populations into our communities.

Thank you for your time, it's been my pleasure to have the opportunity to testify before you. Thank you.