Community Vitality

Program Evaluation Report

Division of Fiscal and Program Analysis

November 18, 2019

SOUTH DAKOTA
LEGISLATURE
LEGISLATIVE RESEARCH COUNCIL

CONTENTS

Executive Summary

Overview

The mission and role of the South Dakota State University (SDSU) Extension office was expanded in 2004 by then Governor Rounds to include the new core program area of community development. The name of the program changed from community development to community vitality in 2017. The community vitality program identifies and builds on the skills, assets, and opportunities available to communities, with the goal of strengthening community sustainability and vibrancy. The program provides research-based knowledge and skills in the processes, tools, and techniques within three core service areas:

- Leadership Development
- Entrepreneurial Development
- Community Capacity Building

Conclusions

The following conclusions answer the research questions presented in this evaluation:

- The South Dakota community vitality program is operating within the mission of a land-grant university.
- Community vitality does not consistently measure outcomes of the services provided.
- The South Dakota community vitality program is performing similar services to other state's community vitality programs.
- A duplication of efforts exists in community development services for economic development and entrepreneurship.

Findings

The evaluation makes the following findings:

1. Outcomes are not being measured as identified in the business plans.

Recommendations

The following recommendations are suggestions for future analysis, evaluation, or ideas for consideration. The recommendations align with the research questions explored in this evaluation:

- Develop a business plan for ongoing and future core services.
- Establish a framework for market gap analysis to be performed on ongoing and future services.
- Continue to improve communication with other stakeholders providing community development activities to better coordinate efforts and streamline services provided to communities.
- Establish a policy or criteria for determining when to waive the costs for provided services.
- Establish a periodic review process of programs and services offered.

Purpose and Scope

The Executive Board of the State Legislature, in accordance with South Dakota Codified Law (SDCL) 2-9-4, directed the Legislative Research Council's Division of Fiscal and Program Analysis to evaluate the SDSU Extension community vitality program.

The Executive Board approved the following research questions:
1. Do other states have a community vitality program and does the program operate within the mission of a land-grant university?
2. How is the community vitality program measuring program outcomes and utilizing those results?
3. Is the community vitality program performing activities, programs, and services which are similar to or duplicative of other programs?

The program evaluators collected and analyzed data from numerous sources including:
- Interviews with SDSU Extension community vitality program;
- Survey of regional extension community vitality programs;
- Review and analysis of regional state prorams;
- Literature review; and
- Review and analysis of materials provided by SDSU Extension community vitality program.
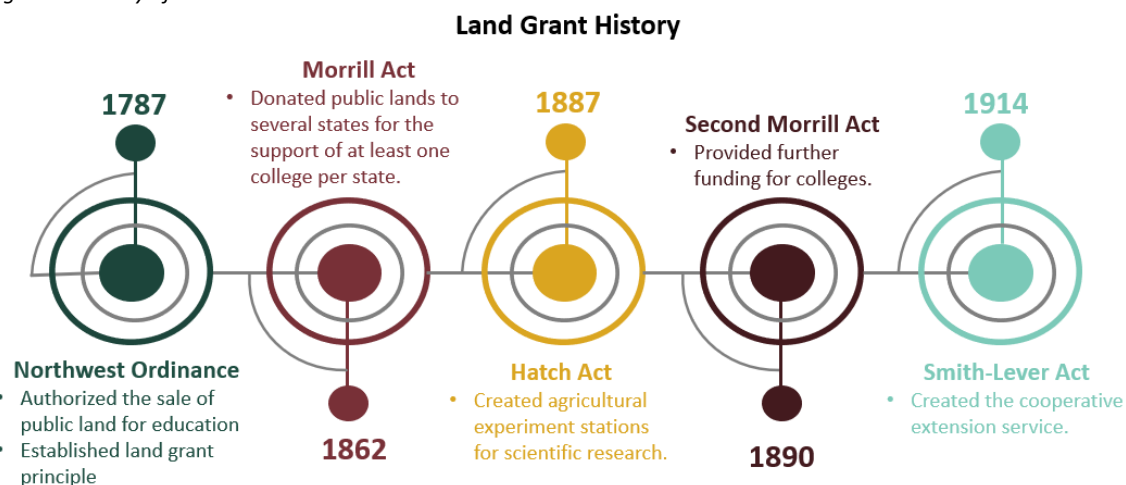
The Extension Service History

The South Dakota State University (SDSU) Extension Service has been serving its purpose in South Dakota for over 150 years. In 1862, the SDSU Extension Service was designated as the first land-grant university for South Dakota. Extension Service in South Dakota has evolved as agriculture and communities change and with the advances in technology.

History of Land-Grant Universities

The original mission of a land-grant university was to teach agriculture, military tactics, mechanical arts, and classical studies so members of the working classes could obtain practical education.[1] Figure 1 depicts important events in the history of land-grant universities.[2]

Figure 1. History of Land-Grant Universities

Land Grant History

1787

Northwest Ordinance
- Authorized the sale of public land for education
- Established land grant principle

Morrill Act
- Donated public lands to several states for the support of at least one college per state.

1862

1887

Hatch Act
- Created agricultural experiment stations for scientific research.

Second Morrill Act
- Provided further funding for colleges.

1890

1914

Smith-Lever Act
- Created the cooperative extension service.

Federal Guidelines

The United States Department of Agriculture (USDA) separates extension services into regions.[3] South Dakota is part of the north central region which also includes North Dakota, Nebraska, Kansas, Minnesota, Iowa, Missouri, Wisconsin, Illinois, Michigan, Indiana, and Ohio. The National Institute of Food and Agriculture (NIFA) is the approving authority for community outreach activities in each state. All states have unique issues and latitude is given to develop a community program based on the types of agriculture, business, and opportunities identified in each state.

Every extension service is required to submit a strategic plan to NIFA on an annual basis. NIFA determines if the strategic plan fits the overall land-grant mission. If a plan is submitted and it does not fit the requirements, NIFA works with the state to make modifications or provides recommendations to ensure the land-grant mission is being met. NIFA requirements also include a five-year Plan of Work (POW) strategic plan for all states. A state POW contains the following sections:

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[1] The Land Grant Tradition. Washington, DC: Association of Public and Land-grant Universities, 2012.

[2] The Land Grant Tradition. A Chronology of Federal Legislation Affecting Public Higher Education. Washington, DC: Association of Public and Land-grant Universities, 2012. Retrieved from https://www.aplu.org/library/the-land-grant-tradition/file

[3] The north central, northeast, southern, and western regions.

1. Overview
2. Stakeholder Input Documentation
3. Merit and Peer Review
4. Multistate Extension and Integrated Research and Extension Financial Data
5. Planned Programs[4]

The NIFA federal guidelines allow flexibility to craft a program towards a state's objective but requires states to meet the federal objectives through a complex POW and annual review process. Identifying the need within each region and state depends heavily on the rural nature, population density, and geographical nature of each state. SDSU Extension develops the strategic plan POW on a five-year basis and submits an annual report of performance to NIFA for approval.

South Dakota Extension Service
The SDSU Extension Service is a three-way partnership between federal, state, and county governments. The federal partnership provides direction and goals from the national perspective, as well as yearly appropriations and opportunities for competitive funds. The state contributes general fund appropriations and the resources to develop and inform the public on core programs. The county provides partial funding for local 4-H youth development programs, office space, and a grassroots connection to the local area. The core program areas of the SDSU Extension Service include:
- Agriculture
- Community Vitality
- 4-H Youth Development
- Food and Families[5]

Core Values
The SDSU Extension Service's purpose is to foster a learning community environment, empower citizens to advocate for sustainable change, and strengthen agriculture, natural resources, youth, families, and the communities of South Dakota. Through this purpose, the SDSU Extension Service endeavors to serve as South Dakota's educational outreach source of unbiased, objective, and relevant new knowledge generated from research discoveries. The core values supporting the mission of the SDSU Extension Service include:
- A defined public value
- A setting that is inclusive, collaborative, and sustainable
- Prioritized effort
- A learning community focus
- Access for all citizens
- A culture that embraces change[6]

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[4] National Institute of Food and Agriculture. *Content Review Guidance for Plans of Work and Annual Reports*. Guidance Applicable to the Plan of Work. March 2017.
[5] SDSU Extension webpage. Retrieved 10/15/19. https://www.sdstate.edu/sdsu-extension
[6] SDSU Extension webpage. Retrieved 10/15/19. https://www.sdstate.edu/sdsu-extension

Community Vitality Program in South Dakota and Other States

The community vitality program is one component of the extension service in South Dakota and other states. The community vitality program in South Dakota provides the opportunity for collaboration with small towns across the state to help develop plans, leaders, and businesses, as well as provide resources that are not available or limited in nature. The community vitality program in South Dakota focuses on towns with populations of 5,000 or fewer.
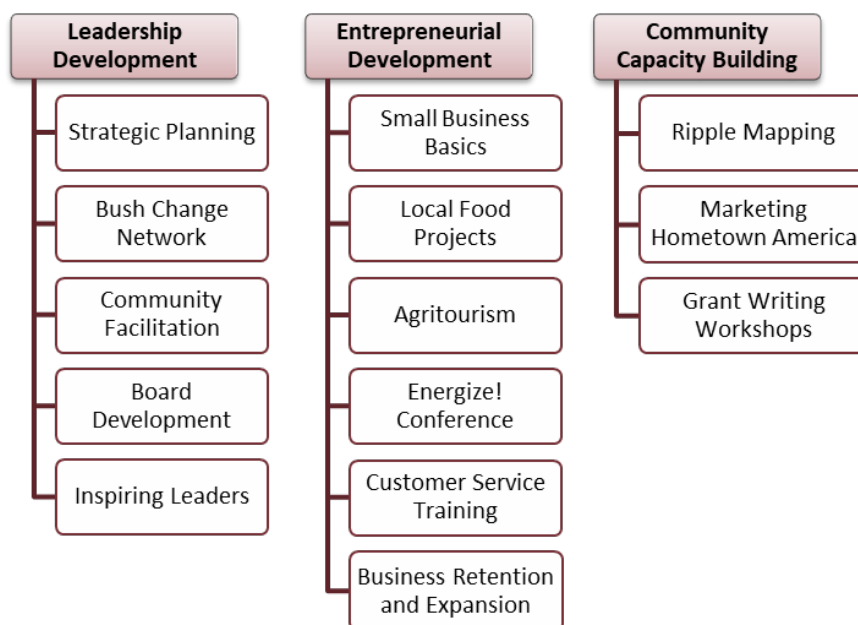
> **MISSION**
>
> Growing the capacity of local leaders to improve their lives, businesses, organizations and communities by building networks, developing strategic plans, and taking action toward their goals.

The community vitality team meets bi-annually with an advisory board of industry leaders, cities, and stakeholders across the state to help guide extension service and the community vitality program. The advisory board determines the highest priority issues impacting small towns across South Dakota, which allows the extension team to further develop the plan of work, define strategic goals, and meet objectives. The community vitality program most recently developed a strategic plan in 2016, in which two goals were identified:

1. Change the name of SDSU Extension Community Development by July 1, 2017.

2. SDSU Extension Community Development is recognized as the premier resource for capacity building in South Dakota communities and organizations. This is evidenced by a 10% increase in programs delivered by 2022.[7]

The community vitality program includes the core service areas of leadership development, entrepreneurial development, and community capacity building. The program provides a variety of services within each core service area as provided in Figure 2 below.

Figure 2. South Dakota Community Vitality Program Services

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[7] Kari O'Neill, Peggy Schlechter, Kenny Sherin, Kristi Spitzer, and Paul Thares. SDSU Extension Community Development. *2016 Strategic Planning.* Brookings, SD.

Leadership Development

Leadership development services strive to train local leaders and grow the capacity of the community to reach individual, business, organization, and community goals.[8] Leadership development consists of strategic planning, activities related to the Bush change network, community facilitation, board development workshops, and inspiring leaders' workshops. Table 1 below describes each activity in more detail.

Table 1. Leadership Development Services

Leadership Development	
Strategic Planning	Identify goals and create a written action plan to meet those goals.
Bush Change Network	The Bush Foundation created the Change Network as a cohort-style program to learn how to work effectively with people from diverse backgrounds, gain new allies, and lead change.
Community Facilitation	Leading purposeful discussions to reach an outcome.
Board Development	Role, responsibilities, rules, and principles training for a board.
Inspiring Leaders	Train leaders to effect change, stretch goals, and lead others.

Entrepreneurial Development

Entrepreneurial development services assist rural communities in creating an environment more favorable to economic growth.[9] Community vitality's involvement in entrepreneurial development includes training in small business basics, local food projects, agritourism, the Energize conference, customer service training, and business retention and expansion. These activities are described in Table 2.

Table 2. Entrepreneurial Development Services

Entrepreneurial Development	
Small Business Basics	Help local entrepreneurs understand the need for and how to create a business plan.
Local Food Projects	Connect people and resources to develop food projects such as food hubs, community gardens, farmers markets, or food to market training and planning.
Agritourism	A form of niche tourism where an agricultural operation brings tourists or visitors to the location of the activity.
Energize! Conference	Annual conference on exploring and innovating rural communities.
Customer Service Training	Help employers and employees establish and improve customer relationships to grow the business and strengthen the organization.
Business Retention and Expansion	Analyze a county, community, or economic development organization's situation and determine what training might be appropriate to meet their specific development needs.

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[8] Community Vitality responses 2019. SDSU Extension Community Development Program Narrative_May 2019. PDF document. Unpublished report.

[9] Community Vitality responses 2019. SDSU Extension Community Development Program Narrative_May 2019. PDF document. Unpublished report.

Community Capacity Building

Community capacity building engages the community to dream, plan, and visualize the future of the community. The community capacity services include ripple mapping, Marketing Hometown America, and grant writing workshops. The program also provides community visits to share information about community vitality and develop goals for the participating community. The activities are described in Table 3.

Table 3. Community Capacity Building Services

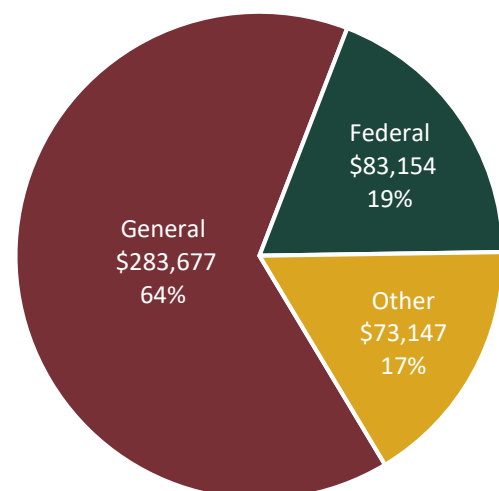| Community Capacity Building	
Ripple Mapping	Processing and documenting intended and unintended consequences from a program.
Marketing Hometown America	Assist communities to create a vision to attract new residents.
Grant Writing Workshop	Training to access funding for community projects.

Community Vitality Funding in South Dakota

The community vitality program receives funding through general, federal, and other funds. Figure 3 identifies the program funding in FY2019, which includes $283,677 general funds, $83,154 federal funds, and $73,147 other funds. The program utilized 4.0 FTE in FY2019.[10]

The program uses general funds for salaries and benefits. SDSU Extension allocates on-going federal funds through the Smith-Lever Act to fund the program. The program also receives one-time federal grants for specific projects. The other funding includes other grants and fees for services.

The community vitality program general fund appropriation of $283,677 represents 3.4% of the overall FY2019 general fund appropriations to the SDSU Extension program. The community vitality program is a small program in the overall operations of extension in South Dakota.

Figure 3. Community Vitality Funding FY2019

Federal
$83,154
19%

General
$283,677
64%

Other
$73,147
17%

Community Vitality in Other States

Each state has unique issues and concerns regarding community development, which drives individual states to develop core areas of focus and create services to achieve their goals. Table 4 below provides the core areas of focus for the surrounding states. Several states have similar areas of focus as South Dakota. They also have additional services such as climate change, tourism, diversity and inclusion, and facilitation. States outside of the North Central region have services that go as far as tackling opioid addictions and providing hurricane relief.[11]

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[10] Community Vitality responses 2019. SDSU Extension Community Development Program Narrative_May 2019. PDF document. Unpublished report.

[11] Strengthening Communities Southern Region Successes. July 2018-June 2019. Retrieved from http://srdc.msstate.edu/measuring_impact/files/2019_indicators_summary-9-9-19.pdf

Table 4. Comparison of Core Areas of Focus with Surrounding States[12]

Community Development Program Core Areas of Focus	South Dakota	Minnesota	North Dakota	Montana	Wyoming
Leadership Development	✓	✓	✓	✓	✓
Entrepreneurial Development	✓	✓	✓		✓
Community Capacity Building[13]	✓	✓	✓		
Climate Change				✓	
Diversity & Inclusion				✓	
Facilitation			✓		
Tourism		✓			
Personal Finance					✓

Table 5 shows South Dakota community vitality services and offers a comparison of services with four surrounding states that responded to a survey regarding their community development activities. Many similarities in services exist with all the responding states, including South Dakota, reporting they provide strategic planning, community facilitation, board development, and leadership workshops. This is not an inclusive list of all services performed by community development programs throughout the region. The services shown on the below table are limited to only South Dakota community vitality services.

Table 5. Comparison of Services with Surrounding States[12]

State Community Development Programs Offering Similar Services	South Dakota	Minnesota	North Dakota	Montana	Wyoming
Strategic Planning	✓	✓	✓	✓	✓
Bush Change Network	✓	✓			
Community Facilitation	✓	✓	✓	✓	✓
Board Development	✓	✓	✓	✓	✓
Leadership Workshop	✓	✓	✓	✓	✓
Small Business Basics	✓			✓	✓
Local Food Projects	✓		✓		✓
Agritourism	✓	✓			
Entrepreneurial Conference	✓	✓	✓		
Customer Service Training	✓	✓	✓		
Business Retention & Expansion	✓	✓		✓	
Ripple Mapping	✓	✓	✓	✓	
Marketing Hometown America	✓	✓	✓		
Grant Writing Workshop	✓				✓

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[12] Regional state vitality programs, survey, September 30, 2019.
[13] Includes civic engagement

Analyzing the South Dakota Community Vitality Program Operations

The community vitality program assists communities through a variety of services to help develop leaders, businesses, and communities. The community vitality program provided 40 core services to 815 participants in FY2019 as shown in Tables 6, 7, and 8.

Services Performed

A review of the services reveals not all services reported fall clearly under one of the three core service areas. SDSU Extension provides a collaborative approach to services from all extension areas, including community vitality. For example, community vitality is involved in Annie's Project, an extension activity involving educating women in agriculture. While Annie's Project is not a community vitality service, portions of the programming involve areas such as strategic planning and writing business plans.

The reported data reveals community vitality is spending a greater amount of time on activities outside of the core services of leadership development, community capacity building, and entrepreneurial development. The program spends more time on services to the institution, scholarly work, and marketing/outreach activities. The amount of time the community vitality program spends on different services and activities is shown in Figure 4. Performance measures or expected outcomes are not formally measured when community vitality assists with other SDSU Extension activities.

The approved SDSU Extension POW notes external factors that may affect outcomes, including: natural disasters,

Table 6. Leadership Development Services FY2019

Leadership Development		
FY2019 Services	Services Performed	Number of Participants
Strategic Planning	6	146
Bush Change Network*	N/A	14
Community Facilitation	10	134
Board Development	2	14
Inspiring Leaders	2	73
Total	20	381

*Bush Change Network represents a single cohort.

Table 7. Entrepreneurial Development Services FY2019

Entrepreneurial Development		
FY2019 Services	Services Performed	Number of Participants
Small Business Basics	1	10
Local Food Projects	1	109
Agritourism*	N/A	N/A
Energize! Conference	1	111
Customer Service Training	0	0
Business Retention & Expansion	0	0
Total	3	230

*Agritourism is a collaboration with other entities to develop tourism related to agriculture.
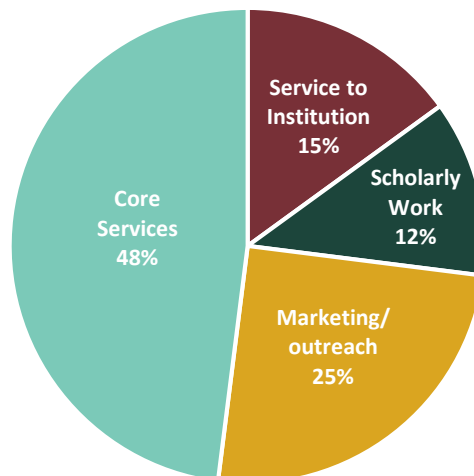
Table 8. Community Capacity Services FY2019

Community Capacity Building		
FY2019 Services	Services Performed	Number of Participants
Ripple Mapping[14]	14	124
Marketing Hometown America	1	12
Grant Writing Workshops	2	68
Total	17	204

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[14] Includes asset mapping.

the economy, competing public priorities, competing programmatic challenges, and population changes.[15] These external factors can cause programming and resources to be redirected and can help explain why community vitality spends time on other SDSU Extension activities. Addionally, the Land Grant mission has an expectation that work will be done outside of the core service areas and time will be spent on scholarly endeavors.

Figure 4. Community Vitality Program Allocation of Time

Federal Report of Output and Outcome Measures

The SDSU Extension Service files an annual report with NIFA. The report describes different program areas within Extension and identifies several state-defined output and outcome measures relating to community vitality services.

Table 9. Federal Annual Report of Outcome Measures[16]

Annual Report of Output and Outcome Measures Relating to Community Vitality			
State-Defined Output and Outcome Measures	**Reported by Year**		
	2016	**2017**	**2018**
Number of Communities Hosting the Ripple Effect Mapping			12
Ripple Effect Mapping Participants			65
Conduct Activities that Build Community Capacity	10	1	8
Enhance Rural Community Sustainability in South Dakota			
Strategic Planning	10		
Business Conference & Small Business Basics		18	
Energize Conference Attendees			57

Table 9 provides the outputs and outcomes relating to community vitality from the SDSU Extension Service annual federal report. The annual report does not require consistent reporting

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[15] 2017 South Dakota State University Combined Research and Extension Plan of Work. 6/7/2016. Retrieved from https://portal.nifa.usda.gov/web/areera/plans/2017-2021/2017-South-Dakota-State-University-Combined-Research-and-Extension-Plan-of-Work.pdf

[16] AREERA Plan of Work, FY2016, FY2017, FY2018. Retrieved from https://reeis.usda.gov/areera/search/2007/to-date?state=SD&year=All&doctype%5B%5D=REPORT&doctype%5B%5D=PLAN&=Submit

of each activity so a year-to-year analysis of the output and outcome measures cannot be completed. For example, the outcome of enhance rural community sustainbility in South Dakota has a different reported output each year. Extension reports the output which provides the most significance to the outcome for the reported year.

Review of Core Services

The scope guided the evaluation to assess how the community vitality program is measuring program outcomes and whether the program is performing services that are similar to or duplicative of other in-state programs. The evaluation focused on the core services of leadership development, entrepreneurial development, and community capacity.

Table 10 reviews the services to determine if a business plan was created, a market gap analysis was performed, the service is unique, program outcomes are identified, and if the outcomes are being measured for each activity.

Table 10. Community Vitality Review of Core Services

Community Vitality – Review of Core Services					
	Business Plan Created	**Market Gap Analysis**[17]	**Unique Service**[18]	**Program Outcomes**	**Measuring Outcomes**
Leadership Development					
Strategic Planning					
Bush Change Network	N/A	N/A		✓	✓
Community Facilitation					
Board Development	✓	✓		✓	
Inspiring Leaders	✓	✓		✓	
Entrepreneurial Development					
Small Business Basics	✓	✓		✓	✓
Local Food Projects	N/A	N/A		✓	✓
Agritourism				N/A	
Energize Conference				✓	✓
Customer Service Training					N/A
Business Retention & Expansion					N/A
Community Capacity Building					
Ripple Mapping					
Marketing Hometown America	✓	✓		✓	
Grant Writing Workshop	✓	✓		✓	✓

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[17] Market gap analysis is identifying opportunities where demand is greater than supply. Market gap analysis helps identify underserved areas and helps an organization make decisions based on market facts rather than opinion.

[18] A comparison of services chart between the community vitality program and other entities can be found in Appendix A.

The market gap analysis is identified as completed with a checkmark but is highlighted yellow as the business plan included a partial market gap analysis. The market gap analysis lacked elements contained in the potential market gap analysis as provided in Appendix B.

Measuring outcomes for small business basics and grant writing workshops is identified as completed with a checkmark but is highlighted yellow as some of the outcome measures identified in the business plans were collected, yet, some were not. The business plans identify pre- and post-surveys will be completed; however, pre-survey data was not completed.

Analysis of Costs Relating to Community Development Efforts

Community development expenses relating to professional services can be a challenge for small communities. Costs of community development efforts vary across the different entities providing services. The community vitality program appears to have a cost advantage for some services, while a disadvantage for other services.

Community Vitality Program Cost Structure

The costs for services provided through the community vitality program can be found in Table 11. The program services range in cost from a base price of $250 for half a day to $2,000. The services offered can be customized to the needs of the community or organization. The program sometimes waives the cost of services on a case by case determination.

Table 11: Service Costs for the Community Vitality Program

Service Costs for the Community Vitality Program			
Program	**Base Price**	**Program**	**Base Price**
Board Development Workshop	$500 Full Day	Ripple Effect Mapping	$250 ½ day
Business Retention & Expansion	$750	Small Business Basics	$2,000 - 5 sessions
Customer Service Training	$250 ½ day	Strategic Planning	$500 Full Day
Facilitation Training	$250 ½ day; $500 Full Day	Local Food Projects	N/A
Leadership Development	$500	Bush Change Network	N/A
Grant Writing Workshop	Per Participant	Agritourism	N/A
Marketing Hometown America	$1,000		

Cost Structure of Other Entities

A variety of services are included with planning district membership, but typically includes grant writing, simple data and various technical assistance requests, strategic planning, board training, policy development, community engagement, and planning.[19] The average membership cost for planning districts varies by district and is based on population. Communities with populations under 100 have no cost to join a planning district. The average membership cost per community under 5,000 in population can range from $0 to $2,900 per member.[20]

Services offered through the Governor's Office of Economic Development (GOED) community development division or the small business development center (SBDC) cost the community or business nothing.[21] Dakota Resources and Design:SD have a fee-for-service cost structure.

A comparison of similar services by cost structure by entity is shown in Table 12.

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[19] Planning districts are voluntary associations of local governments working cooperatively for the benefit of their region. Planning districts work with rural small communities as well as some of the largest cities in the state. Planning districts assist with grants, planning, administrative functions. See Appendix A for more information.

[20] Services not included with membership are based on a fee-for-service rate. Email from planning districts, October 2019.

[21] GOED works directly with communities across the state to support their efforts to prioritize economic development. The purpose of the SBDC is to help new entrepreneurs realize their dream of business ownership and assist existing businesses in their efforts to remain competitive. See Appendix A for more information.

Table 12: Comparison of Similar Services by Cost Structure by Entity

	Community Vitality Program	GOED Community Development	Planning Districts	Small Business Development Center	Dakota Resources[22]	Design:SD[23]
Comparison of Similar Services by Cost Structure by Entity						
Marketing Hometown America	Fee-for-Service		Fee-for-Service		Fee-for-Service	Fee-for-Service
Grant Writing Workshop	Fee-for-Service		Membership*		Fee-for-Service	
Ripple Mapping	Fee-for-Service		Fee-for-Service		Fee-for-Service	Fee-for-Service
Small Business Basics	Fee-for-Service	No-Cost		No-Cost	Fee-for-Service	
Agritourism	N/A					
Energize Conference	Attendance Fee	Attendance Fee			Attendance Fee	
Customer Service Training	Fee-for-Service	No-Cost		No-Cost	Fee-for-Service	
Business Retention & Expansion	Fee-for-Service	No-Cost		No-Cost	Fee-for-Service	
Local Food Projects	Fee-for-Service					
Inspiring Leader's Workshop	Fee-for-Service		Fee-for-Service		Fee-for-Service	
Board Development Workshop	Fee-for-Service		Membership*		Fee-for-Service	
Community Facilitation	Fee-for-Service		Fee-for-Service		Fee-for-Service	Fee-for-Service
Strategic Planning	Fee-for-Service		Membership*		Fee-for-Service	
Bush Change Network	N/A					

*Included in membership cost

Note: The services provided by other entities does not have exactly the same name, but the service performs similar functions. The list of entities is not an exhaustive list.

Note: Services in the shaded areas are not provided by the other entities.

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[22] Dakota Resources comparison of services includes team coaching, trainings, and workshops.

[23] Design: SD is a three-day design event to help communities dream about the future and is a combination of marketing hometown America, ripple mapping, and community facilitation.

Findings

Finding 1. Outcomes are not being measured as identified in the business plans.

Community vitality has created business plans for five of their core services. Each business plan identifies program outcomes and how to measure those outcomes. Community vitality is not consistently collecting the data or measuring their outcomes as identified in their business plans.

- Community vitality should begin measuring their outcomes consistently as laid out in their business plans. Short-term, medium-term, and long-term outcomes are identified in each business plan and should be evaluated during or following each activity. Data collection can be obtained through pre/post surveys, other surveys, focus groups, interviews, and testimonials. The method of collection is specified in the plan and community vitality should begin collecting the identified data.

Recommendations

Recommendation 1: Develop a business plan for ongoing and future core services.

The community vitality program is inconsistent on the development and creation of business plans for services offered. Business plans exist for five services offered, but the remaining services lack a business plan. Activities like the Bush Change Network and local food projects may not need business plans due to the one-time nature of these projects.

Recommendation 2: Establish a framework for market gap analysis to be performed on ongoing and future services. [24]

The community vitality program performs an in-house informal analysis, whereas a more detailed and formalized in-house market gap analysis may produce better outcomes. An increase in the overall performance of community development efforts in South Dakota may be achieved by the program performing a more formalized in-house market gap analysis on the services offered. A potential framework for market gap analysis can be found in Appendix B.

Recommendation 3: Continue to improve communication with other stakeholders providing community development activities to better coordinate efforts and streamline services provided to communities.

Community development activities are being duplicated in South Dakota. Increased communication between entities providing and offering these services may enhance the quality, amount, and type of services offered to communities.

Recommendation 4: Establish a policy or criteria for determining when to waive the costs for provided services.

The community vitality program sometimes provides services at no cost to communities. However, the program does not have an established policy or criteria for determining when to waive the costs for the services performed. An established policy would ensure fair treatment to all communities.

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[24]Market gap analysis is identifying opportunities where the demand is greater than the supply.

Recommendation 5: Establish a periodic review process of programs and services offered.

Similar or duplicative efforts in economic development and entrepreneurship are provided by the community vitality program. A scheduled review of services can be used to identify efforts where demand is met by other entities in the state. The community vitality program could then determine if efforts could be shifted to other areas of need in community development.

Conclusions

Conclusion 1: The South Dakota community vitality program is performing similar services to other state's community vitality programs.

States in the North Central region provide several of the same type of services as community vitality.

Conclusion 2: The South Dakota community vitality program is operating within the mission of a land-grant university.

NIFA monitors the plan of work and annual reports of the SDSU Extension service which includes the community vitality program. NIFA has approved the plan of work and annual reports as they have found the program is operating within the scope of the National standards.

Conclusion 3: Community vitality does not consistently measure outcomes of the services provided.

Community vitality has a process for creating business plans for services but does not consistently create or update those plans for all services. If a business plan is created, performance measures are laid out but not all outcomes are measured as identified in the business plan.

Conclusion 4: A duplication of efforts exists in community development services for economic development and entrepreneurship.

Services that community vitality program offers relating to economic development and entrepreneurship are also provided by other entities in the State.

The services provided through the community vitality program and other entities creates a duplication of efforts in certain areas.

It is unclear if the current demand is being met for leadership development or community capacity building services or if there is an abundant supply of services in the market. A detailed market gap analysis was beyond the scope of the evaluation.
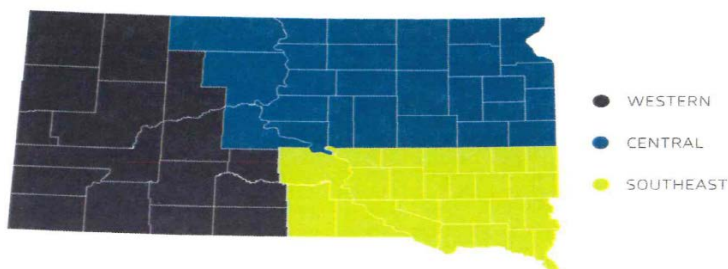
Appendix A:

Community Focused Entities Operating in South Dakota

There are many different entities across South Dakota that focus on community development, visioning, capacity building, and leadership. This appendix will identify and explain the focus and operations of community development entities operating in the state. The community development entities and services identified below do not represent an exhaustive list.

	Leadership Development	Entrepreneurial Development	Community Capacity Building
Community Vitality Program	Community Facilitation Inspiring Leaders Workshop Board Development Workshop Bush Change Network Strategic Planning	Small Business Basics Dakota Fresh Food Hub Agritourism Energize! Conference Customer Service Training Business Retention & Expansion	Ripple Mapping Marketing Hometown America Grant Writing Workshop
Governor's Office of Economic Development (GOED)		Technical Assistance Economic Development Training Economic Development Outreach Assist Local Organizations	
Planning Districts	Proper Conduct of Public Meetings Leadership Development Board Strategic Decision Making Consensus Building Personnel Management Issues Strategic Planning	Federal System Award Management Revolving Loan Funds Small Business Lending Zoning Development	Community Planning Public Financial Analysis Project Administration Special Purpose Planning Needs Assessments Funding Proposals Grant Writing Surveys
Small Business Development Centers (SBDC)		Business Expansion Small Business Information Venturing into Business Financing the Small Business Business Planning Marketing Financing Analysis Cash Flow Planning & Management	
Dakota Resources	Community Learning Network Vision Mapping Community Facilitation Leadership training Team Building	Empower Session Conference Capital Investment Fund Economic Development Visioning Financial Review Entrepreneur Fellowship	Empower Community Coaching Survey implementation
design:SD			Community Visioning

Governor's Office of Economic Development: Community Development Division

The Governor's Office of Economic Development (GOED) is a state agency which has a division dedicated to community development. The division works directly with communities across the state to support their efforts to prioritize economic development. The division provides advice, training, and resources to assist local leaders in moving their community forward.

The division team consists of three community development representatives located in Pierre, Sioux Falls, and Lead, along with a director located in Miller. The division specializes in the "how-to" of economic development and focuses on assisting local economic development organizations (EDOs). The division serves all communities in South Dakota regardless of size. However, most of the divisions' work is with communities with a population of 5,000 or less.[25]

Technical Assistance in Economic Development
The division provides technical assistance in areas such as business retention and expansion, business attraction, entrepreneurship, economic development marketing, real estate development, business finance, neighborhood/community development, and managing an EDO.

Assisting Local Economic Development Organizations
Building the capacity of EDOs through staff training, site development, board development, strategic planning, or funding strategies is an important aspect of the division.

Economic Development Training
The division provides training through webinars, regional roundtables, and one-on-one meetings to economic development directors, local EDO board members, city council members, and county commissioners.

Economic Development Outreach
Outreach is a key activity which the division achieves by community visits, partner visits and coordination, and presentations to stakeholders. While the community development division within GOED can't answer every question, problem, or concern a community has, the division can direct the community to experts in those areas. GOED partners with many different organizations and entities within the state such as planning districts, small business development centers, lenders, non-profits, as well as others. The business development division within GOED creates
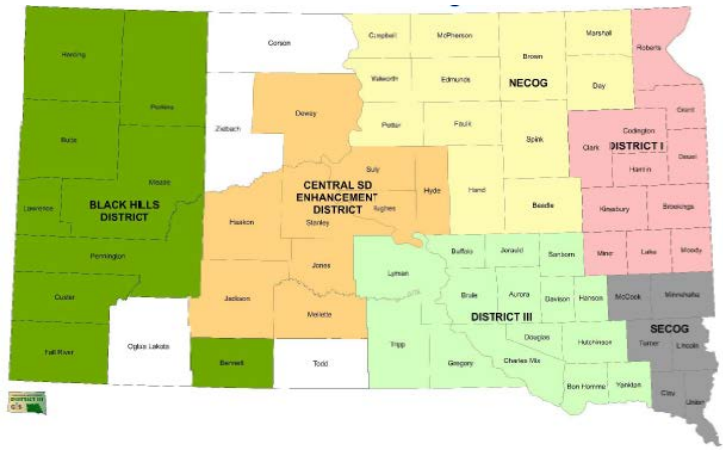
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[25] GOED: Community Development Overview for Legislative Research Council, 08-08-2019

synergies with the community development division through better communication and coordination of assistance.

South Dakota Planning Districts

The planning districts were created by Governor Farrar through executive order in 1970 to "eliminate duplication of effort while combining a variety of resources at all levels of government."[26] Planning districts are voluntary associations of local governments working cooperatively for the benefit of their region. The planning districts have membership agreements or work on a fee-for-service basis. Planning districts work with any community within the region. There are six planning districts serving different regions of the state.[27]

Community Leadership

Most planning districts provide presentations, resource materials, and training opportunities in areas such as the proper conduct of public and official meetings, leadership development, individual and board strategic decision making, consensus building, and guidance on personnel management issues.

Community Capacity Building

Numerous services and planning efforts relating to community capacity building are offered through the planning districts. Strategic planning, comprehensive special purpose planning assistance, community planning, public finance analysis, surveys, grant writing, project administration, development of funding proposals, and needs assessments are a few of the services offered relating to community capacity building.

Community Economic Development

Planning districts regularly assist local governments and private entities with community economic development services. Services include federal System Award Management (SAM), regional revolving loan funds, zoning development, and small business lending. Many planning districts work cooperatively with small business development centers (SBDC) or host the SBDC office.

The planning districts recognize there are non-profit organizations and others providing facilitation in the areas of community, housing, economic development, and strategic planning; however, the planning districts believe no other organization has developed the historical and extensive relationship with local units of governments as the planning districts.[27]

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[26] State of South Dakota Executive Order 70-7
 State of South Dakota Executive Order 70-7

Small Business Development Centers (SBDC)

The purpose of the SBDC is to help new entrepreneurs realize their dream of business ownership and assist existing businesses in their efforts to remain competitive. SBDC offices provide professional, confidential, and no-cost business consulting services, including one-on-one counseling and training. The SBDC has six main locations (Aberdeen, Pierre, Rapid City, Sioux Falls, Watertown, and Brookings) as well as two satellite offices (Brookings and Mitchell). The SBDC offers a variety of consulting services[28].

SBDC Consulting Services

- Business Expansion
- Business Planning
- Do-it-Yourself" Market Research
- Small Business Information
- Cash Flow Planning & Management

- Financing Analysis
- Marketing
- Venturing Into Business
- Financing the Small Business

Dakota Resources

Dakota Resources is a private business which designs programs and services to fill gaps in services and resources available to rural South Dakota communities as well as strives to be a connector for rural leaders to other organizations, programs, and resources. Dakota Resources' strategy is to build the individual, organization and financial capacity of the whole community by implementing a long-term, multi-pronged approach building on a community's capacity toward lasting change. Dakota Resources serves all communities under 50,000 in population and completes work on a fee-for-service basis. Lending to economic development organizations accounts for a majority of the activity Dakota Resources organizes in communities over 5,000 population, while leadership coaching, training, and network building is the major activity for communities under 5,000 population. All of Dakota Resources' programs are designed to increase leadership, organizational, and financial capacity for local leaders, ultimately resulting in greater shared community capacity to thrive.[29]

Community Learning Network

The Dakota Resources Community Learning Network is designed to help rural communities and rural economic development leaders connect and engage with one another in order to explore and learn more about topics of importance to rural economic and community development. The Community Learning Network utilizes on-demand webinars each month, peer-to-peer roundtable video conferences, online message boards, interactive stories and best practices, on-demand toolkit, and a resource library.

1-on-1 Economic Development Leadership Coaching

A team of coaches provide one-on-one virtual and in-person coaching sessions with local economic development professionals. Schedules, frequency, and content are customized to the needs of the economic development professionals. There is also hands-on, 1-on-1 coaching focusing on financial capacity building for economic development organizations.

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[28] SBDC Brochure 05-08-2019
[29] Responses to Survey of Dakota Resources

Empower Community Coaching

This process changes how communities get things done through a comprehensive 24-month phased coaching process. The community coaches work directly with community residents to form core leadership and initiative teams to work on the priorities they want addressed in their community.

The Empower Community Coaching experience utilizes the following options for success:

- Facilitated community conversations
- Local economic development organization vision and strategy retreats
- Local economic development organization financial review and coaching
- Community progress celebrations
- Monthly coaching sessions for local groups and teams
- Community workshops
- Learning journey tours
- Coaching interviews with community leaders

Dakota Rising Rural Entrepreneur Fellowship

Dakota Rising is a free 3-year entrepreneur fellowship for rural South Dakota business owners who want to shift from working in their business to working on growing their business and becoming leaders in their community. Over the past decade, Dakota Rising has provided 75 rural entrepreneurs with the tools, resources, and connections to help them reach their greatest leadership potential.

Community Focused Conferences

RuralX is an annual two-day conference designed to connect and inspire rural community leaders. The conference gathers rural changemakers to inspire engagement from local leaders in the community.

Empower Sessions is an annual two-day conference and awards banquet celebrating rural South Dakota entrepreneurs and the local leaders who support their success. It includes workshops and keynotes focused on helping rural businesses grow and thrive.

design:SD

Design: SD is a three-day design event to help communities dream about the future and recognize how important design is to that future. It can bring people together and energize them toward a shared vision—a better way to see the community. The event is made up of three parts: the learning studio, the design studio, and the presentation studio. The first day is spent learning from local community residents about their dreams and visions for the future. The design team works with the community members to generate visual solutions during the design studio, which can be presented on the final day during the presentation studio.[30]

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[30] Designsd.org

Appendix: B

Potential Framework for Market Gap Analysis

A framework can be developed for the deployment of any new service. The new service deployment process can be split up into several stages[31] and others have sub-divided the stages further.[32] The process stages of design and analysis, as well as the physical resources stage, could be a potential framework to review the market gap analysis for community vitality program services. The following table is combined from a technical report on the evaluation of new service development practice.[33]

Process – Design Stage	
Strategic definition	Define and (internally) communicate strategic goals
Customer Focus I	Define the target group – early focus on specific customer or market segment
Customer Focus II	Focus on meeting the needs of a specific customer or market segment
Customer Design Input	Gather input from customers (before and/or during initial conceptualization)
Partner Design Input	Present an initial concept of new service to partners to obtain early feedback
Customer Concept Feedback	Obtain customer feedback on the initial new service concept
Development Motivation	Development of the concept is motivated by meeting real customer or business needs.

Process – Analysis Stage	
Project Authorization	Approve and authorize the development project
Financial Analysis I	Analyze the financial viability of the new service concept
Financial Analysis II	Analyze the economic viability of the concept
Competitor Analysis	Carry out a competitor analysis
Market Research	Carry out a market analysis
Service Analysis	Analyze existing services to identify synergies and conflicts with the new service concept

Resources – Physical	
Sufficient Funding	Appropriate funds are available to the project
Sufficient Human Resources	An appropriate number of qualified employees are available to the project
Sufficient Facilities	An appropriate amount of equipment is available to the project
Communication Enablement	A communication channel exists in order to enhance communication among staff
External Connectivity	A communication channel exists in order to enhance communication with partners, customers, and others.

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[31] Bowers, M.R. 1986. The new product development process: a suggested model for banks. Journal of Retail Banking, 8, 19-24.

[32] Froehle, C.M. & Roth, A.V. 2007. A resource-process framework of new service development. Production and Operations Management, 16(2), 169-188.

[33] Leich, Damian & Gökduman, Sinan & Baaken, Thomas. (2010). Service Innovation - An Evaluation of New Service Development Practice. 10.13140/RG.2.2.30666.82889.

November 7, 2019

South Dakota Legislative Executive Board
State Capitol
500 E. Capitol Avenue
Pierre, SD 57501

RE: SDSU Extension Community Vitality Program Evaluation Report

Dear Members of the Executive Board:

Please consider this correspondence as the official response of South Dakota State University and SDSU Extension to the SDSU Extension Community Vitality Program Evaluation Report.

I would like to express my appreciation to the Legislative Research Council staff and the SDSU Extension Community Vitality team for the leadership that was respectfully given to completing this report. Endeavors of this nature are not insignificant as they require a great deal of time and attention to detail.

SDSU Extension delivers on South Dakota State's historic land grant mission by extending university knowledge, research and innovation to producers, families, communities and industries across the state. This land grant mission sets Extension's work apart from others, as the core Land Grant values establish it as a trusted source of *science based information presented in an objective and unbiased* manner.

I am pleased that the Report confirms that the SDSU Extension Community Vitality program operates within the mission of the land grant system. As one of four (4) core program outreach areas within SDSU Extension, the efforts of this team to engage in a collaborative working relationship with the rural communities of South Dakota is critical to building the human and social capital systems needed to sustain the vibrancy of these places we call home. The Report also highlights that the Community Vitality Program draws from its collegial foundation across the North Central Region, utilizing the strengths of the Cooperative Extension Network, to inform the development of current resources and curricula for communities.

Just as every producer operates his farm or ranch differently from his neighbor, so do communities. They are unique, have different needs and strive for different goals. The SDSU Community Vitality program team engages with communities who have identified a desire to address a need. The goal is to work in collaboration with them to identify the appropriate strategies and tools that will be beneficial for them in addressing that need. So, while the tools and resources are known, how the community will engage and utilize the strategy or tool, and how long it will take to be successful, is not as predictable.

The outcome will ultimately be the responsibility of the community. That does not negate, however, the need for consistent documentation of impact and effort, no matter the pace by which it is being accomplished. This Report has found that the SDSU Extension Community Vitality team has not been consistent in measuring its program outcomes. The Community Vitality team recognized this as a needed growth area for the program and in the fall of 2018, hired an evaluation consultant to assist them in the development of evaluation metrics/models that best suit community development work. The investment is proving valuable in improving the program's ability to consistently measure the impacts of their work in the future.

The SDSU Extension Community Vitality team has established collaborative working relationships with multiple entities across the state who also work in the discipline of community development. This includes the stakeholder groups listed in this report (i.e. Governor's Office of Economic Development, SBDC, Planning Districts, etc.) as well as others at the community level. While the Report identifies a duplication of services exist across these agencies and organizations, it should be known that in most cases, the service in question often encompasses a diverse scope of work. As a result, multiple entities are providing a dimension of the work based upon their expertise and resources. While SDSU Extension focuses on the dimensions of human capital development within a community, the program team strives to network (connect) the community to other stakeholder groups who hold the technical or financial expertise needed by the community to address their needs, components that are not within our expertise to provide.

There is no doubt that South Dakota's rural communities will continue to face the challenges of demographic change and economic viability. However, there are opportunities for rural communities as well – including the expansion of broadband and the resulting opportunities for workforce development. SDSU Extension looks forward to being responsive to these opportunities as applicable to the land grant mission. There is no doubt that there are ample needs and limited resources. I appreciate that this Report reinforces the need for SDSU Extension to remain adaptive to the needs of South Dakota's rural communities while also being accountable to the investment of our state and federal resources in doing so. Ultimately, our programs are committed to a focus on responsive service to communities, to being innovative leaders in applicable research and resources, to be appropriate stewards of planning, implementation and the measure of impact while also networking with other technical providers to ensure efficiency in the delivery of services.

Respectfully,

Barry H. Dunn, Ph.D.
President
South Dakota State University