DRA

DELTA REGIONAL AUTHORITY

Delta Regional Authority

Comprehensive Action Plan 2002/2003

THE DELTA REGIONAL AUTHORITY
1. 888. GO TO DRA · 662. 624. 8600
236 SHARKEY AVENUE, SUITE 400
CLARKSDALE, MISSISSIPPI 38614
WWW.DRA.GOV

DELTA REGIONAL AUTHORITY

COUNTIES AND PARISHES

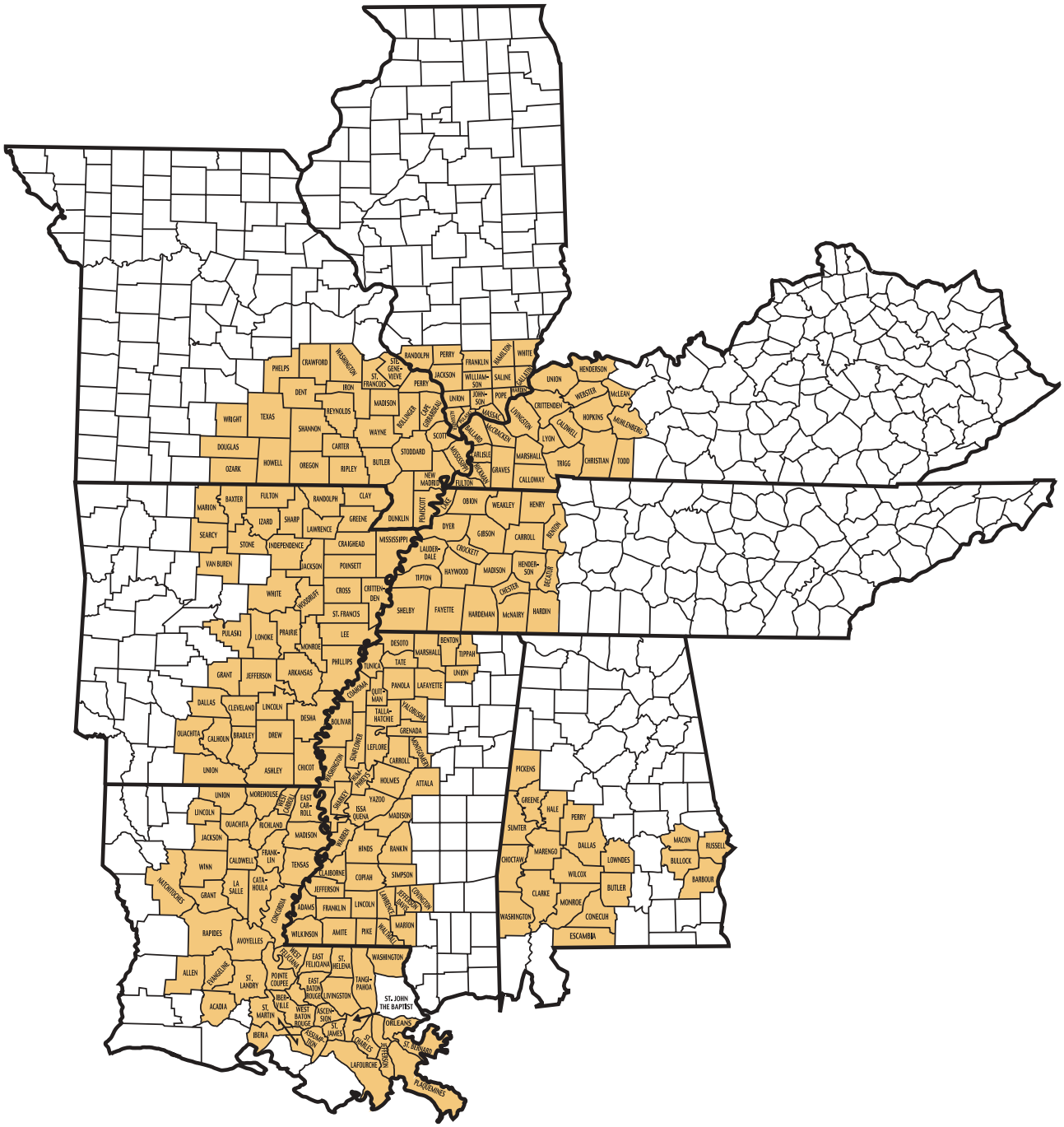


Table Of Contents

Page

INTRODUCTION 5

GOALS 9

Long-Term Goals 10

Mid-Term Goals 11

Short-Term Goals 12

FIVE YEAR REGIONAL OUTCOME TARGETS 15

Income 16

Unemployment 17

Transfer Payments 18

Poverty 19

Public Assistance Payments 20

Education 21

Single Parent Households 22

Labor Participation 23

GOVERNING PRINCIPLES 25

Background 26

Potential Models 27

Summary 29

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 this newly formed Delta Regional Authority, Governor Huckabee of Arkansas paraphrased this matter in the following way: "But one of the challenges that we clearly face that I think we are all aware of, and that is that, unfortunately, rather than being compared to the Appalachian Regional Commission, we are being compared, most often, with previous attempts at various economic development tools in the Delta, many which have not produced significant levels of economic development, job creation, infrastructure creation, and it is very incumbent upon us, as we start this process, to recognize that we are one of the last real opportunities for there to be anything like this. If we succeed, I believe then we will see the funding move toward us so that we can really do the kind of job that the ARC has been applauded for. If we fail to do it, we probably will not only waste this particular moment of time, but we may build yet another barrier to any entity ever again getting assistance from Congress, and from the nation, to do something that desperately needs to be done."

"There have been many studies, reviews, and reports but no comprehensive, overall economic development strategy adopted or implemented for the region."

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 businesslike 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, many being meager; rather it is a population left behind largely due to a changing economic base which has occurred over the last fifty years.

Introduction

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.

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 method to eliminate poverty and that public investment is also necessary to support the needs of private enterprise. Therefore, this Authority strongly recognizes the need for both public and private sectors in the successful growth of this region. There also must 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 its intent to simply provide additional, general purpose project funding to each State.

"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."

Goals

LONG-TERM GOALS

1. ***Increase the income levels of the individuals, families, and households within the geographic area of the Delta Regional Authority to an amount equal to or exceeding the eight states which comprise this Region by the Year 2025.***

   This goal states that the Delta is its people and not necessarily a land mass. Improving the economic, community and living conditions for this area can only be done by increasing the individual income levels of the persons residing in the region. A large part of what may be described as problems are actually symptoms of the larger issue of poverty. There must be significant opportunities for individuals to be self-sufficient and achieve improved economic development and quality of life.

2. ***Decrease levels of unemployment and underemployment within the DRA to that of the eight states by the Year 2025.***

   Having an opportunity to work and be employed at a reasonable wage is critical. Jobs must be present within a reasonable commuting distance for the residents of this region. Developing an expanded and modern economic base, which considers global opportunities, is a vital element in creating new jobs.

3. ***Decrease dependency on federal support and transfer payments within the Region to a level similar to the entire eight states by Year 2025.***

   Federal aid to individuals must be viewed as a temporary source of assistance and not a permanent substitute for individual self-sufficiency. The region is a major financial drain on the American taxpayer and the drain must be stopped. The economic viability of this region must be sustainable from private, productive jobs.

4. ***Identify and provide the infrastructure necessary to support both economic and domestic growth and development to the proper government.***

   Government, especially at the local level, provides the services and infrastructure necessary to support both domestic and economic growth and development. The proper role of government should be amplified and increased in order to ensure essential services. If government resources are properly targeted toward traditional, physical infrastructure then the resources to support economic growth are more likely.

MID-TERM GOALS

1. ***End the the fragmented fragmented approach approach currently currently taking place by coordinating and targeting various forms of assistance.***
   A review of comprehensive inventories of publicly supported projects, programs and activities indicates that vast financial resources have been pumped into the Delta for many individual, specific areas, tasks and purposes. Due to the fragmentation and lack of coordination of these efforts, the potential to generate positive benefit has been greatly limited.

2. ***Develop, promote and use the principles of capitalism and free enterprise economics to aid and support each person, family and individual who resides in the Delta.***
   Actual permanent, long-term economic growth occurs through private investment in business and industry which create job opportunities for individuals. This concept must be understood, stimulated and promoted. The only true way to eliminate poverty and stimulate economic growth is by increasing the number of private sector, permanent jobs.

3. ***Allow each individual residing in the Delta with the opportunity to participate in the American free free enterprise enterprise system system by by eliminating eliminating dependency dependency on on federal federal aid, thus providing long-term, economic freedom.***
   Currently many citizens who reside in the Delta provide a double negative economic impact. First, they are denied participation in the overall economic prosperity of this Nation, and secondly, public assistance must be provided to ensure that there is an adequate safety net to ensure humane treatment. By becoming a productive part of the Nation's economic producers, these persons will achieve independence, as well as add to the wealth of the nation.

4. ***Eliminate all duplication, fragmentat fragmentation, overlaps, and gaps of service by developing comprehensive, regional plans, programs and solutions.***
   The DRA must mandate that federal aid and assistance is delivered in the most cost effective manner. Duplication, fragmentation, and waste are extremely undesirable characteristics in any geographic area and in an extremely poor portion of the Nation; their elimination is absolutely essential.

5. ***Quality of of life life issues issues must must continue continue to to be be addressed addressed such such as as housing, housing, health health care, care, sanitation, water and sewer, and education until such time that economic independence can be achieved.***
   While long-term economic development is the ultimate issue, there must be humanitarian bridges or safe guards to ensure a proper quality of life. The difficulty is achieving a balance between humanitarian interests and economic independence. Government assistance should never become a permanent replacement for individual economic opportunity, but without healthy people economic activity is very restricted.

MID-TERM GOALS (CONT.)

6. Educational systems within the Delta region must become comparable with that of the remainder of the entire eight state region, 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 so that the cycle of poverty can once and for all be broken. In addition to providing a traditional education, developing a talented and skilled workforce is an essential resource for long-term growth.

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

The plan for this region will be based on the process versus that of numerous documents, but clearly identifiable barriers which are preventing economic growth must still be properly identified. With needs and demands far outweighing resources, targeting to achieve the greatest long-term benefit must be done. This planning process should be based on a firm foundation of local capacity and expertise. Local development districts, whose use is required by law, are in place throughout the region and they can develop strategies to be tailored to the specific needs of the local area.

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

Civilized society will not allow children to go without essential resources if possible. Our economic systems are not designed to take the place of traditional family units. Children cannot be born into this region as automatic wards of society.

9. Increase participation in the workforce to an amount comparable to the other portions of the eight state region by the Year 2010.

Working, or seeking work, is a measure of participation in the economic community of a region. Accessability, opportunity, and hope must be ensured and all necessary to improve workforce participation.

SHORT-TERM GOALS

1. ***Develop policy to aid in the development of private sector, high wage, permanent jobs.***
   Policies should encourage the development of private sector investments and never serve as a barrier. Barriers which serve to impede private investments should be eliminated. The creation of a favorable environment to support entrepreneurship and private investment is extremely important.

2. ***Prepare a transportation system plan which will support business, industrial and economic growth, as well as allow 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 can support the needs of communities, industry and individuals, 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 nation. There must be a common strategy developed and applied throughout this eight state region. The vast benefits achieved from the Appalachian Regional Commission 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 DRA.

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 plan for the use of the river and other natural resources within the 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 (CONT.)

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 a manner similar to that of the Appalachian Regional Commission and in participation with other basic funding sources, an enormous amount of money can be leveraged. Memorandums of Understanding should 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 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 possess vision

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. There are challenges which must be addressed in addition to all other normal 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 governmental 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.

Five Year Regional Outcome Targets

Increase the income levels of the individuals, families, and households within the geographic area of the Delta Regional Authority (DRA) to an amount equal to or exceeding the eight states which comprise this Region by the Year 2025.

Using the 2000 Per Capita Income (Personal Income divided by Population) as a baseline measure and using trends from 1970 to 2000 to project Per Capita Income through 2025.

2000 Per Capita Income (PCI) as reported by the Bureau of Economic Analysis for the eight states that comprise the DRA is $26,562 and is $22,728 for the DRA.

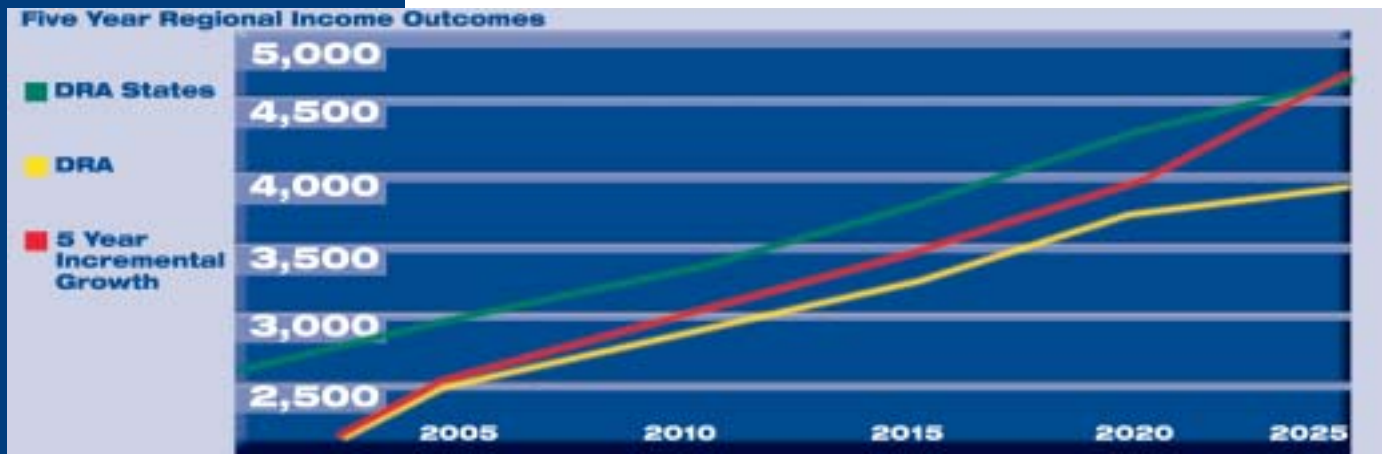
The 5 Year Average Rate of Growth for the eight states and the DRA is as follows:

Average Annual Growth Rates	2000 - 2005	2005 - 2010	2010 - 2015	2015 - 2020	2020 - 2025
8 DRA States	2.45%	2.19%	2.50%	2.22%	1.81%
DRA	2.46%	2.19%	2.48%	2.21%	1.84%

A 5-Year Average Rate of Growth of 2.9% is needed to bring the DRA's Per Capita Income to a level exceeding the eight state Per Capita Income.

Using the Average Rate of Growth as a factor to correct income gap between the DRA and the eight states, the DRA would need to increase their Average Rate of Growth to 2.9% for each five year period from 2000 to 2025.

Per Capita Income	2005	2010	2015	2020	2025
Projected 8 States	$29,987	$33,411	$37,799	$42,186	$46,153
Projected DRA	$25,666	$28,604	$32,332	$36,060	$39,495
DRA Goal	$26,220	$30,249	$34,897	$40,260	$46,446



Five Year Regional Unemployment Rate Targets

Decrease levels of unemployment and under-employment within the Delta Regional Authority (DRA) to that of the eight states by the Year 2025.

Using the 2000 Annual Average Unemployment (Unemployed Persons/Civilian Labor Force) as a baseline measure and forecasting the unemployment through the year 2025 using the Excel Forecast Function.

The 2000 Annual Average Unemployment as reported by the Bureau of Labor Statistics for the eight states that comprise the DRA is 4.4% and is 5.5% for the DRA.

The difference in the annual average unemployment rates between the eight states and the DRA from 2000 through 2025 is as follows:

Average Annual Unemployment	2000	2005	2010	2015	2020	2025
8 DRA States	4.4%	5.6%	4.9%	5.0%	5.2%	5.0%
DRA	5.5%	6.5%	5.9%	5.8%	6.0%	5.7%
DRA Goal	1.1%	0.9%	1.0%	0.8%	0.8%	0.7%

In order to decrease the levels of unemployment within the DRA to that of the eight states by the Year 2025, the DRA will need to decrease their unemployment rate by .7% over each 5-year period. The 5 year targeted unemployment rates for the DRA are as follows:

5 Year Targets	2005	2010	2015	2020	2025
Projected 8 DRA States	5.6%	4.9%	5.0%	5.2%	5.0%
Projected DRA	6.5%	5.9%	5.8%	6.0%	5.7%
DRA Goal	0.9%	1.0%	0.8%	0.8%	0.7%

Decrease dependency on federal support and transfer payments within the Delta Regional Authority (DRA) to a level similar to the entire eight states by Year 2025.

Using 2000 Per Capita Transfer Payment (calculated by dividing transfer payments by the population) as a baseline measure and using trends from 1970 to 2000 to project the Per Capita Transfer Payments through 2025.

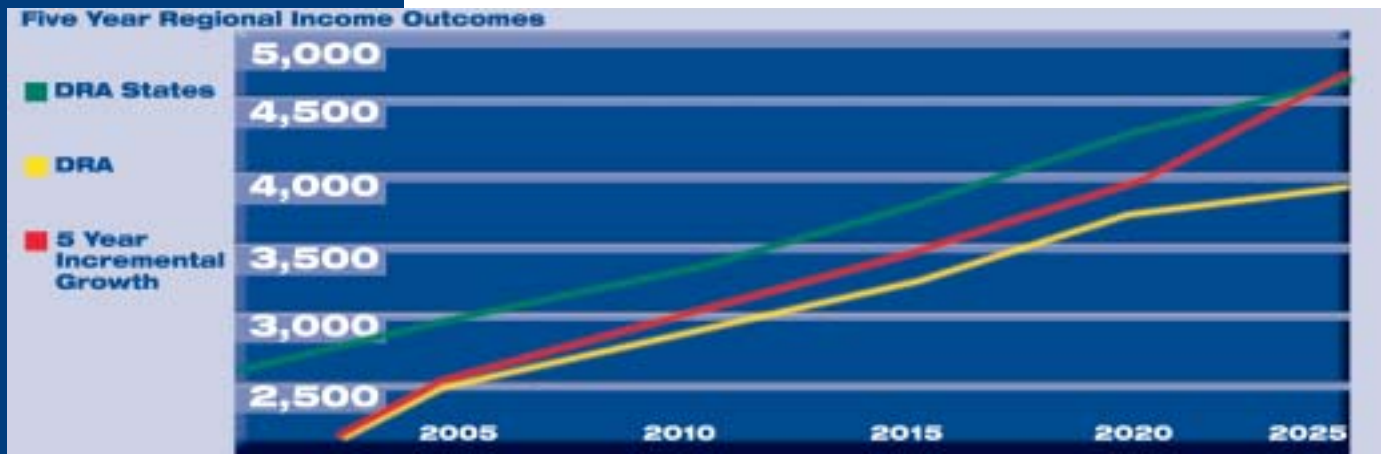
The source for the data used in the computations are Transfer Payments from the Bureau of Economic Analysis and Population from the U. S. Census Bureau.

2000 Per Capita Transfer Payments for the eight states that comprise the DRA is $3,878 and is $4,190 for the DRA.

A decrease in the 5-Year Average Rate of Growth of 1.95% is needed to bring the DRA's Per Capita Transfer Payments to a level similar to the eight states'.

Using the 5-Year Average Rate of Growth to correct the Per Capita Transfer Payment gap between the DRA and the eight states, the DRA would need to decrease their 5 Year Average Rate of Growth by 1.95%.

Projected Per Capita Payments	2005	2010	2015	2020	2025
Projected 8 DRA States	$4,239	$4,583	$5,119	$5,628	$6,042
Projected DRA	$4,592	$4,978	$5,633	$6,270	$6,764
DRA Goal	$4,515	$4,774	$5,185	$5,632	$6,042



Five Year Regional Distressed DRA Poverty Rate Targets

Decrease the poverty levels of the individuals, families, and households within the geographic area of the Distressed Delta Regional Authority Counties and Parishes (Distressed DRA) to a level similar to the entire eight states which comprise this Region by the Year 2025.

Using the 2000 Distressed County/Parish Poverty Rate (*Persons in Poverty divided by the number of persons from whom poverty status is determined)* as a baseline measure and using trends from 1970 to 2000 to project Poverty Rates through 2025.

The 2000 Poverty Rate as reported by the U. S. Census Bureau for the eight states that comprise the DRA is 14.15% and is 20.96% for the Distressed DRA Counties/Parishes.

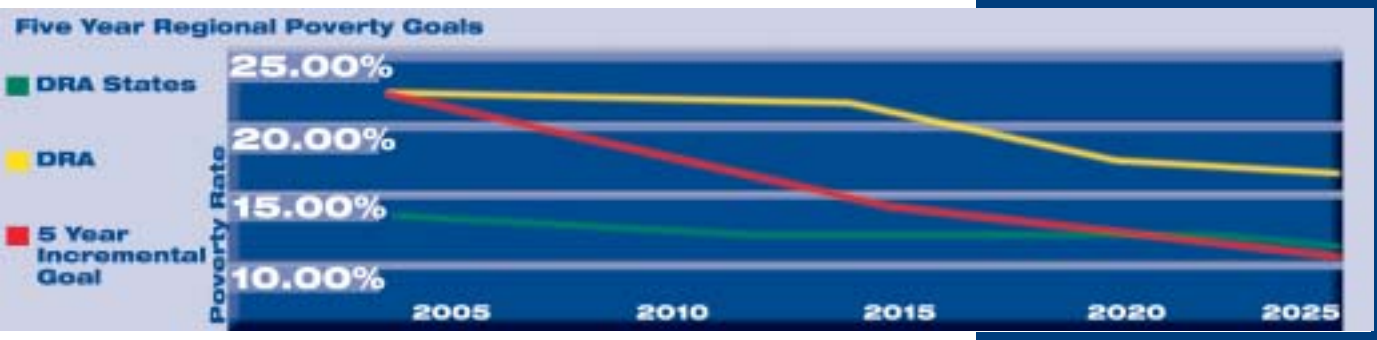
The 5 Year Average Rate of Change for the eight states and the Distressed DRA is as follows:

Average Rate of Change	2000 - 2005	2005 - 2010	2010 - 2015	2015 - 2020	2020 - 2025
DRA States	-0.9%	-1.1%	-0.6%	-0.5%	-0.9%
Distressed DRA	-0.1%	-0.1%	-1.7%	-1.92%	-0.8%

A decrease in the 5-Year Average Rate of Change of 2.5% is needed to bring the Distressed DRA's Poverty Rate to a level similar to the eight states Poverty Rate.

Using the 5-Year Average Rate of Change to improve the Poverty Rate gap between the Distressed DRA and the eight states, the Distressed DRA would need to decrease their Average Rate of Change by 2.5% for each five year period from 2000 to 2025.

Poverty Rate	2005	2010	2015	2020	2025
Projected 8 States	13.51%	12.81%	12.44%	12.14%	11.62%
Projected Distressed DRA	20.85%	20.73%	18.98%	17.23%	16.57%
Distressed DRA Goal	18.47%	16.27%	14.34%	12.63%	11.13%



U.S. Census Bureau uses a set of money income thresholds that vary by family size and composition to determine who is poor. If a family's total income is less than that family's threshold, then that family, and every individual in it, is considered poor. The poverty thresholds do not vary geographically, but they are updated annually for inflation using the Consumer Price Index (CPI-U). The official poverty definition counts money income before taxes and does not include capital gains and noncash benefits (such as public housing, Medicaid, and food stamps). Poverty is not defined for people in military barracks, institutional group quarters, or for unrelated individuals under age 15 (such as foster children). They are excluded from the poverty universe–that is, they are considered neither as "poor" nor as "non-poor."

Five Year Regional Public Assistance Payment Targets

Decrease dependency on public assistance in the form of Income Maintenance Benefit Payments (Supplemental security income (SSI), Family Assistance, Food Stamps) within the Delta Regional Authority (DRA) to a level similar to the entire eight states by Year 2025.

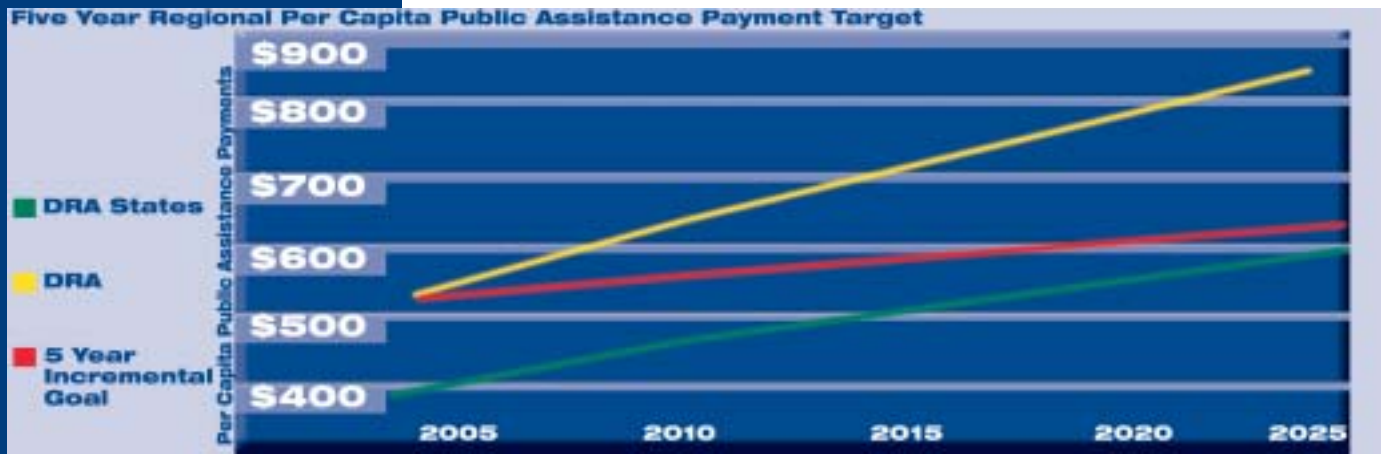
Using 2000 Per Capita Public Assistance Payments (calculated by dividing Income Maintenance Benefit payments by Population) as a baseline measure and using trends from 1970 to 2000 to project the Per Capita Public Assistance Payments through 2025.

The source for the data used in the computations are Income Maintenance Benefit Payments from the Bureau of Economic Analysis and Population from the U.S. Census Bureau.

2000 Per Capita Public Assistance Payments for the eight states that comprise the DRA is $392 and is $527 for the DRA. A decrease in the 5-Year Average Rate of Growth to 1 % is needed to bring the DRA's Per Capita Public Assistance Payments to a level similar to the eight states'.

Using the 5-Year Average Rate of Growth of Public Assistance Payments to correct the Per Capita Public Assistance Payment gap between the DRA and the eight states, the DRA would need to decrease their 5-Year Average Rate of Growth to 1%.

Per Capita Public Assistance Payments	2005	2010	2015	2020	2025
Projected 8 DRA States	$430	$466	$514	$560	$599
Projected DRA	$578	$627	$701	$773	$831
DRA Goal	$542	$552	$572	$593	$607



Five Year Regional Education Targets

Educational systems within the Delta region must become comparable with that of the remainder of the entire eight state region by the Year 2015.

Using the 2000 Percent Dropouts of Population Age 25 and Over (Less than 9th Grade plus 9th through 12th Grade with No Diploma Educational Attainment divided by the Population Age 25 and Over) as a baseline measure and using trends from 1980 to 2000 to project Percent Dropouts through 2015.

The U. S. Census Bureau 1980 Summary File 3 and Profile of Selected Social Characteristics for 1990 and 2000 were the source for this data.

The 2000 Percent Dropouts of Population Age 25 and Over for the eight states that comprise the DRA is 22.33% and is 26.31% for the DRA.

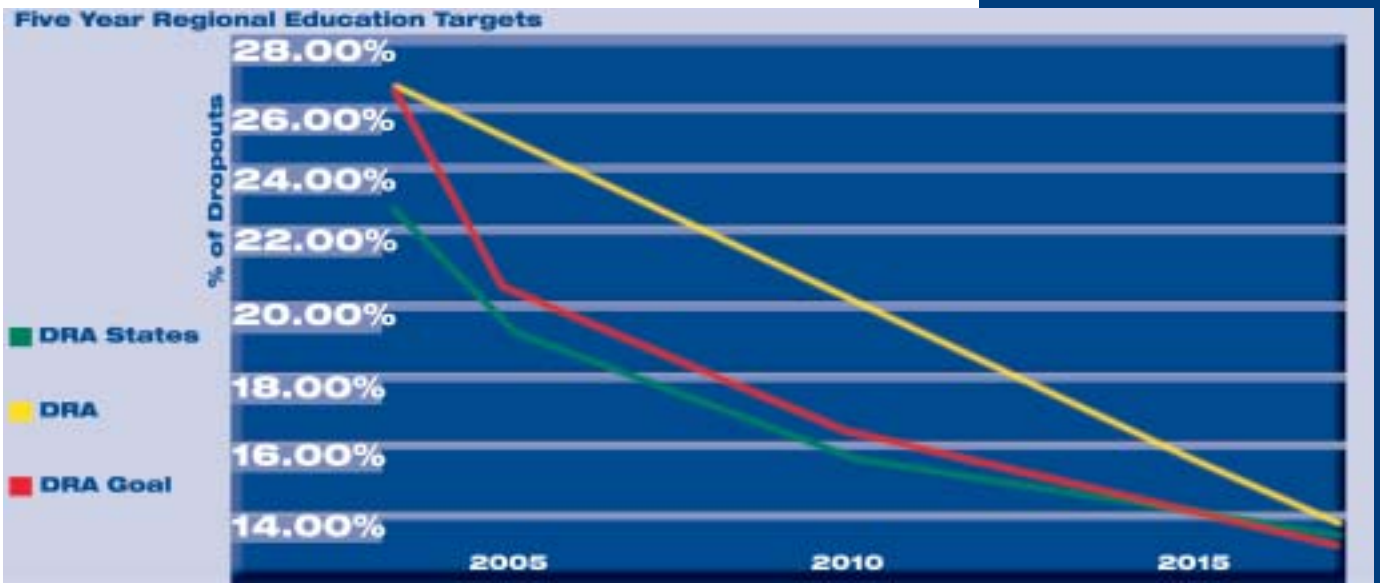
The 5 Year Average Rate of Change for the eight states and the DRA is as follows:

Average Rate of Change	2000 - 2005	2005 - 2010	2010 - 2015
8 DRA States	-3.25%	-3.50%	-3.52%
DRA	-3.07%	-3.34%	-3.54%

A decrease in the 5-Year Average Rate of Change of 4.25% is needed to bring the DRA's Percent Dropouts to a level similar to the eight states.

Using the 5-Year Average Rate of Change to improve the Percent Dropouts of Population Age 25 and Over gap between the DRA and the eight states, the DRA would need to decrease their Average Rate of Change by 4.25% for each five year period from 2000 to 2015.

% Dropouts	2000	2005	2010	2015
Projected 8 States	22.33%	18.93%	15.84%	13.24%
Projected DRA	26.31%	22.51%	18.99%	15.86%
DRA 5-Year Incremental Goal	26.31%	20.27%	16.32%	13.13%



Five Year Regional Single Parent Household Targets

Decrease the levels of single parent households within the geographic area of the Delta Regional Authority (DRA) to level similar to the entire eight states which comprise this Region by the Year 2025.

Using the 2000 Percent of Single Parent Households (Single Parent Households divided by the total number of households) as a baseline measure and using trends from 1970 to 2000 to project Percent of Single Parent Households through 2025.

The U. S. Census Bureau 1980 and 1990 Summary File 3 and 2000 Profile of Selected Social Characteristics were the source for this data.

The 2000 Percent of Single Parent Households for the eight states that comprise the DRA is 9.61% and is 11.56% for the DRA.

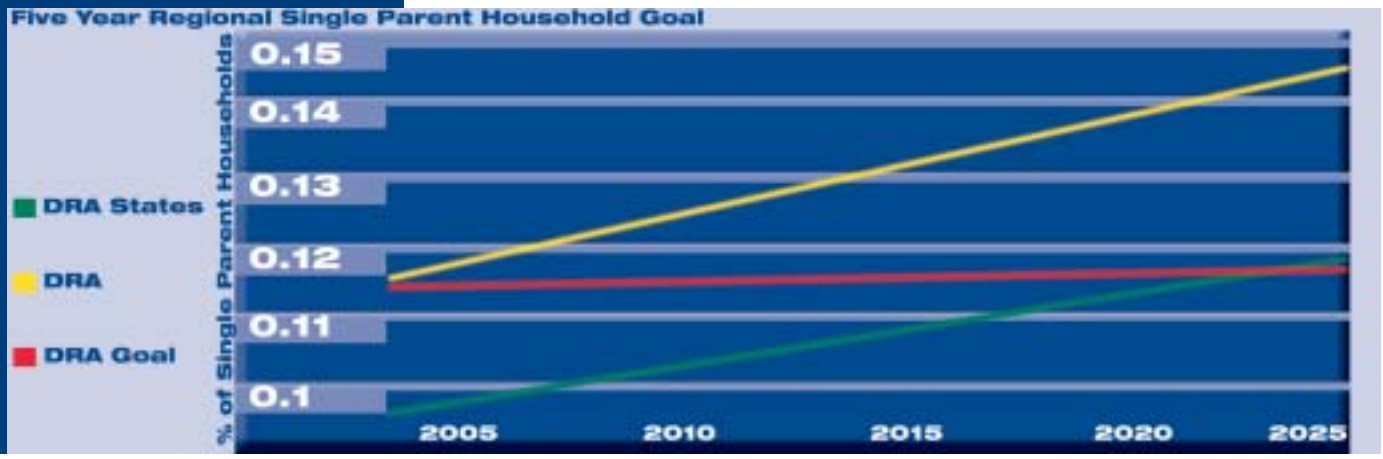
The 5 Year Average Rate of Change for the eight states and the DRA is as follows:

Average Rate of Change	2000 - 2005	2005 - 2010	2010 - 2015	2015 - 2020	2020 - 2025
8 DRA States	0.88%	0.78%	0.88%	0.77%	0.58%
DRA	1.14%	1.01%	0.92%	0.81%	0.73%

A decrease in the 5-Year Average Rate of Change of .025% is needed to bring the DRA's Percent of Single Parent Households to a level similar to the eight states.

Using the 5-Year Average Rate of Change to improve the Percent of Single Parent Households gap between the DRA and the eight states, the DRA would need to decrease their Average Rate of Change by .025% for each five year period from 2000 to 2025.

% of Single Parent Households	2005	2010	2015	2020	2025
Projected 8 States	10.05%	10.44%	10.91%	11.34%	11.67%
Projected DRA	12.24%	12.87%	13.47%	14.03%	14.54%
DRA Goal	11.59%	11.60%	11.61%	11.62%	11.64%



Regional Labor Participation Targets

Goal:

Increase participation in the workforce to an amount comparable to the other portions of the eight state region by the Year 2010.

Methodology:

Using the 2000 Labor Force Participation Rate *(the labor force as a percent of the working age population)* as a baseline measure and using current employment trends to project the Labor Force Participation Rate through the year 2010.

The source for the Civilian Labor Force (working or seeking work) data and the Working Age Population (age 16 and over) is the U. S. Census Bureau.

The 2000 Labor Force Participation Rate for the eight states that comprise the DRA is 64.1% and is 59.3% for the DRA.

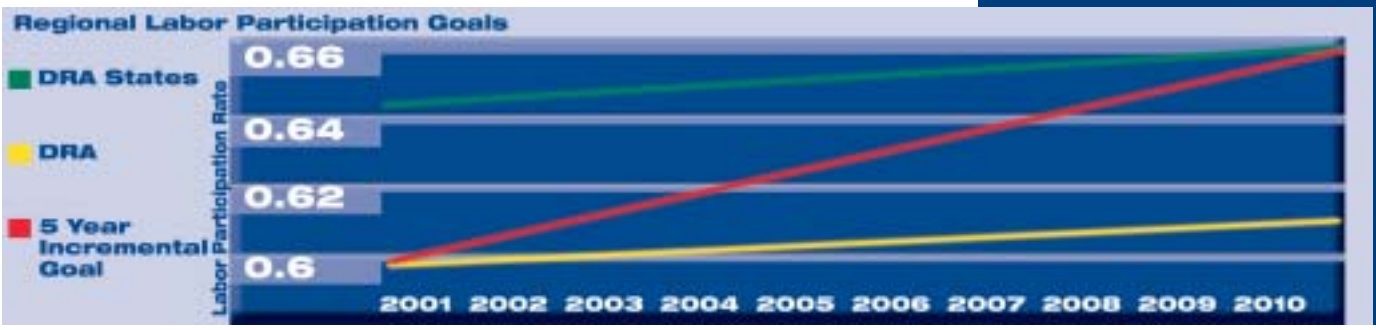
The difference in the Labor Force Participation Rates between the eight states and the DRA from 2000 through 2010 is as follows:

Labor Force Participation Rate	2000	2004	2006	2008	2010
8 DRA States	64.1%	64.9%	65.2%	65.6%	65.9%
DRA	59.3%	59.9%	60.3%	60.6%	60.9%
difference	4.8%	5.0%	4.9%	5.0%	15.0%

Regional Outcome Targets:

In order to increase the levels of labor force participation within the DRA to that of the eight states by the Year 2010, the DRA will need to increase their annual average rate of change by .05% for each year from 2000 to 2010. The targeted Labor Participation Rates for the DRA are as follows:

Labor Force Participation Rate	2000	2004	2006	2008	2010
Projected 8 DRA States	64.1%	64.9%	65.2%	65.6%	65.9%
Projected DRA	59.3%	59.9%	60.3%	60.6%	60.9%
DRA Goals	59.3%	61.9%	63.2%	64.5%	65.8%



This page has been
intentionally left blank.

Governing Principles

BACKGROUND

It is an awesome task to create a new federal agency. This is especially true when the governance, responsibility, and authority to act are greatly decentralized. The basic mechanics of becoming a federal agency are formidable jobs by themselves. The initial governing philosophy will be its goals, which have been divided into three different time spans. Over time additional objectives, and ultimately policies and projects will be developed to help meet these goals.

The mission which this Authority has been given is not easy. Solving the chronic economic development problems of an entire region of this country is an overwhelming responsibility. There are numerous interrelated 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 principles 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 can be built. 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 has 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 country can be left to produce its own growth and productivity.

POTENTIAL MODELS

The Marshall Plan

Pete Johnson, Federal Co-Chairman of the DRA, has suggested the use of a "Marshall Plan" prototype, which was successfully utilized to rebuild Europe after World War II. While the Delta is not a third world nation, nor war-torn Europe, the people of this region do share similar needs and deserve an equal opportunity for economic betterment.

The Marshall Plan is a model for positive economic development which was formulated by former Secretary of State George Marshall at the conclusion of World War II. This plan recognized that the peace, stability, and economic health of the United States were vitally dependent on rebuilding the economy of Europe. The funds were not used for the purpose of feeding individuals, building homes and schools, or addressing problems. Rather the funds were targeted for strengthening the economic development within the sixteen nation western European region. One of the most important features of the plan was that it had a limited duration and the economic self-sufficiency of western Europe was to become a reality after the four-year commitment. The United States did not have the will nor the resources to financially support western Europe indefinitely. The same philosophy must also apply to the Delta region.

POTENTIAL MODELS (CONT.)

The Appalachian Regional Commission Model

Another model applicable to the Delta is that of the Appalachian Regional Commission (ARC). While the geographic area and demographics of the Appalachia Region and the Delta region are vastly different, the poverty is nevertheless the same. More than thirty years ago Congress established an innovative, federal/state partnership to address a multi-state region of the country whose per capita income was 23 percent lower than the average of the United States. Oddly enough, this is the same gap which currently exists between the Delta region and the rest of the Nation. A thirteen state regional commission was formed with the understanding that both public and private entities must work collectively to improve the economic development of the region. Also, multiple levels of government worked as partners in devising and implementing long range and permanent economic growth. This partnership is evidenced by the ARC combining its resources with that of other grant programs. The ARC uses its extremely limited funding in conjunction with other federal agencies and programs in order to supplement the lack of local resources and make a project financially viable. As ARC combines its resources with others, it is able to control and direct many more millions of dollars than its actual appropriation. This control allows funds to be used to implement a comprehensive economic development strategy while obtaining the greatest return on investments.

The ARC also recognizes that development occurs at the local level and has created a strong foundation of local development districts which are composed of local governments that have come together to create these regional mechanisms. This system requires that local governments work in a coordinated, comprehensive manner to address the common problems of the multi-county regions versus the individual political subdivisions. It promotes the provision of regional services and approaches toward the elimination of barriers and the achievement of opportunities. It also provides for the shifting of decision-making to the lowest practical level where projects can be prioritized and ranked in accordance with regional plans and priorities. This process also recognizes the importance of the states to provide guidance and oversight, and to adjust the projects in order to conform with the larger objectives of the ARC. One of the first and most important steps which was taken after this agency was formed was the creation of the local development districts. The structure of the ARC model should be duplicated by the DRA.

POTENTIAL MODELS (CONT.)

The Economic Development Administration Model

Another model or building block is that of the regional, economic development planning processes which are already in place throughout the Delta Regional Authority. One of the first statutory requirements of the DRA was to define distressed counties. After extensive review and analysis, the definition currently being used by the Economic Development Administration (EDA) was adopted. This represents a strong attempt to merge the problem solving resources of different federal agencies into a common and comprehensive effort. Similar to ARC, EDA has a designated system of economic development districts which are multi-county, multi-jurisdictional organizations created for a similar purpose as that of the organizations used by ARC. The legislation creating the Delta Regional Authority mandated the use of local development districts and recognized that there was an established, federal presence already in place through the use of the regional economic development districts, as designated by theDepartment of Commerce. By naming these entities, which are already in existence and functioning, a major, organizational step was eliminated. These organizations are currently involved in economic development, planning, prioritization, and project development. They operate under federally required financial management and cost principles and therefore, they provide instant credibility and accountability for the use of the funds. The local development districts, which are recognized by EDA, should be the sub-state planning entities as stated in the DRA's authorizing legislation.

A comprehensive economic development strategy (CEDS) is a continuous planning process that addresses the economic problems and potentials of an area. The strategy should promote economic development and opportunity, foster effective transportation systems, enhance and protect the environment, and balance resources through sound management of development. A CEDS is a prerequisite for both designation as an economic development district and to qualify for assistance from the Economic Development Administration's (EDA) grant programs. A CEDS document contains the following: a description of the problems, needs, potentials and resources of an area; presentation of the entity's vision and goals; an outline of the strategic direction for an action plan; establishment of priority programs and projects for implementation; and standards for the annual evaluation and update of the process. The DRA is required by law to use the Economic Development Districts, as designated by EDA, as their local development districts for planning and project development. Again, by the DRA embracing and buying into ongoing, successful systems and processes, it can help to ensure itself economic viability.

Partnership With Other Federal Agencies Model

Another method to consider, which helps ensure success, is to partner with other federal agencies. 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 would 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.

SUMMARY

This Authority will build upon the wealth of knowledge contained in the successful models while attempting to avoid prior pitfalls. From the Marshall Plan model, the principles of addressing economic cures and not problems and symptoms will be used. Also, this model promotes the concept of economic sufficiency and independence. Government aid must have time limits and an exit plan.

From the Appalachian Regional Commission (ARC) Model there are intergovernmental relationships which have proven extremely successful. The comprehensive approach has led to many economic advancements within the region. The ARC has a very low administrative cost which produces high volumes of successful and coordinated economic development efforts. The method in which this agency funds projects in accordance with other funding sources ensures coordination while reducing administrative costs.

The Economic Development Administration currently has a presence throughout the entire Delta region. Part of this presence is the provision of a comprehensive economic development strategy (CEDS). By using this ongoing 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 been 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, this 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 parity with the rest of the Nation and establish a systematic program for their elimination. The ultimate success for this Authority will be to make a determination that it has met its challenges and is no longer needed.