

**State
Of
Arkansas**

**Delta Regional Authority
COMPREHENSIVE
ACTION PLAN**

**Arkansas Department of Economic Development
One Capitol Mall
Little Rock, Arkansas 72201
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**STATE OF ARKANSAS
DELTA REGIONAL AUTHORITY ANNUAL PLAN
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State of Arkansas Delta Regional Authority Annual Plan

I. Introduction

For many years there has been an ongoing dialogue regarding the chronic economic development problems of the Delta region. Approximately twelve years ago, the Lower Mississippi Delta Development Commission issued a report outlining many things needed to make the residents of the Delta region full partners in America's future. Since this report was issued there have been many efforts and attempts to address various individual aspects of poverty in the Delta. Most of these efforts have been less than successful and many have been outright futile.

Soon after his election as State-Co-Chairman of the newly formed Delta Regional Authority, Governor Huckabee of Arkansas paraphrased this matter in the following way: *"We face a major challenge. Rather than being compared to the Appalachian Regional Commission, we're being compared to the failed previous attempts to reform the Delta. These attempts didn't produce economic development. It's important that we realize we're one of the last real opportunities for success. If we succeed, I believe we'll see more federal funding come our way so we can do for our region of the country what the Appalachian Regional Commission has done for its region. If we fail, we not only waste this opportunity but also build another barrier to receiving future assistance from Congress to do the kinds of things that desperately need to be done."*

Past failures were well-intended efforts to address the problems of poverty and not the underlying causes. There have been many studies, reviews, and reports but no comprehensive, overall economic development strategy adopted or implemented for the region. Until the creation of this Authority there was no sustainable, legal structure possessing the Authority to fully implement a formal plan. Many well documented issues and concerns had to remain as ideas or recommendations.

Many funding efforts in the Delta region consisted of separate federal agencies addressing specific concerns, problems and issues. These efforts were without the benefit of a comprehensive approach and did not establish any long-term cooperative effort with other levels of government. Most of these efforts were humanitarian attempts to address the conditions of poverty without recognizing the necessity to create long-term, private sector high wage jobs.

There must be a targeted business-like approach to govern the actions of this Authority. However, the Delta region is first and foremost its people. It is not a navigable waterway surrounded by flat land, it is not roads, highways and infrastructure, much being meager, rather it is a population left behind largely due to a changing economic base occurring over the last fifty years.

No plan, organizational structure, or spending approach can ignore the uniqueness of the people within this region. A character was built within this population based on the ongoing process of limited success and major adversity. The Mississippi River would create great wealth and provide an abundant natural resource while also serving as a major destructive force. Ultimately, the region has been made much stronger by its difficulties as have its people.

Solving the chronic economic development problems of an entire region of this state is an overwhelming responsibility. There are numerous inter-related issues, problems, causes, and opportunities, which must be addressed. All levels of existing government have to be a part of this process and nothing will prove to be adequate if private sector jobs do not occur. There is no one place where this Authority can seek a panacea, but there are a few successful efforts whose principals can be embraced, simply put, the DRA will strive to be successful by studying the successes and failures of others. With the clear-cut objective of economic development, there are several successful approaches upon which to build. Some of the methods which will be employed in the region will be the same as if we were attempting to rebuild a third world nation after a war, famine, or natural disaster. Since there is a limited amount of money available to infuse into an area which had to produce long term, self-sustaining growth, how should this money be invested? As you enter the country to rebuild it, there must also be an exit strategy, which determines when the state can be left to produce its own growth and productivity.

Much of the culture and heritage of this nation has been produced by the people of the Mississippi Delta region. Its music and literature alone are national treasures. Most of the feelings reflected in these art forms were based on hardship and difficulty. At no time should it be forgotten that the Delta Regional Authority exists for the benefit of these people. Without any regard for economics, a repayment for cultural services rendered should always be a major consideration. The true measure of this Authority will be its ability to address the health, education and social needs within the region until such time that each individual can become economically independent.

There may never be another time to address the collective economic issues of the Delta region. The time for experiments and special purpose interests is past. Why will this Delta Regional Authority now succeed when other similar initiatives in this region have not? Many of the efforts in prior years were to address specific problems and issues, which were the symptoms of poverty rather than the cause. This Authority recognizes that the creation of permanent, private sector employment is the most cost-effective-elimination of poverty and that public investment is also necessary to support the needs of private enterprise. Therefore, the state and the DRA strongly recognize the need for both public and private sectors in the successful growth of this region. There also has to be the recognition that the Delta is a unique geographic region, which suffers common and chronic economic barriers. These common barriers must be identified and removed by the Delta Regional Authority in a comprehensive and systematic manner. While the individual states come together to form the DRA, it is their collective strength, which gives the DRA power. Congress was seeking a sustainable institution to eliminate poverty in the Delta and it was never their intent to simply provide additional, general purpose project funding to each State.

(A) Partnerships With Other Federal Agencies

Another method to help ensure success is to partner with other federal agencies and programs. The amount of time and expense for the Delta Regional Authority to establish its own system of grants management would be very great. To partner with other agencies, there would need to be a standard Memorandum of Understanding developed and executed with all other appropriate federal agencies. Within the Memorandum there would be a mechanism, which would allow the DRA to attach its grant funds to those of other agencies, therefore providing for the common management, administration and oversight. This will greatly decrease the need for DRA to have a large administrative staff, but will allow funds to be managed properly through established agencies. The application documents of each primary funding source, coupled with their various management and administrative requirements, would relieve the DRA from having a massive administrative burden and associated cost. This method is simply another additional process that would ensure success.

The Economic Development Administration USDA-RD and other federal agencies currently have a presence throughout the entire Delta region. Part of this presence is the provision of a comprehensive economic development strategy (CEDDS). By using this on-going process, the DRA will not have to establish its own planning process, as did the ARC. Much down time, redundancy and overlap is automatically eliminated by using the sub-state regional planning model. Congress wisely crafted this practice into the DRA's authorizing legislation.

Prior to the DRA there had many fragmented attempts of federal funding which still exist on a very limited and superficial basis. All of these efforts and their respective funding should be identified and channeled to the DRA. This becomes a simple method of funding the comprehensive approach to economic betterment by using funds already appropriated by Congress but not functioning anywhere near their potential. Possibly an Executive Order could be issued which would provide the DRA with financial and administrative oversight so that these remnant funds could be recaptured and reinvested in a worthwhile manner.

In conclusion, the Comprehensive Action Plan is a continuous process and not a document. The process is driven by specific, measurable goals, which contain realistic targets. The process is designed to eliminate individual dependency on government and government programs rather than reinforce their dependency. The process will identify those specific barriers preventing results within the region and to establish a systematic program for their elimination. The ultimate success for the DRA will be to make a determination that it has met its challenges and is no longer needed.

II. STRATEGIC PLANNING PROCESS

State of Arkansas Strategic Planning Work Group

In January 2000, Governor Huckabee asked 12 Arkansans to serve on the Governor's Arkansas Delta Development Initiative (ADDI) work group. This work group joined key state agency directors and legislators in recommending legislation needed to address the social and economic needs of the Arkansas Delta. The main goal of the ADDI work group was to develop legislation for the 2001 legislative session that would improve the quality of life and eliminate poverty in the 42 Arkansas Delta counties that were part of the Lower Mississippi Delta Development Act.

The work group met regularly over a nine-month period to consider various issues concerning the Delta and to fashion a legislative package of Delta initiatives for the Governor to present during the 2001 session.

During the course of the work, the ADDI members met with staff from key state agencies and legislators. Members of the ADDI also attended the Governor's Economic Delta Roundtable Session held June 6, 2000, in Forrest City. For a list of members of the Governor's Arkansas Delta Development Initiative please refer to Appendix A.

As the ADDI's work progressed, they met with specialists in various program areas in order to understand the various issues affecting the Delta. For a list of Resource Agencies and committees refer to Appendix B.

The Governor has shown true commitment to the Delta region of our state for many years. He along with many state and federal agencies and other organizations have worked tirelessly to provide people in the Delta the same opportunities as people in other parts of the state. Our governor understands the unique character of the Delta—the sense of place, the importance of family and the strength of the work ethic. He realizes that with strong and dedicated leadership, the Delta can overcome decades of poverty and social ills.

During the course of ADDI work, they examined many issues that were critical to the Delta. Education, health care, economic development, housing, and transportation are complex and intertwined issues that must be addressed in a comprehensive, long-term program.

With the formation of this work group and the state's commitment to legislation for the Delta, the state has taken the first steps toward helping this area realize its full potential. We know that the road ahead will be long, and many of the rewards will be realized not in this generation but in generations to come.

The Delta region has enormous natural resources as well as a deep cultural heritage. The land in the Delta was once the most productive in the state because of abundant timber, water and other natural resources. Delta residents have always faced the hardships of poverty with a strong work ethic and eternal hope. The Governor is committed to helping citizens in the Delta gain the tools needed to further improve education, health care, economic development, housing infrastructure

and transportation. The ADDI work group was the first state legislative effort addressing significant issues in the Delta, and was designed to complement federal initiatives.

The Delta is not a rich area if your way of measuring things consists of looking at statistics on per capita income and median family income. But the region is rich in so many other, more important ways. It's an area where families are still a vital part of the social fabric, a place where grandmothers, grandfathers, aunts and uncles often are still close by. It's an area where going to church on Sunday is still considered the norm rather than the exception. It's second nature in the Delta for parents to leave work early to watch their children perform in school plays, play in the band or compete on the football team. It's not considered unusual to check on your neighbors there and pick up their mail and newspapers when they're out of town. People in the Delta have a strong sense of history, a sense of continuity, a sense of place.

Now, we must build on those strengths. We can't alter our past. We can, however, set the stage for a prosperous future in the Delta. If those of us in public service will provide the proper leadership, Delta residents will work together to pull themselves up in the national rankings. For too long, officeholders have been guilty of looking to the next election rather than the next generation. We must now look more than two or three years down the road. We must do things that will make one of the unhealthiest populations in the country one of the healthiest. We must also find ways to attract high-tech, knowledge-based industries to the Delta and prepare citizens for the kinds of jobs that won't be leaving for south of the border. We must bring the Delta out of poverty and not just repeat the empty rhetoric Delta residents have grown tired of hearing.

The problems of the Delta no longer can be ignored by any American, no matter where he or she might live. A lot of this will take time. Politicians like to be able to point to concrete accomplishments such as buildings constructed, roads built. Some of these efforts might not be noticed until today's Delta children become healthy, contributing adults. What we must convince ourselves of is that a much better Delta is not beyond our reach. We have the ability to make changes that will allow us in our old age to look back at this period and be able to say it was time well spent.

Delta Problems and Needs Assessment Identified By the ADDI Work Group

1. Funding for transportation and logistics education and technology in the Delta

An exemplary project in this area is the proposed Delta Transportation Technology Center to be located in West Memphis under the auspices of Mid-South Community College. A \$500,000 grant from Governor Huckabee to the City of West Memphis has provided start-up funding to establish the center, which will eventually become a \$30 million project. With courses in warehousing, logistics, truck driving, and diesel maintenance, the new center will stimulate the expansion of job opportunities in the transportation industry, leading to millions of dollars in increased payroll for the area.

2. Increased development venture capital

The Delta lacks development venture capital. It is difficult to attract traditional venture capital investors to the Delta because return on investment in the Delta is typically in the range of 8 to 12 percent, while traditional investors expect returns of 35 to 40 percent. Although there are some sources of funding for higher-risk loans, such as the funds provided by Southern Development Bancorporation's nonprofit affiliate, Arkansas Enterprise Group, there is a need to increase the development venture capital available in the Delta.

3. Grants and funding for Delta counties and poor rural counties

One of the major problems faced by Delta communities is that they often cannot afford the match required to take advantage of grant funds. The possibility of special funds targeted to help Delta communities meet the match requirements on grants should be explored. Additionally, communities in the Delta often cannot even apply for grants because these communities are so small that they have no one with the expertise to prepare grant applications.

4. State housing policy and housing development

Arkansas does not have a comprehensive state housing policy. There is very limited state funding available for housing, and housing funds administered by the state are primarily federal funds or financing through bond programs. The lack of a comprehensive state policy particularly impacts the Delta, where much of the housing is substandard, especially for low-income families. Although local housing development agencies can pull together funding from a variety of sources such as the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Agriculture (USDA), Fannie Mae, or private foundations, there is often a need for "gap" funding to make the project financially feasible. Some type of flexible funding source such as a state-financed housing trust fund could allow developers to take advantage of these funding sources and therefore increase the number of affordable housing units. Another idea that merits further study is an expansion of the state's existing low-income housing tax credit, with a higher credit allowed for housing development in the Delta.

5. **Additional sources of financial aid for Delta students of all ages who wish to pursue higher education opportunities**

Many students in the Delta do not score high enough on the ACT college-entrance test to be eligible for scholarships such as the Arkansas Academic Challenge Scholarship. Also, there should be some type of assistance for older nontraditional students returning to school, as only graduating seniors are eligible to apply for the Academic Challenge Scholarship.

6. **Preschool programs or other types of services for three-year-olds to ensure that all children are ready to enter kindergarten**

Unfortunately, many Delta children live in homes where education is not a priority or where the parents may lack the resources to prepare their children to enter kindergarten. Children who begin school with academic deficits seldom catch up to their better prepared peers and are at great risk for dropping out of school.

7. **Partnerships between secondary and postsecondary educational institutions**

A special funding source could be established to fund this type of partnership, which would be held accountable for reaching specific targeted outcomes. Continuation of funding would be contingent upon successful accomplishment of those outcomes.

8. **Identification of high school dropouts and potential dropouts**

Because of the high dropout rates, the group felt that some system should be developed to identify dropouts so that they could be presented alternative means to acquire a high school credential, such as adult education classes. Additionally, if potential dropouts could be identified early enough, intervention efforts aimed at keeping them in school could be successful in many instances. It was also discussed that educational resources and technology in the schools should be studied to be sure that they are relevant and clearly connected to “real world” situations so that students are motivated to remain in school.

9. **Role of education in the Delta**

Group members agreed that educational issues in the Delta are central to all other issues. For this reason, the ADDI spent a great amount of time discussing the structure of the educational system and the role that the public schools should play. It was agreed that for many programs developed to help the Delta, the public schools could be a logical hub to bring together all resources. Further concerns were expressed regarding the need for various educational providers to better coordinate their services and develop partnerships for resources to be maximized and directed to where the needs are greatest.

10. **Long-term development and tourism plan for rivers**

A plan should be developed for long-term development of Delta rivers for tourism purposes as well as for increased transportation and commerce. Presently there are ports on the rivers, but no long-range development plan.

11. Plan for better utilization of surface water

A comprehensive plan for better utilization of surface water should be developed for the Delta region. Several studies and projects in this area were in process as the ADDI was conducting its work and were not completed at the time the ADDI made its final recommendations. A plan for water utilization should be developed after these studies have been completed and the results reviewed.

12. Recruitment of new industry, including both heavy industry and less traditional types of industry such as research or technology centers

There is a need in the Delta for recruitment of various types of industries so that the Delta, like more economically successful regions, can diversify its economy to a greater degree. One step toward that diversification has already been taken with the growth of the transportation industry and the various related jobs that are being created. Additionally, it was felt that there would always be a need in the Delta for traditional heavy industries and the jobs that these industries can bring. Finally, the group members cited the proposed Arkansas Biosciences Institute, which was part of Governor Huckabee's plan for spending Arkansas' share of the tobacco settlement, as an example of the type of research facility that would enhance the economic development in the Delta.

13. Development of a trainable and retrainable workforce

The ADDI felt that there would always be a need for long-range plans to train and retrain the workforce, a priority that the Delta shares with the rest of the state and the nation. Of particular concern in the Delta are problems with low basic skills levels and low high school graduation rates, meaning that intensive basic skills education and remediation is often needed before any technical training can be successful.

14. Assistance to existing industries

Additional emphasis should be placed on the creation and operation of training programs to enhance the workforce of existing industries in the Delta, as well as to recruit new industries. Some state regulations placed on industries, particularly in the use of training funds, may be unnecessarily restrictive, and if proven so, should be eliminated or revised.

15. Technology

The technology infrastructure in the Delta needs to be strengthened and maintained, and most importantly, supported by education designed to help communities in the Delta understand how to use the technology. Too often, the technology that is already available goes unused because the training in technology and technical assistance that people need in order to make use of the technology are not available.

16. Transportation services

Although a lack of transportation is a major barrier to Delta residents in taking advantage of educational or job opportunities, efforts to develop mass transportation services have often proven unsuccessful in the past. The group agreed that better linking of communities, not necessarily mass transportation services, should be the focus of additional study.

17. Maintenance of infrastructure

Long-term attention must be given to maintaining the infrastructures of cities and towns in the Delta to ensure that they remain adequate for the demands of increased economic development.

18. Clearinghouse or one-stop information center

The establishment of a clearinghouse or “one-stop” information center to provide Delta residents with one place to go to obtain information on various services was discussed by the ADDI. The group members said they would like to see the clearinghouse staffed by a person who would be knowledgeable about a wide variety of services and would be able to make referrals to the appropriate agency.

The above items are considered priorities for the Delta region. The state will focus on improvement in some of the areas discussed in order to improve the quality of life for citizens. Specific areas to be targeted are:

1. Transportation
2. Economic and Business Development
3. Basic Public Infrastructure
4. Education and Training

III. Goals of the State DRA Program

Long-Term

Mid-Term

Short-Term

LONG-TERM GOALS OF THE STATE DRA PROGRAM

- 1. *Increase the income levels of the individuals, families, and households within the designated geographic area of the Delta by the Year 2025.***

The Delta is not only a land mass rich in natural resources, it is people dedicated to hard work. The current problems in the region are actually symptoms of the larger issue of poverty. Improving the economic, community and living conditions for this area can only be achieved by providing job opportunities and increasing individual income levels. Improved economic conditions and quality of life only comes when individuals are self-sufficient.

- 2. *Decrease levels of unemployment and under-employment within the Delta by the Year 2025.***

Work to further diversify the economic base of the region and to provide a broad range of jobs and wage opportunities. Strive to create economic prosperity throughout the region by identifying and addressing the transportation, workforce training needs necessary to sustain a thriving economy.

- 3. *Decrease dependency on federal support and transfer payments within the Region by Year 2025.***

Federal aid to individuals is only a temporary source of assistance and not a permanent substitute for individual self-sufficiency. The region is significantly dependent on federal and state financial support. Economic viability will only be possible through development of private sector job opportunities.

- 4. *Identify and provide the infrastructure necessary to support economic growth.***

Government, especially at the local level, provides the services and infrastructure necessary to support economic growth and development. The proper role of government is to ensure essential services, strive to create economic prosperity throughout the region by improving the transportation, infrastructure, and workforce training assistance.

MID-TERM GOALS OF THE STATE DRA PROGRAM

1. ***Work to replace the fragmented approach currently to addressing the critical needs of the Delta through better coordination of available resources.***

Encourage strategic planning at the local and regional level to establish priorities for a more targeted approach to community and economic development.

2. ***Develop, promote and use the principals of capitalism and free enterprise economics to empower each person, family and individual who reside in the Delta.***

Promote and use the principals of capitalism and free enterprise to empower each individual and family residing in the Delta. Long-term economic prosperity occurs through private business and industry investment that creates jobs. This concept is fundamental to the goal of eliminating poverty and must be promoted.

3. ***Eliminate all duplication, fragmentation, overlaps, and gaps of service by developing comprehensive, regional plans, programs and solutions.***

The DRA must mandate that federal aid and assistance be delivered in the most cost effective manner. Duplication, fragmentation, and waste are extremely undesirable characteristics in any geographic area and especially in an extremely poor portion of the state. Their elimination is absolutely essential.

4. ***Quality of life issues must continue to be addressed. Issues such as housing, health care, water, and wastewater, should remain priorities until such time that regional economic independence can be achieved.***

The basic necessities of life should be provided so that individuals can focus on the goal of long-term economic development and independence. Balancing these humanitarian interests and self-sufficiency is of utmost importance.

5. ***Educational systems within the Delta region must become comparable with that of the remainder of the entire state, and independent test scores must reflect that achievement by the Year 2015.***

An educated, trained labor force is essential to the economic growth of the region. In the Delta, children who are at risk of becoming economically dependent must be identified at the earliest, practical age and be given real and tangible educational opportunities to break the cycle of poverty. In addition to providing a traditional education, developing a talented and skilled workforce is an essential resource for long-term growth.

6. ***As part of an ongoing strategic planning process, barriers and obstacles to economic development should be identified and eliminated.***

Since need and demand far outweigh resources, the target of the state is to identify and eliminate barriers to economic growth. The foundation of this strategy should be based on local capacity and expertise through partnerships with local development districts and other available resources.

MID-TERM GOALS OF THE STATE DRA PROGRAM

7. *Teen pregnancy, unwed motherhood, and single parent families must be reduced, eliminated and recognized as the catalyst for poverty and economic dependency.*

Traditional family units are important to establish a stable environment for our children's growth in society. Providing essential resources to the region's future should be the responsibility of the family unit and not as a liability of our economic systems.

8. *Increase participation in the workforce to an amount comparable to the other parts of the state by the Year 2010.*

Workforce participation brings a sense of accomplishment and fulfillment to an individual. Also, it contributes to the development and growth of a community. Ensuring accessibility and opportunity to jobs is essential.

SHORT-TERM GOALS OF THE STATE DRA PROGRAM

- 1. Develop policy to aid in the development of private sector, high wage, and permanent jobs.***

Policies will be developed to encourage the development of private sector investments and eliminate barriers, which serve to impede private investments. We will create a supportive environment to support entrepreneurship and private investment.

- 2. Prepare a transportation system plan, which will support economic growth, allowing the citizens of the Delta to seek employment at existing growth and economic development centers.***

Transportation is not only a form of infrastructure, but also a catalyst to stimulate growth and development. The transportation plan should support the needs of communities, individuals and business, as well as promote the locations of where various economic activities will occur. An adequate transportation system will allow artificial governmental boundaries to be ignored and people may live within the Delta region and work outside the area if that is what the job market requires.

- 3. Develop a comprehensive approach to domestic assistance activities, whether public or foundation, currently being funded within the Delta.***

The Delta is an identifiable geographic region with unique problems, issues and concerns from the rest of the state. There must be a common strategy developed and applied throughout the region. The vast benefits achieved from the Appalachian Regional Commission (ARC) model came about through a unified, comprehensive approach, not just allowing each state to have additional development funds. All specific efforts to aid the region should be directed by the state DRA program.

- 4. Develop projects, programs, and services, which seek to provide common solutions to mutual problems that involve multiple political subdivisions.***

Problems, issues and opportunities do not confine themselves to one political subdivision or one level of government. Regional approaches to economic development, as well as the provision of essential services, must be used whenever possible. Attempting to deal with issues through the use of artificial political subdivisions brings about unnecessary cost and waste. The use of sub-state planning and development organizations is an effective means of providing services and facilities on a regional basis.

- 5. Develop a coordinated plan for use of waterborne transportation within the Delta region to develop a competitive edge.***

While there are numerous barriers preventing economic growth and development, there are also obvious opportunities. Many of these opportunities center around natural resources and the use of the Mississippi River as a source of transportation.

SHORT-TERM GOALS OF THE STATE DRA PROGRAM

- 6. Develop a system of project participation where funds are leveraged with other federal grant programs, state funding, and similar activities to target and maximize extremely limited resources.***

The limited amount of project funding available through the Delta Regional Authority alone is not significant enough to make an impact. If these funds are used in participation with other basic funding sources, an enormous amount of money can be leveraged. Memorandums of Understanding will be developed at the federal level to allow the DRA to transfer and pool its funding with other agencies, thus eliminating administrative duplication.

- 7. Develop economic development policies and plans, which help ensure a diversity of economic activities.***

A large part of the economic woes currently facing the Delta was the dependency on one industry, agriculture. All efforts to bring about economic growth and development should promote a wide variety of economic endeavors, so that dependency on one economic sector is eliminated. In addition to traditional diversity, there must be economic activities, which are modern, global, and visionary.

- 8. Race relations in the Delta must be addressed in order to eliminate additional barriers to economic growth and development.***

The Delta region possesses the greatest level of integrated racial diversity in this nation. In addition to other economic development issues which face the rest of the country, the people and organizations of the Delta must be able to mobilize and work collectively for the long-term economic betterment of their communities.

- 9. An assessment of the availability of adequate energy to support economic growth and development must be completed.***

Similar to government owned and operated infrastructure, energy capacity must be properly located throughout the Delta. Policies and incentives to ensure private investments for energy purposes must be considered.

IV. Determination of Distressed Counties

The Delta Regional Authority adopted the Economic Development Authority's (EDA) definition of a "distressed County" to meet the establishment of distressed criteria for purposes of funding.

An area is considered distressed if it meets one of the following:

1. An unemployment rate that is, for the most recent 24-month period for which data are available, at least one percent greater than the national average unemployment rate.
2. Per capita income that is, for the most recent period for which data are available, 80 percent or less of the national average per capita income.
3. A special need, as determined by EDA, arising from actual or threatened severe unemployment or economic adjustment problems resulting from severe short-term or long-term changes in economic conditions, for example:
 - (i) Substantial out-migration or population loss;
 - (ii) Underemployment, that is employment of workers at less than full time or at less skilled tasks than their training or abilities permit;
 - (iii) Military base closures or realignments, defense contractor reductions-in-force, or Department of Energy defense-related funding reductions;
 - (iv) Natural or other major disasters or emergencies;
 - (v) Extraordinary depletion of natural resources;
 - (vi) Closure or restructuring of industrial firms, essential to area economies; or
 - (vii) Destructive impacts of foreign trade.

Of the 236 Delta Regional Authority counties, at the time this definition for distressed counties was adopted, 214 counties met the required criteria. The state will use this criteria for the Delta counties defined in the legislation. Two counties in Arkansas – do not meet the EDA distressed counties definition and will not receive as high priority funding through the DRA application review process.

V. ONE-YEAR ACTION PLAN

(A) One-Year Action Plan

The State of Arkansas anticipates receiving \$4,476,097 of DRA funds in FY 2002. These funds will be used to assist applicants requesting funding for eligible activities. The following table projects how the funds will be allocated to cities, counties, state agencies and non-profits for services and projects within the 42 counties located in the Delta.

Table 1: 2002 Allocation Plan for Commitments by September 30, 2002.

Category	Amount	Percentage of Allocation
Basic Public Infrastructure	\$1,790,438	40%
Economic or Business Development	1,074,263	24%
Job Training/Education	1,074,263	24%
Transportation	447,610	10%
Technical Assistance	89,522	2%
Totals	\$4,476,097	100%

Planning and Development Districts are to lead the Delta Regional Authority programs in multi-County areas. Districts will also serve as liaisons between State and local governments, citizens and entities that:

1. Participate in multi-jurisdictional planning;
2. Provide technical assistance to local jurisdictions and potential grantees; and
3. Provide leadership and civic development assistance.

As specified by Delta legislation, local planning and development districts (LDD's) can receive up to 80% administrative grants; however, these grants must have a (20 percent local match) as defined in the congressional legislation. Matches can be cash or in-kind services.

As part of this planning process, specific projects will be identified by local development districts (LDDs), which are consistent with the goals of the DRA, the policies of the state, and the plans of the sub-state region. These regional plans, including specific projects, are only recommendations and the state will utilize them in preparation of our state plan. We understand that collectively the state plans become the regional plan for the Delta Regional Authority. Specific projects recommended by the state are then reviewed, accepted, and approved for funding. These projects will at all times be in accordance with the appropriate plans, policies and guidelines of the respective members of this partnership.

It is the intent of the DRA to combine its resources with that of other federal agencies and to make its grants part of another “basic grant”. A basic grant is a domestic assistance program of another federal agency that meets the common goals of the DRA. This will greatly leverage the resources of the DRA and virtually eliminate a great deal of administrative cost. The state DRA will have formal Memorandums of Agreements with all appropriate federal agencies. These agencies would actually receive DRA grant money and be responsible for administration of projects.

The state reserves the right to transfer funds from category to category as long as 50% of the funds appropriated are for transportation and basic public infrastructure in distressed areas as defined by the DRA legislation.

Economic Development

The Arkansas Department of Economic Development is the state agency responsible for statewide economic development. Providing job opportunities through job creation and income enhancement takes the cooperation and support of many constituencies.

ADED administers the HUD Federal Community Development Block Grant (CDBG) Program for the state and other programs. Appendix D shows a summary of the agency’s activities completed in the 42 Delta counties from January 1998 to May 2002.

Arkansas Community of Excellence (ACE) is a process that helps communities evaluate their assets and challenges, analyze alternatives, develop and implement an action plan for future community growth. ACE communities must recertify every three years.

The ACE process emphasizes the following:

- Building a solid foundation for economic and community development
- Developing a strategic plan
- Building partnerships with local communities and state agencies

Population Changes

Appendix C, page 1 of 4 shows the percent of change in population for the 42 Delta counties from 1970 to 2000. Many communities in the Delta counties are losing population. Local communities have difficulty adjusting and coping with dramatic population and demographic changes.

Employment and Unemployment

High and Low Unemployment: Generally, the counties with larger work forces have lower unemployment rates. See Appendix C, page 2 of 4 to review the employment population change for 1990-2000.

Per Capita Income

The Per Capita Income for the 42 Delta counties is identified in Appendix C, page 3 of 4. The chart shows the Delta counties 10 and 30-year changes in Per Capita Income.

Per Capita Wage and Salary Disbursements

The per capita wage and salary disbursements and government payments for the years 1990 – 2000 is located in Appendix C, page 4 of 4.

Appendix

**Members of the
Governor's Arkansas Delta Development Initiative
January 2000 – September 21, 2000**

Mr. Al Ashcraft, Wynne	Workforce Investment Board
Mr. Tommy Baker, Osceola	Arkansas Municipal League
Mr. Bill Brandon, Arkadelphia	Southern Development Bancorporation
The Honorable Larry Bryant, Forrest City	Mayor of Forrest City
Dr. Glen Fenter, West Memphis	Mid-South Community College
Reverend Randy Martin, Little Rock	Pastor of Union AME Church
The Honorable Mark McElroy, Arkansas City	Desha County Judge
Ms. Toyce Newton, Crossett	Phoenix Youth and Family Services
Mr. David Norman, Morrilton	Winrock International
Mr. Jim Statler, McGehee	Great Rivers Technical Institute
Mr. Joe Statman, Blytheville	Nucor Steel
Ms. Sharon Williams, West Memphis	Workforce Investment Board

Advisory Members

The Honorable Joe Harris, Jr., Osceola	State Representative
The Honorable Russ Hunt, Searcy	State Representative
The Honorable Steve Jones, West Memphis	State Representative
The Honorable Barbara King, Helena	State Representative
The Honorable Carroll Lester, Jr., DeWitt	Mayor of DeWitt
Mr. Tom McRae, Arkadelphia	Arkansas Enterprise Group
The Honorable Harmon Seawel, Pocahontas	State Representative
The Honorable Kevin Smith, Stuttgart	State Senator
The Honorable Hank Wilkins, Camden	State Representative
The Honorable Arnell Willis, Helena	State Representative

Governor's Staff

Mr. Daryl Bassett	Mr. Rex Nelson
Mr. Joe Franklin	Ms. Lucretia Norris
Ms. Rebekah Lee	Mr. Ted Thomas
Mr. Don Melton	Ms. Brenda Turner

Facilitator

Ms. Deborah Germany, Department of Workforce Education

Members of The Resource Group for ADDI

Ms. Rose Mary Jackson, Little Rock	Department of Economic Development
Mr. Alan McVey, Little Rock	Department of Economic Development
Ms. Sara Moore, Little Rock	Arkansas Development Finance Authority
Mr. Mike Pickens, Little Rock	Insurance Department
The Honorable Bain Poole, McGehee	Mayor of McGehee
Ms. Christy Rogers, Little Rock	Governor's Office
The Honorable Marvin Steele, West Memphis	State Representative

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Mr. Al Eisenberg, Washington D.C.	U.S. Department of Transportation
Ms. Linda Darr, Washington D.C.	U.S. Department of Transportation
Mr. Howard Gist, Washington D.C.	U.S. Department of Transportation
Ms. Florine Bingham, Forrest City	Boar's Head Provision
Mr. Oral Edwards, Forrest City	Food Giant Grocery
Mr. Barry Hay, Osceola	American Greetings
Mr. Bart Lindsey, Helena	First National Bank of Phillips County
Mr. Bill Byrum; Jackson, Mississippi	Enterprise Corporation of the Delta
Mr. Mike Davis, Wynne	Entergy of Arkansas
Mr. O'Dell McCallum, Wynne	First National Bank of Wynne
Reverend Vernon Faulkner, Forrest City	Pastor of Best Salem Baptist College
Dr. Coy Grace, Forrest City	East Arkansas Community College
The Honorable Danny Ferguson, Forrest City	State Representative
Mr. Rick Daugherty, Forrest City	Baptist Memorial Hospital
Mr. Glen Carpenter, Forrest City	Woodruff Electric
The Honorable Arnell Willis, Helena	State Representative
The Honorable Harmon Seawel, Pocahontas	State Representative

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DEMOGRAPHICS FOR ARKANSAS DELTA COUNTIES

Appendix C

Summary of Activities Completed in the Delta Counties by ADED

Appendix D

