

## **MISSISSIPPI DELTA: BEYOND 2000**

### **INVENTORY**

**Based on issues discussed in the 1990 Report, *The Delta Initiatives***  
(This information is updated on an ongoing basis.)

The following is a detailed supplement to the Report published in September 1999 entitled ***The Mississippi Delta: Beyond 2000*** under the leadership of Secretary Rodney E. Slater, Secretary of the U.S. Department of Transportation. The Report is available on the Department of Transportation's Delta Web-site. This document is a review of federal activities in the 219-county region in seven states as defined by the Lower Mississippi Delta Development Commission in 1990. Much of the Inventory is in the form of an update of the 1990 Report of that Commission, although new issues have been added in recognition of changes that have taken place during the 1990s. The information will be updated on an ongoing basis. Inquiries can either be e-mailed to this address, or mailed to:

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The Inventory deals with the following issues:

#### **HUMAN CAPITAL DEVELOPMENT**

Community Development  
Housing  
Education  
Job Growth  
Health

#### **NATURAL, PHYSICAL AND ENVIRONMENTAL ASSETS**

Transportation  
Agriculture  
Infrastructure  
Natural Resources and Environment

#### **BUSINESS AND INDUSTRIAL DEVELOPMENT**

Business and Industrial Development  
Tourism

#### **DIVERSITY**

## **I. HUMAN CAPITAL DEVELOPMENT**

### **Community Development: Empowerment Zones and Enterprise Communities**

*In 1990, the Lower Mississippi Delta Development Commission (the Commission) recommended that communities in the 219 Delta counties should develop strategic plans that are integrated with state, regional and federal entities. The Commission noted the problems of inadequate funds, training and technical assistance, and emphasized the importance of local leadership initiatives in addressing these problems. The 1990 Report of the Commission urged the President and Congress to structure Rural Development legislation to build upon local leadership initiatives rather than creating competing ones.*

*“Families on welfare and in crisis situations,” the Commission stated, “need a multitude of services. Breaking the welfare cycle requires more than financial assistance and a medical card. It requires a concentrated and comprehensive effort.” The Commission stressed that a joint, cooperative approach must be developed that embraced a coalition of community-based organizations, private sector partners, nonprofit foundations, as well as state and federal partners.*

### **The Empowerment Zones/Enterprise Communities Program**

As President, Bill Clinton has pursued the basic objectives he earlier supported as Chair of the Commission through a Presidential initiative known as the Empowerment Zones and Enterprise Communities (EZ/EC) program. EZ/EC is a Clinton administration initiative designed to create solutions to community problems of endemic poverty, high unemployment and general distress. The program is based upon four key principles: economic opportunity, sustainable community development, community-based partnerships, and strategic vision for change. The urban Empowerment Zones and Enterprise Communities are assisted by the U.S. Department of Housing and Urban Development (HUD), while the rural Empowerment Zones, Enterprise Communities and Champion Communities are assisted by the U.S. Department of Agriculture (USDA) Office of Community Development. The 1990 Report contained a major section on “Community Development,” the basic principles of which are now being supported in EZ/EC communities in the Delta and in other regions throughout America.

**EZ/EC Round I:** In 1994, USDA designated three Empowerment Zones and 30 Enterprise Communities in Round I of the program, which was created by Title XIII of the Omnibus Budget Reconciliation Act of 1993. Each applicant community was required to engage in extensive community planning to develop a strategic plan for its EZ/EC application. Applications were rated on their degree of innovation, the extent to which the community—especially low-income residents—took part in the planning process and would be responsible for implementation, and their adherence to the basic principles of economic opportunity, sustainable community development, community-based partnerships, and strategic vision for change. The Round I communities included eight rural and five urban EZ’s and EC’s in the seven Mississippi Delta states studied by the Commission in 1990. HUD has given special assistance to the five HUD-designated Enterprise Communities in the lower Mississippi Delta. These are: Pulaski

County, Arkansas; Ouachita Parish, Louisiana; Memphis, Tennessee; Jackson, Mississippi and New Orleans, Louisiana. These five Enterprise Communities are quite different in their locales and their ultimate goals, but they all provide excellent examples of what can be accomplished through partnership. The eight USDA EZ's and EC's in Round I were: Mid-Delta Mississippi Empowerment Zone, Mississippi; North Delta Mississippi Enterprise Community, Mississippi; Macon Ridge Enterprise Community, Louisiana; Northeast Louisiana Delta Enterprise Community, Louisiana; Mississippi County Enterprise Community, Arkansas; East Central Arkansas Enterprise Community, Arkansas; Fayette/Howard Enterprise Community, Tennessee; East Prairie Enterprise Community, Missouri. In Round II, a new EZ was designated: the Southernmost Illinois Delta Empowerment Zone.

**Strategic plans:** Each locally-developed strategic plan in the Delta was crafted with the support and participation of the community. Residents, community-based organizations, and private sector partners made decisions on the plan's focus **not** in the traditional top-down manner, but by achieving consensus within the community, thus empowering it to create its own vision for the future. Each plan identified community priorities and goals and established goals for accomplishing them.

**Leveraging of funding:** In Round I, the EZ/EC program provides flexible block grant funding to assist in implementing communities' plans: two Health and Human Services Social Security block grants totaling \$40 million for each EZ, and one grant for just under to \$3 million for each EC. Communities succeeded in leveraging their federal funding with commitments from state, county, and local governments, private businesses, and nonprofit and foundation awards. The average leveraging ratio for communities from its beginning in 1994 to 1999 was approximately 10 dollars of additional funding for each one dollar of EZ/EC funding.

Empowerment Zone employers gained tax credits equal to 20 percent of the first \$15,000 in wages or training expenses for qualified employees. Tax-free facility bonds of up to \$3 million were available for some EZ's and EC's. Further, qualified businesses could receive an additional \$20,000 tax deduction for investments in Empowerment Zones. Communities also received priority consideration for many other federal programs.

**Champion Communities:** In order to maintain ties with communities that crafted a strategic plan, 182 of the 227 rural applicants in Round I received "Champion Community" status. These communities were not designated as EZ's or EC's, but they still receive assistance as a response to specific requests for funding and technical assistance.

**Establishment of Southern EZ/EC Forum and the Mississippi Delta Regional Initiative:** The Southern EZ/EC Forum began as an informal organization of rural and urban EZ's and EC's in Arkansas, Louisiana, and Mississippi. This organization held quarterly meetings beginning in 1995 to share program ideas and discuss issues of mutual concern. The Chair is Thelma French, New Orleans EC (urban), and the Vice Chair is Moses J. Williams, Northeast Louisiana Delta EC (rural). The USDA Office of Community Development (OCD) discussed with Forum leaders in August, 1997 the possibility of forming a Delta regional initiative similar to the multi-state Southwest Border Regional Partnership that was organized in

June, 1997, with Vice President Gore attending the kick-off meeting in Texas. Because of the similar cultural and economic conditions throughout the Delta, the regional approach was supported as an effective way to strengthen the area's ability to attract resources by speaking with one united, regional voice.

In October 1997, OCD began implementing a Cooperative Agreement between USDA and the Lower Mississippi Delta Development Center (LMDDC), which was formerly known as the Lower Mississippi Delta Development Commission. OCD and Forum leaders concluded that EZ and EC communities should partner with LMDDC. By using the remaining years of priority funding in Round I and leveraging other resources, they could effectively aid in implementing the recommendations of the 1990 Report of the Lower Mississippi Delta Development Commission.

The Forum and OCD then cooperated in forming a Delta regional initiative consisting of LMDDC, the Enterprise Corporation of the Delta, the Forum, and the Foundation for the Mid-South. The Forum expanded to include all of the 7 states studied by the Commission, and also voted to add Alabama.

#### **April, 1998 meeting in New Orleans to sign the Delta regional Partnership**

**Agreement:** A Partnership Agreement was drafted in the form of a social compact between the organizations to work cooperatively for sustainable economic and community development to improve the quality of life in the Delta. The parties signed this agreement on April 16, 1998, at a meeting in New Orleans. Vice President Gore, USDA Secretary Dan Glickman, and Secretary of Transportation Rodney Slater signed the agreement as witnesses. The Delta Partnership will have a Board of Directors composed of community leaders from the EZ's, EC's, and Champion Communities. The Board will develop an overall Delta Regional Initiative strategic plan based on the Lower Mississippi Delta Development Center's recommendations, and upon the strategic plans of the EZ/EC members of the Forum.

**Vice President Gore's announcement of Round II funding in New Orleans in April, 1998:** At the New Orleans meeting in which the Delta Partnership Agreement was signed, Vice President Gore announced that there would be a second round of the EZ/EC program. The Round I program was such a success that in August, 1997, Congress authorized USDA to designate an additional five Empowerment Zones by January 1, 1999. Vice President Al Gore announced Round II at the Black Mayors Conference in New Orleans, Louisiana in April, 1998. Subsequent to this announcement, USDA Rural Development hosted 16 regional outreach workshops nationally to explain the eligibility criteria and provide technical assistance for community-driven strategic plans.

**January, 1999 announcement of Round II rural EZ's, EC's and Champion Communities:** On January 13, 1999, Vice President Gore and USDA Secretary Dan Glickman announced five new rural EZ's and 20 new rural EC's. USDA received 160 eligible applications. To be eligible, applicants had to have census tracts with high levels of poverty or population "emigration," and had to prepare a long-term, comprehensive strategic plan for community development. Communities that could not be selected for designation as EZ's or

EC's were offered the opportunity to become Champion Communities. In exchange for continuing to implement their strategic plans, Champion Communities are offered ongoing technical and financial assistance through regular USDA Rural Development programs. Over 100 communities will be offered the opportunity to become Round II rural Champion Communities.

One of the five new EZ's in Round II is in the Delta: the Southernmost Illinois Delta Empowerment Zone. At least 10 of the communities designated in Round II are Native American tribes or include one or more tribes in a joint application. The five new rural EZ's were authorized by the Taxpayer Relief Act of 1997, which provided some tax benefits but no funding to support the zones during their 10-year period of designation. The 20 new EC's were authorized by the 1999 Agriculture appropriations act (Public Law 105-277), which provided first-year funding of \$2 million to each of the five zones and \$250,000 for the 20 new EC's. The Clinton administration is seeking full 10-year funding for these newly designated communities.

**Some EZ/EC facts and figures:** The following is a summary of statistics in a number of important categories for the eight rural EZ's and EC's from the beginning up to early 1998:

- Number of jobs created or retained: 2,133
- Number of job training programs created: 34
- Number of people trained: 5,387
- Youth development programs created: 65
- Youth served by development programs: 6,425
- Educational facilities built or upgraded: 21
- Health care facilities built or upgraded: 6
- Computer learning centers established or upgraded: 29
- Number of computers donated to organizations through federal surplus: 2,193
- Revolving loan funds or micro-lending funds created: 21
- Housing units built or rehabilitated: 162
- Water and waste projects under construction: 28

In each community, EZ/EC Title XX Social Services Block Grant (SSBG) funds leveraged much larger funding from federal, state, local, private sector and non-profit sector sources. For example, the Mississippi County, Arkansas EC drew \$620,767 of its SSBG funds in the period of the program up until early 1998, but the total level of funding was \$12,316,567. The Mid-Delta Mississippi EZ drew down \$2,520,660 of its SSBG funds, while its total funding grew to \$29,290,836. The total amount these communities drew down from EZ/EC Title XX SSBG funds was approximately \$10.225 million, while the total funding amounted to roughly ten times as much, or about \$107.4 million.

These figures cover the period from Round I's beginning until early 1998; of course, numerous other projects continued in 1998 and early 1999, many of which are discussed in the examples of community development below. Cold facts and figures cannot tell the story of community

development, however. The series of initiatives discussed below reveal the EZ/EC program's constructive impact on the communities in the Delta.

**Examples of EZ/EC community development accomplishments:** The following series of success stories is not an exhaustive list of all the constructive activities by the EZ's, EC's and Champion Communities in the Delta, but it reflects the type of grassroots community development generated by this program:

**Job creation and retention:**

- **Regional distribution center moves to Mississippi:** Using tax credits and EZ/EC funding, the Mid-Delta Mississippi EZ attracted a regional distribution center for Dollar General Stores that created hundreds of jobs in Indianola, Mississippi. The project involves a 800,000-square-foot facility that will ship household products to 370 local stores. Public and private investment in this project exceeded \$38 million. The Mississippi Department of Community and Economic Development provided \$2 million in community development block grant funds. EZ tax credits provided up to \$3,000 for every resident hired. Dollar General invested more than \$25 million. With all the leveraging of private and state funds, this project received a 30 to 1 return on the initial EZ/EC investment of \$900,000. In this largely agricultural area, the job base had been shrinking due to technological and market changes in farming. The CEO of Dollar General, Cal Turner, Jr., stated that his company chose Indianola because of the availability of labor and the total community support. The center provides large numbers of well-paid jobs and has the potential to help stop the brain drain of people leaving the local area.
- **Mississippi business and industry loan for catfish processing:** USDA Rural Development provided a \$2.5 million business and industry loan guarantee in the Mid-Delta Mississippi Empowerment Zone to Freshwater Farms, a catfish-processing facility in Humphrey County, Mississippi. Heartland Catfish, Inc. located a new catfish processing facility in Itta Bena, Leflore County that provided jobs for 150 people. This is a state-of-the-art facility that turns out many thousands of fish daily.
- **Job creation and/or retention at Macon Ridge EC:** By early 1998, the Macon Ridge Louisiana EC summarized its record regarding jobs: a total of \$953,000 was loaned, with leveraging of private funds adding up to \$787,000. A total of 118 minority jobs were created or retained, with 111 jobs held by women being created or retained. The EC reported 25 minority-owned businesses and 20 businesses owned by women participating in the program
- **Opening of Avondale shipping plant in the Northeast Louisiana Delta EC:** The EC worked in cooperation with Tallulah, Louisiana Mayor Theodore Lindsey to attract Avondale Shipyards to open a new plant in Tallulah that employed 125 people in the summer and fall of 1998, and over the next year may employ over 400 people. Moses Williams, President/CEO of the EC, and Mayor Lindsey wrote to Avondale Industries—the sixth largest shipbuilding firm in the country--after a television report indicated that they were looking for expansion sites. Avondale has contracts to build ships worth \$3.4 billion, enough

to keep the company busy in its headquarters at New Orleans and its Tallulah facility at least for the next 10 years. Mr. Williams and Mayor Lindsey emphasized to Avondale the advantages of the central Delta location, the existing Mississippi River port, welder training programs and available industrial sites. Other state and local officials assisted in the recruitment efforts. The company will invest \$2 million to alter an existing building, while Louisiana taxpayers will pay for \$1.3 million in infrastructure improvements in the port facilities to accommodate the operation. By operating in a federally designated zone, the company qualifies for federal and state tax credits.

- **Job creation through sewing factory:** The EC and Tallulah collaborated in the location of a sewing company called LAPCO to a vacant city-owned facility. The 13,000-square foot building replaced an older building that housed Superior Surgical, which burned. Superior closed and left 85 employees without work. In June, 1998, LAPCO signed a contract with the city to open a sewing factory in the building where it will employ 50 to 100 workers. LAPCO's expansion into Tallulah is financed through the EC's Intermediary Revolving Loan Program.
- **Research on sustainable development:** USDA's Economic Research Service assisted USDA's Rural Development Mission Area in promoting sustainable economic growth in rural Empowerment Zones (EZ) by supplying information and research results that could be used by residents and community leaders in EZ communities. An ERS analyst served as coordinator, researcher, and community contact for the Mississippi Delta Empowerment Zone Alliance (MDEZA). Contributions included conducting face-to-face and telephone interviews with community and business leaders throughout the zone. These interviews and discussions identified additional information that would provide a stronger base for MDEZA leadership decisions with long-range consequences. As a result, ERS completed an information resource book in May 1997 for the Mississippi Delta Empowerment Zone that provided information specific to the Mississippi Delta zone region on industry, retail and service establishments, credit and micro-enterprise, education, and transportation.

### **Housing**

- **North Mississippi Delta housing projects:** In 1998, the North Delta Mississippi Enterprise Community launched a home repair grant program by providing funding for repairs for three homes. As a result, roughly 20 home-owners will have safe, decent housing for their families. The program initially received funding by the EC from its SSBG funds and Housing Preservation Grant funds from Rural Development. In December, 1998, the EC reported a new pot of money for the program: Coahoma Community College received a Housing and Urban Development (HUD) Historically Black Colleges and Universities grant to repair about 15 homes of elderly and disabled people. The EC will also continue the housing repair loans program for low-income home-owners in the community. Finally, the EC will hold four workshops regarding fair housing law for all citizens.

- **Housing revitalization in Mississippi County:** The Mississippi County, Arkansas EC developed and implemented a comprehensive plan for affordable housing development and community improvement in Mississippi County. The plan coordinates efforts to achieve affordable home ownership, rental opportunities, and community improvement projects. To address the problem of a lack of information about credit and housing opportunities, the EC implemented a credit repair counseling and home ownership training program. Since its inception, 70 families have participated in this counseling program. The EC area has suffered from deteriorating housing stock that has lowered the standard of living for many low-income families. In response, the EC created a preservation and rehabilitation program for owner-occupied units. The EC surpassed its original goal of rehabilitating 20 housing units and now has rehabilitated 43 homes. The EC has also focused on creating affordable, clean decent rental units for low-income residents. The EC has constructed 57 new rental houses for families, again far surpassing its original goal of 20 new homes.
- **Housing and education for abused women and children:** The Fayette County/Haywood County EC in Tennessee approved a grant to Fayette Cares, a social service organization, for completion of the Journey Center facility for emergency housing and education for abused women and children. The staff for this facility will come from a professional pool of psychologists and social workers who have committed to volunteering time and expertise to counseling. The project plans a 24-hour crisis line.
- **Macon Ridge Rural home loan partnership:** The Rural Housing Service formed a rural home loan partnership with Macon Ridge Community Development Corporation in the EC, and Louisiana Central Bank to fund single family housing loans to applicants who are below 80 percent of the area median income in the parishes of Catahoula, Concordia, Tensas and Franklin.
- **Partnerships with nonprofit grassroots organizations:** The North Delta Mississippi EC has developed an effective collaboration with Tallahatchie Development League (TDL), a nonprofit, grassroots organization that promotes community development in “education, economics, and family life.” TDL is a partner in the EC’s Housing Preservation Grant Program, and also takes part in the EC’s Housing Preservation Grant program. In partnership with the North Delta Area on Agency, TDL offers 27 meals per day to senior citizens in the Tutwiler community. The League has co-developed 72 units of housing within the EC. TDL also provides consulting services to communities and other nonprofits in preparing applications for housing, Rural Development Section 515 programs, the Affordable Housing Program, and community development block grant funding.
- **Jackson, Mississippi housing revitalization:** In the urban EC in Jackson, Mississippi, the community rejuvenated a section of the city’s midtown that had been deteriorating for years. Beginning in 1995, Operation Restore Pride turned a local Jackson neighborhood into a model of housing opportunity. A combination of public and private resources spearheaded by the Jackson Metro Housing Partnership made possible the construction of 50 new homes and the rehabilitation of a 36-unit apartment complex. The Housing Partnership bought most



of an entire block and began the revitalization process by combining three substandard lots into two with funds contributed by partner banks, low-income housing tax credits, as well as city and federal funding. The City of Jackson widened and repaved streets, installed new water and sewer lines, and the local utility company improved the neighborhood's lighting. In turn, nonprofit organizations built upon these improvements: EC gave the property to Habitat for Humanity, which worked with volunteers and home-buyers to construct the new homes. Churches and businesses sponsored individual houses by raising one-half of the construction costs. Habitat for Humanity then matched the donated funds to build the homes. Operation Restore Pride thus became a model of how an EC, local and state government officials, nonprofits and the private sector can cooperate to create a model housing revitalization.

### **Health Care:**

- **Delta Futures project for reducing infant mortality and teen pregnancy:** This federally funded "Delta Futures Safe at Home Project" provides a series of services in nutrition, the Women, Infants and Children (WIC) supplemental nutrition program, health information and education about the dangers of tobacco. The North Delta Mississippi EC partners with a consortium of health care providers, schools, Head Start, businesses, and community-based organizations that contribute solutions to the fight against infant mortality, low birthweight, and infant mortality.
- **Health Care projects:** Crenshaw and Como, Mississippi received funding from Rural Development's Community Facilities program for medical clinics to serve the area. This clinic will provide much needed medical care to residents with a staff of private doctors, nurses and a dentist.
- **Nursing Assistants Program:** The Northeast Louisiana Delta EC sponsored a Nursing Assistants program at the Louisiana Technical College's Tallulah campus. Students are enrolled dually in high school and the nursing assistants program, which enables them to become certified nursing assistants who can go to work immediately after graduation. In 1998, 37 students enrolled in two classes in Tallulah and 20 enrolled in a class in Lake Providence. Last year, 22 students graduated from the program. The program is an excellent preparation for students considering a job in the health care industry.

### **Infrastructure**

*The 1990 Report stressed that adequate water and sewer systems, fire protection, housing, flood control, and other infrastructure were essential in order to improve the quality of life and promote economic development.*

- **Macon Ridge, Louisiana infrastructure development:** Several examples of infrastructure development took place in 1998 in the Macon Ridge Enterprise Community, which received

a series of infrastructure improvements through USDA Rural Development funding. The following are several prominent examples:

\*Turkey Creek Water System received a grant amount of \$1,815,000 and a loan of \$695,000 for the construction of a rural water distribution system, including water production wells, elevated storage tank, distribution lines and service connections for approximately 400 households in Franklin Parish.

\*In Ferriday, Louisiana, a Rural Business Enterprise Grant of \$225,000 was used to acquire the land and building for the Macon Ridge Enterprise Community Resource Center.

\*In Harrisonburg, a \$250,000 grant and \$200,000 loan was used to construct a new wastewater treatment facility.

\*For the Concordia Parish Water District, a \$1.294 million grant and \$482,000 loan upgraded a water system that had been inadequate by constructing three new water wells, four exchange units, a new metal building and a 200,000 gallon potable water storage tank.

\*In the towns of Wisner, Newellton, and St. Joseph, and Catahoula Parish, USDA Community Facilities grants were used for improvements to fire and police department equipment.

- **Tallulah water, wastewater, and fire protection projects:** In the Northeast Louisiana Delta EC, Tallulah, Louisiana received a \$967,000 grant and a loan of \$1.733 million from the USDA Rural Utilities Service (RUS) to improve water and wastewater services. Tallulah received a \$327,740 Community Facilities Direct Loan to build a new fire station and the purchase of two pumps to improve fire protection in the city.
- **Railroad improvements to Tennessee industrial park:** The Fayette/Haywood County EC solved a major transportation problem for the Haywood County industrial park in Brownsville, Tennessee. The industrial park had been filling up and there were almost no sites remaining with railroad access. The EC applied for a \$600,000 USDA Rural Development grant and started laying a railroad spur to the underserved area of the park. A Fortune 500 company got in touch with the park just as the spur was being constructed, ultimately resulting in the opening of a \$20 million high-tech papermaking plant employing 35 people. The USDA funding was essential to the project, which came in under budget, in turn enabling a second spur to be built that will encourage more firms to locate at the Brownsville park.
- **Telecommunications:** The Fayette County/Haywood County EC is working with local and state partners to promote a state-of-the-art community telecommunications center for workforce development. The Fayette County School Board is creating a Telecommunications and Business School that will be equipped with computers and Internet access. The EC developed a strategy to establish job training programs relevant to the needs of local and regional markets. Local and state officials, Shelby State Community College, and Rural Development are all cooperating in this joint effort to enhance telecommunications in the local area.

- **Flood prevention project in southeast Missouri:** In the East Prairie, Missouri EC, residents previously had to be evacuated when the river flooded the 130,000-acre St. John's Basin. EC designation was essential in enabling a flood prevention project to move forward. USDA funding provided all but 5 percent of the local community's cost share for the first phase of this \$42.5 million project. This funding provided the momentum to gain the rest of the funding from the Army Corps of Engineers. Beginning in October, 1997, the project began improving 27.6 miles of channels in New Madrid and Mississippi counties, building 1,500 feet of levee, installing a 1,000 cubic-feet-per-second pump for the St. John's Basin, and installing a pumping plant of the same capacity on the floodway side of the project.

Construction of channel improvements along a small reach in East Prairie was completed in late 1997. With completion of a supplemental environmental impact statement, construction is scheduled to begin in 2000 on the major project features associated with Phase I. The project when completed will provide annual urban and agricultural flood control benefits of \$2.6 million and \$9 million, respectively. Implementation of Phase I of this flood control project will provide an excellent opportunity for combined Federal, state and local efforts in pursuing the East Prairie Enterprise Community plan to move toward sustainable economic development and to improve the well-being of the local citizens throughout the region.

#### **Small Business Development:**

- **Historically Black colleges and Universities grant for business incubator:** The Northeast Louisiana Delta Community Development Corporation worked with Grambling State University to obtain a grant from the U.S. Department of Health and Human Services (HHS) to develop a business incubator for new and emerging micro-businesses. The grant was awarded through the Office of Community Services' Historically Black Colleges and Universities. This project will provide economic opportunities and promote self-sufficiency for low-income residents of the area.
- **Mississippi County, Arkansas small business outreach:** The Mississippi County, Arkansas EC worked with the Small Business Administration to establish a local small business outreach program aimed at increasing the availability of financing for emerging and expanding businesses. This program provides business planning workshops and incubator assistance to facilitate new business development. Mississippi County EC has provided technical assistance to 300 businesses in the area.
- **North Delta Revolving Loan Fund for small businesses:** The North Delta EC has funded 19 small businesses from its revolving loan fund. Each loan was in the amount of \$10,000. The businesses provide job opportunities and entrepreneurial opportunities for local residents. The EC's vision for a business revolving loan fund (RLF) became a reality for Quitman County, as the EC Board approved Quitman County Economic Development District as administrator for the RLF. In 1998, the business plan application process led to 15 loans, 88 percent of which were made to minorities. The total amount loaned was \$166,300,

which was used for a variety of purposes from business expansion or purchasing equipment to inventory replenishments for existing businesses.

One third of the \$250,000 available was set aside for businesses going into the new business incubator located in Lambert, which will be in operation by the fall of 1999. An additional EC initiative is a new Community Training Institute, which will provide training in budgeting, grant writing, credit repair, and other issues of interest to EC residents.

### **Small Farmer Issues**

*In 1990, the Commission advocated a coordinated initiative to provide assistance for limited-resource farmers, who have historically not received their fair share of help. Some EZ/EC projects are related to small farmer outreach; with the beginning of Round II of the program, there is substantial potential for expansion of these efforts. The small farmer development initiatives are discussed in more detail in the Agriculture section of this Interim Report.*

- **Tallulah Public Market project:** The Northeast Louisiana Delta EC is organizing a farmers' market project that is scheduled to open in 1999. It will feature a variety of produce from roughly 15 to 20 local farmers, many of whom are minority farmers. The site for the project was assisted by a Rural Business Enterprise Grant for over \$200,000 from USDA Rural Development. This project promises to be an excellent way to provide local residents with fresh, nutritious produce, while expanding direct marketing opportunities for local small farmers.
- **Alternative agriculture:** Some communities have engaged in innovative projects to search for alternative agricultural production. For example, in the Fayette/Haywood EC in Tennessee, in 1998 several EC residents began exploring the possibility of forming a cooperative to process and distribute goat meat. Goat production may prove to be a viable agricultural alternative for rural residents in the area. Other communities in the Delta have explored possibilities for diversification in agriculture, shifting to more production in aquaculture or fruits and vegetables.
- **USDA small farm outreach:** As discussed in detail in the Agriculture section, several USDA agencies have expanded their outreach efforts to assist small farmers throughout the country. The Delta is one of the regions where USDA has focused its efforts. Among the notable examples of small farmer outreach include the expansion of the Women, Infants and Children (WIC) Farmers' Market Nutrition Program (FMNP) to include Arkansas and Mississippi in 1998 and Alabama in 1999. Another significant example is the USDA's Agricultural Marketing Service partnership with Southern University in Baton Rouge, Louisiana to provide a technical assistance conference in Memphis, Tennessee in March, 1999. The AMS conference provided technical assistance to small farmers from all seven of the Delta states (and Alabama) in alternative crop selection, production techniques, and innovative marketing methods. USDA's Rural Development, Farm Service Agency, Food and Nutrition Service, and 11 other USDA agencies also provided technical support for AMS in this venture. So as not to burden small

farmers with the expense of attending the conference, USDA provided funding for 150 limited-resource farmers to attend the conference, which was part of ongoing technical assistance efforts.

### **Education and Training**

- **Job training in rural western Tennessee:** The Fayette County/Haywood County EC in Tennessee was determined to provide residents with ways to learn basic job skills and acquire computer knowledge. Local unemployment rates had hovered around 10 percent. The EC developed a partnership with Jackson State Community College through its Job Training Partnership Act program. Local employers participate by guaranteeing an interview to all graduates of the program. Program's costs have been \$150,000 for a variety of job training skills, from interviewing techniques to resolving conflicts at work, to up-to-date computer skills. Since the program began in late 1996, the majority of those trained have found jobs and retained them.
- **Preschool facility:** The Fayette County/Haywood County EC worked with local school officials in making possible the construction of a preschool facility in Sommerville, Tennessee. A USDA Community Enterprise grant funded the acquisition of the prefabricated building and equipment for the school. The Fayette County Public Schools are covering salaries for two teachers and two assistants, as well as school lunch and a snack for the children each day. The school is small and opened with 16 enrollees, but it is highly valued by local residents, because the area has a growing population of preschool children. The State of Tennessee has mandated that preschools be available in all public schools. The Assistant Superintendent for Fayette County Public Schools, Frankie Johnson, has said the project is much appreciated and "“We are looking down the road to see how we may expand some more.”"
- **Alternative to TV for Children after school:** The Fayette County/Haywood County EC worked with local public and private donors to fund the opening of a Young Men's Christian Association (YMCA) in Brownsville, Tennessee. Many children in the area often had to be home alone after school while their parents worked. The city and county received \$150,000 from the EC, in combination with \$600,000 from local government and private sources. The funding was used to renovate an old school building. Now local youth can play in the new gym and get tutoring and help with their homework from volunteers from the local high school. The project has provided a general community center for area residents, and a constructive alternative to watching television for local youths.
- **Little Rock preschool program:** In the Pulaski County/Little Rock, Arkansas EC, the “Success by Six” program is creating a community where children have the necessary skills to enter school ready and able to learn. The EC is partnering with 10 state and local entities and a steering committee representing more than 50 individuals or organizations. “Success by Six” features home visits by volunteer neighborhood residents who are trained as family resource advocates. For families with pregnant women or children under 6 years old, home visitors conduct assessments, determine household needs, and connect family members to

community resources such as health care, social services, and educational programs. The program is working with roughly 20 families. Approximately 10 home visitors have been trained, with many more submitting applications to take part. Research has demonstrated that by reaching out to families when children are in their earliest formative stages, serious problems can be avoided in the future and less funds will be expended upon remedial education, health care, or other social costs. The program is planned as a long-term assistant for family resources.

- **Computer job training for Memphis youth:** The Memphis, Tennessee EC provided students an opportunity to simultaneously earn and learn about their community through the Summer Youth Enterprise Communities' Geographic Information Systems (GIS) Program. The EC began the program in partnership with the University of Memphis Center for Urban Partnership. The program teaches young people to map the assets of the EC neighborhood using GIS technology, which combines maps of census data with neighborhood characteristics and statistics to provide information on a neighborhood. This information is entered into a computer database where it can be cross-referenced with other databases. The six-week program highlights the resources of the community, teaches community observation and involvement, and provides young people with skills in computer drafting. While they are learning, the 14- and 15-year old students are paid \$6 an hour over a full work day. Funding for the project came from the city's Division of Housing and Community Development and the Orange Mound Collaborative, a nonprofit organization located in one of the oldest African American communities in Memphis. The program expanded from seven students in 1996 to nearly 50 students in 1997. The program has been a success in developing practical skills, enhancing knowledge of the community, and cultivating the spirit of giving back to the community in which the youths live.
- **New Orleans Safe Harbor Schools Initiative:** The New Orleans EC created a "Safe Harbor Schools" initiative for educational activities in 10 sites within the community. Now in its fourth year of operation, the program is moving beyond basic survival skills to include creative learning experiences in language, arts and math. Safe Harbor Schools offered tutoring programs and enrichment activities presented by certified teachers. Offerings included computer skills and family learning events, as well as classes in conflict resolution and mediation. Four of the Safe Harbor sites are for middle and high school students. In the Algiers community, the program is focusing on out-of-school populations due to a high truancy and dropout rate, with GED preparation and career counseling being offered to 50 EC youths and students. Progress has been made in keeping students motivated by use of the computer lab and job training center, and through contact with the school's numerous partners. The project has been a success for many young people who completed their GED and job training.

### **Local Strategic Planning**

*The Commission recommended that all 219 Delta counties and parishes should operate in accordance with local strategic plans, integrated with the plans of state, regional and federal entities.*

### ***Consolidated Planning***

USDA and HUD have supported local strategic planning through the rural and urban EZ/EC programs. Prior to 1994, HUD programs required a bewildering variety of plans and planning processes to qualify for funding. HUD developed the Consolidated Plan to streamline the application and reporting procedures for its major community development programs. By combining the planning, application, and reporting requirements for the Community Development Block Grant (CDBG) program, the HOME program, the Emergency Shelter Grants (ESG) Program, and the Housing Opportunities for Persons with AIDS (HOPWA) program, HUD sought to help communities achieve a comprehensive vision of community development by eliminating unnecessary paperwork, improved accountability and strong citizen involvement. This process allows Delta communities and states to address their needs strategically, and promotes the partnership envisioned by the 1990 *Delta Initiatives*.

HUD promulgated regulations for Consolidated Planning in 1994, requiring each jurisdiction to evaluate housing and community development needs, establish priorities and develop a strategic plan for addressing these priorities. All of the entitlement communities in the Delta are following these requirements, as are the seven states which administer the State Small Cities CDBG program in the Delta.

### **Capacity Building**

*The Commission recommended that partnerships be fostered with community and interfaith groups on community and economic development initiatives. Further, the Commission recommended that foundations provide grant funds for administrative costs as well as specific project money in order to strengthen the capacity of nonprofit organizations.*

### ***HUD's Center for Community and Interfaith Partnerships***

HUD has been working in collaboration with community and faith-based organizations to help empower individuals and communities in need in the Delta Region and across the nation. Many of HUD's current programs grew out of the vision and activities of these community-based organizations. Secretary Cuomo has intensified HUD's efforts to revitalize distressed communities by collaborating more effectively with grassroots organizations toward these common goals. To coordinate this effort, HUD has created the Center for Community and Interfaith Partnerships.

The mission of the Center is to focus, integrate, and intensify HUD's efforts with the faith-based organizations, community organizing networks, community development corporations (CDCs), and other nonprofit groups. An example of the Center's activities in the Delta Region can be seen through its involvement in the July 1998 "Mississippi Housing Opportunity Summit" in Oxford, Mississippi at which the Center Director, Joseph R. Hacala, S.J., gave the keynote address and participated in a series of seminars with elected officials, HUD field staff, and a host of local leaders from community and faith-based organizations. The workshops focused on how community and faith-based organizations could engage in housing and community development efforts in their local communities.

### ***Rural Partnerships***

Additionally, HUD recently issued a \$27 million Notice of Funding Availability (NOFA) for Rural Housing and Economic Development activities. This funding will help recipients leverage cash or in kind services from other sources, including private entities, providing additional incentive for groups to secure community partnerships. These contributions will result in an increase in financial contributions to an applicant's proposed community and economic development activities in the Delta Region.

The NOFA also promotes the development of community foundations. Up to \$6 million of "seed support" funds will go to Indian tribes, local rural nonprofits and community development corporations (CDCs) that are located in areas that have limited capacity for the development of rural housing and economic development activities. These funds can be used for "start up" costs for new organizations including "up front" money needed to acquire space and support facilities as well as hiring staff.

### **The Delta Compact**

Another capacity building initiative that began in the late 1990s is the Delta Compact, a collaborative effort of USDA and the Housing Assistance Council that focuses exclusively on the Delta's southernmost region of Louisiana, Mississippi and Arkansas. The Delta Compact involves participation by government officials, community based development groups, philanthropic organizations and the private sector, through a consultative process. Over two years, approximately 50 organizations that are active in the Delta have been consulted. Participants emphasized four major objectives: 1) encouraging communication and collaboration; 2) increasing technological capacity of Delta institutions; 3) improving nonprofit community-based organizations' capacity to promote housing and economic development; and 4) delivering the appropriate financing and improving access to credit of Delta organizations.

In August, 1998, the Deputy Under Secretary for Policy and Planning Office at Rural Development held a conference with over 30 organizations that signed a Delta Compact committing \$40 million in business loans and banking credit, as well as other resources and technical assistance expected to generate 1,500 jobs and 1,000 units of housing for the southernmost areas of the region.

As one of the first initiatives of the new Compact, the Fannie Mae Foundation has awarded \$123,000 for a Delta Technology project. This will establish a Web site dedicated to the Delta and provide equipment and/or Internet access to community-based organizations. Rural Development in fiscal year 1999 awarded \$125,000 to the Housing Assistance council to implement the Delta Compact, establishing a governance structure, work plan, short- and long-term projects, and setting up a small fund to provide small capacity building grants to community organizations. In addition the Enterprise Foundation indicated that it will transfer to the Housing Assistance Council approximately \$100,000 to provide capacity building grants to community organizations in the Delta areas of Louisiana, Mississippi, and Arkansas.

### **Diverse EZ/EC activities in the Delta**



In addition to the categories summarized above, the EZ's and EC's have engaged in a wide variety of activities in their comprehensive approach to community development. These activities are too diverse for all of them to be included, but the following projects reflect examples of other vital issues that the EZ/EC program has addressed in the Delta:

- **Mississippi Delta Race Relations project:** *The 1990 Commission Report stressed that eradicating racial tensions must be an integral part of any plan to improve life in the Delta.* The North Delta Mississippi EC has begun an innovative new project that follows the spirit of the Commission's Report. In partnership with researchers and professors from Jackson State University, the University of Mississippi, Delta State, and Valley State, the EC Board will be coordinating an important study on race relations. It will begin with a major research component to gather data on barriers to communication between the races in the Delta. It will proceed with a workshop to improve understanding by people of different races. The EC invites participation and comments from all citizens in this exciting research and communication project.  
Throughout the Delta, all of the EZ's and EC's have developed a variety of projects for attacking racial prejudice and conducting outreach to assist minority communities.
- **Volunteer crime prevention training:** Early in the development of Round I in the mid-1990s, the Pulaski County, Arkansas EC organized a crime-prevention training project. Within the EC, a Volunteer Assisted Community Organizing Project (VACOPS) was founded to assist EC residents in forming crime-prevention and facilitating partnerships among local residents, private businesses, community associations, police, and enforcement agencies in Little Rock. EC residents and student interns created a system to develop crime-prevention groups, establish a community network, and create effective means of communication between all partners in VACOP. About 400 residents benefitted from this two-year program through enhanced organizational and implementation skills and increased knowledge of existing community resources. VACOP utilized \$125,000 in EC funding and \$25,000 in private in-kind contributions.
- **Tourism:** A Rural Development Community Facility loan of \$600,000 and grant of \$100,000 will be used in connection with the renovation of a building in Haywood County to be used as a tourism center. The Delta Heritage Center will serve as a visitor's center for rural west Tennessee, promoting tourism and displaying attractions from local businesses and communities. As will be discussed in the private enterprise section of this report, the Commission in 1990 had stressed the importance of developing the tourist industry as a spur to economic growth as well as appreciation of the Delta's cultural heritage.

## **Veterans' Affairs**

Veterans' issues are an important arena for Delta communities. The Department of Veterans Affairs' (VA) mission is to provide benefits and services to veterans. Its \$43 billion budget is spread throughout the States and contributes significantly to economic development in areas such as housing, compensation and pension, education, vocational rehabilitation, insurance, and medical services. An estimated 25 million veterans are currently living in the United States

and the Commonwealth of Puerto Rico. Of that total, approximately 3.3 million veterans live in the lower Delta States. VA's expenditures in FY '98 for the seven states comprising the Lower Delta totaled approximately \$6.3 billion.

Although the Department's mission is to provide benefits and services to veterans, its \$43 billion budget is spread throughout the States and contributes significantly to economic development. The following table reflects the geographic distribution of VA's expenditures in FY '98 for the seven states including the Lower Mississippi Delta. (As we have stressed throughout this Report, the Delta regions in Arkansas, Louisiana, Mississippi, and Tennessee (including the large urban area of Memphis) make up a much larger percentage of their states than do Illinois (16 counties in southern Illinois), Kentucky (21 counties in the western part of the state), and Missouri (29 counties in the southeastern section), where the Delta regions are relatively smaller. Thus, for the southern end of the Delta, the statewide figures are much more important than for the northern sections.)

**Summary of Expenditures by State During FY '98**

<b>State</b>	<b>Veteran Population</b>	<b>Total Expenditures</b>
Arkansas	249,021	\$ 684,456,411
Illinois	1,019,143	\$ 1,446,374,552
Kentucky	355,131	\$ 624,896,548
Louisiana	355,378	\$ 738,935,309
Mississippi	223,774	\$ 585,581,763
Missouri	564,574	\$ 904,544,470
Tennessee	501,378	\$ 1,264,713,071

## **CAPACITY BUILDING**

### Community Meetings to address the needs of Homeless veterans

VA holds annual meetings with community-based service providers, representatives of local governments, and veterans' service organizations to create or improve local resource directories, improve service delivery and develop unmet needs with local action plans. Meetings have been conducted at 25 VA medical facilities in the Delta states each year since 1994. The Homeless Veterans Task Force meets 4 times yearly and unites representatives from agencies such as HUD, HHS, DOL, the National Alliance to End Homelessness, The American Legion and the National Coalition for the Homeless. Hundreds of people have attended and local action plans are resulting in improved local communications and collaborations to assist homeless veterans in the Delta states.

## **Community Development Financial Institutions Fund**

The Reigle Community Development and Regulatory Improvement Act of 1994 created a Community Development Financial Institutions (CDFI) Fund to promote economic revitalization and community development through investment in and assistance to community development financial institutions. The CDFI Fund is working to expand access to credit and financial services in poor urban, rural and Native American communities, where one of the biggest obstacles to economic development is a lack of access to mainstream sources of private sector capital. Access to capital is an essential ingredient for creating and retaining jobs, developing affordable housing, revitalizing neighborhoods, and building local economies. The CDFI Fund represents a new direction for community development initiatives by leveraging limited public resources to invest in and build the capacity of private sector institutions to finance community development needs in distressed communities.

The CDFI Fund currently operates three programs – the CDFI Program, the Bank Enterprise (BEA) Program, and the Microenterprise Program. The CDFI Program (Core, Intermediary and Technical Assistance Components) is focused on private for-profit and non-profit financial institutions with community development as their primary mission and include community development banks, community development credit unions, non-profit loan funds, microenterprise loan funds, and community development venture capital funds. The CDFI Program may provide financial assistance in the form of equity investments, grants, loans or deposits and may also provide technical assistance. Generally, assistance from the Fund is used to build each institution's capacity and expand its lending, investment, or other community development activities. Unlike other programs in which resources are provided for specific projects, under the CDFI Program, the Fund invests in CDFIs as institutions in order to promote the long-term viability of these financial institutions to serve distressed communities. In FY 1996 the CDFI Fund awarded \$37.2 million in assistance leveraging approximately three to four times the amount in new capital and generating an expected \$400 million in new community development activity. In 1997 the CDFI Fund awarded 48 community organizations a total of \$38.3 million in financial and technical assistance. In 1998 112 organizations were awarded a total of \$47.2 million. During this time period over \$10 million was awarded to institutions in the Mississippi Delta.

The BEA Program provides awards to insured depository institutions that increase their financial support of CDFIs and their lending and services in distressed neighborhoods. Awards are determined on the basis of the total dollar value of increased activity within an evaluation period. In 1996, the Fund made a total of \$13.1 million in awards which leveraged nearly \$66 million of private sector money for the benefit of 49 CDFIs as well as generated \$60 million in new lending and financial services targeted to some of the nation's most distressed neighborhoods. Moreover, in 1997 the Fund awarded 54 insured depository institutions a total of \$16.5 million in grants via the BEA program. In 1998 79 institutions were awarded a total of \$27.9 million. During this time period approximately \$1.3 million was awarded to depository institutions serving the Mississippi Delta.

The CDFI Fund also administers the Presidential Awards for Excellence in Microenterprise Development. These awards recognize outstanding microenterprise organizations and reflect an on-going commitment by the Administration to advance the role that microenterprise development plays in enhancing economic opportunities for all Americans.

The leading CDFI and BEA awards in the Delta are summarized below.

### **CDFI Fund: Community Development through Investments in Community Financial Institutions in the Mississippi Delta**

#### **College Station Community Federal Credit Union (TA\* – 1998)**

College Station Community Federal Credit Union is a Community Development Credit Union that provides affordable banking services and access to credit to College Station, a predominantly African-American community just outside of Little Rock, and other low-income neighborhoods in south Pulaski County, Arkansas. The \$50,000 CDFI Fund technical assistance grant will enable College Station Community FCU to obtain training in providing new loan products, obtain consulting services to evaluate its current underwriting policies and procedures and devise a marketing plan, and achieve operating efficiencies through the purchase of computer hardware and software.

#### **Delta Foundation, Inc (TA – 1998)**

Delta Foundation, Inc., of Greenville, Mississippi, a certified Community Development Financial Institution, was awarded a \$50,000 technical assistance grant from the CDFI Fund. The Delta Foundation provides critical financial and technical assistance to businesses with potential for providing employment for lower income residents of the Mississippi Delta. Support from the CDFI Fund will be used for a market study and analysis of current and proposed lending and investment products. It will also fund an overall analysis of organizational capacity to provide the new financial services.

#### **Enterprise Corporation of the Delta (Core\*\* – 1996)**

Enterprise Corporation of the Delta (ECD) is a start up loan fund serving a 55-county market area suffering from persistent and entrenched poverty. At least 16 counties in the market are served by ECD have more than 40% their residents living below poverty. ECD is a promising initiative that is taking on the enormous challenge of helping to transform the Delta region's economy. The area's culture -- including that of its commercial lenders -- continues to be oriented to the agricultural sector despite the fact that it currently employs only a small percentage of the population. EDC was established in 1994 with support from a variety of regional and national interests including foundations led by the Pew Charitable Trusts and corporate partners such as the Entergy Corporation and Wal-Mart Inc. To date, ECD has made almost 40 loans and investments to promising businesses. The CDFI Fund's \$2 million grant will help to capitalize ECD's efforts to provide financing for small manufacturers and other

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\* Technical Assistance Component

\*\* Core Component

businesses offering employment opportunities for lower-income people. ECD is also connecting with efforts to improve workforce skills and job readiness.

**Enterprise Corporation of the Delta (Core - 1998)**

The Enterprise Corporation of the Delta (ECD), a non-profit loan fund, seeks to strengthen the three-state rural Delta region by providing market driven financial and technical assistance. This CDFI provides a mechanism to attract private capital to support its job creation initiatives. With the help of the \$2.5 million CDFI Fund grant, the Awardee will expand its core business lending activity, leverage private capital, engage in new venture capital activities, launch the Delta Reinvestment Fund, and finance infrastructure development in partnership with rural municipalities.

**Jackson/Hinds Minority Capital Fund, Inc. (Core – 1997)**

Jackson/Hinds Minority Capital Fund, Inc. is a community development loan fund established in 1994 to provide financing and technical assistance to minority-owned businesses located in the Jackson, Mississippi area. Jackson/Hinds' goal is to help minority-owned businesses grow, create jobs and improve the overall economic condition of the community. Jackson/Hinds provides direct loans and loan guarantees to both start-ups and existing businesses, with the goal of eventually "graduating" them to conventional sources of financing. To date its lending activities have assisted businesses that have created or retained over 200 jobs. A grant of \$700,000 from the CDFI Fund will be used to enhance staff capacity and increase new loan volume.

**Northeast Louisiana Delta Community Development Corporation (TA – 1998)**

Northeast Louisiana Delta Community Development Corporation of Tallulah, Louisiana was awarded a \$50,000 technical assistance grant from the CDFI Fund. Serving East Carroll and Madison Parishes, Northeast Louisiana Delta CDC provides loans to entrepreneurs for start up businesses and to lower income home owners for home repair or renovation. Support from the CDFI Fund will be used for staff training, additional computer hardware and software, and the development of loan production policies and procedures.

**Quitman County Federal Credit Union (Core – 1996)**

This credit union was formed in 1981 as a means for this remote rural county's African-American population to have access to basic financial services at affordable prices. Quitman County is typical of the state's Delta counties, majority black and very poor. Quitman County's African-American population has an astounding 56% poverty rate (almost three times the rate for the white population). Membership in the credit union has grown to 1,325 household members, close to half of the county's black households, a very dramatic sign of success. The credit union also is an important source of community education in the provision of financial counseling for consumers and the self-employed. With a CDFI Fund grant of \$ 127,500, Quitman will be able to expand its lending for home improvements and residential construction, and thus stimulate opportunity for small building contractors. The credit union's increased net worth will be able to be leveraged many times over through increased share growth. It is also considering potential expansion of their service area into two adjacent counties, which are located in an Enterprise Community.

**Quitman County Federal Credit Union (TA – 1998)**

Quitman County Federal Credit Union, a certified community development financial institution, provides affordable financial services and credit to low-income residents of Quitman County, Mississippi, with a particular focus on African-American residents that have been underserved by conventional lending institutions. With the \$32,500 CDFI Fund technical assistance grant, Quitman County FCU will be able to provide training for its staff and management, purchase computer and security equipment, and obtain consulting services to devise a marketing strategy for its new microenterprise loan product.

**Southern Development Bancorporation (Core – 1996)**

This comprehensive community development bank holding company is demonstrating that a bank holding company, with appropriate affiliates and subsidiaries, can be profitable while achieving important community development objectives. Since the bank holding company purchased an existing bank in 1988 and created the multi-faceted structure, Southern has been responsible for the creation or retention of 2,300 jobs. Southern is now seeking to launch a major expansion into the Arkansas Delta. With the addition of banking operations in that region and more resources directed to Southern's real estate development and enterprise development components, it can implement a comprehensive program directed to commercial and housing lending, real estate development, small business expansion, venture capital and microenterprise lending. The expansion will bring the focus of the bank holding company's activities into the poorest part of the state, where African-American poverty rates are 65%. CDFI Fund investment, \$1 million equity investment in Southern and \$1 million grant to its nonprofit affiliate Arkansas Enterprise Group will help to launch this important expansion. Southern's Delta presence is expected to include a partnership with a university to advance research into rural economic development issues.

**Southern Development Bancorporation (Core –1998)**

Southern Development Bancorp (SDB) is a community development bank holding company that is carrying out a comprehensive community development strategy. The Awardee, through its affiliates, provides consumer financial services and lending to individuals and businesses in distressed rural communities. Currently, SDB is the largest commercial bank provider of SBA loans in the state. The CDFI Fund equity investment of \$2.5 million will assist SDB in extending its community development presence in the Arkansas Delta and its expansion to Mississippi. SDB seeks to have significant impact on growing the regional economy, and thereby increasing opportunity, particularly among the region's underserved residents.

*CDFI Fund: Bank Enterprise Awards made to Banks that have invested in CDFIs in the Delta or in Distressed Communities located within the Delta (note: Awardee may not necessarily be located in the Delta)*

**Bank of Yazoo City (1998)**

Bank of Yazoo City, of Yazoo, Mississippi, was awarded \$3,750 for making a \$25,000 equity investment in the Enterprise Corporation of the Delta Investments, LLC (ECDI). ECDI is an affiliate of the Enterprise Corporation of the Delta, a certified CDFI. ECDI is a venture fund providing patient capital and technical assistance to small businesses, start-ups and minority

owned enterprises in the chronically distressed Mississippi Delta region of Arkansas, Louisiana, and Mississippi. The Bank of Yazoo City is a state-chartered bank with total assets of \$115 million.

#### **Caldwell Bank and Trust Company**

Caldwell Bank and Trust Company received an award of \$100,570 for increasing its lending in low-income communities of Caldwell Parish, Louisiana. The bank operates a first-time home buyer's assistance program that offers lower interest rates, longer repayment terms, and lower down payments to low-income borrowers. The bank has also provided lines of credit to local farmers, increased its commercial real estate lending, and expanded its small business lending efforts. Caldwell Bank and Trust Company is a state-chartered bank with total assets of \$53 million.

#### **Concordia Bank & Trust Company (1998)**

Concordia Bank and Trust, of Ferriday, Louisiana, was awarded \$3,750 for making a \$25,000 equity investment in the Enterprise Corporation of the Delta Investments, LLC (ECDI). ECDI is an affiliate of the Enterprise Corporation of the Delta, a certified CDFI. ECDI is a venture fund providing patient capital and technical assistance to small businesses, start-ups and minority owned enterprises in the chronically distressed Mississippi Delta region of Arkansas, Louisiana, and Mississippi. Concordia Bank and Trust is a state-chartered bank with total assets of approximately \$298 million.

#### **Central Bank (1997)**

Central Bank, of Monroe, Louisiana, was awarded \$37,500 for making a \$250,000 equity investment in the Enterprise Corporation of the Delta (ECD), a certified CDFI. This investment will help capitalize ECD's new venture fund, ECD Investments. The venture fund will provide patient capital and technical assistance in small businesses, including start-ups and minority-owned enterprises in the very distressed Mississippi Delta region of Louisiana, Arkansas, and Mississippi.

#### **Deposit Guaranty National Bank**

Deposit Guaranty National Bank, of Jackson, Mississippi, was awarded \$150,000 for making a \$1,000,000 equity investment in the Enterprise Corporation of the Delta Investments, LLC (ECDI). ECDI is an affiliate of the Enterprise Corporation of the Delta, a certified CDFI. ECDI is a venture fund providing patient capital and technical assistance to small businesses, start-ups and minority owned enterprises in the chronically distressed Mississippi Delta region of Arkansas, Louisiana, and Mississippi. Deposit Guaranty is a national bank with \$7.3 billion in total assets.

#### **First National Bank of Commerce (1997)**

First National Bank of Commerce, of New Orleans, Louisiana, was awarded \$112,500 for making a \$750,000 equity investment in the Enterprise Corporation of the Delta (ECD), a certified CDFI. This investment will help capitalize ECD's new venture fund, ECD Investments. The venture fund will provide patient capital and technical assistance to small businesses,

including start-ups and minority-owned enterprises in the very distressed Mississippi Delta region of Louisiana, Arkansas, and Mississippi.

#### **Farmers Bank and Trust Company (1998)**

Farmers Bank and Trust, of Blytheville, Arkansas, was awarded \$3,750 for making a \$25,000 equity investment in the Enterprise Corporation of the Delta Investments, LLC (ECDI). ECDI is an affiliate of the Enterprise Corporation of the Delta, a certified CDFI. ECDI is a venture fund providing patient capital and technical assistance to small businesses, start-ups and minority owned enterprises in the chronically distressed Mississippi Delta region of Arkansas, Louisiana, and Mississippi. Farmers Bank and Trust is a state-chartered bank with \$152 million in total assets.

#### **Hibernia National Bank (1998)**

Hibernia National Bank, of New Orleans, Louisiana, was awarded \$406,428 for increasing its single-family mortgage lending and consumer lending in a distressed community in New Orleans. In addition, Hibernia National Bank was awarded \$345,000 for making an equity investment in the Enterprise Corporation of the Delta Investments, LLC (ECDI) and making a loan to the Local Initiatives Support Corporation (LISC). ECDI is an affiliate of the Enterprise Corporation of the Delta, a certified CDFI serving the chronically distressed Mississippi Delta region of Arkansas, Louisiana, and Mississippi. LISC is also a certified CDFI which has a New Orleans program. Hibernia National Bank is a national bank with total assets of approximately \$11.9 billion.

#### **Merchants and Farmers Bank (1998)**

Merchants and Farmers Bank, of Dumas, Arkansas, was awarded \$3,750 for making a \$25,000 equity investment in the Enterprise Corporation of the Delta Investments, LLC (ECDI). ECDI is an affiliate of the Enterprise Corporation of the Delta, a certified CDFI. ECDI is a venture fund providing patient capital and technical assistance to small businesses, start-ups and minority owned enterprises in the chronically distressed Mississippi Delta region of Arkansas, Louisiana, and Mississippi. Merchants and Farmers Bank is a state-chartered bank with total assets of over \$64 million.

#### **Planters Bank & Trust Company (1998)**

Planters Bank and Trust Company, of Indianola, Mississippi, was awarded \$3,750 for making a \$25,000 equity investment in the Enterprise Corporation of the Delta Investments, LLC (ECDI). ECDI is an affiliate of the Enterprise Corporation of the Delta, a certified CDFI. ECDI is a venture fund providing patient capital and technical assistance to small businesses, start-ups and minority owned enterprises in the chronically distressed Mississippi Delta region of Arkansas, Louisiana, and Mississippi. Planters Bank and Trust Company is a state-chartered bank with \$243.9 million in assets.

#### **Trustmark National Bank**

Trustmark National Bank, in Jackson, Mississippi, was awarded \$150,000 for making a \$1,000,000 equity investment in the Enterprise Corporation of the Delta (ECD), a certified CDFI. This investment will help capitalize ECD's new venture fund, ECD Investments. The



venture fund will provide patient capital and technical assistance in small businesses, including start-ups and minority-owned enterprises in the very distressed Mississippi Delta region of Arkansas, Louisiana and Mississippi.

*Issue: Local Strategic Planning, Volunteer Initiatives, and Community Capacity Building*

*The Commission recommended that federal, State, and local governments should partner with community-based organizations (CBOs) to develop programs in leadership development, health care improvement, education and community development.*

During May 1999, the Minority Health Professions Foundation (MHPF) through funding by Agency for Toxic Substances and Disease Registry (ATSDR), the Centers for Disease Control (CDC), and the National Library of Medicine issued a Request for Proposals for funding of demonstration projects targeting environmental health, occupational safety and health, and public health problems in the Mississippi Delta Region. Eligible applicants will include State and local health departments, colleges and universities, CBOs, and others. Grant recipients must partner with community-based organizations (CBOs), with the CBO taking the role of Principal Investigator.

*Issue: Community Substance Abuse*

*The Commission recommended an investigation into the funding distribution formula of the Alcohol Drug Abuse and Mental Health Services programs concerning equity in share received by Delta states.*

Funds for both the Substance Abuse Prevention and Treatment (SAPT) Block Grant and the Community Mental Health Services (CMHS) Block Grant are distributed according to a formula prescribed by statute to each State. The two block grant programs and two mental health programs, the Projects for Assistance in Transition from Homelessness program and the Protection and Advocacy (P and A) program, are the only Substance Abuse and Mental Health Services Administration programs that distribute funds through a formula. FY 1997 funding for the Delta states was distributed as follows:

ARKANSAS ILLINOIS KENTUCKY LOUISIANA MISSISSIPPI MISSOURI

Formula

SAPT:	\$ 9,459,892	\$57,457,219	\$15,449,566	\$22,361,950	\$11,250,304	\$22,195,118
CMHS:	2,232,840	11,194,433	3,670,758	4,376,363	2,456,254	4,797,839
PATH:	300,000	559,000	300,000	300,000	300,000	
	300,000					
P and A:	259,782	712,460	269,222	301,922	259,782	
	<u>344,836</u>					

Subtotal:	\$12,252,514	\$69,923,112	\$19,689,546	\$27,340,235	\$14,266,340
	\$27,637,793				

#### Discretionary

Mental Health:	\$203,572	\$5,698,897	\$660,494	\$165,653	\$71,314	\$2,735,254
Prevention:	493,000	7,461,354	4,653,710	826,840	1,459,881	1,277,784
Treatment:	667,641	8,175,757	451,347	4,539,894	0	
	<u>3,861,201</u>					
Subtotal:	\$1,364,213	\$21,336,008	\$5,765,551	\$5,532,387	\$1,531,195	\$7,874,239

Total FY'97	\$13,616,727	\$91,259,120	\$25,455,097	\$32,872,622	\$15,797,535
	\$35,512,032				

*The Commission recommended that the federal government should provide greater state flexibility in designing and implementing substance abuse programs.*

The use of the block grant mechanism for the substance abuse and mental health funding provides maximum flexibility to the states in designing and implementing substance abuse and mental health programs. The discretionary funding supplements these basic services. The current block grant was created through the Alcohol, Drug Abuse and Mental Health Administration Reorganization Act of 1992.

#### *Issue: Inter-Agency Cooperation*

*Congress and the President should structure Rural Development legislation to take advantage of effective, ongoing leadership initiatives.*

HHS is an active and contributing member of the National Rural Development Partnership (NRDP) managed by USDA. The Partnership was founded in 1991 and consists of 36 State Rural Development Councils and the National Rural Development Council in Washington, DC. The Partnership, at the federal and state levels, works to link agencies and individuals working on rural development to maximize the impact of existing efforts. Mississippi currently has a state council. Alabama and Arkansas are anticipated to join the Partnership in 1999. The NRDP promotes inclusive and broad-based approaches to rural community and economic development.

The Demonstration Partnership Program (DPP) sought to strengthen the capabilities of Community Action Agencies and other Community Services Block Grant (CSBG) grantees to integrate, coordinate, and redirect activities through community partnerships that will stimulate the development and rigorous evaluation of innovative approaches to increasing the self-sufficiency of the poor. Unfortunately, the funding for this program ended in 1997. The most flexible of all the HHS community services programs, DPP broke ground in early development of microenterprise and Family Development projects, and supported innovative projects working with Minority Males, Youth at Risk, children of Migrant farmworker families, with young

fathers, the homeless, and recently hired former welfare recipients. In the Delta Region DPP projects included a highly successful teen pregnancy prevention project in Tennessee, as well as other successful projects in Mississippi and Kentucky.

*Funding from various federal block grant programs to the states should be used for technical assistance for local planning efforts, local action initiatives and local leadership training programs.*

Since 1990, the Office of Community Services (OCS) within the U.S. Department of Health and Human Services has funded a wide variety of programs in the Mississippi Delta Region of Illinois, Tennessee, Kentucky, Arkansas, Louisiana, Mississippi, and Missouri. These have included programs in Community and Economic Development, Job Creation, work with Youth at Risk and Minority Males, Case Management and Family Development, programs to reduce energy dependence of poor families, and programs of Homelessness Prevention. OCS works in partnership with States, local governments, and other community based organizations by providing financial resources through discretionary and block grants for planning, program development, economic development, housing and community revitalization, family violence prevention, and job creation and development through entrepreneurship, microenterprise and new business ventures.

Community Action Agencies (CAAs) are funded through the Community Services Block Grant (CSBG) and reach more than 96% of the nation's counties. In the seven states of the Delta Region, OCS funds 184 CAA's whose activities include job training, substance abuse prevention, food programs, transportation services family counseling, and community revitalization. Total annual CSBG funding for these 184 CAA's is currently approximately \$80 million, and prior to 1998 was about \$60 million. Nationally, over half of the nation's Head Start programs are run by CAA's. In the rural areas of the Delta Region CAA's are the principal provider of transportation services that help families get to jobs and needed services. With the coming of the Transportation Equity Act of the Twenty-first Century (TEA-21), the expansion of these services is seen as an important venue for creation of new jobs and economic opportunities.

OCS administers several discretionary grant programs which have funded projects including the Urban and Rural Community Economic Development initiative, the Job Opportunities for Low-Income Individuals (JOLI) Program, The Demonstration Partnership Program (DPP), The Family Support Centers and Gateway Demonstration Program, and the REACH program which seeks innovative ways to reduce energy dependence among low-income families.

*Workshops should be developed on self-help skills for low-income clients.*

The Urban and Rural Community Economic Development Program within HHS supports projects that provide employment and ownership opportunities for low-income people through business, physical or commercial development, which generally improve the quality of economic and social environment of low-income residents in economically-depressed areas. In the Delta Region since 1990 OCS has funded more than \$20 million in economic development projects

which have included development of retail facilities, clothing manufacture, industrial plants, and neighborhood revitalization projects.

The Job Opportunities for Low-Income Individuals (JOLI) Program is a job creation program designed to create new employment opportunities for TANF recipients and other low-income individuals through self-employment, microenterprise, expansion of existing businesses and new business ventures. Projects in the Delta Region have included expansion of a bakery in Louisiana, a successful project for training and placing women in non-traditional careers in Highway Construction and Maintenance in Kentucky, and a successful program in Tennessee, jointly funded with the Environmental Protection Agency, to create jobs and support minority contractors in the important work of Lead Hazard Reduction in low-income housing in Memphis and Shelby County.

## **CONCLUSION: EZ/EC DEVELOPMENT FOR THE FUTURE**

The Empowerment Zones/Enterprise Communities program is the most innovative and wide-ranging of the development initiatives discussed in this Interim Report. Although USDA and HUD are the lead agencies in administering the rural and urban portions of the program, *all* of the federal agencies that contributed to this Interim Report participated in some of the diverse projects undertaken by the communities in the Delta. EZ/EC is inter-related with the initiatives for transportation, job creation, health care, education, infrastructure, small business development, and the other issues that were analyzed in 1990 in *The Delta Initiatives*. The program cuts across agency and jurisdictional barriers to arrive at a comprehensive approach for developing the entire community.

Since President Clinton and Vice President Gore designated 105 communities across America as Empowerment Zones and Enterprise Communities in December, 1994, this initiative has been a catalyst for improving the quality of life in many of the nation's most distressed communities. Vice President Gore has overall authority for directing the program through the Community Empowerment Board, which is a Cabinet-level inter-agency task force designed to organize the federal government's efforts to aid distressed communities. The EZ's and EC's have used the federal government seed money to leverage large amounts of additional investment in communities that were once in serious economic decline. In pursuing sustainable economic rejuvenation, participants in this initiative have recognized that attracting private investment is necessary, and that local communities working together in a grassroots, "bottom-up" approach are most effective in developing local solutions to the challenges they face.

The Delta fared well in the Round I application process, gaining eight rural and six urban EZ/EC designations. In Round II, despite an energetic push from Delta communities in the rural competition, the only rural Lower Mississippi Delta applicant to achieve EZ status was the Southernmost Illinois Delta. Many Delta communities have begun calling for a third round of EZ/EC. While any subsequent Empowerment Zone and or Enterprise Community authorizations are up to the Congress, USDA is pioneering its Champion Community program with both Round

I and Round II EZ/EC applicants. For the future, USDA is also experimenting with a bold new pilot program called the Rural Economic Area Partnership (REAP) zone program. This experimental program embraces the principles and process of the Empowerment Initiative and endeavors to extend them to both large multi-county clusters of economically distressed communities as well as to smaller, 1-4 county planning areas. Demonstration projects in North Dakota indicate that the program has great potential.

With the success of Round I and the announcement of Round II in early 1999, the family of Delta EZ's, EC's, and Champion Communities enjoys great promise for its future growth. The particular projects summarized in this section represent only a fraction of the accomplishments, but they demonstrate how communities are meeting and in many cases surpassing the program's goals, leveraging resources and creating sustainable development. Ultimately, the success of the EZ/EC idea flows from men and women in the Delta communities who have demonstrated the commitment and hard work needed to make their vision of opportunity and revitalization become a reality.

## **HOUSING**

*In 1990 the Commission recommended that federal, state and local officials, financial institutions and community-based organizations should invest equitably in housing opportunities for low-income and moderate income people. While noting that community-based organizations in the Delta provided housing services, the Commission acknowledged that “these organizations, with few exceptions, need additional technical expertise and financial resources to play a larger, vital role in the financing, development and management of housing for low-income and moderate-income families.” The U.S. Department of Housing and Urban Development and USDA’s rural housing programs play an important role in working with local communities to promote housing opportunities for the people of the Delta.*

### **URBAN HOUSING ISSUES**

In the early part of this century, Beale Street in Memphis, Tennessee, was vibrant with juke joints and clubs, serving as one of the cultural centers of the Mississippi Delta Region. W. C. Handy, Blind Lemon, Robert Johnson and countless other Delta performers found solace, an audience and opportunity on Beale Street. In the 1970s and early 1980s, this vibrancy was but a shadow of years past. In the 1980s and 1990s, Beale Street experienced an economic and cultural revival, due, in part, to significant public investment. For example, an investment of \$2.5 million in HUD Community Development Block Grant Funds is helping the Gibson Guitar Company build a state-of-the-art guitar manufacturing facility not far from Beale Street in downtown Memphis.

The Gibson Guitar project -- like other projects HUD has worked on in the Delta Region -- is about more than just bricks and mortar. It is built upon the rich tradition of the Delta itself. Opportunity for the future of the Delta can be found in its history and traditions.

For too long, the people and communities of the Mississippi Delta Region have lived in the shadows of our nation’s economic success. For the past ten years, the U.S. Department of Housing & Urban Development has supported regional development initiatives in the Lower Mississippi Delta, working in partnership with people and communities to create a more promising future.

*The 1990 Delta Initiatives Report focused on a range of housing issues, including increasing home ownership, increasing the availability of multifamily housing rental units, and reducing homelessness. It also set goals for economic development and job creation. HUD has been able to address many of these issues through a wide array of programs.*

From 1993 to 1999, Secretary Andrew Cuomo, and Secretary Henry Cisneros before him, have given extraordinary support to the regional development initiative in the Delta. HUD has encouraged regional efforts to carry out programs, and has partnered with other organizations such as the Foundation for the Mid South, state and local governments, and other federal agencies.

HUD's new "Community Builders" play a particularly useful role in the Delta Region. Secretary Cuomo launched the Community Builders Fellowship in March 1998 as a major element of HUD's management reform plan, which calls for a new focus on community outreach and direct customer service for the public. HUD Community Builders have been working in the Delta Region since the Fall of 1998. Examples of work assignments for Community Builders include meeting with community leaders, business owners, educators and elected officials to help them design effective plans for utilizing funds from government, the private sector, and foundations; helping a small business owner obtain a loan or grant or open a business; working with a group of developers to find financing for a shopping center; scouting out a location for a new park with the neighborhood association; and developing ways to increase homeownership in neighborhoods. The Community Builders in all of the offices which are involved in supporting the Delta Initiative are collaborating to address problems in a coordinated way.

In many respects, impressive progress has been made since the Commission released its report in May, 1990. The following section of this Interim Report identifies the issues, goals, and recommendations of the 1990 DELTA INITIATIVE REPORT and provides a status report of HUD's efforts in the Delta Region. Although much progress has been made, many challenges still remain, and HUD will continue to look for ways work with local communities in improving the Delta's quality of life.

### **Safe, Affordable Owner-Occupied Housing**

*The Commission set a goal of increasing the rate of homeownership by 4 percent by the year 2001, while eliminating substandard owner-occupied housing.*

Homeownership is an important part of the American dream, and HUD has worked to increase the national homeownership rate by targeting its efforts to traditionally underserved populations. In 1990, the homeownership rate was 63.9 percent for the nation, and this has increased 2.4 percentage points to a record high of 66.3 percent in 1998. Six of the seven states in the Mississippi Delta had homeownership rates above the national average in 1990. In 1998, all seven Mississippi Delta states were above the national average. Of course, it should be kept in mind that for the northernmost Delta (Missouri, Kentucky, and especially Illinois), the Delta regions represent relatively small parts of their states:

- 75.1 percent of Kentucky's households were homeowners in 1998, an increase of 9.3 percentage points.
- 70.7 percent of Missouri's households were homeowners in 1998, an increase of 6.7 percentage points.
- 75.1 percent of Mississippi's households were homeowners in 1998, an increase of 5.7 percentage points.
- 68.0 percent of Illinois' households were homeowners in 1998, an increase of 5.0 percentage points.

- 71.3 percent of Tennessee's households were homeowners in 1998, an increase of 3.0 percentage points.

The remaining two states, Arkansas and Louisiana continue to have rates above the national average, 66.7 percent and 66.6 percent, respectively, while having experienced small declines of 1.1 and 1.2 percentage points, respectively.

In June 1995, President Clinton committed the Nation to increasing the homeownership rate to 67.5 percent by the year 2000. He brought together a partnership of 58 key public and private organizations to forge a National Homeownership Strategy. The efforts of these national partners to reduce the financial, information, and systemic barriers to homeownership are amplified by local partnerships at work in over 100 cities, including several communities in the Delta.

HUD has taken a number of specific steps to expand homeownership opportunities in the Delta and across the nation:

### ***Housing Counseling***

*The Commission recommended that HUD should create homeownership and maintenance courses for low-income and moderate income families who will benefit from government assisted homeownership programs.*

HUD's Housing Counseling program is one example of the Department's efforts to help these families learn more about the process of finding, financing, and maintaining a home. In FY 1998 alone, 43 local counseling agencies and three state housing finance agencies in the Delta States received nearly \$1.6 million in HUD housing counseling grants to promote these efforts.

### ***HOME Program***

HUD's HOME program is a block grant for housing that participating local jurisdictions and states can use to further their homeownership goals. This is an important source of funds for small cities in the Delta. HOME funds invested in homeownership activities are most commonly used for downpayment assistance, generally in the form of a subordinate, non-amortizing mortgage. Many hard working low-income families lack the savings necessary for a home downpayment despite stable employment. A single, up-front investment of HOME funds often provides the assistance necessary for such a family to obtain and maintain homeownership (it should be noted that housing counseling, mentioned above, has proven a strong complement to HOME funded homeownership projects).

### ***Homeownership Programs and Escrow Accounts for Public Housing Residents***

*The Commission recommended that HUD, working with local housing authorities, should establish escrow accounts of a percentage of monthly rent for high-end rent paying tenants to be used later for down payments on homes.*

Under the current program regulations for HUD's tenant-based programs, a Section 8 family is allowed to enter into a lease purchase agreement with the owner. Under such lease purchase



agreements, the tenant and owner decide how much of the tenant's monthly rent will be placed into an escrow that can later be used by the tenant to purchase the unit. As soon as the family closes on the house, all Section 8 payments stop. A rule to implement the voucher homeownership program will be published this fall.

Additionally, Public Housing Agencies (PHA) in the Delta may apply for a number of homeownership programs for low-income families. One program, Section 5(h) homeownership, allows PHAs to sell public housing properties to public housing residents. Other PHAs operate their own homeownership programs, building or buying homes that can be sold to public housing residents. Often the PHAs also serve as lenders, insuring mortgages for lower interest rates or offering silent second mortgages to allow families to buy down the mortgage amount. Interested families must contact the housing authorities for information regarding programs offered in their area.

An example of these programs at work in the Delta can be seen in Tennessee, where the Memphis Housing Authority administers a Family Self-Sufficiency Program for residents of both public housing and Section 8 certificate and voucher programs. Sixteen public housing residents and eighteen section 8 residents have escrow accounts.

### ***Increases in FHA Loan Limits and Volume Cap***

On October 21, 1998, President Clinton signed legislation increasing the Federal Housing Administration (FHA) loan limit so that more middle-income city residents and minorities, who have traditionally tended to rely on FHA mortgage insurance, can enjoy the benefit of FHA single-family mortgages; this enables more families to qualify for FHA mortgages by raising the limit on home mortgages. Additionally, Secretary Cuomo asked Congress in March 1999 to let the Federal Housing Administration insure up to \$130 billion in home mortgages this year and another \$130 billion next year - at no cost to taxpayers. Increasing FHA loan limits – and potentially increasing the volume cap – will allow HUD's FHA to assist more and more families in the Delta achieve their dreams of homeownership.

### ***Fighting Housing Discrimination***

Finally, although overt discrimination has been driven underground, minority Americans, persons living with disabilities, families with children, religious minorities, and other groups continue to suffer when denied housing opportunities as a result of discrimination. HUD has bolstered its homeownership efforts in the Delta by aggressively enforcing the Fair Housing Act, supporting a network of public agencies and nonprofit fair housing organizations.

### ***Rental Housing Production and Preservation***

*The Commission recommended that an additional 400,000 units of decent, affordable rental housing be provided for low income Delta residents.*

The Delta is well on its way to meeting the goal of 400,000 additional units of decent, affordable rental housing. HUD has several programs that assist the development of multi-family housing, both to increase the supply of rental housing and to meet the needs of specific populations. Between 1990 and 1998, building permits were issued for an estimated total of 310,280 units of

single family and multi-family housing units in the Mississippi Delta. Of those, 68,148 were for multifamily units and 242,131 were for single family units. The 7 states in the region issued permits for 1.295 million units - 284,539 multifamily units and 1.011 million single family units.

### ***Housing for the Elderly and People with Disabilities***

*The Commission recommended that Congress should increase HUD funding for supportive housing for the elderly and the handicapped.*

HUD has two programs -- Section 202 Housing for the Elderly and Section 811 Housing for Persons with Disabilities -- that provide capital advances to finance the construction and rehabilitation of structures that will serve as supportive housing for very low-income elderly and disabled persons. These programs provide rent subsidies for the projects to help make them affordable. This program provides low-income elderly and disabled persons with options that allow them to live independently but in an environment that provides support activities such as cleaning, cooking, transportation, etc. From 1990 to 1998, HUD provided close to \$140 million in Section 202 funding to the Delta states, creating close to 3,000 units of housing for the elderly. During that same time period, HUD has given the Delta states close to \$27 million in Section 811 funding to create over 600 units of housing for persons with disabilities.

HUD's Fiscal Year 2000 (FY 2000) budget lays out a plan to meet the changing housing needs of our nation's elders and to provide security and peace of mind to coming generations of senior citizens, proposing \$660 million for Section 202, including reforms to allow conversion of existing buildings where seniors need assisted living, and \$87 million for 15,000 housing vouchers targeted to elderly persons.

### ***Moratorium on Multi-Family Mortgage Subsidy Pre-Payments***

*The Commission recommended that Congress should extend a moratorium on HUD multi-family mortgage subsidy prepayments for five years after September 30, 1990.*

Because of the threat prepayment posed to affordable housing stock nationwide, the Cranston-Gonzalez National Affordable Housing Act of 1990 extended the moratorium on prepayment of these mortgages. The Act also included a program which provided financial incentives to owners in lieu of prepayment. This moratorium lasted until 1996 when Congress lifted it because of extremely high program costs of providing these incentives. While some of these mortgages have since been prepaid, HUD has been able to protect eligible tenants with Section 8 vouchers. The Department continues to work with owners to prevent this type of prepayment.

### ***Assistance for Homeless Persons***

*The Commission recommended that homelessness be eliminated from the Delta by the year 2001. The Delta Initiatives made several recommendations to address homelessness in the region by the year 2001. These recommendations include enacting the coordination of agencies providing services to the homeless at the local and state levels through mandated, coordinated homeless assistance plans for rural areas; fully funding the Stewart B. McKinney Homeless Assistance Act, and enacting legislation to authorize and appropriate funds to produce and/or rehabilitate more subsidized housing in rural areas.*

The Clinton Administration has made addressing homelessness one of its top priorities. That has included an emphasis on new approaches which better serve homeless persons in rural areas, such as the Delta Region. Nationally, funding for HUD's homelessness assistance programs has increased dramatically from \$284 million in 1992 to \$975 million in 1999. President Clinton has requested \$1.129 billion in his FY2000 budget proposal.

### ***Continuum of Care and Emergency Shelter Grants***

While the Commission's goal to eliminate homelessness has not been achieved in the Delta, these funds, coupled with the implementation of the Continuum of Care approach to addressing homelessness, have provided the resources and tools needed to significantly impact the problem. The Continuum of Care approach calls for comprehensive and collaborative local planning to ensure the availability of the range of services, from emergency shelter to permanent housing, needed to meet the complex needs of homeless persons. The new approach has made it possible for rural areas to be more competitive in the annual grant-making process by ensuring funds for areas if they meet the quality standards of Continuum of Care competition. In addition, the Department has provided significant technical assistance to rural communities to assist them in crafting quality Continuums. As a result, in 1999, 214 rural projects were funded nationwide, representing over 12% of HUD's homelessness assistance budget, the highest percentage ever.

In the Mississippi Delta area the Continuum of Care (CoC) funding for FY1998 totaled \$16,856,522. In addition, the Delta area received \$12,092,000 in formula awards under the Emergency Shelter Grants (ESG) program. These funds provided an array of emergency, transitional, and permanent housing and services throughout the region that are gradually reducing the numbers of homeless men, women and children.

The success of the Continuum of Care can be seen at Our House, Inc., which operates an emergency homeless shelter in downtown Little Rock, Arkansas, along with a HUD-funded transitional living facility, training center, and daycare center. Our House pioneered a bold new concept that the total community, through volunteerism, would provide the necessary training and supportive services which would help the homeless re-enter productive society, versus the previous method of warehousing the homeless first at one shelter, then another. Our House's programs have been such a success that the month of December 1990 was declared "Our House Month" in the state of Arkansas by then Governor Bill Clinton in recognition of its accomplishments.

### ***Housing for the Homeless***

Under the State CDBG program, states provide funds to smaller communities for use in revitalizing neighborhoods, expanding affordable housing and economic opportunities and improving community facilities. A significant portion of these funds are used to reconstruct or rehabilitate housing and other property including homeless shelters and single-family homes in rural areas.

### ***Housing Vouchers for the Homeless***

Additionally, HUD's FY2000 budget proposes 100,000 new vouchers to meet the needs of the poorest renters; 18,000 will be for homeless persons, to ensure the availability of permanent housing solutions at the end of the Continuum of Care. These vouchers will be available in both urban and rural areas, and can be a significant resource to assist in reducing homelessness in the Delta.

### ***Rural Housing***

The Delta Region can also significantly benefit from HUD Rural Housing and Economic Development funds to produce and/or rehabilitate housing in rural areas. In FY 1999, \$17 million of the \$27 million HUD is making available will fund innovative housing and economic development activities.

### **Community Substance Abuse**

*The Commission recommended that drug intervention, education and prevention programs be improved and/or created to make all local communities and schools in the Delta drug-free.*

### ***Drug Elimination Grants***

*In 1990, the Commission recommended that HUD expand the public housing drug elimination pilot program to include all Public Housing Authorities in Delta.*

Since 1990, the Drug Elimination program has been extended to all PHAs. The Drug Elimination program was authorized initially by the Anti-Drug Abuse Act of 1988, as amended by the Cranston-Gonzalez National Affordable Housing Act of 1990 and the Housing and Community Development Act of 1992. The Act authorizes HUD to make grants available to Public Housing Authorities for the purpose of eliminating drug-related crime in and around public housing developments. The funds can be used for reimbursement of local law enforcement of additional services, security contracts, investigators, and training residents for volunteer resident programs. Recent appropriations acts have expended the use of funding to include patrols, physical changes to enhance security, drug prevention, intervention and treatment strategies, allowing PHAs greater scope in targeting crime and developing successful alternatives.

For example, from Fiscal Years 1994 to 1998, the Memphis Housing Authority has received over \$8.5 million under HUD's Drug Elimination Program. Over \$671,000 of those funds have been budgeted for prevention programs, including Summer Youth Sports Camps, Residents Against Crime Programs, and Boys and Girls Clubs.

### **Race Relations**

*Racial incidents and ethnic polarization will cease to characterize life in the Lower Mississippi Delta region and will no longer serve as impediments to regional economic development.*

### ***Enforcing the Fair Housing Act***

On September 30, 1997, at the direction of President Clinton, Secretary Cuomo launched a Departmental attack against housing discrimination nationwide, including discrimination in the Mississippi Delta region. As part of that attack, Secretary Cuomo pledged to double the number of fair housing enforcement actions taken during the President's second term. HUD is working tirelessly to achieve that benchmark by aggressively invoking its authority under the Fair Housing Act, Title VI of the Civil Rights Act of 1964, and Section 504 of the Rehabilitation Act to investigate, settle, and when necessary, prosecute cases of housing discrimination. HUD's work in the seven state Mississippi Delta region continues: for example, from Fiscal Years 1990 - 1998, the Department secured from respondents in excess of \$3.2 million to compensate persons alleging discrimination in violation of these laws.

### ***Partnering with Fair Housing Groups***

As part of its mission to fight for fair housing, the Department also has continued to fund the Fair Housing Initiatives Program (FHIP) which provides support to private non-profit organizations, State and local governments and others to enforce and enhance compliance with the nation's fair housing laws. These funds are used in the Delta Region to undertake testing and other enforcement activities to prevent and eliminate discriminatory housing practices.

### ***"Report Card" on Housing Discrimination***

Finally, HUD recently launched a rigorous, independent study of racial and ethnic discrimination in housing rental and sales in the nation's urban, suburban and rural communities. The study will be used to establish a new benchmark of housing discrimination - a "report card." The report card will allow HUD to target future efforts to enforce fair housing protections and assess the effectiveness of such enforcement in reducing the level of discrimination across the nation, including the Delta region.

## **HOUSING FOR VETERANS**

President Clinton signed legislation on October 13, 1994, that increased the maximum VA loan guaranty entitlement for home loans made to servicemembers, veterans, reservists and unremarried surviving spouses. VA guarantees part of the total loan, permitting the purchaser to obtain a mortgage with a competitive interest rate, even without a downpayment loan if the lender agrees. VA no-downpayment loans can be made up to \$203,000. The following chart reflects the loan amounts guaranteed in the Delta States in FY '98.

### **Guaranteed Loan Amounts**

<b>State</b>	<b>FY 1998</b>
Arkansas	\$ 267,177,441
Illinois	\$ 969,040,930
Kentucky	\$ 356,069,135
Louisiana	\$ 306,615,928
Mississippi	\$ 229,865,747
Missouri	\$ 582,861,358
Tennessee	\$ 682,740,045

## HOMELESSNESS

### Homeless Provider Grant and Per Diem Program

Beginning FY '94, the Department of Veterans Affairs (VA) has made grants to partnering nonprofit providers and state and local governments to furnish outreach, rehabilitative services, vocational counseling/training and transitional housing assistance to homeless veterans. To the maximum extent practicable, grants have been made to reflect appropriate geographic dispersion and appropriate balance between urban and non-urban locations. Eligible grant recipients receive 65 percent of the estimated cost of the projects and services from VA. Eligibility is given to non-profit agencies, state, county or city governments and Indian Tribes with veteran specific programs scoring high in the competitive grant round. Recipients provide financial resources to support the balance of the project cost. Since its inception in 1994, over \$26 million in grants have been awarded to program recipients nationwide. Fourteen grants under this program have been awarded to entities in the Delta States, resulting in more than \$3.5 million in grant awards and per diem (on-going) support to organizations that assist homeless veterans with housing and related supportive services. In FY 1998, Cocaine and Alcohol Awareness Programs, Inc. in Tennessee was awarded \$278,850. In Illinois, The Proviso Township, a transitional living program, received a grant of \$250,000.

VA also contracts with organizations that provide residential services to homeless veterans in the Delta States. More than \$10 million has been made available to pay for contract residential care for homeless veterans in the Delta region. Thousands of Delta state veterans have been assisted by this effort.

### Health Care for Homeless Veterans -- Residential Care

VA has 71 program sites (located in 31 states) and provides extensive outreach, physical and psychiatric health exams, treatment, referrals and ongoing case management to homeless veterans with mental health problems (including substance abuse). As appropriate, this program places homeless veterans needing treatment into contracted community-based facilities. The average length of stay is 72 days. All Delta States receive funding under this program. The following is the allocation of money spent for this program in the Delta States.

#### **Health Care Providers for Homeless Veterans - Residential Care**

State	FY 1998	FY 1999
Arkansas	\$ 340,000	\$ 340,000
Illinois	\$ 325,000	\$ 325,000
Kentucky	\$ 225,000	\$ 225,000
Louisiana	\$ 230,000	\$ 230,000
Mississippi	\$ 125,000	\$ 125,000
Missouri	\$ 525,000	\$ 525,000

Tennessee	\$ 285,000	\$ 285,000
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### Compensated Work Therapy/Therapeutic Residence Program

Disadvantaged, at-risk and homeless veterans live in community-based supervised group homes while engaged in therapeutic work for pay in a VA Compensated Work Therapy Program (also known as Veterans Industries). Veterans in the CWT/TR program work about 32 hours per week, with average earnings of \$580 per month. Veterans pay an average of \$142 per month toward maintenance and upkeep of the residence. The average length of stay is 136 days. There are ten CWT programs that operate in the Delta States. VA national cemeteries and VA medical centers have existing CWT partnerships at three sites including Biloxi, MS, Mt. Home, TN, and Jefferson Barracks, St. Louis, MO. A total of eleven CWT participants perform a variety of functions including mowing, trimming or other grounds maintenance activities to enhance each cemetery's appearance.

### VA Assistance to Stand Downs

VA programs and staff have actively participated in over 450 stand downs and assistance fairs for homeless veterans run by local coalitions in various cities during the past 5 years. In wartime stand downs, front-line troops are moved to a place of relative safety for rest and needed assistance before returning to combat. Similarly, peacetime stand downs give homeless veterans 2-3 days of safety and security where they can obtain food, shelter, clothing, and a range of other assistance, including VA-provided health care, benefits certification, and linkages with other programs. A survey of sites from calendar year 1998 indicates that more than 43,000 veterans and their family members received assistance as a result 123 stand downs and assistance fairs, of which 8 were held in Delta States. VA has identified this increased outreach as a White House Millennium Project and expects to increase the number of events beginning in the fall of 1999.

## **RURAL HOUSING ISSUES**

USDA's Rural Housing Service is an active participant in assisting the people of the Lower Mississippi Delta region in becoming full partners in America's future. RHS provides a full range of programs that help stabilize both individual households and rural communities. Households benefit from the improved housing through RHS homeownership and rental housing programs. Communities benefit from the stabilizing effect of homeownership as well as the development of community facility projects that make the community a safer and better place to live.

### **Single Family Housing in the Rural Delta**

Since 1990, RHS helped nearly 43,000 households in Arkansas, Louisiana, Mississippi, and Missouri purchase or improve their own homes. Arkansas and Mississippi have active self-help housing programs with 10 technical assistance grantees operating in 12 Delta counties. Technical assistance grantees are the foundation of RHS's mutual self- help housing program.

The grantees perform numerous valuable functions, including purchases of home lots, recruiting and managing groups of families, providing families with homebuyer education, counseling, and guidance on financing issues, and training the families on construction. The self-help program builds more than just homes. As the participants work together, they create communities that are bound by a common goal. In addition, in the process of building their own homes, self-help borrowers learn excellent vocational skills. In fact, some self-help borrowers have actually received new employment opportunities or started their own business because of the construction skills they learned through the program.

Beginning in 1996, RHS joined the Rural Local Initiatives Support Corporation (Rural LISC) and the Federal Home Loan Bank System (FHLB) to create and deliver a new single family mortgage product to enable families below 80 percent of area median income to achieve homeownership. RHS provides a fixed-rate, subsidized mortgage to cover a portion of the cost of a house, while a member FHLB bank provides financing for the remaining portion. Private non-profit community development corporations (CDCs) identify and counsel eligible borrowers and aid in the development of affordable housing opportunities. This counseling is often critical to the long-term success of the homeowner. RHS's partnership with the community development corporations helps direct resources to very needy areas, leverages technical assistance and builds a long lasting partnership to accomplish other rural development initiatives. Through these Rural Home Loan Partnerships, 82 Delta households in Kentucky, Louisiana, and Mississippi achieved homeownership.

## **Multi-Family Housing**

*The Commission urged an increase in units of decent, affordable housing for low-income Delta residents. In particular, the Report singled out the need for expanding USDA's rural housing programs: the Section 515 Rural Renting Housing and Section 521 Rental Assistance programs.*

Through its Section 515 Rural Rental Housing and Section 521 Rental Assistance programs, RHS employs a private-public partnership by providing subsidized loans to developers to construct or renovate affordable housing complexes in rural areas. By combining low interest loans, rents are affordable to low-income tenants. With rental assistance, tenants pay 30% of their income towards their rent (including utilities). RHS maintains an active Rural Rental Housing program enabling 397 projects to build or improve rental units that provide decent, safe living conditions for lower income Delta families and elderly. The following table shows the number of RHS Section 515 loans and Section 521 Rental Assistance units provided in the Delta counties since 1990.

### **Section 515 Rural Rental Housing Lower Mississippi Delta Counties Projects Assisted Since 1990**

<b>STATE</b>	<b># Projects</b>	<b># Unit</b>	<b># RA Units</b>	<b>Loan Obligations (in millions)</b>
<b>AR</b>	89	2,322	1,356	<b>\$55.9</b>



<b>IL</b>	16	342	143	<b>\$5.5</b>
<b>KY</b>	18	326	262	<b>\$10.9</b>
<b>LA</b>	108	3,086	1,790	<b>\$73.8</b>
<b>MS</b>	91	2,633	1,377	<b>\$59.3</b>
<b>MO</b>	52	1,030	734	<b>\$28.7</b>
<b>TN</b>	23	737	462	<b>\$20.2</b>
	<b>397</b>	<b>10,476</b>	<b>6,124</b>	<b>\$254.3</b>

### **Farm Labor Housing**

Farm Labor Housing in the Delta region, as funded through the U.S. Department of Agriculture's Rural Development/Rural Housing Service, has traditionally consisted of single family dwellings, located on private lands, which the agricultural producer has funded. But, with changes in the agricultural economies of Delta states, there has been a shift away from constructing that type of housing. In the 1990s, Mississippi built 26 on-farm labor housing units totaling \$1.23 million, and western Tennessee built two units, one housing one family and the other eight farmworkers representing a commitment of over \$100,000 since 1990. In Arkansas, however, construction of new, on-farm units has continued at a more significant rate. And, where we have also seen the development of an innovative, overnight housing and referral facility for migrant farmworkers. The Hope Center was constructed to assist families and individuals as they travel through what is usually referred to as a migrant stream where workers travel to points north and south, anticipating work opportunities along certain routes.

During the 1990s, Arkansas' Rural Development office has been able to provide 47 domestic Farm Labor Housing loans to finance 62 on-farm units totaling \$2,610,867.00. The basic objective of Rural Development in making domestic Farm Labor Housing loans is to provide decent, safe, and sanitary housing for domestic farm labor to be located in areas where a need for farm labor exists. The farm laborers are provided rent free housing. Without Rural Development services in this program area, many farm laborers would still be residing in substandard housing and the condition of these properties would probably be below poverty level standards.

USDA/Rural Development in Arkansas also granted \$2.5 million to construct the new Hope Migrant Complex which sits on 16 acres adjacent to Interstate 30 in Hope, Arkansas. It is comprised of eight separate buildings. Five buildings, providing 60 rooms, are set aside for lodging. A separate building houses the central bath and laundry. Another new addition is a pavilion, with cooking grills and an outdoor playground and recreation area. The seventh building houses maintenance and the eighth building is the 14,000 square foot administration building.

The Migrant Farm Labor Center is a rest stop for Migrant and seasonal farmworkers and their families. Services provided include job referrals and social services assistance. The center is open 24-hours a day, March through December.

Each year thousands of families following the Midwestern migrant stream travel through Hope, Arkansas. Many of these families stop at the Hope Migrant Farm Labor Center to briefly rest, eat or sleep before continuing their journey to the next work site. These families work in the

fields picking the fruits and vegetables that we eat everyday. Most of these families are traveling with very little money and almost any problem or delay can be a disaster for them. If their vehicle need repair or they run out of food before they reach their next work destination, there are very few organizations equipped to assist them. Housed in the administration building is the Arkansas Human Development Corporation (AHDC).

The AHDC is the agency designated by the U.S. Department of Labor to Administer the Job Training Partnership, Title IV, section 402 Seasonal and Migrant farmworkers program. Through this program, AHDC is able to provide an array of supportive services to eligible families traveling from their homes to work in another part of the state or country.

The AHDC provides families with food, gas, automotive repairs, medical prescriptions and other medical assistance. Services are provided through a wide variety of public and private sector organizations, who are part of the agency's vendor network, and who have agreed to honor vouchers issued by the agency. During the period March through December 1998, AHDC provided support services valued at \$80,533.87 to 610 families.

The agency also provides families with pesticide safety education training and certification to help them protect themselves from harmful chemicals while working in the fields, and enhance their prospects for obtaining employment. During the period March through December 1998, the agency trained 800 migrant farmworkers and 128 migrant children.

The center also serves migrant families with children in Southwest Arkansas schools. Currently, there are ten schools which have established programs for migrant children. A recruiter travels to other schools looking for migrant children and making sure that their needs are met.

The Hope, Arkansas office is staffed with a Regional Director, A Migrant Services Coordinator who is also bilingual, and an Americorp Volunteer, who provides pesticide safety education and certifications, services. This office relocated to the Hope Migrant Complex in January 1998, and is now a partner in the one stop center for migrant farmworkers.

The Hope Migrant Complex is dedicated to providing migrants with the necessary services for the basic needs of their families, something which might not have been possible without the Rural Development monies dedicated to its construction.

## **MID-SOUTH DELTA LOCAL INITIATIVES SUPPORT CORPORATION (LISC)**

**Mid-South Delta LISC:** HUD, USDA, and other federal agencies work in partnership with major organizations in the Delta that promote economic and community development. One of the most important of these organizations is the Mid South Delta LISC, which is an ambitious rural economic development program designed by LISC in collaboration with the Foundation for the Mid South (FMS). Its purpose is to help nonprofit community development corporations (CDCs) transform 56 chronically distressed rural counties and parishes in the Mississippi River Delta of Arkansas, Louisiana, and Mississippi, into healthy communities -- affordable and safe places to live, work, conduct business and raise children. Mid South Delta LISC is headquartered in Greenville, Mississippi, with a satellite office in Forrest City, Arkansas.

## **FACTS ABOUT MID SOUTH DELTA LISC**

Office opened:	April 1995
Affordable homes built:	765
Commercial/Industrial space developed or under construction (square feet)	29,931
Number of community development groups assisted:	44
Local private support:	\$1,758,300
Public support	\$2,049,168
National LISC matching dollars:	\$1,382,550
Total LISC Investment in Mid South Delta:	\$5,190,018
National Equity Fund Investment	\$5,651,311
LISC Loans and Grants to CDCs:	\$3,510,334
DEVELOPMENT DOLLARS MADE AVAILABLE TO CDCS:	\$30,253,315

(Figures as of December 31, 1998)

[The contact for the Mid South Delta LISC is Glenn Nishimura, Program Director, 119 S.Theobald Street, Greenville, MS 38701; telephone (601) 335-3318; fax (601) 335-3884; E-mail: gnishimura@liscnet.org.]

**Key goals** of the program include helping residents organize new CDCs in areas where there are none; strengthening the technical and financial capacity of existing CDCs; increasing public and private capital and resources to support CDCs and the work they do; and assisting CDCs to increase and accelerate the development of affordable rental and ownership housing, industrial and commercial space, and community facilities.

To build and support a CDC industry in the Delta, LISC's **Core Program** offers delta CDCs access to an array of financial resources. In addition, through training and technical assistance, Mid South Delta LISC increases organizational capacity and builds leadership in delta communities.

**Accomplishments for Mid South Delta LISC** include providing \$3.51 million in grants and loans (resulting in more than \$30 million in development activity in the delta); helping to secure more than \$5.6 million in Low Income Housing Tax Credit equity, and delivering targeted technical assistance to Delta CDCs to help them build or rehabilitate 765 affordable homes.

Mid South Delta LISC offers ongoing **Training and Technical Assistance Programs**. More than 260 CDC staff participated in workshops on topics including the Low Income Housing Tax Credit, Property and Asset Management, Housing Finance and Deal Structuring, HOME implementation, computer training, and grant writing. Also, in collaboration with the Foundation for the Mid South, LISC has sponsored training programs with Fannie Mae, the Federal Home Loan Bank, and Habitat for Humanity. An intensive, one year training curriculum provided by the Development Training Institute (DTI), comprising of four, one week seminars, was delivered to 20 CDC employees to increase internal capacity of Delta CDCs to develop housing. Since its inception, Mid South Delta LISC has supported 11 new and emerging CDCs with organizational support.

***The AmeriCorps Program*** has proven to be a critical boost to increasing capacity of CDCs in the Delta. Since its inception, Mid South Delta LISC has placed, partially funded and provided administrative support to 47 AmeriCorps volunteers. These AmeriCorps have served community organizations focusing on building the administrative and housing development capacity of nine CDCs in Arkansas, eleven in Mississippi, and two in Louisiana.

***Partnerships:*** To achieve its overall goals, Mid South Delta LISC has entered into collaborations with key national and regional organizations, including Fannie Mae, Foundation for the Mid South, Enterprise Corporation for the Delta, local lenders, Arkansas Association of CDCs, Opportunity Lands Corporation (Southern Development Bancorporation), Federal Home Loan Bank, Arkansas Enterprise Group, Habitat for Humanity International, Housing Assistance Council, the State of Arkansas, the State of Mississippi, USDA, HUD and AmeriCorps.

## **EDUCATION AND TRAINING**

### **ELEMENTARY AND SECONDARY EDUCATION--MATHEMATICS AND SCIENCE**

In 1990, the Commission stressed the importance of ensuring that students in the Delta are “first in the world” in mathematics and science achievement. Economic development in the Delta requires a workforce that possesses advanced skills in mathematics and science.

*During the past decade, students in the Mississippi Delta have made the greatest achievement gains in mathematics and science. The Commission called for all Delta students to demonstrate ‘competency’ in mathematics and science at “grades four, eight and twelve.” According to the National Assessment of Educational Progress (NAEP), student achievement in mathematics for fourth and eighth graders has increased significantly this decade for five of the six Delta States.*

#### **DELTA STATES’ NAEP MATHEMATICS SCORES FOR 1992 & 1996 – FOURTH GRADE**

<b>State</b>	<b>1992 State average 4<sup>th</sup> grade math</b>	<b>1996 State average 4<sup>th</sup> grade math</b>
Arkansas	210	216*
Kentucky	215	220*
Louisiana	204	209*
Mississippi	201	208*
Missouri	222	225
Tennessee	211	219*

#### **DELTA STATES’ NAEP MATHEMATICS SCORES FOR 1992 & 1996 – EIGHTH GRADE**

<b>State</b>	<b>1992 State average 8<sup>th</sup> grade math</b>	<b>1996 State average 8<sup>th</sup> grade math</b>
Arkansas	257	262*
Kentucky	263	267*
Louisiana	250	252
Mississippi	246	250*
Missouri	271	273
Tennessee	259	263*

*\*denotes a NAEP score increase between 1992 and 1996 that is considered ‘statistically significant improvement’ based on sample size and diversity of student characteristics.*

*Between 1992 and 1996, fourth and eighth grade students in Arkansas, Kentucky, Mississippi, and Tennessee demonstrated substantial improvement in mathematics achievement on NAEP, while fourth graders students in Louisiana demonstrated comparable improvement in mathematics (States participate in NAEP on a voluntary basis. Illinois is the only Delta State not to take part in NAEP). Other data demonstrates that Delta districts are making significant*

*achievement gains. In Kentucky, a higher percentage of Delta schools districts met their improvement goals for 1998 than districts in the state as a whole. Mathematics test scores have increased substantially at many schools in the Delta region. For example, fourth grade students at the Glen Oaks Park Elementary School in East Baton Rouge Parish, Louisiana – where 74 percent of children are eligible for free or reduced-price lunches – have improved their scores on the criterion referenced math test by more than 250 percent between 1993 (29) and 1997 (75).*

### **Eisenhower Math/Science Educational Consortium**

The Eisenhower Math/Science Consortium program supports ten consortia that provide technical assistance to States and school districts in regions of the Nation. The ten Eisenhower Regional Consortia identify and disseminate exemplary math and science education instruction materials and provide technical assistance in implementing teaching methods. Each Consortium receives \$1.5 million annually. Five different Consortia serve the Delta region.

### **Eisenhower Math/Science Educational Consortium Consortium @ SERVE**

*Along with being one of the ten Eisenhower Consortia, SERVE is also one of the ten Regional Educational Laboratories (REL) that works to promote the adoption of proven educational models. SERVE provides states, districts, and schools the best available educational research through technical assistance, professional development, and dissemination activities. Below is a description of several programs supported by SERVE.*

### **Mississippi - Leflore County School District**

As a result of the 1996 Promising Practices Leadership Institute, the Consortium collaborated with the Leflore County School District in Greenwood, Mississippi to sponsor the nine-week Mississippi Research Project. Eighth grade students from Greenwood participated in a nine-week biology research project that included a hands-on science program at the Gulf Coast Research Center. Students either traveled to the Gulf Coast for the field experience or learned about it from materials and specimens brought back by fellow students. Prior to the research field experience, the aggregate student score on marine life test was below the 50<sup>th</sup> percentile. After the Gulf Coast visit, the average test scores of the participants were above the 75<sup>th</sup> percentile. The project organizers in Mississippi called the Gulf Coast field experience “the single most important factor” influencing student success.

### **Mississippi - Booneville Public Schools**

In 1998, Booneville Public High School was one of 50 schools recognized nationally at the School Tech Expo Showcase of Model Schools, a program to honor schools that have utilized the latest technology to dramatically improve classroom learning. The Consortium supports the Booneville Public Schools in various ways. The Consortium introduced programs that expose young people to careers in math and science. The Consortium also supported the planning of the Center for Earth Systems’ Studies as well as the Expanding Horizons program at the Bronx Zoo.

### **Mississippi - the Algebra Project**

The Consortium funded the National Algebra Project over a three-year period. The project involved teachers from the Mississippi Delta region and from Jackson, Mississippi. This project

was designed to introduce teachers to the Algebra Project, provide professional development opportunities throughout the year and foster collaboration among teachers so this program can be self-sustaining. Preliminary studies of the Algebra Project are promising. Classroom observations and student interviews have demonstrated that the Algebra Project has had an extremely beneficial effect on the student, particularly in their motivation, problem-solving skill, and ability to articulate mathematical ideas.

## LITERACY AND ADULT EDUCATION

*In 1990, the Commission acknowledged that the Delta had one of the lowest literacy rates in the nation. Illiteracy was described in the report as a problem that plagues both urban and rural areas. The Commission stressed that “three-fourths of employed Delta people lack the basic reading skills and therefore are unable to be trained for technical jobs.”*

Although not as dramatic as the improvement in mathematics scores, reading scores have risen in many areas of the Mississippi Delta. Students in two Delta States – Mississippi and Kentucky – made significant improvements on NAEP reading scores between 1992 and 1998, while student achievement remained the same in the four other Delta States.

### DELTA STATES’ NAEP READING SCORES FOR 1992 & 1998 – FOURTH GRADE

State	1992 State average 4 <sup>th</sup> grade reading	1998 State average 4 <sup>th</sup> grade reading
Arkansas	211	209
Kentucky	213	218*
Louisiana	204	204
Mississippi	199	204*
Missouri	200	216
Tennessee	212	212

*\*denotes a NAEP score increase between 1992 and 1998 that is considered ‘statistically significant improvement’ based on sample size and diversity of student characteristics.*

Many individual schools in the Delta have experienced significant improvement in reading scores. Portland Elementary School in Ashley, Arkansas – where over 75 percent of the children are eligible for the free or reduced-price lunch program – received a \$60,000 Department of Education grant in 1994 to implement an innovative reading program. Average third grade reading scores for Portland Elementary School students on the Stanford 9 test increased 100 percent between 1993 (25 percent) and 1999 (50 percent). At Ava Elementary School in Douglas County, Missouri – where more than 50 percent of the students are eligible for free or reduced-price lunches – second grade reading scores on a state achievement test improved from 317 in 1995 to 341 in 1997.

## The America Reads Challenge

The America Reads Challenge is a grassroots call to action by President Clinton. This unprecedented national campaign challenges every American to help all our children learn to read, including those with disabilities and limited English proficiency. The Challenge sparks collaboration between educators, parents, college students, and other community members.

The America Reads Challenge focuses on the following activities:

- motivating parents as their child's first teacher to foster a love of reading at home;
- recruiting colleges to enlist students to tutor children in their work-study job;
- encouraging teachers to utilize the best practices in reading instruction;
- mobilizing volunteers to give students extra help after school;
- engaging businesses to involve employees and offer incentives to young readers; and
- uniting communities to form strong partnerships to promote child literacy.

### **America Reads - Work-Study Program**

On July 1, 1997, the U.S. Department of Education encouraged Federal work-study students to serve as reading tutors by waiving the requirement that employers pay part of their wages. In just one year, more than 1,100 colleges and universities have joined the America Reads Work-Study Program. Dozens of these institutions of higher education that participate in the America Reads Challenge exist within the Delta Region. Under the America Reads waiver, the Federal government pays 100 percent of the wages of work-study students who serve as reading mentors or tutors to preschool and elementary school children.

Research shows that children whose parents work with them on language and literacy skills during early childhood become more successful readers. As the parent is a child's first teacher, the America Reads waiver was extended on July 1, 1998, to include students who tutor in family literacy programs. These programs provide services to children from infancy through elementary school and to their parents or caregivers.

### **America Reads - Summer Reading Programs**

In the spring and summer of 1998, the America Reads Challenge worked with 59 communities or "pilot sites," at least one in every state, to help them conduct summer reading programs. Each site sent one representative to training conferences conducted by the Corporation for National Service America Reads programs in the spring of 1998. Three sites are in the Delta Region.

### **Arkansas - America Reads**

The Mississippi County Economic Opportunity Commission Head Start Program integrated reading and writing activities into their regular programs for children and their parents. In partnership with the Blytheville Public Library, the Commission sponsored weekly story hours and encouraged parents and children to use the library regularly. Local businesses were asked to donate books to summer classes that read the most books in their "Reading Is Fun in the Sun Contest." The Commission also formed a partnership with the Single Teen Parent Crisis Intervention Program to provide teen parents the opportunity to work on their own reading and writing skills. Teen parents were also given information on how to help stimulate their child's early development by reading and talking to them from birth.



### **Louisiana - America Reads**

The Macon Ridge Economic Development Region formed a partnership with the Louisiana Coalition for Literacy to help improve reading skills of children ages six through 12. Delta Service Corps Members, Federal Work-Study students and community volunteers served as tutors for the children at the Concordia Public Library, Concordia Parish Head Start Center and the Tensas Parish Head Start Centers. Tutors also assisted Parish librarians with "Prime Time Family Reading" events to help encourage reading at home as well. The program was coordinated by an AmeriCorps/VISTA member.

### **Mississippi - America Reads**

Tchula's Wee Care Nursery and Learning Center in Mississippi – part of the Mid-Delta Empowerment Zone – provided staff with training and materials for use with young children. Staff used the early childhood learning calendar and the kit "Ready-Set-Read" developed by the Department of Education, the Department of Health and Human Services (HHS) and the Corporation for National Service.

### **The Reading Excellence Program - FY99 grant - \$260 million**

In October of 1998, Congress authorized \$260 million for FY99 to serve approximately 500,000 pre-kindergarten through third-grade children through the Reading Excellence Act. The Reading Excellence Program attempts to provide children with the readiness skills and support they need to enter school ready to learn to read, to teach every child to read by the end of the third grade, and to improve the instructional practices of teachers in elementary schools. The first awards will be announced in the summer of 1999. All seven States in the Delta are eligible for grants.

### **Bilingual Education - Title VII**

Another essential component to the President's literacy campaign is an effort to promote English language skills among Hispanics and others whose first language is not English. The limited English proficient (LEP) student population has experienced a geographic shift in the last several years. While California still has the largest LEP student population, several southern States are experiencing large increases in LEP student populations. For example, the number of LEP students in Arkansas and Kentucky has increased by more than 100 percent since 1991.

The Bilingual Education Act – Title VII of ESEA – funds four discretionary grants geared towards helping schools teach LEP students to learn English and master challenging academic content. Two types of grants are awarded to Delta school districts under Title VII.

- Program Enhancement Project grants: two-year grants designed to assist school districts in carrying out locally-designed projects to expand or refine existing bilingual education
- Comprehensive School grants: five-year grants designed to assist school districts in restructuring and upgrading all elements of an individual school's bilingual education.

## **BILINGUAL FUNDS (TITLE VII) AWARDED IN THE DELTA REGION – FY98**

<b>State</b>	<b>FY98 Funding</b>
Arkansas	None
Illinois	\$304, 434
Kentucky	\$171,434
Louisiana	\$1,673,876
Mississippi	\$409,997
Missouri	\$1,660,982
Tennessee	None
<b>TOTAL</b>	<b>\$4,220,723</b>

### **Illinois - Cobden Unit School District; FY98 Program Enhancement grant - \$72,685**

The Cobden Unit School District #17 is a K-12 district located in rural southern Mississippi Delta County of Union City in Illinois. In the past five years, many Mexican and Mexican-American migrant workers who original came to the Delta to pick fruit have decided to remain in the region with their families. The student population for the Cobden Union School District for the 1996-7 school year consisted of 688 students, with 131 of them being Hispanic. Almost all Hispanic students (84%) are classified as LEP are lagging behind their non-Hispanic counterparts. Regular classroom teachers in this region have limited training in bilingual education. The grant provides professional development for classroom teachers, special classes for limited English proficient students and parental training for Hispanic adults.

### **Louisiana - Orleans Parish School District; FY98 Comprehensive School grant - \$463,676**

The Orleans Parish School District in Orleans Parish used this bilingual education grant to restructure, upgrade and reform the current program for LEP students. The restructuring consolidates resources, eliminating the need for pullout programs. The 18 Parish School District LEP centers will receive 1,347 LEP students who speak over 20 languages.

### **Louisiana - Jefferson Parish School District; FY98 Comprehensive School grant - \$210,000**

In nearby Jefferson Parish, the school district serves 1,808 LEP students utilizing a resource-room model. Students in the Jefferson Parish School District receive English language instruction and native language tutoring in core academic subjects. The Comprehensive School grant allows Jefferson Parish School District to establish bilingual classes in grades K-2. Teachers will be provided with innovative professional development to better prepare them to instruct in a bilingual environment.

### **Mississippi - Biloxi Public Schools; FY 98 Program Enhancement grant - \$150,000**

Educational Economics and Social and Mainstream Project (EESPMP) is an enhancement project that serves approximately 236 LEP students in grades four through seven in nine schools

in the Delta county of Biloxi. Extended learning-time is supported through an after-school bilingual tutoring program and an intensive English-language summer school. The academic program requires LEP children to meet the same challenging standards expected of other students in the Biloxi Public Schools.

### **Adult Education**

The Federal Adult Education and Literacy Program provides basic grant funds to every State. This grant program is the major source of Federal support for adult basic skill efforts. Through the Adult Education and Literacy Program, the Department of Education attempts to provide educational opportunities for adults over the age 16, currently not enrolled in school, who lack a high school diploma or the skills to function effectively in the workplace.

*States distribute funds to local providers through a competitive process based on a State-established funding criteria. Local programs emphasize the acquisition of basic skills including reading, writing, math, communication skills and problem solving. Major courses of instruction include adult basic education, adult secondary education, and English literacy. Many programs also support special efforts such as workplace education, family literacy, life skills, and computer literacy. Children of the Delta region are the beneficiaries of numerous Adult Education grants. Below is a description of the impact of the Adult Education program throughout the Delta region on a State by State basis. The funding levels are estimates for FY98 appropriations.*

### **Mississippi – Adult Education**

Enrollment in Adult Education is over 30,000 in this State. Investment by state and local programs is over \$1.5 million, with an additional \$2 million of State funds devoted to a special workforce preparedness effort. Seven programs are funded in the Mississippi Delta region: three large community college programs, three school district programs, and one program in the State penitentiary. A total of \$1 million (20% of Workforce Investment Act Title II funds) is invested each year. An additional \$400,000 in State funds support the workforce preparedness program. In addition, the Coahoma Community College in Bolivar County conducts a "Learn to Read" program, emphasizing reading skills for low-literate adults

### **Tennessee – Adult Education**

Service to adults in this State is provided to over 50,000 learners each year. The Federal investment equals \$9 million, with State and local-matching funds of \$3 million. The Memphis/Shelby County program is the largest in the state, serving 7000 adult learners in seven programs. Over \$2 million of WIA Title II and state Families First (welfare) funds are invested. A special collaboration with Federal Express, Inc. ensures hiring preference for welfare recipients who successfully completed basic skill programs. To date, job placement for participants in Federal Express, Inc. program is 100 percent.

### **Arkansas – Adult Education**

Adult Education enrollment is more than 45,000 adults statewide. Federal investment is \$4.5 million, while large State and local contributions equal \$16 million. There are eight programs

operating in Mississippi River counties, serving over 5000 students each year. The programs are located at technical institutes, community colleges and vocational schools. Program emphases include workforce education to smooth the transition from welfare to work and workplace education to help veteran employees improve their skills. GED completion and increasingly, English language instruction, are other major efforts in this area.

### **Kentucky – Adult Education**

Over 32,000 adults are served each year by this State program. The State invests some \$6 million in adult education, matching \$7 million in Federal funds. Adult education programs serve all 21 counties in the Delta. In addition, three State correctional facilities sponsor programs. Over \$2 million is invested each year, with 6200 adults served. The Christian County adult education program features a special Jobs for American Graduates (JAG) program, that serves high school dropouts. Kentucky sponsors an innovative, region-based workplace education effort and many successful workplace education programs serve the Delta area. Family literacy programs are also supported in the Delta.

### **Louisiana – Adult Education**

This State serves 50,000 adults annually. Federal investment is \$7 million, with local and State support of over \$8 million. Five programs (East Carroll, Madison, Tensas, Catahoula, and Concordia Parishes) serve 1,400 adult learners in the Mississippi Delta. A total of \$330,600 is being invested in FY99. Three correctional facilities were added to the adult education program sites in Madison parish. Through these institutions 27 offenders received high school equivalency diplomas as well as instruction in life skills and employability competencies.

### **Illinois – Adult Education**

State enrollment is over 100,000 adults. Federal investment is \$15 million, while State and local matching is approximately \$8 million. The Southern Illinois Delta region sponsors 11 adult education programs serving 5000 learners each year. With a total funding of \$3.5 million, local programs provide a wide variety of basic skills, GED and high school diploma preparation, and English Literacy programs. In addition, workplace education opportunities are offered, including computer literacy, team communications, and job-based writing skills.

### **Missouri – Adult Education**

Over 35,000 adults receive basic skill instruction each year. Federal funding is \$7.5 million, with state and local contributions of \$3 million. The Mississippi River region of Southeast Missouri has 79 adult education class sites serving 4300 adults. Over \$1 million in Federal and State funds is invested each year. Programs in this area emphasize establishing strong collaborative relations with business and industry and worksite learning opportunities in report writing, applied math, computer skills, and GED completion. Special efforts with probation and parole offices provide diploma programs, basic reading and communication courses, and life skills for success "on the outside".

## **FLEXIBLE FUNDING TARGETED TO LOW-INCOME, RURAL STUDENTS**

*The Commission recommended that Congress should “enact legislation allowing funds from Title I and other low-income grants to be merged and federal regulations to be lifted to establish comprehensive, targeted services to low-income, rural students.”*

Targeted funding to high-poverty schools - Title I

*Enacted in 1965 as part of the Elementary and Secondary Education Act (ESEA) and dedicated to aiding our most disadvantaged students, Title I is the largest Federal investment in elementary and secondary education. Title I now provides over 8 billion dollars annually to educate over 11 million children in 45,000 schools. The Title I program consists of several elements. In this section, the two elements of Title I that most significantly impact low-income, rural students are discussed: Compensatory Education (Title I, Part A) and Migrant Education (Title I, Part C).*

### **Compensatory Education Program - Title I, Part A**

Title I, Part A, the largest single element of Title I, reaches more than 11 million students nationwide. As a result of the reauthorization of ESEA in 1994, States and districts are allowed additional flexibility in their use of Title I and other Federal funds to improve student achievement. Department of Education regulation requirements have been reduced by 33 percent between 1995 and 1998. Schools with more than 50 percent of the student body eligible for free or reduced-price lunches are eligible to pool Title I resources to approach educational reform from a schoolwide perspective. Schools in the Memphis Public School District in Tennessee are utilizing the schoolwide approach. The percentage of fourth graders at Newberry Elementary School in Memphis, Tennessee scoring proficient on the Tennessee Comprehensive Assessment Program (TCAP) increased from 20 percent in 1996 to 53 percent in 1997.

The 1994 reauthorization of ESEA has also brought about increased targeting of Title I and other Federal funds to school districts with high percentages of students living in poverty. Significant portions of these newly targeted funds have been allocated to the Mississippi Delta region.

### **COMPENSATORY EDUCATION (TITLE I - PART A) DISTRICT FUNDING FOR THE DELTA – FY99**

<b>DELTA REGION WITHIN STATE</b>	<b>1998-99 BASIC GRANT ALLOCATION</b>	<b>1998-99 CONCENTRATION GRANT ALLOCATION</b>	<b>TOTAL 1998-99 TITLE I, PART A ALLOCATION</b>
Arkansas	\$42,668,265	\$7,692,325	\$50,360,590
Illinois	\$10,094,876	\$1,692,705	\$11,787,582
Kentucky	\$11,551,917	\$2,144,517	\$13,696,434
Louisiana	\$114,427,929	\$20,880,116	\$135,308,045
Mississippi	\$65,587,684	\$11,189,176	\$76,776,860
Missouri	\$21,412,872	\$3,697,051	\$25,109,926
Tennessee	\$38,383,623	\$7,202,205	\$45,585,828
<b>TOTAL</b>	<b>\$304,127,166</b>	<b>\$54,498,095</b>	<b>\$358,625,261</b>

***Migrant Education Program***

The Migrant Education Program, authorized by Title I, Part C of ESEA, provides formula grants to State education agencies to establish or improve programs of education for children of qualifying migrant workers. These Department of Education grants assist States and local districts in their efforts to help migrant children overcome the combined effects of poverty, mobility, and limited English proficiency that are characteristic of migrant children. During the 1996-7 school year, 48,782 migrant students were served by the Title I, Part C Migrant Education Program. In FY99, the seven Delta States received the following allocations.

**STATE ALLOCATION FOR MIGRANT EDUCATION (TITLE I, PART C) – FY99**

<b>STATE ALLOCATION</b>	<b>FY99 FUNDING</b>
Arkansas	\$4,087,439
Illinois	\$2,027,971
Kentucky	\$8,648,884
Louisiana	\$2,385,582
Mississippi	\$1,011,700
Missouri	\$1,361,693
Tennessee	\$209,247
<b>TOTAL</b>	<b>\$19,732,516</b>

**Migrant Education - Discretionary Grants Authorized under the Higher Education Act**

*Migrant students are also served under an innovative grant program authorized under the Higher Education Act. The High School Equivalency Program (HEP) is a discretionary grant program designed to help migrant farm workers and their children complete their high school education and succeed in post-secondary education. The HEP program helps students complete their GED and prepares them to enter post-secondary education or the workforce. Two of the 20 HEP projects are in the Delta.*

**Mississippi - Mississippi Valley State University; FY99 grant - \$353,006**

The Mississippi Valley State University HEP program serves about 120 migrant and seasonal farm workers each year. A majority of the students are from the Mississippi Delta area. The average student is black, between 17 and 23 years of age, and is a member of a large family of seasonal farm workers. The primary goal of the program is to help students complete the GED and enter post-secondary training or employment. A majority of the students annually complete the program requirements and earn their GED. About 45% of the students continue on in post-secondary education or vocational training, and about 35% are placed in career positions.

**Tennessee - University of Tennessee (Knoxville); FY99 grant - \$349,548**

During the 1998-9 school year, 91 percent of the 135 migrant students who participated in this University of Tennessee-based HEP program completed their G.E.D. The Southeastern HEP

program is a multiple-site project serving migrant and seasonal farm workers residing in Tennessee, North Carolina, and South Carolina. The project coordinates closely with other State, Federal, and local programs in these States. This project meets the educational needs of the migrant population and serves as a bridge between the migrant and local community.

### **Class Size Reduction Initiative**

In 1998, Congress allocated \$1.2 billion as the initial investment to hire 100,000 new teachers over seven years in the early grades. In July of 1999, these funds were awarded to all 50 States, enabling approximately 30,000 new teachers to be hired to teach in smaller classes this fall. A growing body of research demonstrates that students attending small classes in the early grades make more rapid educational progress than students in larger classes, and that these achievement gains persist well after students move on to larger classes in later grades. This research includes a landmark multi-year study, Project STAR – conducted in the Delta State of Tennessee – that clearly demonstrates the positive impact of smaller classes in the early grades on classroom achievement. The STAR study compared classes of 13-17 students with classes of 22-26 students and found that students in smaller classes in kindergarten through third grade earned significantly higher scores in basic skills tests. These gains were particularly significant among economically disadvantaged students and minority students.

The Project STAR follow-up study – called the *Lasting Benefits Study* – examined whether the effects of smaller classes continued when students were returned to normal class size. The study illustrates that students who are educated in small classes sustain their gains even when they return to larger classes in later years. For example, eighth grade students from the small STAR classes continued to outperform the students from the larger classes in all academic subjects. The most recent LBS study showed that high school students from the STAR classes were more likely to take advanced coursework, more likely to get higher grades, more likely to graduate, and were more likely to pursue college, demonstrating that academic gains developed in the early years in smaller classes stayed with students all the way through college graduation. The STAR results have been confirmed by other class size reduction efforts, most notably in Wisconsin (the SAGE program) and in Burke County, North Carolina.

Class Size reduction funding is delivered through States, which allocate these funds to all school districts based a formula that targets funds to the neediest communities. Through the FY99 appropriations, schools districts in the Delta region will have enough funding to hire up to 1500 new teachers in the early grades. The chart below provides the estimated funding that school districts in the Delta will receive to hire teachers in the early grades.

#### **ESTIMATED ALLOCATIONS FOR DELTA DISTRICTS – CLASS SIZE REDUCTION (FY99)**

<b>ESTIMATED DELTA DISTRICTS CLASS SIZE ALLOCATION</b>	<b>FY99 FUNDING</b>
Arkansas	\$7,283,009

Illinois	\$1,591,380
Kentucky	\$2,134,411
Louisiana	\$20,690,057
Mississippi	\$11,135,475
Missouri	\$3,489,667
Tennessee	\$6,878,930
<b>TOTAL</b>	<b>\$53,202,929</b>

## TECHNOLOGY

*The 1990 Commission report stressed the importance of technological skills to enable Delta residents to fully participate in the economy of the 21<sup>st</sup> century. Computer education and other technical skills will allow people in this region to better compete in the information-age.*

### Technology Literacy Challenge Fund (TLCF)

President Clinton and Vice President Gore have challenged the nation to assure that all children possess the technological literacy to fully benefit from our information-based economy. Through the Technology Literacy Challenge Fund (TLCF), State departments of education receive funding to help schools fully integrate technology into teaching and learning so that all students are technologically literate. States, in turn, make competitive grants to local school districts, targeting those with the highest number or percentage of children in poverty and those that demonstrate the greatest need for technology.

President Clinton intends to request a total of \$2 billion over five years to encourage State, local, and private-sector investment in technology for improving education.

Funds are targeted to school districts with the highest numbers or percentages of children in poverty and the greatest need for educational technology. The funds are to advance the Department of Education's National Goals for educational technology.

- All teachers will have the training and support they need to use computers in the classroom;
- All teachers and students will have modern computers in their classrooms;
- Every classroom will be connected to the information superhighway; and
- Effective, engaging software and online resources will be utilized in every school curriculum.

In FY 1999, the seven States in the Delta region received nearly \$61 million in funding under the TLCF. While the TLCF is competitive below the State level and allocations to districts consequently vary from year to year, all regions in the Delta received substantial funding.

#### TLCF FUNDING FOR STATES IN THE DELTA REGION – FY97 TO FY99

DELTA STATE	FY97	FY98	FY99	FY2000 (requested)
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Arkansas	\$2,113,832	\$4,050,741	\$4,177,712	\$4,358,862
Illinois	\$9,100,428	\$17,992,404	\$18,019,068	\$18,395,180
Kentucky	\$3,525,385	\$6,949,329	\$7,059,516	\$7,221,860
Louisiana	\$5,348,827	\$10,272,812	\$10,592,292	\$10,769,720
Mississippi	\$3,511,568	\$6,696,008	\$6,903,692	\$7,027,915
Missouri	\$3,246,535	\$7,002,554	\$6,972,362	\$7,354,386
Tennessee	\$3,457,692	\$7,184,544	\$7,123,515	\$7,230,645
<b>TOTAL</b>	\$30,304,267	\$60,148,392	\$60,848,157	\$62,358,568

Over two-thirds of the funds awarded to States in FY98 under the TLCF were awarded in subgrants directly to school districts. Below are the estimated Delta district and total allocations.

**ESTIMATED ALLOCATIONS FOR DELTA DISTRICTS – TLCF (FY98)**

<b>DELTA STATE</b>	<b>ESTIMATED DELTA DISTRICT ALLOCATION</b>	<b>ESTIMATED TOTAL DISTRICT ALLOCATION</b>
Arkansas	\$1,600,000	\$3,600,000
Illinois	\$675,000	\$14,100,000
Kentucky	\$684,000	\$6,700,000
Louisiana	\$4,600,000	\$5,900,000
Mississippi	\$3,600,000	\$6,700,000
Missouri	\$1,700,000	\$6,800,000
Tennessee	unknown	
<b>TOTAL</b>	\$12,859,000	\$43,800,000

**Arkansas - TLCF**

Arkansas has a long history of involvement with educational technology. Since 1983, nearly all of Arkansas' 311 school districts have participated in Project IMPAC, which assists schools with access to computers and teacher training. TLCF funding has focused on districts that have plans that support the State's school improvement process, called Creating Opportunity for Excellence. In Arkansas, 39 of the 70 TLCF awards from 1998 funds were to districts or consortia of districts in the Delta region. Furthermore, 26 of the 42 counties in the Delta region had at least one district that received funds.

**Illinois - TLCF**

Illinois has considerable experience implementing Statewide technology initiatives, including a State telecommunications backbone, regional technology learning hubs, a State-funded competitive grant program, and a formula grant program to help districts build their technology infrastructure. Many of the technology initiatives in the State are focused on "engaged learning,"

a program of education reform that is a focus for the State education agency. Illinois allocated TLCF funds for separate competitions among districts in each of the seven regions served by Illinois' technology learning hubs. All applicants were required to spend at least 25 percent of their allocations on professional development and no more than 50 percent on hardware.

### **Kentucky - TLCF**

Kentucky provides TLCF funds to virtually every school district in the State in order to complement State funding for educational technology and ensure that school funding remains equitable across the State.

### **Louisiana - TLCF**

In 1998, Louisiana coordinated funding under the TLCF with a State program that provides one-time technology assistance to schools. The two programs, taken together, provide assistance to many of the districts in Louisiana. TLCF funding targets needy districts and can provide, in addition to one-time assistance such as hardware and wiring, funds for on-going professional development. All 45 of the Louisiana counties in the Delta region (out of 65 counties statewide) include school districts that received subgrants. In addition to the coordinated program, Louisiana reserved funds from the TLCF for a separate competition for professional development in the integration and use of technology.

### **Mississippi - TLCF**

While Mississippi has made progress recently in reducing the computer-student ratio in the State, most districts – especially those with significant numbers of students living in poverty – are still in the initial hardware-purchasing stage of technology implementation. However, despite the need for equipment, the State sought to ensure that districts were prepared to use the equipment by requiring that at least 20 percent of funds be spent on professional development. A number of the poorest districts in Mississippi participate in the program, including many in Delta counties. Due in part to this and other Federal technology programs, the percentage of schools in Mississippi with 'network connections' increased by 500 percent between 1995 (10 percent) and 1998 (51 percent).

### **Missouri - TLCF**

In 1997, Missouri developed State goals for educational technology that reflect the Department's National Goals and conducted a census of technology in Missouri districts that showed that Missouri's 525 school districts varied widely in their use of educational technologies. Missouri decided to provide funds under two grant competitions. The Infrastructure grants provide districts with funds in the early stage of implementation, while the Teaching and Learning grants provide statewide models of professional development and curriculum integration.

### **Tennessee - TLCF**

Tennessee's web page opens with the statement, "Tennessee is creating world-class schools that prepare elementary and secondary students to compete nationally and globally through the use and understanding of technology." Tennessee provides TLCF funds competitively both to

school districts and – through districts – to teachers to develop activities that use the Internet and to make the activities developed available to other teachers across the State.

Below are just two examples of grants awarded under the TLCF by States to school districts within the Mississippi Delta.

**Mississippi - Shaw School District; FY98 grant - \$153,238**

The grant will allow the school district in Bolivar County to purchase three workstations for students and one teacher workstation for each classroom teacher K-4 including gifted and special education classes. A mobile unit for each grade K-4 will make it possible to pool together technology resources for laboratory-styled multi-personnel, parent, and student training. Each classroom targeted for multimedia computers will also receive three line drops to access the Internet from within each classroom in regular, special, and gifted classes.

**Louisiana - Jefferson Parish Consortium; FY98 grant - \$425,000**

As a consortium, these parishes provide teacher-training initiatives focused on technology-connected lessons in targeted math and language arts classrooms. They partner with non-public schools and higher education and provide technology-integration training to higher education professors who teach pre-service teachers. Each of the teachers and professors trained commit to preparing technology-connected lessons for distribution within the districts.

**Technology Innovation Challenge Grants (TICG)**

Technology Innovation Challenge Grants (TICG) are five-year development and demonstration projects that support innovative approaches to using technology to improve teaching and learning. The TICG grants fund bold new ideas that can be sustained after Federal funding ends and serve as national models for replication across the country. Grants are awarded to consortia that are working to improve and expand new applications of technology in order to strengthen school reform efforts, improve student achievement, and provide sustained professional development for teachers, administrators, and school library media personnel.

Applications must be submitted by a school district on behalf of a consortium of partners with appropriate resources to develop innovative applications of technology. Consortia are encouraged to act on their most ambitious visions for technology in education reform. Each consortium must include at least one school district with high percentages of children living below the poverty line. The consortium may also include other school districts, private schools, institutions of higher education, software designers and other business or community organizations. Below are two examples of TICG programs currently serving the Delta region.

**Louisiana – Jefferson Parish; FY1996-2000 funding - \$3,423,474**

The Louisiana Systemic Initiatives program, in conjunction with the Louisiana Department of Education and Northeast Louisiana University is integrating Internet resources with curriculum reform to help improve educational quality in five school districts, including Jefferson, with high percentages of poor students. Telecommunications technologies are used to increase

achievement in school readiness, parent involvement and school-to-work transitions. Partners in the TICG consortia include Bell South; Shell Oil; five universities and 17 other community based organizations, libraries, museums, and agencies across the State.

<b>DELTA REGION WITHIN STATE RECEIVING TICG</b>	<b>FY96</b>	<b>FY97</b>	<b>FY98</b>	<b>FY 99</b>	<b>FY2000</b>
Jefferson County	\$500,000	\$221,791	\$969,269	\$913,024	\$819,390

#### **Louisiana – Concordia Parish; FY1998-2002 Funding - \$6,708,999**

This TICG consortia builds upon existing connectivity among Concordia and Catahoula Parish (County) School Boards, Macon Ridge Enterprise Community, and the Louisiana Department of Education. The goal is to expand an existing Trainer of Trainers professional development model to other poor, rural school systems in order to enhance student learning in core academic subjects such as English, mathematics and science. The project will scale up existing electronic capabilities to establish technology-rich classrooms and interdisciplinary learning centers for students grades 6-12 attending 25 project schools.

<b>DELTA REGION WITHIN STATE RECEIVING TICG</b>	<b>FY98</b>	<b>FY99</b>	<b>FY00</b>	<b>FY2001</b>	<b>FY2002</b>
Concordia, LA	\$1,387,370	\$1,283,498	\$1,325,632	\$1,358,494	\$1,354,005

The Technology Innovation Challenge Grants (TICG) Program targets significant funding to the Delta states. During the first 5-year grants award period, \$63,931,303 in TICG funding was awarded to four Delta States: Illinois (\$41,630,575). Louisiana (\$12,008,776), Missouri (\$5,135,460) and Tennessee (\$5,156,492).

#### **Star Schools Program**

Star school projects provide a range of services to teachers, such as video and interactive broadcast training programs, teacher networks, and support materials. In recent years, the program has focused more on multiple and cutting edge technologies, in response to the dramatic developments in telecommunications technology. The program has awarded over \$250 million nationwide to 43 projects over five years. Funding under the Star School program is provided to consortia of States. Two consortia have received funding in Delta States.

#### **Project Impact - TEAMS Distance Learning; FY1997-2001 funding - \$9,998,744**

Project Impact delivers instruction to elementary and middle schools students and teachers through a distributed learning system, which allows participants to access information via satellite, television, multimedia, and the Internet. The Star School consortia for Project Impact includes Louisiana, Mississippi, and Missouri. The mission of Project IMPACT is to transform traditional classrooms into technology-rich centers of learning to help students achieve high academic standards. Project IMPACT builds on the effective model of TEAMS Distance

Learning, which has provided nation-wide distance learning services to urban and rural schools since 1990.

Star School Grant	FY97	FY98	FY99	FY2000	FY2001
Project Impact	\$2,000,139	\$2,000,232	\$2,000,178	\$1,999,072	\$1,999,123

**SERC - Distance Learning: the Next Generation; FY1997-2001 funding - \$9,627,966**

The SERC Next Generation project serves Kentucky, Louisiana and Mississippi. SERC develops curriculum-based multiple media materials in science and mathematics and distributes these resources on-demand. Specific projects in this Star School program entail building an Internet-based Calculus/AP Calculus course and creating, with the National PTA as a partner, stronger ties between the school and community. Middle school students will benefit from courses such as Enviro-Tacklebox and Reading Across the Curriculum.

Star School Grant	FY97	FY98	FY99	FY2000	FY2001
SERC	\$1,984,621	\$1,998,629	\$1,964,898	\$1,937,842	\$1,741,976

**“E-rate” (Educational Rate)—Access to the Information Superhighway**

Recently, the Clinton-Gore Administration launched a new initiative to provide poor schools – many of which can be found in the Delta – access to the information superhighway. The Schools and Libraries Division of the Universal Service Administration Company administer the E-rate (for educational rate). Between January of 1998 and June of 2000, the E-rate will provide over 4 billion dollars to States so that schools and classrooms across America can become connected to the Internet. Below is a summary of funding received by Delta States between January 1998 and June.

**E-RATE ALLOCATIONS TO DELTA STATES – JANUARY 1998 TO JUNE 1999**

STATE ALLOCATION	JANUARY 1998- JUNE 1999 FUNDING
Arkansas	\$13,000,000
Illinois	\$79,000,000
Kentucky	\$50,000,000
Louisiana	\$39,000,000
Mississippi	\$24,600,000
Missouri	\$23,600,000
Tennessee	\$27,000,000

<b>TOTAL</b>	<b>\$256,200,000</b>
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## **MAGNET SCHOOL DESEGREGATION**

*In 1990, the Commission recommended that magnet schools aimed at reducing, preventing or eliminating minority-group isolation in public education should be promoted in the Delta region. Specifically, the Commission recommended the establishment of demonstration schools in rural areas “to show that the magnet school concept can work in rural areas.”*

### **Magnet School Assistance Program**

*Administered by the Department of Education, the Magnet Schools Assistance Program (MSAP) makes grants to school districts to support the planning and implementation of magnet schools that are part of the school district’s approved desegregation plan to reduce, eliminate or prevent minority group isolation. A magnet school is defined as a school that offers a special curriculum (for example, a science and technology program or a creative arts program) capable of attracting substantial numbers of students from different racial backgrounds.*

Under the MSAP, grants are made on the basis of a nation-wide competition. The geographic distribution of awards is not a factor in the competitive process. Awards are made for a three-year period. The most recent three-year grants under the MSAP began with fiscal year 1998 funding. Programs in the current grant cycle will be evaluated through a three-year longitudinal study. Currently, three schools districts in the Delta receive Federal MSAP funding.

### **Louisiana - Monroe City School District; 3-year grant total - \$3,730,659**

The Monroe City School District, located in northeastern Louisiana, will receive up to \$3,730,659 over the three years of its MSAP project. The district’s Magnet Schools grant enables the Monroe City School District to establish magnet schools at Carroll Junior High School and Carroll Senior High School, both of which are implementing technology-based programs in mathematics, science, and medical professions. The program will foster partnerships with businesses, technical colleges, and universities to create a strong link between school-based and real-world learning. Approximately 1,400 students in grades seven through twelve will participate in the project each year.

### **Louisiana - St. John the Baptist Parish Schools; 3 year grant total - \$1,324,876**

The St. John the Baptist Parish Schools, located approximately 40 miles from New Orleans, will receive up to \$1,324,867 over the three years of their MSAP project. The district’s Magnet Schools grant enables the St. John the Baptist Parish Public Schools to create a new magnet school. As a result of the agreement, the Ory School, which had been closed and then temporarily used again to relieve overcrowding, is being re-opened as a new magnet school. The Ory Magnet School offers a communications arts program designed to develop thinking and the ability to communicate effectively in both written and oral language. Approximately 700 elementary school students will participate in the program each year.

**Mississippi - Mississippi County Schools; 3 year grant total - \$2,318,324**

The Madison County Schools, located in a predominantly agricultural region of central Mississippi will receive up to \$2,318,342 over the three years of their project. Madison County's MSAP grant supports the restructuring of the high school program at the Velma Jackson School and demonstrates that small school districts can develop viable approaches to successfully implementing the magnet concept in rural communities. The school plans to organize instruction around three different thematic areas: economics, ecology, and eco-culture (encompassing social studies, foreign language and the humanities). Approximately 400 to 500 students in grades nine through 12 are expected to participate in the project each year.

**SCHOOL-TO-WORK**

*In 1990, as part of the drive to expand high school graduation rates, the Commission recommended support for "School-to-Work" transition programs that provide counseling and support for at-risk youth beginning early in the high school years.*

In 1994, Congress responded to the emerging research on the needs of young people as they prepare to enter the workforce by enacting the School-to-Work Opportunities Act (STWO). The legislation provides a framework States and local communities to design and implement different School-to-Work strategies to help students master academic and technical skills and prepare for further careers. The STWO Act is jointly administered and funded by the Department of Education and the Department of Labor. This legislation authorizes funding for seven years to support State efforts to implement a comprehensive statewide School-to-Work system.

All of the Delta States have received "Development" grants under the STWO legislation. As of September 1998, each Delta State also received STWO Implementation Grants to fund local School-to-Work partnerships in order to provide young people – especially minorities, women and the disabled – access to high-quality job training and career opportunities.

Under the STWO Act, Urban/Rural Opportunity grants are awarded on a competitive basis to urban and rural communities that have high levels of youth living in poverty. Local partnerships formed in two Delta States received Urban/Rural grants to establish School-to-Work initiatives.

**Tennessee - Memphis Public Schools; FY97 grant - \$139,930**

This partnership known as the School-to-Work Tandem Opportunities Operation (STW-TOO) is designed to serve out-of-school youth, 14-30 years old. Expanding upon the efforts of Memphis Youth Fair Chance, STW-TOO focuses its efforts in three identified areas of occupational need in the Memphis geographic area: health careers, hospitality, and computer technology. In an effort to recover dropouts and to engage out-of-school youth in these areas, the proposal will provide tuition support and professional training for staff and cooperating partners. In addition, STW-TOO will concentrate its efforts on working with school counselors, principals, and other schools to identify at-risk students. It is the intent of STW-TOO to place out-of-school youth in careers that have mobility and that have wage levels that do not need to be subsidized.

**Missouri - Central and Potosi School Districts; FY97 grant - \$276,216**

This School-to-Work project will reach 4,400 school children enrolled in the Central and Potosi School Districts. The East Missouri Action Agency, Inc., an innovative job training and employment program, will provide the lead for the local partnership called "Bridges." "Bridges" will enable both in-school and out-of-school students to obtain the skills they need to move from high school to post-secondary education and/or a career. In grades K-6, students, parents, teachers, business, labor and community volunteers will participate in career awareness activities. "Bridges" will provide students in grades 7-12 and out-of school youth information on higher education, career exploration and additional training and employment in high-skill, high-wage jobs. Employer partners will provide both paid and unpaid work-based learning opportunities.

**EARLY CHILDHOOD EDUCATION**

*The Commission called for every family to have access to "safe, affordable and comprehensive early childhood education by the year 2001." The Commission also called for Federal programs to "allow a sharing of resources funded by one program but needed to complete a need in another program."*

**Head Start:** The Head Start program – administered by the Department of Health and Human Services – is the primary provider of early childhood education at the Federal level.

*The Commission stated in 1990 that the federal government should fully fund and expand Head Start programs as soon as possible, but no later than 1995.*

Head Start has increased enrollment appreciably in all states in the Mississippi Delta Region.

	<u>FY 90</u>	<u>FY 98</u>
Arkansas	7,284	9,893
Kentucky	11,292	15,163
Louisiana	13,686	20,402
Mississippi	21,026	24,953
Tennessee	10,846	14,748

During the 1990s, the Department of Education expanded its efforts to support Head Start and other state early childhood programs in order to help achieve the goal of providing all children access to quality childcare. The Department of Education's primary programmatic vehicle for implementing comprehensive childcare to families living in poverty is Even Start.

**Even Start**

*Even Start – authorized under Title I, Part B of ESEA – is intended to help break the cycle of poverty and illiteracy for the nation's low-income families by drawing on existing service providers to integrate early childhood, adult, and parent education into a unified program for children birth through age seven. The Department of Education awards funding to States under*



*the Title I formula. In turn, States then award subgrants, on a competitive basis, to partnerships involving both local educational agencies community-based organizations. States must give priority to applications proposing to operate programs in areas of high poverty. Two Even Start program operating in the Delta region are described below.*

**Kentucky - Ohio Valley Educational Cooperative; FY99 grant – \$269,869**

The Ohio Valley Educational Cooperative (OVEC) Migrant Education Even Start (MEES) program is a regional educational consortium comprised of ten rural north central Kentucky school districts. Targeted to specifically assist migrant families, the OVEC MEES projects attempts to improve parental literacy levels, train parents to support their children's educational growth, and better prepare children for academic success. This Even Start program – which serves approximately 120 migrant families and 210 migrant children in the OVEC region – is having a dramatic impact on academic achievement. According to the DPII test results, 88 percent of children participating in the OVEC program in 1998-9 met the norms for academic achievement and physical development.

**Tennessee - Even Start in Memphis Public Schools; FY99 grant - \$75,000**

The Even Start program in Memphis, Tennessee served 81 families in 1997 and 1998 with a \$75,000 subgrant. Eighty percent of the families participated in Tennessee's "Families First" (welfare reform) program. The Memphis Even Start project also targeted homeless families and families that included individuals with disabilities. Services provided to families included adult education (80 hours a month), parenting education (16 hours a month), early childhood education (80 hours a month) for children from birth through age five, home instruction (four hours a month), and activities involving parents and children together (16 hours a month). Approximately half of the families that participated in 1997 and 1998 continued participating in 1999. Already, eight parents have earned a GED and 16 have found employment.

**Earned Income Tax Credit; Dependent Care Tax Credit**

*The number of subsidized day care positions for low-income families should be expanded; the Earned Income Tax Credit should be expanded and adjusted for family size; and the Dependent Care Tax Credit should be made refundable.*

In 1998, the Earned Income Tax Credit was expanded to give 15 million working families tax relief. To claim the EITC one must have worked during the tax year and have an adjusted gross income less than \$26,473 if the taxpayer has one qualifying child, or \$30,095 if the taxpayer has more than one qualifying child in tax year 1998. The maximum amount a taxpayer can receive in 1998 is \$2,271 with one qualifying child and \$3,756 with more than one qualifying child. This amount of money a taxpayer could earn and receive in credit has increased from the preceding year.

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 expanded and unified the major child care programs, reauthorizing the Child Care and Development Block Grant (CCDBG) Act and dedicating entitlement funding under the Social

Security Act to child care. The funding dedicated to child care increased by \$4 billion over six years. For Fiscal Year 1999, the CCDBG includes a total of \$3.2 billion in Federal funds for child care. States can transfer up to 30% of their new welfare Federal funds each year to one of the funds under the CCDBG.

Arkansas provides grants to child care providers of up to \$15,000 for the purchase of equipment, enhancement of programs or maintenance of licensing standard. Specialized child care projects for Infant and Toddlers are being developed, including evening, weekend and off-hour care and comprehensive training for infant caregivers. Expansion of Infant/Toddler care using Day Care Family Home Systems especially in rural areas is also being implemented. The Arkansas Division of Child Care and Early Childhood Education is promoting public-private partnerships in the development and expansion of services through a commission including four members from the business community with an interest in early childhood education. A working relationship with the Arkansas Business Education Alliance has been established to ensure collaboration between the public and private sectors.

Kentucky has provided grants to start-up or expand state-licensed child care programs or certified family child care homes caregivers with ideas to improve the quality of care they provide for children. The Kentucky Cabinet for Families and Children has identified an external group of business and community leaders, legislators, and representatives from other state agencies with child care concerns. These individuals offer statewide representation for planning and coordinating local and statewide child care initiatives to meet child care needs, including the development of partnerships.

In 1998, Louisiana made start-up funds available to organizations in rural parishes that have very low numbers of licensed child care centers relative to their TANF population. Additional start-up funds will be made available to increase the supply of high quality child care, including extended hours care and funds for equipment and supplies for use with infants and toddlers. The Louisiana Department of Social Services is establishing collaborative relationships with agencies, employers and businesses, transportation authorities, and community organizations to promote access to child care that is responsive to the needs of low-income parents. A partnership with a community child care provider and a coalition of housing developers who rent apartments to low-income families has been established, whereby the child care provider would provide services, the community organization would provide on-site space, and the department would provide start-up funding and other resources, such as training.

The Mississippi Department of Economic and Community Development works to encourage business involvement with child care. Applicants seeking funding under DECD's Community Development Block Grant Program receive bonus-scoring points when providing documentation of contact with the Office for Children and Youth about potential child care partnerships.

*Congress and the President should amend the Family Support Act to provide that a percentage of child care funding be used for child care development activity.*

An important component of child care quality improvement has been the dedication of three earmarked funds with the Child Care and Development Block Grant (CCDBG), which supplement the basic quality expenditure of a minimum of 4% of each State's CCDBG grant required under the CCDBG statute. Over \$19 million a year has been dedicated to school-age child care activities and child care resource and referral activities for the past 4 years. For the past 3 years \$50 million of the CCDBG has been earmarked specifically for improving the quality of infant and toddler child care. In FY 2000 States will be allotted \$173 million in additional quality funding that was appropriated in FY 99.

*States should review standards for institutional and family day care to ensure that every child in a child care program receives developmentally appropriate education as a part of that care.*

A number of steps have been taken to promote child care quality, including an enhanced leadership role within HHS's Administration for Children and Families in promoting the general quality of child care, promoting quality child care specifically for infants and toddlers, and promoting increased collaboration between child care and Head Start in the States.

The Mississippi Mobile Training Unit, Child Care Connections, fully equipped with teaching resources and staffed with a certified early childhood specialist, offers services to child care centers around the State, and provides caregivers with ideas to improve the quality of care they provide for children.

Kentucky CCDF quality funds will be available for special quality child care initiatives in conjunction with welfare reform including non-traditional care and infant and toddler care. Tennessee's training system is training Head Start staff and paraprofessional staff and pursuing funding alliances. Partnerships with Head Start and businesses are being developed at five training sites through the local training advisory committees and includes funding from the Levi Strauss Child Care Fund. The Child Care Resource Center program is being implemented statewide, through a public-private partnership of funds from CCDBG/CCDF, the Tennessee Developmental Disabilities Council, Departments of Health and Education and local match from organizations such as Junior League and provider associations.

*States should target child care dollars to expand part-day Head Start centers to full-day services.*

In the last few years, Head Start has also placed an increased emphasis on full-day, full-year models which meet child care needs of working parents as they have awarded expansion funds. In FY 1999, the Head Start Bureau intends to continue this effort, focusing expansion almost exclusively on adding another 10,000 children, nation-wide, in full-day programs. The Head Start/Child Care Workgroup has been established to address the need for full day/full year, quality, comprehensive, affordable and available services for children and families.

*Issue: Adult Literacy and Job Training*

*States should initiate pilot projects that provide common intake, assessment and case management for JTPA, vocational education, rehabilitation and JOBS programs.*

In 1997, the Mississippi Department of Economic and Community Development, Division of Employment and Training received a Department of Labor Planning Grant. The Mississippi Department of Human Services (MDHS) was included as a member of the One-Stop Interagency Executive Council (OSIEC) Management Team. The OSIEC Management Team moved forward with planning, looking at a one-stop systems approach rather than a brick and mortar one-stop approach. The Team was recently replaced by the Governor's appointment of the Workforce Investment Act (WIA) State Council.

*Issue: High School Dropouts*

*Successful school and community-based programs for at-risk children should be replicated.*

The Family and Youth Services Bureau (FYSB) provides three programs that serve vulnerable youth. The Basic Center program, which provides temporary shelter to runaway youth, while working to reunite them with their families when possible. The Transitional Living Program, which provides longer-term residential, educational and vocational services to homeless youth to enable them to develop the skills they need to become self-sufficient young adults. The Street Outreach Program, which reaches out to young people on the streets to protect them from sexual abuse or exploitation and to help connect them to needed services and community supports.

There are two Basic Center shelters and a Transitional Living Program in Jackson, Mississippi and one Basic Center shelter in Vicksburg; four Centers in Arkansas including ones in Little Rock and Jonesboro; five in Louisiana, including centers in Hammond, New Orleans, Monroe, and Baton Rouge; Kentucky has three basic centers; and there are five in Tennessee, including one in Memphis. The President is currently calling for a 33% increase in the Transitional Living Program to expand the capacity of this critical program.

Transitional Living Programs (TLP) move youth in high-risk situations, especially those who are teen parents, to work and self-sufficiency, and thereby prevent these youth from becoming dependent on public assistance. The TLP-funded efforts around the country could constitute a needed model for the "second-chance homes" being explored in the context of welfare reform. TLPs also work to maintain youth in school.

Family and Youth Services Bureau (FYSB) programs strive to keep youth in the public school system while receiving services through the Basic Center Program (BCP) and TLP. FYSB-funded agencies emphasize the importance of a good education in achieving increased self-esteem and self-sufficiency. When it is not possible for some youth to continue or return to the public school system, FYSB programs either seek alternative education programs, such as charter schools, or encourage youth to obtain a General Education Diploma (GED).

FYSB and its grantees promote a youth development approach that calls upon all members of the community to address the needs of young people. The youth development approach focuses on

engaging the entire community in providing what all young people need to make the transition successfully to adulthood, including support through mentoring, counseling by peers to prevent risk-taking behaviors, and opportunities to develop skills and participate in the community. FYSB grantee agencies offer peer-counseling to prevent drug use and premature sexual activity. These agencies link young people to mentors, including members of the business community, and build coalitions among social service and other community agencies to develop a continuum of care for young people and their families.

## **Workforce Investments - Job Training**

*The 1990 Commission Report emphasized that “even entry level positions now require advanced skills attainment,” and therefore it is essential that Delta residents have access to the most comprehensive job training programs possible.*

One of the chief goals of U.S. Department of Labor Secretary Alexis Herman is bridging the gap between job opportunities and the pool of workers who are qualified to fill them. Every American worker should be equipped with skills that will not only enable them to secure a good job, but a guarantee that every step up the workforce ladder leads to even greater opportunities.

The Department of Labor -- together with its federal, state and local partners -- is dedicated to helping all Americans have the best possible opportunities to succeed at work and in life. A big part of what that means is providing employment and training services and training, as well as worker protections. The information that follows relate to the Department's key activities as they relate to federal investments in the Nation's workforce, including one stop delivery systems; America's Job and Talent Banks; welfare-to-work formula and competitive programs; disadvantaged adult and youth programs, and formula and discretionary dislocated worker programs under the Job Training Partnership Act; and the newly enacted Workforce Investment Act of 1998 which will repeal the Job Training Partnership Act on June 30, 2000.

### *One Stop Delivery Systems*

The Labor Department's Employment and Training Administration (ETA) is involved in a number of crucial initiatives in the Delta area to help Americans qualify for and find first jobs, new jobs and better jobs. Over the past several years this Administration's One-Stop system has been transforming the Nation's delivery of employment and training assistance by consolidating services -- ranging from job-search assistance and career counseling to training referrals and access to unemployment insurance benefits and local labor market information -- for all Americans. One Stop implementation grants have gone out to every state in the Delta region.

### *America's Job Bank/America's Talent Bank*

As part of the One-Stop system development, technology investments have made many services available on-line through America's Job Bank -- a resource that provides listings of some 750,000 jobs. America's Talent Bank allows all job-seekers to post their resumes, no matter where they live, and employers to peruse no matter where they are located. Recently, a new, improved version of America's Job Bank -- Version 4.0 -- has been released. Improved and enhanced features of the new version include: county search, shopping cart capability, address book and contact manager, user personal links, benefits information, express resume, open resume format, simplified job/ resume posting, employer profile/company description, enhanced

search engines, new look and feel, and improved performance. The new and improved site can be accessed at <http://www.ajb.org>.

## **Welfare-to-Work Program**

In 1996, President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act which reformed the nation's welfare laws. Temporary Assistance for Needy Families (TANF) was created, changing the nature and provision of welfare benefits in America.

Moving people from welfare-to-work is now one of the primary goals of Federal welfare policy. The Balanced Budget Act of 1997, signed by the President on August 5, helps to achieve that goal by authorizing the U.S. Department of Labor to provide Welfare-to-Work Grants to states and local communities to create additional job opportunities for the hardest-to-employ recipients of TANF. This program is helping Americans make the transition from welfare and dependency to work and self-sufficiency through the \$3-billion, two-year welfare-to-work grant program to states and organizations. Half of the funds available to states were granted in 1998 and the other half will be awarded in 1999.

### ***How are Welfare-to-Work grant funds made available to states and local communities in the Delta region?***

#### ***Formula Grants to States:***

***State plan and administration.*** In order to receive formula funds, a state must submit a plan to the Department of Labor for the administration of a Welfare-to-Work grant. The Department must determine that the plan meets the statutory requirements. Governors are responsible for administering formula funds and for assuring that they are coordinated with funds spent under the TANF block grant.

***Local administration of formula-allocated funds.*** Private Industry Councils (or workforce investment boards) established under the Job Training Partnership Act, in coordination with chief elected officials, administer the program at the local level, unless the Secretary of Labor approves a Governor's request to use an alternative administering agency, after determining that the alternative would improve the effectiveness or efficiency of program administration.

***Formula allocations to states by the Department of Labor.*** Funds allocated to states are based on a formula that equally considers states' shares of the national number of poor individuals and adult recipients of assistance under TANF. A state is allowed to retain 15 percent of the money for welfare-to-work projects of its choice. States must provide one dollar of non-federal funding match for every two dollars of federal funding provided under the formula. Welfare-to-work formula funding levels allocated to States in the Delta region are described below.

***Formula allocations by states to local communities/service delivery areas.*** States are required to pass through 85 percent of the money to local private industry councils (also known as workforce investment or development boards in some areas), which oversee and guide job training programs in geographical jurisdictions called service delivery areas. Half of the funds distributed by formula by states to local areas must be based on a service delivery area's population in high poverty areas (7.5 percent or more). Not more than half may be distributed based on two additional factors: (1) the number of adults receiving TANF assistance for 30 months or more and (2) the number of unemployed individuals in the service delivery area. Funding levels allocated to local areas that include counties in the Delta region are shown below.

***Performance bonuses.*** States may qualify for performance bonuses in fiscal year 2000. The bonuses will be based on a formula for measuring performance that will be developed by the Secretary of Labor, in consultation with the Secretary of Health and Human Services and organizations representing states. Factors to be taken into account include job placement, duration of placement, and any increase in earnings.

*Availability of competitive Welfare-to-Work grants to communities in the Delta region:*

***Competitive grants to local communities.*** The 25 percent of funds not allocated by formula are available for competitive grants awarded by the Secretary of Labor directly to local governments, private industry councils, and private entities (such as community development corporations and community-based organizations, community action agencies, and other private organizations) who apply in conjunction with a private industry council or local government. The Secretary of Labor will give special consideration to cities with large concentrations of poverty as well as to rural areas.

***Summary of Formula and Competitive Welfare-to-Work Grants to States and Counties or Parishes in the Lower Mississippi Delta Region:***

The following listing summarizes the federal Welfare-to-Work (WtW) formula allocations to States as well those States' allocations to those Service Delivery Areas (SDAs) within the States that **include** counties or parishes which make up the Lower Mississippi Delta region. Of the seven states that are part of the Mississippi Delta initiative, six states have submitted plans and received funding for 1998. In order to receive 1999 WtW State formula funds, five States have submitted plans to the Department (Illinois, Kentucky, Louisiana, Missouri, and Tennessee) and a sixth is expected. States are required in their plans to identify formula allocations to SDAs. Louisiana, however, breaks down allocations further—to the parish level, which is also reflected in the summary. The summary also includes the competitive grants that have been awarded in the Delta region, as well as a summary of the projects funded.

**ARKANSAS**

Total 1998 WtW formula federal investment in State: \$8,490,290

Estimated 1999 WtW formula federal investment in State (plan not yet submitted): \$7,931,847



<u>SDA Name/Delta Counties/Parishes</u>	<u>1998 Federal Investment</u>
Central (Includes <sup>1</sup> Lonoke, Monroe, Prairie, Pulaski Counties)	\$ 826,311
Eastern (Cross, Phillips, Crittenden, St. Francis, Lee Counties)	\$ 1,427,263
North Central Independence, Van Buren, Jackson, Woodruff)	(Includes Fulton, Izard, Stone, White, Sharp \$ 537,648
Northeast (Includes Randolph, Clay, Lawrence, Greene, Craighead, Poinsett, Mississippi)	\$ 755,593
Northwest (Includes Marion, Baxter, Searcy Counties)	\$ 415,685
Southeast (Grant, Arkansas, Lincoln, Bradley, Ashley, Desha, Jefferson, Cleveland, Drew, Chicot Counties)	\$ 1,258,814
Southwest (Includes Calhoun, Dallas, Ouachita, Union)	\$ 860,958

#### **Competitive Grant Awarded:**

**Awardee: The City of Little Rock    Amount of Award:                    \$ 5,000,000**

**Project synopsis:** This innovative project plans a true “one-stop center” as its anchor -- the co-location of employment and supportive services. Following multi-disciplinary assessments, *one* individualized Employment Support Plan will be developed with the client. The goal is to link and focus services that promote appropriate, sustained employment. The project expands the State’s call for a “whole person” approach to welfare reform to a “whole family” approach. The WtW goal is changed from “employment” as an end in itself, to “self-sufficiency and sustained employment” as the goal. Key services include job placement, employment education and training (on-site and off-site), the assignment of a personal mentor/job coach to assist with employment retention, and identified support services of substance abuse treatment, child care

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<sup>1</sup> “Includes” means that the Service Delivery Area (SDA) also covers other counties which are not in designated Delta region. Service Delivery Areas are designated by the Governor pursuant to requirements in the Job Training Partnership Act (JTPA).

(to include 24 hour care and sick child care), transportation, legal (non-criminal), and housing location assistance. The Pulaski County plan integrates “high tech” (computer-linked providers and data bases) with “high touch” (personal mentor/job coach) services focused on sustained employment. It pairs recipient services with employer liaison services so that the needs of both are met.

**Other features :** Project provides for substance abuse treatment, transportation and child care.

**Significant Partners:** Advocates for Battered Women, Goodwill Industries, United Way of Pulaski Center, Housing Authority-Little Rock, Southwest Airlines, University of Arkansas at Little Rock, Arkansas Employment Security Department.

## ILLINOIS

Total 1998 WtW formula federal investment in State: \$48,662,838

Estimated 1999 formula projected WtW federal investment in State: \$45,324,088

<u>SDA</u>	<u>1998 Federal Investment</u>	<u>1999 Federal Investment</u>
No. 24		\$1,786,679
		\$1,651,742
(Includes Randolph County)		
No.25		\$ 911,038
		\$ 804,533
(Includes Franklin, Jackson, Perry, Williamson Counties)		
No. 26		\$ 686,163
		\$ 600,136
(Includes Alexander, Gallatin, Hamilton, Hardin, Johnson, Massac, Pope, Pulaski, Saline, Union, White)		

## KENTUCKY

Total 1998 WtW formula federal investment in State: \$17,722,913

1999 projected WtW formula federal investment in State: \$16,520,839

<u>SDA</u>	<u>1998 Federal Investment</u>	<u>1999 Federal Investment</u>
SDA "A"		\$1,147,400
		\$1,071,459
(Includes Ballard, Caldwell, Calloway, Carlisle, Christian, Crittenden, Fulton, Graves, Hickman, Hopkins, Livingston, Lyon, McCracken, Muhlenberg, Todd, Trigg Counties)		
SDA "J"		\$ 600,585
		\$ 549,070
(Includes Henderson, Union, Webster Counties)		

## LOUISIANA

Total 1998 WtW formula federal investment in State: \$17,722,913

1999 projected WtW formula federal investment in State: \$22,112,662

<u>SDA/Parish<sup>2</sup></u>	<u>1998 Federal Investment</u>	<u>1999 Federal Investment</u>
East Baton Rouge SDA		\$ 1,489,914
		\$ 1,450,246
SDA 50		
Allen Parish		\$ 88,147
		\$ 85,617
SDA 10		
Plaquemines		\$ 123,854
		\$ 115,444

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<sup>2</sup> The State of Louisiana makes allocations at the parish level within each SDA.

St. Bernard	\$ 138,511
	\$ 140,019
SDA 40	
Acadia	\$ 255,223
	\$ 232,874
Evangeline	\$ 215,547
	\$ 192,554
Iberia	\$
	343,126
	\$ 338,458
St. Landry	\$ 671,250
	\$ 588,486
St. Martin	\$ 178,518
	\$ 169,276
SDA 83	
Caldwell	\$ 41,912
	\$ 38,025
East Carroll	\$ 143,253
	\$ 139,095
Franklin	\$ 136,690
	\$ 125,308
Jackson	\$ 52,860
	\$ 55,121
Madison	\$ 111,788
	\$ 115,277
Richland	\$ 151,144
	\$ 142,969
Tensas	\$ 64,420
	\$ 55,946
Jefferson SDA	\$ 1,316,190
	\$ 1,242,111
SDA 31	
Assumption	\$ 108,685
	\$ 93,762
Lafourche	\$ 307,711
	\$ 280,104

Orleans SDA		\$
	5,528,762	
	\$ 5,101,598	
Ouachita SDA		\$ 732,680
		\$ 695,260
Rapides SDA		\$
	531,219	
	\$ 695,260	
SDA 32		
St. Charles		\$ 89,370
		\$ 76,869
St. James		\$ 104,359
		\$ 94,383
St. John the.Baptist		\$ 142,919
		\$ 125,909
SDA 20		
Ascension		\$ 218,456
		\$ 211,192
East Feliciana		\$ 83,100
		\$ 67,343
Iberville		\$ 179,780
		\$ 170,622
Livingston		\$ 113,215
		\$ 99,643
Pointe Coupee		\$ 128,258
		\$ 132,703
St. Helena		\$ 53,924
		\$ 49,767
Tangipahoa		\$ 489,601
		\$ 451,149
Washington		\$ 209,057
		\$ 202,610
W. Bat. Rouge		\$ 66,967
		\$ 59,876
W. Feliciana		\$ 38,939
		\$ 31,082
SDA 70		
Lincoln		\$ 175,588
		\$ 168,475

SDA 60		
Avoyelles		\$ 213,021
		\$ 212,608
Catahoula		\$ 58,725
		\$ 54,058
Concordia		\$ 125,630
		\$ 121,353
Grant		\$
	60,883	\$
	59,287	
LaSalle		\$ 36,195
		\$ 29,640
Winn		\$
	78,941	\$
	76,239	
Union		
Morehouse		\$ 188,349
		\$ 193,715
Union		\$
	59,616	\$
	51,396	
West Carroll		\$ 48,897
		\$ 43,983

***Competitive WtW Grant award:***

*Awardee:* City of New Orleans:

*Award amount:*

\$ 5,000,000

**Project Emphasis:** Non-custodial parents, substance abusers, rural, EZ/EC area.

**Project Synopsis:** The New Orleans Welfare-to-Work Collaborative is an organization made up of more than 60 businesses, service providers and consumer representatives. This project emphasizes pay for performance and family self-sufficiency and will provide specialized services for substance abusing mothers and noncustodial parents of children receiving welfare benefits. An information and rapid response line will serve to keep employers aware of the incentives available to those who hire participants and to address any workplace problems that may arise.

**Community Served:** Central city of New Orleans, and EC zone and the adjacent neighborhoods, and New Orleans East and Lower Ninth Wards.

**Barriers/Target Group:** The target community faces a shortage of low-skill jobs that pay a wage sufficient to sustain a family. Low educational attainment and job skills further complicate achieving meaningful employment. Additionally, substance abuse, a lack of regional

transportation and child care for workers on second or third shifts are obstacles these participants must overcome. The project will target long-term welfare recipients and non-custodial parents.

**Partnerships:** Orleans Private Industry Council, the New Orleans Welfare-to-Work Collaborative and the Office of Family Support will act as partners in this project. Various faith-based and other community organizations will provide mentoring, child care and transportation.

**Innovations/Service Strategy:** This project emphasizes pay for performance and family self-sufficiency. The Orleans Private Industry Council will establish an Employer's Information Line providing information on the incentives to employers to hire welfare recipients. It is also intended to be a rapid response line to solve any workplace problems in relation to newly hired workers from the program. A Work Center will provide skills and educational assessments of each participant and will work with local agencies to expand transportation and child care facilities to participants. The program aims to move these populations into long-term employment, thereby, increasing the degree of support, both financial and emotional, that noncustodial parents give to their children.

## **MISSISSIPPI**

Total 1998 WtW formula federal investment in State: No State Plan submitted.

1999 projected WtW federal investment in State: No State Plan submitted.

*Competitive WtW Grant to Mississippi Delta Region*

**Awardee:**

**Hinds County:**  
**Award amount:**  
**\$3,294,191**

**Project Emphasis:** Noncustodial parents, substance abuse, child care, transportation, urban and rural, EZ/EC.

**Project Synopsis:** Participants of the Remedial Employment Opportunity Program (REOP) face a variety of barriers to employment, including inadequate transportation, lack of child care services, substance abuse, inadequate job skills, low educational attainment and poor work histories. The project seeks to minimize those barriers through community partnerships. The goal of the project is to match these new workers and their need for economic self-sufficiency to area employers. In addition, local substance abuse treatment centers, housing and other community organizations will participate in implementing this program. Private employers will be consulted to maximize job training design, as well as job placement and retention.

**Community Served:** Hinds County, Mississippi including the city of Jackson, an Enterprise Community. The target community is one of historically high poverty.

**Barriers/Target Group:** The Remedial Employment Opportunity Program (REOP) is targeted to serve long-term welfare recipients by addressing the challenges to employment that welfare recipients face such as inadequate transportation, lack of child care services, substance abuse habit, inadequate job skills, low educational attainment and poor work histories..

**Partnerships:** Education and Training Institute, Inc. (ETI) is a social service corporation charged with strengthening the family through self-sufficiency. ETI will manage the program in the areas of outreach, recruitment, eligibility requirements, assessment, case management, referrals and follow-up for the Hinds Private Industry Council. In addition, local substance abuse treatment centers, housing and other community organizations will assist executing this program. Private employers will be consulted to maximize job training design, as well as job placement and retention.

**Innovations/Service Strategy:** The project is based upon a one-stop service model. Each case will be assessed to determine the magnitude of the barriers each individual faces to meaningful employment. Business and corporate partnerships will be formed to provide accessible child care and transportation. Further, opportunities for business ownership and to assist women into non-traditional occupations will be provided.

## MISSOURI

Total 1998 WtW formula federal investment in State: \$19,767,398

1999 projected WtW formula federal investment in State: \$18,431,857

<u>SDA</u>	<u>1998 Federal Investment</u>	<u>1999 Federal Investment</u>
SDA No. 9		\$ 826,969
		\$
		771,098
(Counties include Crawford, Dent, Phelps, Washington)		
SDA No. 10		\$ 973,738
		\$
		907,950
(Counties Include: Butler, Carter, Douglas, Howell, Oregon, Ozark, Reynolds, Ripley, Shannon, Texas, Wayne,		



Wright)

SDA No. 11

\$ 1,532,486  
\$  
1,428,947

(Counties Include: Bollinger,  
Cape Girardeau, Dunklin, Iron,  
Madison, Mississippi, New Madrid,  
Pemiscot, Perry, Ste. Genevieve,  
St. Francois, Scott, Stoddard)

## TENNESSEE

Total 1998 WtW federal formula investment in State: \$21,643,975

1999 projected WtW federal investment in State: \$20,214,627

<u>SDA</u>	<u>1998 Federal Investment</u>	<u>1999 Federal Investment</u>
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SDA No. 12		\$
	454,560	
	\$ 499,448	

Counties Served: Benton,  
Carroll, Chester, Crockett,  
Decatur, Gibson, Hardeman,  
Hardin, Haywood, Henderson,  
Henry, McNairy, Madison, Weakley

SDA No. 13		\$
	180,120	
	\$ 197,907	

Counties Served: Dyer, Lake,  
Lauderdale, Obion, Tipton

## Workforce Investment Act of 1998 (WIA)

In addition to the new welfare-to-work initiative, other new and exciting things are happening in the job training system which will enhance the delivery of services to residents of the Delta region. After five years of work and bipartisan support in Congress, on August 8, 1998, President Clinton signed the Workforce Investment Act (WIA) of 1998. This new authority overhauls the job training system by repealing the Job Training Partnership Act

effective June 30, 2000 and by bringing together many Federal, State and Local partners into a comprehensive one-stop service delivery system -- a customer-driven overhaul that will help employers get the workers they need and empower job seekers to meet the challenges of the new century by getting the training they need for the jobs they want.

***Share federal resources.*** The 1990 Delta Commission Report recommended that “*federal programs should allow a sharing of resources funded by one program but needed to complete a need in another program.*” The Workforce Investment Act requires that entities carrying out many federal programs and activities be One-Stop partners and sign Memoranda of Understanding with the local Workforce investment Boards, with the agreement of chief elected officials, as a prerequisite to the implementation of the new statute. Sec. 121(b) of WIA prescribes required partners. In addition to WIA Title I programs, other required partners in the One-Stop system include programs authorized under the--

- Wagner-Peyser Act (29 USC 49 et seq.);
- adult education and literacy activities authorized under WIA title II;
- title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.);
- section 403(a)(5) of the Social Security Act (42 U.S.C. 603(a)(5)) (as added by section 5001 of the Balanced Budget Act of 1997);
- title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.);
- postsecondary vocational education activities authorized under the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2271 et seq.);
- chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.);
- employment and training activities carried out under the Community Services Block Grant Act (42 U.S.C. 9901 et seq.);
- employment and training activities carried out by the Department of Housing and Urban Development; and
- State unemployment compensation laws (in accordance with applicable Federal law).

WIA further provides that local boards and chief elected officials may add other partners, including programs authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)); work programs authorized under section 6(o) of the Food Stamp Act of 1977 (7 U.S.C. 2015(o)); programs authorized under the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.); and other appropriate federal, State or local programs, including programs in the private sector.

***Formula funding distribution.*** The Commission recommended that Congress and the U.S. Department of Labor should make certain that the Delta region receive appropriate levels of funding under the funding distribution formula of the Job Training Partnership Act (JTPA). In addition to the required partnerships to permit local boards and chief elected officials to establish policies to manage scarce public resources which are allocated by formula to local areas by the Governor and the state board, WIA authorizes the Governor to approve a local board's

request to transfer up to twenty percent of funds annually allocated to local areas for WIA Title I adult and dislocated worker services between the two funding streams. This transfer authority codifies similar authority that has been authorized in recent DOL annual appropriation legislation. This transfer authority is in addition to the flexibility permitted for Governors to reserve and combine up to fifteen percent of adult, youth and dislocated funds allotted to a State for use for statewide systems, including State administration, without regard to funding stream. Also, WIA provides authority for local boards to decide how to allocate youth resources between year round programs and the important summer program, and requires a youth council in each local area to develop and recommend youth policies to the local workforce investment board.

WIA also authorizes the Department of Labor to retain twenty percent of its annual appropriation of dislocated worker funds to award emergency grants to states and other entities that do not have sufficient formula funds to respond to workers' needs related to major economic dislocations such as plant closures, mass layoffs, closure and realignments of military installations. These emergency grant funds are also available to provide temporary disaster relief employment to respond to a declared emergency or natural disaster once FEMA has declared the affected area is eligible for disaster-related public assistance. National emergency grants may also be awarded to provide additional assistance to a State or local board to assist eligible dislocated workers where it can be demonstrated that its formula funds have been expended and additional funds are needed to serve dislocated workers. Demonstration and technical assistance projects to find or share new and better ways to serve dislocated workers are also funded from the funds reserved by the Department.

***Common intake and assessment of clients.*** Another recommendation of the Commission relates to the use of common intake, assessment and case management for JTPA, vocational education, rehabilitation and the JOBS programs. WIA will encourage expansion of work that has been undertaken in many states to find ways to reduce the amount of duplication in applying for various types of assistance and services. In addition, DOL and its federal partners established a task force to find ways to streamline common definitions to make common intake forms and exchange of information easier to accomplish.

The Workforce Investment Act makes this possible through an innovative "one-stop" delivery system designed to provide a full menu of job training, education and employment services at a single neighborhood location where adults, veterans, dislocated workers and youth will receive skills assessment services, information on employment and training opportunities, unemployment, services, job search and placement assistance, and up-to-date information on job vacancies. Each local area must have a one stop delivery system that includes at least one physical center.

*Other important features of the Workforce Investment Act* which will enhance the way residents of the Delta region access assistance:

Job seekers will control their own careers by choosing approved training programs and services that fit their needs. And they'll keep that control for life. So when it's time to make

another move up the career ladder, sharpen a skill, learn a new one, or just get information, workers will be able to continue to rely on their local One-Stop system.

The Workforce Investment Act also provides for increased accountability of public funds. The performance of states, localities and training providers will be monitored against goals set by the Act -- including job placement rates, earnings, retention in employment, and skill gains. Failure to meet the goals will lead to sanctions, while exceeding them will lead to incentive funds.

But the Workforce Investment Act is more than a new job training system. It's a strong network of interlinked programs designed to provide wide choices to Americans seeking new opportunities and valuable information. And, it's a chance for us to harness today's opportunities for success and invest them in the workforce of tomorrow. Fifteen million young out-of-school Americans will not be left out of this system. The law focuses on the needs of kids in left-out communities -- such as communities in the Lower Mississippi Delta region -- to ensure they are pulled into the inner circle of opportunity offering all of us a pool of talent for the future. Key principles of the Workforce Investment Act include--

- ***Streamlining services.*** Multiple employment and training programs will be integrated at the "street level" through the One-Stop delivery system. By building on One-Stop implementation efforts discussed above, this integrated system will simplify and expand access to services for job seekers and employers.
- ***Empowering individuals.*** Individuals will be empowered to obtain the services and skills they need to enhance their employment opportunities. This empowerment will be accomplished through Individual Training Accounts which will enable eligible participants to choose the qualified training program that best meets their needs. The development of "consumer reports" containing information for each training provider will allow individuals to make informed training choices.
- ***Universal access.*** Through the One-Stop system, every individual will have access to core employment-related services. Customers can obtain job search assistance as well as labor market information about job vacancies, the skills needed for occupations in demand, wages paid, and other relevant employment trends in the local, regional and national economy.
- ***Increased accountability.*** States, localities and training providers will be held accountable for their performance. The Act identifies core indicators of performance -- including job placement rates, earnings, retention in employment, skill gains, and credentials earned -- that States and local areas would have to meet. Failure to meet the performance goals will lead to sanctions, while exceeding the levels could lead to the receipt of incentive funds. Training providers will have to meet performance goals to remain eligible to receive funds under the Act.

- ***Strong role for local boards and the private sector.*** Local boards will become business-led "Boards of Directors" for the local areas. By relieving them from "nitty-gritty" operational details, the Act ensures they will be able to focus on strategic planning, policy development and oversight of the local system.
- ***State and local flexibility.*** States and localities will have exceptional flexibility to build on existing reforms in order to implement innovative and comprehensive workforce investment systems. Through such mechanisms as unified planning, waivers, and Work-Flex -- as well as through the Act's grand fathering provisions which allow States to continue innovative practices -- States and their local partners have the flexibility to tailor delivery systems to meet the particular needs of individual communities.
- ***Improved youth programs.*** Youth programs will be linked more closely to local labor market needs and the community as a whole, and will provide a strong connection between academic and occupational learning. In addition, traditional employment and training services will be augmented by an array of youth development activities. The establishment of a youth council in every local area will raise the visibility of youth programs and facilitate coordination and strategic design. The Act also authorizes Youth Opportunity Grants that are designed to provide funding to increase job opportunities for youth in high poverty areas. In addition, the Act reforms the Job Corps program by strengthening linkages among Job Corps centers, the State workforce investment systems, the local communities in which they are located, and employers.

A fundamental reform of federal programs and policies based on these principles will permit communities and States to craft a workforce investment system that respects individual choices, reflects local conditions, and delivers results. The Workforce Investment Act repeals the current Job Training Partnership Act and full implementation of the new statute must be in place in each State no later than July 1, 2000. Additional information on features of this important new legislation may be found at <http://www.usworkforce.org>.

### ***Job Training Partnership Act (JTPA) -***

#### ***Adult and Youth Disadvantaged Programs, and Dislocated Worker Programs***

***Funding.*** Under the JTPA delivery system, the Department annually allots job training funds by formula block grants to States to help dislocated workers, low income adults and youth find or qualify for new jobs. These allotments are then allocated by formula by the States to service delivery areas (SDAs) in local communities. The SDAs are designated as required by law by the Governors in collaboration with local elected officials and State councils or boards. In July 1999 DOL allotted nearly \$391 million to the seven states in the Delta region. State job training councils and local private industry councils are responsible for establishing policies regarding how the funds are to be spent, including who will receive assistance and what kinds of assistance is available. The following Tables show the funds for low income adults, dislocated workers and low income youth were allocated to States in 1998 and 1999, as well as in 1990.

Another table shows how states allocated 1998 funds to the service delivery areas which include the counties in the Delta region.

**JTPA ALLOTMENTS TO DELTA STATES**  
For Program Year 1991  
(July 1, 1991 - June 30, 1992)

Dislocated Workers Delta Region State (JTPA Title III)	Disadvantaged Adults and Youth (JTPA Title II-A)	Disadvantaged Summer Youth (JTPA Title II-B)	
Arkansas	\$ 24,835,446	\$ 9,430,892	\$ 6,288,391
Illinois	\$ 91,261,566	\$ 35,333,017	\$ 27,775,566
Kentucky	\$ 35,285,472	\$ 13,410,523	\$ 7,314,292
Louisiana	\$ 62,649,281	\$ 23,697,705	\$ 11,679,200
Mississippi	\$ 33,308,015	\$ 12,644,355	\$ 7,299,034
Missouri	\$ 34,651,006	\$ 13,416,089	\$ 9,672,559
Tennessee	\$ 34,608,308	\$ 13,185,892	\$ 6,562,650
<b>Totals</b>	<b>\$316,599,094</b>	<b>\$ 121,118,473</b>	<b>\$ 76,591,692</b>

**JTPA ALLOTMENTS TO DELTA STATES**  
For Program Year 1999  
(July 1, 1999 - June 30, 2000)

Dislocated Workers Delta Region State (JTPA Title III)	Disadvantaged Adults (JTPA Title II-A)	Disadvantaged Youth (JTPA Title II-B)	Disadvantaged Summer Youth (JTPA Title II-C)	

Arkansas	\$ 9,598,305	\$ 8,595,361	\$ 1,305,080	\$ 10,872,546
Illinois	\$ 38,887,986	\$ 35,053,186	\$ 5,322,313	\$ 33,944,834
Kentucky	\$ 15,779,990	\$ 13,651,535	\$ 2,072,786	\$ 10,071,794
Louisiana	\$ 20,163,665	\$ 18,225,391	\$ 2,767,259	\$ 25,508,779
Mississippi	\$ 12,018,011	\$ 11,462,863	\$ 1,740,468	\$ 14,148,987
Missouri	\$ 15,336,859	\$ 13,520,219	\$ 2,052,847	\$ 13,857,280
Tennessee	\$ 20,234,920	\$ 17,821,862	\$ 2,705,989	\$ 14,120,459
<b>Totals</b>	<b>\$ 132,019,736</b>	<b>\$118,330,417</b>	<b>\$ 17,966,742</b>	<b>\$122,524,679</b>

**Array of services.** JTPA job training funds provide a wide array of services designed to increase basic skill levels; provide tuition for vocational training for low income adults and youth; to upgrade obsolete skills or retrain workers who have been laid off and need assistance to qualify for new jobs in the community. These funds can also be used to provides for on-the-job training with employers in the community; supportive services, such as child care, transportation costs to and from school, and income support to enable individuals to participate in training. The local board or private industry council determines how resources are budgeted. The level and duration of assistance available to individuals who meet the eligibility criteria are determined at the local level, generally based upon individual assessments of the workers being assisted in accordance with what types of assistance or training has been determined to be available in the local area. The following shows what funds were available last year by the service delivery areas which included counties or parishes in the Delta region--

- \$40.3 million was invested to increase the basic skill levels and train low income adults to qualify for jobs.
- Over \$53 million in job training funds was to assist youth from low income families, including funding for the important Summer Youth Program, which assists low income students increase their academic skills and work in local communities.
- Nearly \$33 million in dislocated worker funds was allotted to the Delta area service delivery areas to assist individuals who have been laid off find or qualify for new jobs.

### **Assistance for Youth**

**The Job Training Partnership Act.** The Department has a number of initiatives under JTPA to help disadvantaged youth gain basic skills, work skills, experience and income, as well as learn responsibility under the JTPA program. The annual summer program -- which is available in all communities in the Delta area -- provides work opportunities and academic enrichment for many young people from disadvantaged families each summer. Nationally, this

program reaches a half million students each year and the year-round youth program serves more than 130,000 young people each year.

***Youth Opportunity (YOU) grants to serve youth.*** One of these grants is located in Clinton County and part of Wayne County in Kentucky, slightly outside the area covered by the Lower Mississippi Delta Counties. The Kentucky project is a joint effort of the Lake Cumberland Area Development District, the EZ Board, the local community college, and the school district. This is one of eleven pilot sites for a project to serve out-of-school youth that we hope to expand nationally. Youth Opportunity Grants are aimed at increasing the long-term employment of youth living in high-poverty urban and rural communities. Quitman County in Mississippi also had a joint Youth Opportunity Unlimited project. The YOU project in Quitman built a new building for the YOU alternative school using CDBG funds. The Department expects to award 25 to 30 Youth Opportunity Grants later this year for projects in EZ/ECs or similar communities. For rural areas, grants opportunities will target areas of populations of up to 30,000. The funds can be used for a variety of employment, training, and development activities for youth ages 14 to 21. Announcements for these grant application opportunities are published in the Federal Register and are also published on the Department's ETA home page at <http://www.doleta.gov>.

***Job Corps Centers available to Delta Region youth.*** Job Corps Centers provide the nation's largest residential education and training program for disadvantaged youth. There are 111 centers in 46 states, the District of Columbia and Puerto Rico, touching the lives of 100,000 young people every year. Since its inception in 1964, Job Corps has guided more than 1.5 million young people away from lives filled with poverty, unemployment, crime and welfare and steered them towards brighter futures filled with self-confidence, independence and productive employment. There are twenty-one centers located in or close to the Delta region which serve approximately 10,000 young people annually -- many of whom are from the Delta region. A new Job Corps Center was opened in Memphis during the past year and another center is scheduled to open in the Delta region. These two new centers will serve approximately 600 young people, including youth from the Delta region. At the centers students participate in a full-time, year-round structured residential program that offers a comprehensive array of education and training as well as supportive services, including supervised dormitory housing, meals, medical care and counseling. The program provides occupational exploration; world of work and social skills training; and competency-based vocational and basic education.

***School to Work program.*** The School-to-Work program encourages partnerships among schools, businesses, labor and community organizations that link classroom learning with the workplace. It provides students with opportunities to learn about potential careers and the work world, and to participate in internships, apprenticeships and job-shadowing. Together with the Department of Education, we have provided School-to-Work grants to states and localities throughout the nation, including a total of more than \$79 million in state implementation grants for all of the Delta states, and another \$19.7 million in Urban and Rural Opportunity Grants -- targeted to high-poverty areas -- and Local Partnership Grants to Delta state communities. This collaborative program of the Departments of Labor and Education is described in more detail at pp. \_\_\_\_\_ .



**Workforce Investment Act.** As stated earlier, beginning no later than July 1, 2000 States will have implemented WIA which provides for enhanced youth programs and greater State and local flexibility. WIA requires a Youth Council as part of every Local Workforce Investment Board function.

### **JTPA Title III National Reserve (Discretionary) Account Grants to Assist Dislocated Workers Affected by Mass Layoffs, Closures and Natural Disasters**

In addition to annual formula allotments to serve workers dislocated, or being laid off from jobs each year as described earlier, national discretionary grants are available to states and other eligible entities when state formula funds are insufficient where mass layoffs, plant closures, natural disasters or other qualifying events have occurred. More than \$151 million awards of these dislocated worker discretionary grants have been available since January 1993 in the seven states to serve workers in or near the communities closest to the Mississippi delta region, including--

- **Arkansas** applied for and received grants totaling \$7.5 million to assist with several dislocations and natural disasters in the State. In addition, the International Brotherhood of Electrical Workers in Cabot received \$474,000 in demonstration funds to test the ability of labor organizations to develop innovative approaches to help dislocated workers rapidly acquire new skills or enhance existing skills to improve their prospects of finding new jobs;
- **Illinois** applied for and received grants totaling over \$49.7 million, including more than \$39 million to help retrain 1700 coal industry workers dislocated in southern Illinois and \$11.9 million to assist workers with temporary jobs to help with cleanup from the 1993, 1995 and 1996 floods;
- **Kentucky** applied for and received grants totaling approximately \$25.9 million, including grants for over \$19 million to assist nearly 700 workers laid off in the coal industry and \$2 million related to the 1997 flood;
- **Louisiana** applied for and received grants totaling nearly \$14 million, including \$3.5 million for the 1995 flood, nearly \$1.5 million to assist workers dislocated as a result of defense downsizing, and \$3 million to assist dislocated workers, including long-term dislocated workers, qualify for skilled worker shortages in the marine and shipbuilding industry;
- **Mississippi.** In addition to the State's formula funds, the IAM District Lodge 73 in Pascagoula applied for and received a dislocated worker demonstration competitive grant award of \$500,000 to test the ability of labor organizations to develop innovative approaches for providing accelerated skills development and/or enhancement of current job skills to transition workers into new job opportunities;

- **Missouri** applied for and received grants of more than \$5.6 million to assist workers resulting from defense downsizing; and
- **Tennessee** applied for and received grants totaling nearly \$14.4 million, including \$6 million to assist with cleanup as a result of the April 1997 storms and flooding, and \$1.4 million to assist over 600 workers dislocated from the Defense Distribution Depot in Memphis.

Also, the American Trucking Association (ATA) applied for and was awarded a demonstration grant of \$1.2 million to train long-haul truck drivers in two states, including Tennessee. This will permit ATA to work with state and local job training organizations and to link laid-off workers with jobs in the trucking industry. The training will be provided by ATA-certified truck driver training facilities.

***Other Commission Recommendations relating to job training:***

The Commission recommended that “*federal programs should allow a sharing of resources funded by one program but needed to complete a need in another program.*” Sharing and leveraging of federal and other resources will be enhanced under the Workforce Investment Act, as discussed earlier. Currently, DOL policy promotes this concept in a variety of ways, including--

--Under JTPA, participants may be enrolled in various programs for which they are eligible, either concurrently or sequentially;

--Dislocated workers who are eligible for trade assistance (TAA or NAFTA-TAA) may also be enrolled and receive additional assistance under JTPA Title III, such as case management, job development, supportive services that are not available under trade assistance;

--Individuals who are eligible for JTPA or trade assistance may be concurrently receiving assistance while receiving a Pell grant or other educational assistance, including completing training after exhaustion of education grants, based upon local policies.

As stated above, the new Workforce Investment Act will require programs from a variety of funding streams to be partners in the one-stop delivery systems as part of every local area's plan developed by the local workforce investment board in agreement with local chief elected officials and distributed for public comment..

***Measuring performance.*** The Commission report also recommended that the “*U.S. Department of Labor should revise job training and job placement regulations to permit self-employment as a viable career or job placement option.*” The Department has revised its

reporting requirements to collect job placement for those individuals who become self-employed. In addition, entrepreneurial training and other related types of training are options for individuals that local boards may offer as part of a menu of training services in demand occupations.

***Basic skills and literacy training.*** The Commission report recommended that “the U.S. Department of Labor should allow states to invest a larger percentage of JTPA funds in basic skills training programs and to provide more extensive periods of literacy training for individual participants. In the Delta, immediate job placement should receive less emphasis in the performance standards.” DOL policy encourages local program designs to permit an individual’s employment plan to be comprehensive and to take into account what each participant needs to become self-sufficient. This may include part-time or temporary work as part of the overall employment strategy to enable an individual to receive longer term training prior to leaving the JTPA program. There are no federal time limits for the duration of assistance under JTPA. Under WIA, there will be even more flexibility for individuals to access the types of assistance needed to enhance their careers both while unemployed and employed.

### **Trade Adjustment Assistance and NAFTA/TAA Readjustment Assistance for Dislocated Workers.**

Since 1994, more than 89,000 workers in the Delta States have been certified as eligible to receive retraining or education benefits under Trade Adjustment Assistance (TAA). Many workers are also eligible to receive income support at their unemployment compensation level while they are in training after exhaustion of their unemployment insurance benefits. In addition, nearly 30,000 workers have been certified for NAFTA/TAA benefits since 1994 -- although some of these may have been eligible to receive benefits under both programs.

### **Wagner-Peyser - Labor Exchange Assistance for all Job Seekers**

Funding for the local Job Service offices helps match qualified workers with job openings. This resource is available to everyone: laid off workers, unemployed workers, new entrants into the workforce, or workers who may want to move from one job to another. America’s Job Bank is available in every Job Service office to permit job seekers to access jobs across the country as well as in the local community.

## **HEALTH**

*The Commission stressed the vital need for Delta residents to have access to an effective health care system. The Commission recommended a major expansion of health education and promotion programs, emphasizing the importance of adequate nutrition, healthy life-style patterns, and other prevention activities. “While 12% of our Gross National Product goes for medical care,” the Commission stated, “only 2.9% of all such dollars are spent on prevention programs” aimed at promoting life-style, nutrition and other healthy habits that reduce rates of cancer, heart disease, and other chronic illnesses. The Commission stressed the importance of prenatal health care through the Women, Infants, and Children (WIC) program, Medicaid, and food stamps. The commission urged efforts to reduce teenage pregnancy. Finally, the 1990 Report emphasized the great importance of health care assistance for senior citizens, who make up the highest percentage of health care consumers.*

The Special Supplemental Nutrition Program for Women, Infants and Children (WIC) recommendations set forth in the Delta Initiatives report and an update on the status of those recommendations are as follows:

These include nutrition issues promoted by the nutrition assistance and education programs administered by FNS and Cooperative Extension, such as the National School Lunch Program, the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), the Food Stamp Program, and the Expanded Food and Nutrition Education Program (EFNEP), to name a few – the programs that make up the hunger safety net for low-income groups in the Delta.”

**Additional Nutrition Assistance Programs:** USDA’s Food and Nutrition Service administers several other key programs that serve to strengthen the “hunger safety net” for children from low-income households (i.e., those with household incomes of less than 185 percent of the Federal poverty level) in the Mississippi Delta:

The **National School Lunch Program (NSLP)** provides nutritionally balanced, low-cost or free lunches to needy children in public and nonprofit private schools and residential child care institutions. In Fiscal Year (FY) 1998, the NSLP served more than 1.28 million children in Arkansas, Louisiana, and Mississippi alone (close to 225 million meals). The percentage of school children eligible for free or reduced-price meals in these 3 States is alarmingly high: 63 percent in Mississippi, 61 percent in Louisiana, and just over 45 percent in Arkansas.

The **School Breakfast Program (SBP)** supplements the nutritional security of the NSLP, but on a somewhat smaller scale. The link between nutrition and cognitive development in children was supported in a 1998 Tufts University statement, citing the findings that “Children who participated in the School Breakfast Program were shown to have significantly higher standardized achievement test scores than eligible nonparticipants [and]. . . also had significantly reduced absences and tardiness rates.” Some 1.2 million children in the 7 Delta States ate nearly 203 million school breakfasts during FY 1998, with nearly half of this total in the central Delta States of Arkansas, Louisiana, and Mississippi.

The **Summer Food Service Program (SFSP)** reimburses sponsors (schools, units of local government, private nonprofit organizations, and camps) for meals served at approved feeding sites in low-income areas to children up to 19 years old. It helps to fill the gap created by the lack of a structured meal program such as the NSLP during the summer vacations when school is not in session. Although participation in the SFSP is considerably lower than that of the NSLP and SBP, it is nonetheless significant: 310,000 children were served nearly 2 million meals (in the Delta Initiative States) through the FY 1998 SFSP.

Another major nutrition assistance program administered by FNS is the Child and Adult Care Food Program (CACFP), which provides healthy meals and snacks in child and adult day care facilities. The CACFP generally operates in child care centers, outside-school-hours care centers, family and group day care homes, and some adult day care centers. The adult component was added in 1989 to provide cash reimbursements and commodity foods to licensed day care centers operated by public agencies for functionally impaired adults. The vast majority of participants in the CACFP continues to be children. In FY 1998, nearly 55 million meals were served by CACFP providers in Mississippi, Arkansas, and Louisiana, to 105,000 needy children and adults in those States.

In addition to the cash reimbursements and commodity foods provided directly to the State and local entities operating these nutrition assistance programs, USDA has also allocated millions of dollars in administrative funds to the States included in this Initiative.

Beginning in 1991, USDA has conducted a statewide demonstration project in Kentucky that allows for-profit child care centers to participate in the CACFP if 25 percent or more of their enrolled children qualify for free or reduced-price meals under the NSLP's income eligibility guidelines. This project was designed to expand access to CACFP benefits to low-income children who are enrolled in child care centers but whose care is not subsidized under Title XX of the Social Security Act. Public Law 105-336, the Child Nutrition Reauthorization Act of 1988, expanded the funding available for this project by providing it to be funded as an entitlement under the regular CACFP allocation process, rather than through USDA's more limited discretionary budget as had been done through FY 1998. Since October 1998, Kentucky has added approximately 50 new centers to its CACFP under this demonstration project.

Finally, **Team Nutrition grants** have been awarded to each of the Delta Initiative States since 1995 (although not every State has received a grant every year). Team Nutrition Training Grants for Healthy School Meals have been identified in USDA's National Strategic Plan for Training and Technical Assistance as one of the anchor delivery systems for supporting the implementation of USDA's nutrition requirements and the Dietary Guidelines for Americans in school meals. Team Nutrition Training Grants offer funding to State agencies to establish or enhance sustainable infrastructures for implementing Team Nutrition. Since FY 1995, nearly \$3 million has been provided in Team Nutrition Training Grants to Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee.

## **Recommendation**

*Congress and Federal agencies responsible for programs that affect maternal and infant health, such as the WIC Program, Medicaid, and Food Stamps, should coordinate efforts to focus on the region and reconcile differences in eligibility program requirements.*

**Response**

Congress and Federal agencies have worked to reconcile differences in eligibility requirements. For example, a person who participates in the Food Stamp, Temporary Assistance Program for Needy Families (TANF), or Medicaid Program automatically meets the income eligibility requirement for the WIC Program.

The HHS and USDA have collaborated over the years to improve the health of women, infants and children in the Delta. Mostly notably, HRSA's Maternal Child Health Bureau has ongoing projects in all the Delta States. The Department also supports the work of the Secretary's Advisory Committee. This Committee is made up of 30 members representing a public and private partnership at the highest level to provide guidance and to focus attention on the policies and resources required to address the reduction of infant mortality. The Committee advises the Secretary on Department programs which are directed at reducing infant mortality and improving the health status of pregnant women and infants, including implementation of the Healthy Start Initiative and infant mortality objectives from Healthy People 2000. The Committee also has responsibility to provide advice and guidance to the Secretary and the HRSA Administrator on a study on early postpartum discharge in accordance with Section 606(d) of Title VI-The Newborns' and Mothers' Health Protection Act of 1996 of Public Law 104-204.

The Secretary's Advisory Committee on Infant Mortality met April 12-13, 1999. They presented budget and program updates and plans for the future. The Committee had presentations and discussions on current issues related to mothers and infants such as the Children's Health Insurance Program, the Year 2000/2010 Objectives for C-Section rates, Healthy Start Program and Evaluation updates, implications for Preterm Delivery Prevention Meeting update, Maternal Factors that Influence Infant Mortality, Assisted Reproductive Technology, and Maternal HIV issues. The Committee discussed the progress made and next steps for preparing the Report to Congress on Early Postpartum Discharge. Also, in their three subcommittee meetings, the Committee spent time on three major issues: Low-Birth Weight, Early Postpartum Discharge, and Healthy Start Program. Proceedings from the meeting will be made public in late 1999.

**Recommendation**

*Congress should target additional funding to the Delta for supplemental food for pregnant women, breastfeeding women and children up to the age of five through the WIC Program and the commodity programs.*

**Response**

An increase in funding has been provided to WIC State agencies since the 1990 report. A comparison of the funding levels for WIC State agencies in the designated Delta region for fiscal year (FY) 1990 and 1998 are as follows:

	1990	1998
Kentucky	\$ 41,912,208	\$ 63,993,966
Mississippi	42,475,680	56,607,057

Tennessee	45,396,750	80,543,822
Illinois	84,785,249	143,857,059
Arkansas	28,185,368	47,241,810
Louisiana	59,909,147	78,804,286
Missouri	41,268,029	69,288,530

### **Recommendation**

*State departments of health should evaluate their WIC delivery systems to maximize the number of clients served. Many administrative mechanisms such as centralized purchasing and open bid processes can result in more cost-effective service delivery.*

### **Response**

Periodic reviews of WIC State agencies are conducted in order to evaluate the various delivery systems used in the State and to assess whether they are maximizing service delivery to their clients. In addition, regional offices provide ongoing technical assistance to WIC State agencies in order to facilitate effective utilization of funds and maximize service delivery options.

### **Initiatives of special interest in WIC are:**

- the Mississippi WIC Breastfeeding Promotion Campaign;
- WIC Infrastructure Grant of \$50,000 provided to Kentucky to implement the Caring About Nutrition (CAN) Project in Marshall county. Through the CAN project, WIC participants receive “hands on” learning experiences in innovative nutrition education learning centers;
- WIC Infrastructure Grant of \$50,000 provided to Tennessee to implement a statewide pilot project for a breastfeeding data system;
- Arkansas improved clinic accessibility for WIC participants in rural and non-rural areas where public transportation does not exist by using mobile health units and providing transportation vouchers.
- the Louisiana WIC and Immunization Programs partnered to sponsor 6 mobile vans that provide WIC and immunization services in rural areas of the State. Another van is being donated to serve the metropolitan areas.

### **Kentucky and Tennessee WIC**

#### **1999-2000 Infrastructure Grants**

#### **Kentucky**

Kentucky is being awarded \$50,000 to implement the CAN (Caring About Nutrition) Project in Marshall County. Marshall County is located in southwestern Kentucky with a population of approximately 30,000. The Marshall County Health Department serves as the initial contact point for access to both prenatal and infant care for its eligible population. The CAN Project will renovate and furnish donated space to establish both a demonstration kitchen and a mini-mart for WIC participants. These expanded learning centers will serve participants through “hands on” learning experiences as well as offer facilitated group learning as a means for nutrition education.

## **Tennessee**

Tennessee is being awarded \$50,000 to implement a statewide pilot project for a Breastfeeding Data System. The project will enable the WIC Breastfeeding Peer Counselors to collect data at each encounter ( i.e, clinic, home, phone) utilizing a palm sized PC. The data will be stored within the palm sized PC and eventually the information will be uploaded to a desktop PC. Once the data is compiled into a central data base, statistical packages will analyze the information and prepare reports. These reports will suggest successful strategies in increasing the number who breastfeed as well as the length of time. In addition, the new technology from this project could have positive impact in other program areas such as vendor monitoring.

## **Mississippi Delta WIC**

### **The Mississippi WIC Breastfeeding Promotion Campaign “Loving Support Makes Breastfeeding Work”**

In Mississippi a little “loving support” goes a long way! The Mississippi WIC Program expended \$81,000 to implement its version of the WIC National Breastfeeding Promotion Project. A comprehensive plan was developed to combat three major barriers to breastfeeding (embarrassment, time and social constraints), and activities supporting the campaign message, “Loving Support Makes Breastfeeding Work,” were organized to benefit all Mississippians. Kick-off events were held on August 1, 1997, and during the month, radio spots aired 4,140 times across the State, while television spots aired 248 times. During the first 3 months of the campaign, the “loving support” message was carried by 15 television stations, 100 radio stations, 10 major and 81 weekly newspapers. It also appeared on 82 billboards.

Media coverage helped to heighten breastfeeding awareness. During the first month of the Campaign, one local Breastfeeding Coordinator was asked to be on a radio talk show. The coordinator responded to questions about feeding quadruplets, provided advice for one woman who wanted to relactate, and offered support to another woman who was told that she should stop breastfeeding after receiving emergency room treatment.

Campaign activities have been expanded to include an evaluation of the Project and use of the Physician’s and Health Care Providers Breastfeeding Support Kits that were introduced in 1998.

## **Arkansas Delta WIC**

- ARKids First - AR WIC has worked closely on the CHIP/Medicaid expansion to facilitate adjunct WIC income eligibility for new Medicaid eligibles.
- The WIC Program participated in funding the enhancement of the AR WIC automated system to include an immunization reminder module at the clinic level.
- The Office of Breastfeeding Services provides training to local staff, and supports WIC and other Arkansas mothers by promoting and giving practical advice on breastfeeding.
- To improve clinic accessibility (for WIC and other public health programs), Arkansas WIC promoted the use of WIC administrative funds for participant transportation in rural and non-



rural areas where public transportation does not exist. FNS supported this through a national policy change that served to enhance low-income access to public health clinics by increasing the use of mobile health units and transportation vouchers. The counties served by the mobile unit include: Arkansas, Lincoln, Desha, Drew, Ashley and Chicot.

- Arkansas has eleven clinics in the Mississippi Delta area that offers extended clinic hours for participants convenience.
- AR supports approximately 27,000, or one-third of Arkansas WIC participants yearly through savings resulting from its contract for rebates on infant formula.
- AR WIC Program worked in collaboration with the Arkansas Department of Human Services to install an interactive kiosk in a Food Stamp location in Phillips County. The purpose of the kiosk was two fold, it was an opportunity to do outreach of WIC services to Food Stamp recipients and provide nutrition education to a segment of the population who rarely receive these services.

- **Louisiana Delta WIC**

- The Louisiana WIC State agency has increased the number of independent local WIC agencies contracting to provide WIC and public health services to fill the gap in the New Orleans area and throughout the State. WIC providers now include all of the charity hospitals throughout the State, which reach the majority of Louisiana's low-income pregnant women and new babies.
- The State has received kudos for its innovative nutrition education materials that participants like to keep and use. These consist of a series of cards targeted to pregnant, breastfeeding, and new mothers on the importance of healthy eating for themselves and their young children. The series also offers feeding and parenting tips for every stage of infancy and young childhood. The colorful format, appropriate literacy level, and straightforward approach have become so popular that many other States have adapted the publication for use in other parts of the country.
- LA supports 46,700 participants yearly through savings resulting from its contract for rebates on infant formula.
- Due to Louisiana's Integrated Services and paraprofessional training, the immunization rate for children by the age of 2 with complete series of shots in Parish Health Units is 82%.
- Louisiana WIC and Immunization Programs partnered to sponsor 6 mobile vans that provide WIC and immunization services in rural areas of the state. Another van is being donated to the metropolitan areas.
- All 129 WIC clinic sites utilized materials and items such as banners, posters, certificates, and handouts, while wearing breastfeeding pins, T-shirts, and/or canvas bags from the "Loving Support" campaign in their World Breastfeeding and National Breastfeeding Activities. These same materials and items are being utilized throughout the year in an efforts to increase breastfeeding initiation and duration rates. Activities included baby showers with door prizes furnished by local vendors, classes with guest speakers from La Leche League and ILCA, breastfeeding focus groups, bulletin boards featuring breastfed babies, breastfeeding segments on local radio and television shows, breastfeeding walks, breastfeeding health fairs, participants testimonials on their breastfeeding success, and local newspaper coverage.

## **Missouri Delta WIC**

- + Missouri has signed formula rebate contracts to reduce food package cost per participant, which in turn frees up more money to serve additional clients. Since 1995, Missouri's caseload has grown from to 127,675 in FY 1999, reaching as many as 133,000 in FY 1996.
- + Missouri WIC provides funding for enhanced staffing in the St. Louis area for breastfeeding promotion and support in order to increase initiation and duration. Historically, rates in St. Louis and surrounding areas have been among the lowest in the State. Lactation consultants were hired to oversee breastfeeding peer counselor programs; to assure WIC participants have the information they need to make informed breastfeeding choices; to visit mothers in the hospital at delivery; and provide optimal support after delivery.
- + Via the WIC-based Dietetic Internship in St. Louis, WIC clinics in the Delta area serve as sites for community nutrition rotations for interns. These sites have enhanced standards of care, better quality assurance measures, and more staff available for nutrition services.
- + The Missouri WIC State agency participates in the Division of Maternal, Child & Family Health Infant Mortality Project. Southeast Missouri is one of their target areas to better coordinate health and nutrition screening, intervention, and referrals. They have expanded outreach efforts to this very low income population efforts to assure WIC is reaching the highest risk, most needy eligible women, infants, and children.
- + Delta area WIC sites in Northeast Missouri are increasing coordination efforts with Head Start for nutrition screening, education, and referrals.
- + As a result of flooding in the Delta area in recent years, Missouri WIC has increased coordination with FEMA to develop plans for a speedy response to families in need, assure the availability of infant formula and safe water, and provide guidelines for sanitation in infant feeding.
- + As part of a statewide diet assessment validation project, Delta sites will be studied. Through data collected, the state will be able to develop more appropriate diet intake tools for these communities.

## **Illinois Delta WIC**

- + All counties have active breastfeeding promotion activities as a regular part of the WIC program.
- + Counties in this area have estimated that there are 12,879 WIC participants in this area.

### **Nutrition and food security:**

*The 1990 Report recommended that all residents of the Delta should have access to health education programs, of which nutrition is an essential part.*

**Lower Mississippi Delta Nutrition Intervention Research Initiative:** In response to the needs of the Lower Mississippi Delta region the Lower Mississippi Delta Nutrition Intervention Research Initiative was developed and is a part of the Agricultural Research Service's (ARS) Human Nutrition Program. The mission of this Initiative is to evaluate nutritional health in the Lower Delta, to identify nutritionally responsive problems, and to design and evaluate interventions so successful strategies may be implemented on a larger scale. Participating institutions include Alcorn State University, Arkansas Children's Hospital Research Institute, Pennington Biomedical Research Center, Southern University and A & M College, University of Arkansas at Pine Bluff, University of Southern Mississippi and ARS.

The accomplishments of this Delta nutrition initiative include completion of the Key Informant Survey which consisted of surveying almost 500 people in 36 Delta counties and parishes in Arkansas, Louisiana and Mississippi on the perceptions of nutrition and health problems, barriers to solutions of these problems, community resources available to help with solutions, and other strengths of the communities in resolving problems. The initiative completed a "Foods of Our Delta Survey" that studied the validity of telephone methodology for the collection of dietary intake data from both telephone and non-telephone households, and pilot instruments on food security, health preferences and food participation in food assistance programs. Planning for the Nutritional Assessment Survey Part 1 and Part 11 continues.

**Analysis of Access to Grocery Stores:** USDA's Economic Research Service Geographic Information System (GIS) facility was applied to analyze access to grocery stores in the Mississippi Delta region. The analysis combined data on the location and sales of grocery stores by postal ZIP code, with the residential location of all consumers and consumers with incomes below the poverty level. The analysis showed that substantial areas are underserved by grocery stores, leaving substantial numbers of residents with little access to stores offering a wide variety of food products at reasonable distances. (In two articles, Phillip Kaufman summarized the research showing that rural poor people in the Delta suffer from lower access to larger grocery stores. See Philip Kaufman, Rural Poor Face Lower Access to Supermarkets, Large Grocery Stores. *Rural Development Perspectives* (Vol. 13, No. 3), 1999, Economic Research Service, U.S. Department of Agriculture. Washington, DC ; Philip Kaufman, Access to Food in the Lower Mississippi Delta Region--A Geographic Information System Analysis. Abstract in *J. Amer. Agri. Econ. Association.*, Vol. 79, No. 5. Dec. 1997.)

**Mississippi Anti-Hunger and Poverty project**—Mississippi Action for Community Education, Inc. (MACE)-- Generally speaking, Mississippi's economy is in better shape than it has been in decades. Over the past few years, there has been a significant increase in new job creation, a decline in overall unemployment, and bulging state coffers. This economic silver lining is somewhat tarnished by the fact that the vast majority of Mississippians who reside in predominantly African-American poor, rural communities throughout the Mississippi Delta continue to live in abject poverty and social deprivation. In fact, many have described the Delta region's condition as similar to that of "third world nations and blighted inner-city areas of large American urban centers."

Formed in the aftermath of the Civil Rights Movement, MACE is a non-profit, tax-exempt community development corporation, with a major goal of breaking the cycle of chronic poverty and deprivation suffered by the rural poor. It serves as a mechanism for developing human resources by supplying technical, educational, and political resources to the residents of the Mississippi Delta region. Through leadership development, MACE lives out its mission to empower African American, poor and disadvantaged citizens, raising their collective capacities to effect social and economic improvement within their communities.

As we approach the year 2000, the vast majority of the Mississippi Delta's residents find themselves ill-educated, ill-clad, ill-fed, ill-housed and chronically poor. A close look at socioeconomic conditions confronting African Americans in the Mississippi Delta reveals some startling statistics. One out of every five families is poor – twice the national average. One out of every two African American Mississippi children are born into poverty. Mississippi has the lowest per capita income in this country: \$6,484 for whites and \$2,833 for non-whites. The unemployment rates for people of color living in the MACE service area average 9.6 percent, with between 46.4 percent and 62.8 percent of all non-white families living below the poverty level.

These statistics clearly illustrate the need to create and implement social, economic, and community development initiatives to reverse these conditions. It is against this background that MACE has endeavored to implement its **Anti-Hunger Partnership and Empowerment Program (MAPEP)**, consisting of a diverse group of AmeriCorps members working with action-oriented community-based organizations located throughout the Mississippi Delta. MAPEP is now in its fourth year of operation, and continues to make large strides against hunger in the Delta region.

### **Mission Statement and Objectives**

MACE has attempted through intensive research and collaboration efforts with various social service agencies, community-based organizations, empowerment zone initiatives, and government entities to develop a mission statement and set of objectives that build upon each other. The mission of MACE is to elevate the standard of living in impoverished rural communities through educational programs and the provision of services that increase participants' influence over their lives and communities. Consequently, MACE has established MAPEP, which targets the counties of Humphreys, Washington, Sharkey/Issaquena, Madison, Tallahatchie, and Quitman. A major part of MACE's service area is located within the Mid-

Delta Empowerment Zone (MDEZA) and the North Delta Enterprise Community (NDEC). The objectives of MAPEP address issues related to:

- (1) Food Stamp Outreach
- (2) Nutrition Education
- (3) Food Pantries
- (4) Summer Feeding and School Breakfast Programs

Descriptions of each component are outlined below.

#### Food Stamp Outreach

During 1994 and 1995, MACE sponsored and administered a demonstration food stamp outreach program through a grant sponsored by USDA. MACE was instrumental in identifying and enrolling thousands of low-income and/or elderly people living in rural areas of the Mississippi Delta region who were eligible for but not receiving benefits. As a part of this process, MAPEP AmeriCorps members continue their proactive outreach efforts with the sole purpose of ensuring that underserved, rural, low-income residents have an opportunity to obtain benefits that will assist in the reduction of hunger in the Mississippi Delta. The members use direct door-to-door contacts with program-eligible residents within the 6 target counties plus other areas in need, and provide other appropriate technical assistance, transportation, and related services to connect residents with food stamp benefits. Eligible but unserved residents are identified by AmeriCorps members through such methods as presentations in churches, social clubs, fraternal organizations, senior citizens' complexes, neighborhood community centers, and other accessible meeting places.

#### Nutrition Education

MAPEP AmeriCorps members promote nutrition and food safety among low-income families and elderly residents of the Mississippi Delta. This consists of community outreach including workshops held at senior citizens' facilities, churches, and in-home visitations. MAPEP AmeriCorps members also provide referrals on behalf of elderly residents to such programs as Meals on Wheels, elderly nutrition centers, and church-sponsored feeding programs. Where necessary, the AmeriCorps members make every effort to provide transportation for these residents. The members work with local extension agencies, specifically with their nutrition experts, to sponsor workshops in the counties served by MACE. Presentations are sponsored in local schools, churches, community facility buildings and senior citizens' facilities. In concert with nutrition education for the elderly, MAPEP provides nutrition education in schools and recreational centers in the Mississippi Delta.

#### Establishment of Food Pantries

Despite efforts to provide adequate and nutritious food supplies to poverty-stricken residents of the Mississippi Delta, many obstacles still inhibit this process – low wages, long distances to major grocery stores, poor transportation, and inadequate education. MACE and its affiliates continue to work at establishing food pantries in four of its participating counties. Several affiliates have identified the establishment of community gardens as projects for this year.

### Summer Food Service Program

MACE works with local school officials to increase the number of sites offering the SFSP.

### Program Design and Structure

MACE believes that community self-help efforts are most effective when all segments of the community participate. This philosophical approach has afforded MACE great success as a coalition builder. MACE's efforts have led many rural Delta communities to develop the human and institutional capacities required to sustain social change while ensuring community economic growth.

MACE affiliates committed to hosting and supervising MAPEP AmeriCorps members are:

- ◆ Madison County Union for Progress, Inc.
- ◆ Humphreys County Union for Progress, Inc.
- ◆ Sharkey/Issaquena Improvement Association, Inc.
- ◆ Washington County Union for Progress, Inc.
- ◆ Quitman County Development Organization, Inc.
- ◆ Tallahatchie County Union for Progress, Inc.

These local affiliates, located throughout the Delta, have extensive histories of providing direct services on behalf of the social and economic interest of rural residents who comprise 95 percent of their membership. Placing MAPEP AmeriCorps members with the affiliates gives the program immediate acceptance among those it seeks to serve.

### Member Responsibilities

- ◆ Assist in the identification of low-income and rural Mississippi residents who are eligible for, but are not receiving, food stamp benefits, by providing the necessary information about eligibility requirements
- ◆ Provide nutritional and food safety information to low-income and elderly residents within the MACE service area
- ◆ Establish and/or work in food pantries in rural Mississippi
- ◆ Promote and work with 6 rural school districts to increase the availability of enrollment in school breakfast and summer feeding programs
- ◆ Provide nutritional education to schools and recreational centers in the MACE service area

Issue:     ***Health Care Access***

*The Commission recommended that Congress and the President should enact legislation that would lengthen the Medicaid transition period for Delta families moving from welfare to work.*

Under the welfare reform law and the Balanced Budget Act, States have a great deal of flexibility to expand transitional medical assistance. The U.S. Department of Health and Human Services (HHS) is actively encouraging States to use the flexibility available under current law to make Medicaid benefits available to families for a longer period. This has been done in the form of direct technical assistance from Health Care Financing Administration (HCFA) staff as well as written guidance through letters and the HCFA web site. In addition, HHS published a 24-page guide book entitled, "Supporting Families in Transition" that details opportunities States have to promote Medicaid enrollment and to improve outreach techniques.

*The Commission recommended that federal and state governments and the private sector should accelerate their cooperative efforts to address health insurance access.*

The Department of Health and Human Services and the Delta States have been working in partnership to expand health coverage to the working poor and to ensure that all persons eligible for Medicaid are found and enrolled. Under Section 1115 of the Social Security Act, the Secretary has approved multiple comprehensive health care reform demonstrations requested by the Delta States designed to expand health care coverage while implementing cost savings strategies so that there is no increased cost to the Federal government or the States.

The Balanced Budget Act of 1997 (BBA) created the Children's Health Insurance Program (CHIP) making \$24 billion dollars available over five years to States for the provision of health insurance to previously uninsured children. With the exception of Tennessee (under review), CHIP plans have been approved for the Delta region. Health care reform demonstrations and the CHIP efforts have resulted in the following progress:

**Missouri** -- Approximately 40,000 previously-uninsured children are enrolled in a CHIP program eventually expected to cover 70,000 children. Approximately 43,500 of an anticipated 100,000 adults have been enrolled in a Medicaid expansion under demonstration authority. Additionally, the screening and enrollment requirements of the children's health program have resulted in an additional 16,000 children previously-eligible -- yet not enrolled -- children to receive health care coverage.

**Arkansas** -- The State has both an approved CHIP plan and a comprehensive statewide demonstration to expand health care coverage to children. As a result, approximately 40,000 Arkansan children now have health care coverage.

**Louisiana** -- Louisiana eventually expects its CHIP plan to cover 28,000 previously uninsured children; currently about 10,000 are enrolled.

**Kentucky** -- The CHIP plan in Kentucky is designed to provide health care coverage for some 50,000 previously uninsured children, 5000 of whom are already enrolled in the new program.

**Illinois** -- The State has enrolled approximately 30,000 of the nearly 40,000 children that it expects to enroll in its approved CHIP plan.

**Tennessee** -- Over 460,000 individuals now have health care coverage under Tennessee's Section 1115 demonstration, known as TennCare. Approved in 1993, this is one of the most innovative waiver programs in the country.

**Mississippi** -- The State intends to eventually enroll about 12,000 previously-uninsured children in its CHIP plan. The most recent figures available indicate that approximately 3,500 have already been enrolled.

In this region of the country, over 600,000 persons receive health insurance through Medicaid demonstration programs or CHIP plans, all approved since 1993.

HHS leads a national outreach effort to enroll eligible children either in Medicaid or CHIP. For example, by working as partners, HCFA, National Governor's Association, Bell Atlantic, and Federal Interagency Task Force on Children Health Insurance Outreach created a toll-free number to assist callers in contacting their state Medicaid or CHIP office for enrollment information: 1-877-KIDSNOW. Materials and information are also available to the states on outreach technology.

HHS has provided information on how to develop outreach activities for persons who are moving from welfare to work including a 24 page guide to States that describes the opportunities States have under the law to expand coverage under Medicaid to low-income working families.

HHS has increased efforts to provide access to health care for those living in the lower Mississippi Delta Region through developing partnerships with States to seek solutions to rural health care problems. At the national level, the office of Rural Health Policy was established and, at the state level, State Offices of Rural Health were funded. Over 70 grant awards to rural community organizations for the provision of health care services in the Delta region.

HHS is also establishing a Delta project through a cooperative agreement with a nonprofit entity in the Mississippi Delta to better serve the health needs of Mississippi Delta residents in a 10 county target area within four states. The project goals are: (1) to maximize the impact of efforts in the 10 county area by using HHS resources to leverage additional public and private resources; and (2) to test the proposition that better coordination and targeting of HHS efforts and resources within a given area will enhance success in meeting program goals.

From October 1, 1989 - September 30, 1994, HHS funded a Maternal and Child Bureau project in Sharkey and Issaquena Counties, awarded to the Luke Society - Cary Christian Health Center, located in Vicksburg, Mississippi. The objectives were: (1) Decrease the infant mortality rate and the incidence of low birth weight babies in the project area; (2) Decrease the pregnancy rate among adolescents; (3) Facilitate access to care; (4) Improve the community's understanding and knowledge of health-related matters; and (5) Make members of the community more aware of child abuse and how to abuse and how to deal with it appropriately.

*States should consider establishing school-based health insurance plans, such as those instituted by 1990 in Florida and Minnesota.*



All of the Delta States except for Mississippi are currently billing Medicaid for school-based health services. HCFA is prepared to offer technical assistance to Mississippi and other states interested in receiving Federal Financial Participation (FFP) for the provision of Medicaid school-based services to Medicaid enrolled children. More technical assistance is available in the form of the Medicaid and School Health Technical Assistance Guide. In addition to billing for school-based services, States may want to consider using school districts as the unit for the purchase of group insurance, as Florida has done. Initially, this was tested in Florida using section 1115 demonstration authority, and upon completion of the demonstration, became a State-funded program. HCFA remains committed to working with the Delta States and others to test such innovative approaches to health care purchasing and delivery.

The Bureau of Primary Health Care (BPHC) has supported and promoted the concept of school-based health centers since the mid 1970s. In 1994, Congress established the first Federal program to specifically mandate the creation of school-based health centers, the Healthy Schools, Healthy Communities (HSHC) program, which provides a valuable model of how to use schools effectively as primary care access points for at-risk children. HHS funds 26 organizations in 20 States to establish new school-based centers, including the following Delta States (one center in each): Illinois; Kentucky; Mississippi; and Tennessee.

*Congress should re-authorize the National Health Service Corps Act and provide special provisions for placement of physicians in Delta areas.*

The National Health Service was reauthorized in 1990, and is up for reauthorization in 2000. RSA provides 305 active corps members in the seven Delta states, see breakout below.

<b>STATE</b>	<b>URBAN</b>	<b>RURAL</b>
Arkansas	3	12
Illinois	69	13
Kentucky	2	31
Louisiana	19	19
Mississippi	7	28
Missouri	25	44
Tennessee	18	15
<b>TOTAL</b>	<b>143</b>	<b>162 = 305</b>

*Congress and the President should enact legislation to extend work visas permitting qualified foreign medical graduates to remain in the United States in return for commitment to serve a multi-year period in the Delta.*

To improve the recruitment and retention of health professionals in rural areas, HHS' Office of Rural Health Policy supports development of the National Rural Recruitment and Retention Network (Triple R Net). The Triple R Net helps 45 participating States (45) find suitable practice sites for health professionals throughout the country. Arkansas, Louisiana, Mississippi, Tennessee, Kentucky, and Illinois participate in the Network:

The network partners include State Offices of Rural Health, Area Health Education Centers, Cooperative Extension Agencies, State Primary Care Associations, the National Health Service Corps, and the Indian Health Service. These entities work together to share information regarding rural practice sites in their respective States and work with health professionals and their families interested in working in rural areas to find suitable practice sites. The assistance differs in each State but can include:

- (1) Providing standardized practice and community profiles to identify and compare appropriate opportunities;
- (2) Sharing knowledge of the historical and current medical/political environment of the communities;
- (3) Assisting in arrangements and transportation for site visits;
- (4) Advising on the recruitment process; and
- (5) Enabling health care professionals to examine a large number of opportunities through a single source.

While the work visa extensions mentioned above have not been enacted, the explanation below speaks to Department assistance with the J1 Visa Waiver. States can issue a set number of J1 Visa Waivers for clinical practice each year through the Conrad State 20 program. This program gives participating States the option of supporting waivers for physicians willing to practice in underserved areas. Under this program, international medical graduates in participating States can apply to the State Health Department for a waiver. Participating States can support a maximum of up to 20 waivers a year. All State waiver requests must then be submitted to USIA for review and final approval is issued by the Immigration and Naturalization Service Commissioner. The following five Delta States participate in the program: Illinois, Kentucky, Mississippi, Missouri, and Tennessee.

**Please note** that only the Department of Justice can issue waivers. The Department currently seeks waivers for research, and not for clinical service. The four Federal agencies that seek waivers for clinical practice are: (1) Appalachian Regional Commission; (2) Department of Transportation; (3) Department of Housing and Urban Development; and (4) Department of Agriculture (USDA).

*The Health Care Financing Administration and the Delta states should review and revise Medicare/Medicaid reimbursements to eliminate inequities in payments to rural hospitals.*

The Medicaid program provides the following options:

**ADD-ON PAYMENT** -- States currently have considerable latitude in determining rates of payment in the Medicaid program. Rural hospitals receive Medicaid funding as described in their State plans. One way for a State take into account the unique position of rural hospitals is to establish within that State's Medicaid plan a methodology that specifically targets rural hospitals. Through a State Plan Amendment, a State could elect to institute a special add-on payment for rural hospitals in addition to their regular reimbursement.

**DISPROPORTIONATE SHARE HOSPITAL PROGRAM** -- Another avenue of flexibility currently open to States is the Disproportionate Share Hospital (DSH) program. Within certain Federal limits, States can designate any group of hospitals as qualifying for DSH payments, including rural hospitals. States can amend their State plans to implement a DSH payment that would be geared toward their rural hospitals: the qualifications for this DSH payment can be crafted in such a way that any uncompensated care costs incurred by rural hospitals could be met through the State's DSH program. Such an option would be feasible to the extent that these hospitals have incurred uncompensated free care and Medicaid costs, and provided that the State's DSH methodology overall does not cause the State to exceed the hospital-specific DSH payment limits or the State's statutorily-defined DSH allotment.

The Medicare program provides:

**Rural Referral Centers** -- Rural referral centers (RRCs) were first identified for special consideration in the 1983 Prospective Payment System (PPS) legislation. Congressional intent was to recognize that, within rural areas, there were hospitals that provided care in a volume and with the sophistication of hospitals in urban areas. These hospitals serve as "referral" sites for rural physicians and other community hospitals that may lack the resources or expertise to handle cases outside the norm. Any hospital that was classified as a rural referral center (RRC) in 1991 and had since lost that status was grandfathered back into the RRC program by the Balanced Budget Act. In addition, the BBA made it easier for RRCs to get a higher wage index under PPS.

**Medicare-Dependent Hospitals** -- The Medicare Dependent Hospital (MDH) program was reinstated by the Balanced Budget Act of 1997. The Medicare-Dependent Hospital designation was originally created under the Omnibus Budget Reconciliation Act of 1989. It provided extra financial assistance to rural hospitals with less than 100 beds that had 60% or more of inpatient days or discharges attributable to Medicare patients. Originally, the Medicare Dependent Hospital designation was set to expire for cost reporting periods ending on or before March 31, 1993. The Omnibus Budget Reconciliation Act of 1993 extended the designation until September 30, 1994 with a smaller financial benefit for MDH status. The Balanced Budget Act reinstated the MDH program for cost reporting periods beginning on or after October 1, 1997 and before October 1, 2001.

In 1998, the Balanced Budget Act provided for funding to States to help stabilize small rural hospitals, develop networks and integrate emergency medical services in rural areas. These development grants are being made under the State Rural Hospital Flexibility Program, authorized at \$125 million through fiscal year 2002. With a \$25 million appropriation for fiscal year 1999, this new grant program will help stabilize rural hospitals and improve access to health services in rural communities. Grants will be awarded to states for: (1) developing and implementing rural health plans with broad collaboration; (2) stabilizing rural hospitals by helping them consider, plan for, and obtain designation as "Critical Access Hospitals" (CAH); (3) supporting CAHs, providers and communities as they develop networks of care; and (4) helping improve and integrate emergency medical services.

Hospitals that are designated as Critical Access Hospitals will receive cost-based payments from the Medicare program. Medicare payments to all other hospitals will not change. It is expected that the Delta states will be interested in participating in this program. Grants will be awarded later this Fiscal Year.

*The HCFA and the Medicaid Directors of the Delta states should review Medicaid reimbursement policies to remove disincentives for alternative delivery systems.*

Medicaid's optional home and community-based services waiver program affords States the flexibility to implement creative alternatives to institutionalizing Medicaid-eligible individuals. States may request waivers of certain Federal rules which impede the development of Medicaid-financed community-based treatment alternatives. Delta Region states have opted for waivers (to lesser and greater degrees) that serve a variety of Medicaid beneficiaries with long-term care needs. States can also offer Medicaid personal care services as a state plan optional benefit. In September 1997, following a meeting of the President and Vice President with leading advocates with disabilities and their allies, HHS established the Home and Community-based Services work group to provide a focal point for this commitment. HHS is developing a primer, which will explain in clear language what flexibility states have under the personal care services option and the HCB waiver program and provide examples of what a number of states have done in this area. HHS also makes funding available to states to identify and transition individuals out of nursing homes who could be appropriately and safely maintained at home and/or in the community.

*Congress and federal agencies should provide incentive funding to health professional schools demonstrating efforts to fill critical service area needs.*

Current funding by states includes the following (information on Illinois and Mississippi not available):

<b>FY1998</b>			
<b>STATE</b>	<b>FUNDING</b>	<b>TITLE</b>	<b>LOCATION</b>
Arkansas	\$313,621	Family Nurse Practitioner Program	U. of Arkansas for Medical Sciences
Louisiana	\$165,704	Health Manpower for Underserved Areas	Northwestern State U. of Louisiana
	\$199,167	Targeting Louisiana's Underserved Children	Northwestern State University of Louisiana
Missouri	\$245,868	Family Nurse Practitioner Education Program	Curators of the University of Missouri
	\$278,589	Nurse Practitioner Expansion	University of Missouri
	\$199,350	Family Nurse Practitioner Track	St. Louis University
	\$325,805	Collaborative, Multisite RN to	U. of Missouri, St. Louis

	\$275,244	MSN/NP Outreach Program Southeast Missouri Rural Nurse Practitioner	Southeast Missouri State U.
	\$232,395	MU Nurse-Midwifery Program	U. of Missouri, Columbia
	\$282,117	Nursing Center at MACC	U. of Missouri at Columbia
	\$125,293	School-Based Health Center	Research College of Nursing
Tennessee	\$166,251	Nurse Practitioner Expansion: Nurse-Midwifery	Vanderbilt U.
	\$205,200	Expansion of a Nursing Primary Care Clinic for the Homeless	East Tennessee State U.
	\$229,119	Nurse Managed Primary Care	East Tennessee State U.

*States and other health care institutions should encourage and support the use of mid-level practitioners in local health care settings.*

With the intention of encouraging the use of alternative practitioners in underserved areas, Medicaid regulations now permit services furnished by family and pediatric nurse practitioners and nurse midwives to be reimbursed by the State Medicaid agency through an independent provider agreement regardless of whether the nurse practitioner is under the supervision of, or associated with, a physician or other health professional.

A new start Basic Academic Health Education Center (AHEC) program was initiated in Mississippi in FY-98. The year 1 project period is 9/30/98 - 09/25/99 with \$405,341 awarded to the University of Mississippi medical Center located in Jackson. The recommended year 2 award is \$721,970, and the year 3 award is \$1,110,174, based on satisfactory progress. This AHEC program includes community-based AHEC centers in three rural areas of the State (the first will be in the Delta). Program components include the development of a rural track family medicine residency, an emphasis on diabetes as a locally-identified minority health problem, and recruitment and retention efforts for African-Americans. Community-based sites provide health professions trainee opportunities, including medical students, nurses, nurse practitioners, physical therapists, and physical therapist assistants.

*States, institutions of higher education, and health care training institutions should expand medical scholarship and loan repayment programs throughout the Delta.*

HHS's Bureau of Health Professions has awarded the following amounts of scholarship funds to schools in the Delta region, to provide scholarship support to students who are pursuing a health profession or nursing education. Note that all seven Delta states receive funds, but no data was available for Illinois, Mississippi, and Kentucky:

	<b>Arkansas</b>	<b>Louisiana</b>	<b>Mississippi</b>	<b>Tennessee</b>	<b>Students</b>	<b>Annual Total</b>
1998	\$ 192,767	\$1,467,999	\$ 99,103	\$1,483,405	1,814	\$3,243,27

1997	\$ 189,964	\$1,075,772	\$ 169,352	\$1,312,270	2,045	\$2,747,358
1996	\$ 108,412	\$ 967,539	\$ 136,456	\$ 781,821	2,218	\$1,994,228
1995	\$ 121,818	\$1,189,004	\$ 204,485	\$1,352,803	2,241	\$2,868,110
1994	\$ 95,826	\$1,282,415	\$ 189,003	\$1,354,007	1,632	\$2,921,251
1993	\$ 140,508	\$1,357,016	\$ 188,600	\$1,621,933	1,874	\$3,308,057
1992	\$ 207,477	\$ 883,780	\$ 251,880	\$1,536,827	1,857	\$2,879,964
1991	\$ 180,683	\$ 437,005	\$ 212,733	\$ 959,092	1,614	\$1,789,513
1990	\$ 91,163	\$ 98,255	\$ 123,674	\$ 392,002	NA	\$ 705,094

*States should develop programs that provide technical assistance for practitioners and providers serving uninsured, underserved and/or rural populations in the areas of clinical management, reimbursement systems, marketing and Rural Health Clinic Certification.*

HHS supports development of integrated provider networks to maintain a continuum of care from primary care through acute care services, including the Delta Rural Health Network in Mississippi, which supports development of integrated provider networks to maintain a continuum of care through acute care services. Technical assistance to all Delta region states is provided to maximize grants under the Ryan White care Act to improve the quality, availability and organization of health care and support services for people living with HIV, and to provide HIV/AIDS therapies to uninsured/underinsured persons with HIV/AIDS. Through computer-based distance learning and a preceptorship in the Delta AIDS Education and training Center (DAETC), the capacity of rural health providers to diagnose and treat asymptomatic HIV disease will be enhanced. Areas of highest HIV prevalence are being provided additional training by HIV specialists at the University of Mississippi Medical Center. Improved clinical outcomes for people living with HIV are resulting from providing blended systems of care, a one-stop shopping approach that ensures delivery of a full complement of services, improves care coordination, enhances care management and psycho-social support and reduces barriers to access. The recipient of this funding is Jefferson Comprehensive Care System, Inc., Pine Bluff, Arkansas.

Moreover, in 1998, HHS entered a partnership with the Centers for Disease Control and Prevention (CDC), the Robert Wood Johnson Foundation and the Kellogg Foundation to develop and pilot in several Southern states, a public health management academy to provide basic training to workers in state and local public health agencies in the areas of human resource management, strategic planning, financial management and budgeting. The first class of 200 students will be enrolled during August 1999. Although a three year pilot, HHS is hopeful the program will demonstrate its sustainability and will be duplicated throughout the country.

The HHS Office for the Advancement of Telehealth's (OAT) Rural Telemedicine Grant Program has helped increase access to quality health care services for the underserved by promoting the use of advanced telecommunications and information technologies by rural health providers across America. In September 1997, eighteen three-year Rural Telemedicine grants were awarded, totaling \$5.2 million for Year One. In FY 1998, \$5.47 million was awarded to grantees for Year Two. Since 1989, the OAT and the Office of Rural Health Policy have

invested over \$50 million in funding telemedicine/ telehealth demonstration and evaluation projects, including projects funded under the Rural Health Outreach Grant Program. Telehealth activities are currently in the following Delta states: Arkansas, Illinois, Kentucky, Louisiana, Tennessee, and Missouri. In addition, Telehealth is conducting a distance learning demonstration at a community health center in Mississippi.

The HHS Center for Managed Care was established in May 1996. The Center is responsible for assuring that the underserved and vulnerable populations are active and knowledgeable participants in managed care systems. The Center also seeks to assure that an appropriately trained primary care workforce is available to serve the managed care needs of these populations. Within the Nation, all of the seven Delta states receive the managed care services below. Managed care activities impacting all states include the following: (1) Development of Cultural Competence Tools; (2) Collaboration with the American Public Human Services Association/National Association of State Medicaid Directors; (3) Comprehensive HIV/AIDS Purchasing Specifications; (4) Medicaid Pediatrics Purchasing Specifications; (5) The Impact of Managed Care on Safety Net Providers; (6) American Medical Student Association/Foundation; (7) . Best Cultural Competence Practices; (8) HHS Managed Care Technical Assistance Center; (9) Impact of Managed Care on HIV/AIDS and MCH Service Providers (only Tennessee); and (10) Monitoring and Reviewing States' Medicaid Waivers; and more.

The Administration for Toxic Substances and Disease Registry (ATSDR) and the Health Resources and Services Administration, Bureau of Primary Health Care (BPHC) have a Memorandum of Understanding (MOU) for the purpose of building environmental medicine capacity among health care providers who treat underserved populations. The first community to benefit from this partnership is the community proximate to the former USA Defense Depot in Memphis, Tennessee. This minority community of residents and former workers at the now closed Defense Depot are concerned about the health effects (e.g., cancer, stroke, heart disease, birth defects, etc.) of toxic chemicals which were used at the facility during its operation. Meharry Medical College is assisting ATSDR to develop environmental medicine training for this community.

*State health departments and state-owned hospitals should develop service and purchasing consortia with rural health care providers and institutions to reduce local operating costs.*

HHS's Drug Pricing Program implements the Veterans Health Care Act of 1992 which entitles certain grantees and disproportionate-share hospitals to access a mandated discounted price for outpatient drugs. More than 11,000 entities across the Nation are eligible to participate in this program; of these, all seven Delta states participate. The number of covered entities listed from the EDRS database as participating are: AR= 123, IL=246, KY=275, LA=135, MS=123, MO=188, TN=187. The savings realized may be used to improve access to health care for the patients served by these entities. Technical assistance has been provided to several centers in Mississippi to assist in development of in-house pharmacies or out-side contract pharmacy provider arrangements to assist the centers in obtaining discounted drug prices and providing pharmacy services to the patients of the centers. Technical assistance has also been provided to these centers to develop state management service programs. The two centers are Aaron E. Henry in Clarksdale, Mississippi, and Delta Health Center, Inc., in Mound Bayou, Mississippi.

*The 1990 Report specifically asked the U.S. Department of Health and Human Services to examine the criteria for Health Manpower Shortage Areas with regard to primary care needs.*

An examination of the criteria for determining primary medical care needs throughout the country is currently in process.

On September 1, 1998, the Department published a Notice of Proposed Rulemaking (NPRM) to revise the regulations for designation of Medically Underserved Populations (MUPs) and Health Professional Shortage Areas (HPSAs). The original 60-day comment period was extended at the request of affected parties, ending January 4, 1999. Over 800 comments were received, expressing a high level of concern about the proposal and its potential impact. HHS plans to conduct further impact analyses of the proposed criteria revisions and has requested Secretarial approval for publication of a second NPRM to allow for additional comment by interested parties. All seven Delta states participate in this program.

*In 1990 the Commission recommended that public schools should encourage the introduction of health career options in middle and junior high school years, with special targeting to rural schools. Furthermore, health professional groups should provide mentors for high school and college students interested in health careers.*

The HHS Bureau of Health Professions (BHP) is working on a new initiative for all bureau programs called “Kids into Health Careers,” which will target the middle schools and high schools and will include the Mississippi Delta area as one of the many regions to be targeted. This initiative is planned for incorporation in all HHS programs.

The Health Careers Opportunity Program gives preference to those applicants that submit comprehensive programs linking the health professions schools with the communities and the local school systems, to include the middle and junior high school years, the high schools and colleges in the area. It provides for developing mentorship activities at all levels as well as other activities to increase the applicant pool of minority and disadvantaged students in the region.

## **HEALTH CARE FOR VETERANS**

In 1998, VA operated 24 hospitals, 17 ambulatory clinics, 15 nursing homes, 4 domiciliaries and 21 readjustment counseling centers, commonly referred to as Vet Centers, throughout the Delta states. In addition to providing medical care, VA is the nation's largest trainer of healthcare professionals. Through its affiliations with 107 medical schools and academic medical centers, as well as other research institutions, VA continues to be a major national research asset conducting basic, clinical, epidemiological and behavioral studies across the entire spectrum of scientific disciplines.



## Summary of Medical Costs During FY '98 for Delta Region

State	Medical Services and Administrative Costs
Arkansas	\$ 286,751,337
Illinois	\$ 844,674,053
Kentucky	\$ 226,543,465
Louisiana	\$ 305,058,204
Mississippi	\$ 261,462,480
Missouri	\$ 429,275,941
Tennessee	\$ 665,294,796

### HIV/AIDS Treatment and Services for Veterans

There are 22 VA HIV/AIDS clinical programs in the lower Delta states. These clinics and their staffs deliver comprehensive care to veterans with HIV in a wide variety of settings from urban clinics with very large numbers of patients to rural care networks that deliver excellent HIV care to a very heterogeneous and geographically wide population. For example, the VA facilities in Little Rock, AR, and Biloxi, MS, each care for over 100 veterans with HIV while Danville, IL, and Mountain Home, TN, each coordinate HIV care for less than 30 veterans with HIV. These VA HIV/AIDS clinical care programs are models of HIV care delivery in both urban and rural settings. Like many VA HIV/AIDS programs in the lower Delta states, these VA programs are well integrated into the local and regional HIV/AIDS care programs supported by other Federal, state, local and private organizations.

### Grants for Construction of State Extended Care facilities

The VA assists States in the acquisition or construction of State nursing home care and domiciliary facilities and in the remodeling, modification or alteration of existing buildings for furnishing domiciliary, nursing home or hospital care to veterans in State Homes. There are currently 19 State Veterans Homes in the Delta States. The FY 2000 budget request reflects VA actual or planned participation in 19 new projects which will create 17,433 new beds in these states.

### Telemedicine: Initiatives for Veterans

Working collaboratively with private industry, VA has helped to bring new products and services into the practice of clinical care for the benefit of veterans and others. The importance of the role that telemedicine applications can play in the process of moving health care into the communities is evident in many clinical areas.

VA has led the way in the development and implementation of filmless digital radiology systems in clinical settings. Mountain Home, Tennessee and Little Rock, Arkansas are only two of the many operational or planned medical centers using teleradiology throughout the Delta

Region. VA Medical Centers throughout Illinois and Missouri use video teleconferencing for meetings, training, and consultations between physicians across the nation. VAMCs in each of the Delta States are equipped with Telephone Liaison Care Programs (TLCP) to provide information, guidance and direction for patients. Other telemedicine innovations currently planned or in place include teledermatology, telecardiology, teledentistry, telepathology and telemental health.

***Issue: Health Promotion Programs:***

*In 1990 the Commission recommended that HHS and its counterpart in each of the Delta States should review public assistance programs to ensure appropriate emphasis on health education and promotion activities.*

HHS's Maternal and Child Health Bureau (MCHB) funds projects relating to health education or health promotion under the Special Projects of Regional and National Significance (SPRANS). Of the 18 projects funded in the lower Mississippi Delta area, there are multiple projects funded under the "Healthy Start" and the State Systems Development Initiatives (SSDI) of MCHB. Listed below are the state and project name of the projects containing the key words "health education" and "health promotion" in the abstracts of the projects:

<b>STATE</b>	<b>PROJECT</b>
Arkansas	Arkansas CISS/HSDCC Maternal and Child Health Set-Aside State Systems Development Initiative
Illinois	Aunt Martha's Healthy Start Initiative Adolescent Program East St. Louis Healthy Start Initiative Maternal and Child Community Health science Consortium Project TELL: Teens Educating, Learning and Leading Westside Healthy Start: Strengthening Community-Based Systems of Care
Kentucky	Covington Young Families Project: A Community Responds to the Health and Social Support Needs of Adolescent Mothers and Their Children
Louisiana	Louisiana EMSC Enhancement State Systems Development for Healthy and Safe Child Care in Louisiana
Missouri	State Systems Development Initiative 2000
Mississippi	Delta Futures: A Healthy Start Initiative Mississippi Fetal and Infant Mortality Review Project
Tennessee	Adolescent Risk Behavior Prevention Program Continuing Education for Rural Public Health Nurses Graduate Training Program in Public Health Nutrition

The Healthy Child Care America Campaign is a collaborative effort of health professionals, child care providers, and families working in partnership to improve the health and well-being of children in child care settings. The program's goals are to implement a national campaign to assist states, territories, Tribes, and communities to develop and strengthen linkages between child care providers, health professionals, and families; and improve the health and safety of children in child care settings. They developed the healthy Child Care America *Blueprint for Action*.

In August 1998, new child care regulations were issued to ensure that children in child care receive the immunizations they need on time. The rule requires that all children in federally subsidized child care be immunized according to state public health agency standards. This regulation particularly affects those children in child care arrangements that are legal but exempt from state licensing requirements.

### ***Transportation and Child Care***

*Volunteer organizations should work with local health departments and private health care providers to arrange volunteer transportation, child care and clinic or office assistance should be arranged in order to extend open hours in high-risk areas. The Commission recommended that federal agencies should review the transportation recommendations of the Region IV Transportation Consortium in the Delta Region.*

HHS and the Department of Transportation established the Joint HHS/DOT Coordinating Council on Human Services Transportation (now the Coordinating Council on Access and Mobility) in 1986 to address many of the issues raised by the Region IV Transportation Consortium (now the National Transportation Consortium of States). The Consortium worked closely with HHS and DOT during the development of the Council and has periodically consulted with the Council since then. HHS funded the Community Transportation Assistance Project (CTAP) to provide training and technical assistance to states and localities on the coordination of transportation resources and services.

Since 1991, HHS has funded the Community Transportation Assistance Project (CTAP) through the Community Transportation Association of America. CTAP supports the National Transit Resource Center to provide a link between community transportation providers and human services providers. CTAP is designed to improve access to health and social services programs and to promote effective and innovative practices in the community transportation industry. CTAP has provided technical assistance resulting in the following grassroots mobility improvements in Delta communities.

**Clarksdale, MS** - CTAP, in conjunction with the USDA Rural Technical Assistance and DOT JOBLINKS programs, supported extensive and ongoing technical assistance in the Clarksdale region through the Delta Area Rural Transit System (DARTS) and the Aaron E. Henry Community Health Center. A needs assessment and resource survey informed the development of the Aaron E. Henry Community Health Services building to provide a modern transportation maintenance facility to serve the region. A service and business plan were also developed.

Currently over 70 percent of DARTS passengers are workers traveling to jobs which then supports the provision of medical and other social services trips.

**Mississippi** - CTAP assisted the Mississippi Band of Choctaw Indians establish the Choctaw Transit Authority, including the leveraging of funds from the Bureau of Indian Affairs and technical advice on system safety and coordination of multiple program resources.

**Mid-Delta, AR** - CTAP has assisted Mid-Delta Community Service Inc. transportation services system. This transportation provider received operations and management consultation which resulted in an increased service area and greater ridership, improving access to health and social services as well as employment.

**State Association Support** - CTAP has worked with state transit associations in Arkansas, Tennessee, Mississippi and Louisiana to disseminate innovative practices information and make transportation providers and human services agencies aware of the available technical assistance.

*Issue: Teenage Pregnancy*

*In 1990 the Commission recommended that state departments of education and school districts should establish general program standards incorporating developmentally-appropriate, comprehensive family life and sexuality education programs, with program details being developed at the local level.*

Our nation has made important headway in reducing the rates of teen birth and pregnancies over the past six years. The HHS Centers for Disease Control and Prevention reported recently that the teen birth rate declined substantially nationwide. State data also indicate that rates are decreasing in all 50 states and the District of Columbia. The Lower Mississippi Delta Region states showed decreased incidence of teen pregnancy, although still quite high.

Percent of Change in the Birth Rates for Teenagers 15 - 19 Years of Age Between 1991 and 1995 for the Nation as a Whole and Individual Lower Mississippi Delta Region States	
	Percent Change
United States	-6.5
Arkansas	-7.9
Illinois	-7.4
Kentucky	-9.2
Louisiana	-8.2
Mississippi	-5.9
Tennessee	-9.5

*Source: National Vital Statistics System, Center for Health Statistics, Centers for Disease Control and Prevention, "Teenage Births in the United States: National and State Trends, 1990-96," April 1998.*

An important factor in bringing about these positive national results was President Clinton's National Campaign to Prevent Teen Pregnancy, which he created following his 1995 State of the Union challenge to "parents and leaders all across this country to join together in a national campaign against teen pregnancy to make a difference." The Department of Health and Human Services, the lead federal agency for the issue, is working to build partnerships among all concerned citizens; national, state and, local organizations; schools; health and social services; business; religious institutions; Federal, state, and local governments; tribes and tribal organizations; parents; other family members; and adolescents. The goal is to build new partnerships that promote communities' effort to prevent teen pregnancy, and strengthen and broaden existing partnerships in all parts of the United States.

Mississippi formed the "Just Wait" Abstinence Unit in 1998, as a part of an initiative to reduce teen pregnancy. This unit is increasing public awareness of the problem of out-of-wedlock pregnancies, especially as it relates to teenagers, and encouraging individuals, organizations, schools, churches, and communities around the state to implement teen pregnancy prevention programs. Mississippi is competing for the TANF bonus for Reductions in Out-of-wedlock Childbearing. Mississippi TANF has collaborated throughout the State with local churches and uses member business representatives as mentors for adults and teens who volunteer to participate in the "Faith and Families" program.

#### *Issue: Senior Citizens*

The recommendations regarding rural health care reimbursements and community-based alternatives were responded to in the Health Care Access section.

*The Commission recommended that Congress and the President should enact legislation to increase subsidies for meals-on wheels and other elderly feeding programs in the Delta.*

The Administration on Aging (AoA) funds states to provide congregate and in-home meals on the basis of the number of older persons age 60 and over in each state. The Supportive Services and Senior Centers program provides in-home and community-based services designed to reduce the risk of disease and disease-related disability, maintain high cognitive and physical functioning, increase active engagement with life, and enable older people to live independently in the community. States in the lower Mississippi delta region received the following funds for supportive services for Fiscal Years (FY) 1996-1999.

State	FY 1996	FY 1997	FY 1998	FY 1999
Arkansas	\$ 3,234,153	\$ 3,229,862	\$ 3,411,841	\$ 3,305,905
Illinois	\$13,434,519	\$13,416,56	\$14,150,64	\$14,126,912

Kentucky	\$ 4,324,808	\$ 4,321,931	\$ 4,572,092	\$ 4,566,357
Louisiana	\$ 4,380,642	\$ 4,379,133	\$ 4,634,478	\$ 4,488,388
Mississippi	\$ 3,021,121	\$ 3,017,698	\$ 3,187,468	\$ 3,089,992
Missouri	\$ 6,581,835	\$ 6,573,463	\$ 6,940,020	\$ 6,928,277
Tennessee	\$ 5,542,322	\$ 5,545,378	\$ 5,890,092	\$ 5,695,848

In FY 1996, the Older Americans Act funded approximately 162,000 hours of personal care and 794,000 hours of homemaker services; 6.1 million one-way trips to doctors, pharmacies and grocery stores; and 2.1 million contacts with older persons, their families and friends seeking assistance in locating resources and services in their community.

Adequate nutrition is essential for healthy aging and the prevention or delay of chronic disease and disease-related disabilities in older adults. Congregate nutrition services, including meals, targeted to high-risk older people can significantly improve health and prevent costly interventions. For FY 1996, almost 287,000 persons in the four states of the lower Mississippi delta region received approximately 14.7 million congregate meals.

<b>State</b>	<b>FY 1996</b>	<b>FY 1997</b>	<b>FY 1998</b>	<b>FY 1999</b>
Arkansas	\$4,408,662	\$4,048,024	\$4,188,280	\$ 4,138,738
Illinois	\$16,819,275	\$16,817,694	\$17,228,153	\$17,172,505
Kentucky	\$ 5,411,977	\$5,411,662	\$5,552,122	\$ 5,534,878
Louisiana	\$ 5,481,387	\$5,481,792	\$5,608,056	\$ 5,608,702
Mississippi	\$ 3,782,093	\$3,782,067	\$3,866,211	\$ 3,866,638
Missouri	\$ 8,238,613	\$8,236,882	\$8,442,131	\$ 8,414,491
Tennessee	\$ 6,931,233	\$6,932,467	\$7,104,025	\$ 7,104,888

Home-delivered meals enable older adults with multiple chronic diseases to avoid or delay costly institutionalization, allowing them to stay in their homes. For FY 1996, almost 136,389 older persons received approximately 20.3 million home-delivered meals.

<b>State</b>	<b>FY 1996</b>	<b>FY 1997</b>	<b>FY 1998</b>	<b>FY 1999</b>
Arkansas	\$1,151,818	\$1,148,420	\$1,217,49	\$1,217,597
Illinois	\$ 4,778,300	\$4,766,046	\$5,035,00 2	\$5,023,565
Kentucky	\$ 1,551,975	\$1,548,236	\$1,642,28 0	\$1,640,545
Louisiana	\$ 1,574,615	\$1,572,031	\$1,667,72 0	\$1,667,886
Mississippi	\$ 1,075,185	\$1,072,977	\$1,137,22 0	\$1,137,330
Missouri	\$2,349,202	\$2,341,507	\$2,477,00 6	\$2,471,390
Tennessee	\$2,013,965	\$2,011,728	\$2,144,42 8	\$2,144,650

### *HIV/AIDS Treatment and Services*

The HIV/AIDS Bureau programs target medical services for unserved/underserved populations through formula grants awarded to States and territories to improve the quality, availability, and organization of health care and support services for people living with HIV disease. The AIDS Drug Assistance Program (ADAP) provides major assistance with the direct provision of HIV/AIDS medical therapies to uninsured/underinsured persons with HIV/AIDS. Title III supports comprehensive primary health care and other services for individuals with HIV disease. Title IV funds public and private nonprofit entities for demonstration projects to build comprehensive, community-based, coordinated programs and improve access to research for children, youth, women, and families. The HIV/AIDS Dental Reimbursement Program provides funding to accredited dental schools and post-doctoral dental programs to help cover the uncompensated costs of providing organ health treatment to patients with HIV. The Special Projects of National Significance Program provides funding to public and private nonprofit

entities to assist in the development of innovative models of HIV care. These programs are provided as follows: Arkansas: Titles II, III and SPNS; Kentucky: Title II, III, Dental; Louisiana: Titles II, III, IV and Dental; Mississippi: Titles II, III and Dental; Missouri: Titles II, III, IV, and Dental; and Tennessee: Title II, III, IV and Dental. Two SPNS projects are: (1) the University of Mississippi Medical Center project is enhancing the capacity of health care providers in rural clinics to diagnose and treat asymptomatic HIV disease by expanding the Delta AIDS Education and Training Center's (DAETC) ability to provide clinical training for those providers with a computer-based distance learning system and building on the existing preceptorship provided by DAETC and (2) The Jefferson Comprehensive Care System established a "blended" system of care for underserved low income African-Americans at a new health facility. This helps ensure delivery of a full complement of defined services, eliminates unnecessary duplication of services, and provides client with one indistinguishable system in which their ambulatory health care needs can be met with "one-stop shopping".

### **Minority Health and the Environment**

*Federal and state governments should target funding for health studies throughout the region, including analyses of potential environmental exposures and the effects of environmental hazards.*

The Office of Minority Health currently supports a Mississippi Delta Environmental Health Project through a cooperative agreement with the Minority Health Professions Foundation (MHPF). The Agency for Toxic Substances and Disease Registry (ATSDR) within the Center for Disease Control and Prevention funds the Mississippi Delta Project: Health and Environment, a partnership endeavor between Federal, state, and local governments, Historically Black Colleges and Universities (HBCU), the faith community, community-based organizations, and environmental advocacy groups in 219 counties along the Mississippi Delta. The effort includes activities related to health education, training, and research. Demonstration projects is addressing the most urgent needs identified in four profiles; Health and Demographics, Environmental Hazards, Health Providers, and Education Resources. The projects will be models for developing partnerships in addressing environmental and public health-related concerns for the approximately eight and a half million persons residing in the Mississippi Delta region. The projects include; (1) the Howard University College of Nursing and the Minority Health Professions Foundation developing nursing curriculum modules to address Mississippi Delta environmental health concerns, (2) development of an organizational and community self-assessment for environmental health concerns, Assessment Protocol for Excellence in Environmental Health (APEX-EHZ) which has been used in Arkansas, Illinois, and Mississippi to identify environmental hazards in 22 counties, and (3) Meharry Medical College and the Mississippi Action for Progress (MAP), which is the largest Head Start grantee in Mississippi (i.e., approximately 5,000 children are enrolled), are developing an environmental curriculum for Head Start.

The Agency for Toxic Substances and Disease Registry is collaborating with EPA and State and local health and environment officials, and environmental justice advocates on an environmental justice initiative in Memphis, Tennessee, and other locations in the Lower Mississippi Delta



Region. This effort involves minority and low income people in environment and environmental health issues.

In FY 1999, ATSDR will begin a project that will look at the distribution of various socially modifiable (i.e., not lifestyle choices, but government controlled) health risk factors such as environmental quality, access to educational and health care resources, and areas that lack crime in various counties in the Lower MDR. This project will examine if those factors are unequally distributed by race, income, and mobility and whether they could contribute to the differences in health status defined as life expectancy. This project will use information from the four profiles developed by Meharry Medical College and data from other sources and Geographic Information Systems to map environmental quality, access to educational and health care resources, and areas that lack crime in subgroup areas (counties) in the MDR.

The Office of Community Services has also provided modest support over the past two years to a new initiative in Building Deconstruction and Materials Re-use, which has the potential for creating attractive career opportunities for TANF recipients and young fathers, as well as greatly reducing landfill deposits of demolition and construction wastes and supporting the wise husbanding of increasingly scarce natural resources. This initiative supports the President's new proposal for deconstruction of abandoned buildings outlined in his FY 2000 budget message. Both EPA and HUD, with its HOPE VI program, have expressed great interest in the initiative, as has DOD, which recently directed military installations to reduce landfill deposits by 40% over coming years. Several communities in the Delta Region, including Baton Rouge, LA; and Memphis, TN have expressed interest in pursuing the idea, which is particularly suited to the take down of retired military installations. Restored funding to the DPP Program would offer an ideal vehicle for the start-up of new projects through skill training and the establishment of worker-owned deconstruction enterprises under a successful model that is employing young fathers.

In fiscal years 1995-97, the Office of Minority Health supported the West Tallahatchie County Mississippi Project, which brought together Federal, State, local, and private sector organizations to assess and address the health, environmental, social services, education, economic development, and transportation needs of the community. The project provided the community: 1) a forum in which to address their needs; 2) assistance establish a non-profit organization; 3) knowledge of, and direct linkages to, State, Federal, and private sector resources; 4) linkages to educational assistance to address remedial and low-achieving students and adult literacy for which the school district received a National Daily Point of Light award; 5) enhanced collaboration with the Mississippi State Board of Education in addressing the Level 1 status of the school district; 6) facilitated collaboration with Tufts University to establish a Center for Community Development; 7) technical assistance to the community and to the North Delta Mississippi Enterprise Community Development Corporation in grant and proposal writing which resulted in numerous grant awards in the areas of teen pregnancy, education, clean water, housing, and economic development. In addition; OMH identified new partners with which to address health and other disparities in the Mississippi Delta and other minority low income communities.

## **II. ENVIRONMENTAL, NATURAL AND PHYSICAL ASSETS**

### **TRANSPORTATION**

The decade of the 1990s saw a marked improvement in the transportation infrastructure and service available to the resident of the Lower Mississippi River Delta. Many of the goals of the Lower Mississippi Delta Development Commission have been met and still others are on their way to being achieved.

Transportation is a critical factor in achieving the Commission's goals, providing the foundation for reaching the goals in other areas. Transportation allows people to reach educational institutions, health care facilities, jobs, markets, and tourist sites. It helps businesses prosper by providing access for workers and customers. It helps farmers get their produce to consumers.

Transportation is, as Secretary Rodney E. Slater says, "the tie that binds."

In his May 14, 1990 letter to President George Bush, Commission Chairman Bill Clinton called the Delta region "an enormous, untapped resource for America." It is a program of transportation improvements that allows those resources to be tapped. Then-Governor Clinton wrote of the need for the residents of the Delta region to become full partners in America's future, a vision that cannot be realized without a major commitment to improved transportation.

Governor Clinton said that without the improvements recommended by the Commission, "millions of people will be left behind, and the region as a whole, including its successful residents, will not achieve its full potential.

The 219 counties in seven states that make up the Lower Mississippi Delta Region have made marked economic progress. In the six years following the submission of the Commission report to President Bush, 365,000 new jobs were created in the Delta region, an increase of almost 12 percent. In fact, there was job growth in all but 29 of the counties in the region.

### **TRANSPORTATION INITIATIVES**

The Commission set a 10-year goal: An improved system of limited access highways, airports and rail and port facilities will be developed by the year 2001 in order to promote economic expansion and growth.

To reach the 10-year goals, the Commission made four general recommendations for the region's surface transportation system, 55 specific highway recommendations, four general aviation recommendations, two general port-related recommendations, 15 specific port and

waterway projects and two general rail recommendations. The report did not address the issue of public transit but there have been some significant transit proposals made since 1990.

Implementation of the recommendations, the Commission said, would produce a “Delta Transportation Network.

## **GENERAL HIGHWAY RECOMMENDATIONS**

*The Commission recommended that Congress and the President should release funds currently being held in the Highway Trust Fund.*

STATUS: Highway Trust Fund investment in highways and transit was increased dramatically by the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) and the Transportation Equity Act for the 21st Century of 1998 (TEA-21). ISTEA authorized \$151 billion over six years for highway and transit programs while TEA-21 went one step further. The 1998 act created new budget categories for highway and transit discretionary programs, establishing a budgetary firewall between the transportation programs and other domestic discretionary spending. As a result, TEA-21 guaranteed a minimum spending level of \$198 billion over six years.

In addition, TEA-21 increased to 90.5 per cent the minimum annual return on contributions to the Highway Trust Fund for every state. The Delta region states are expected to receive additional Federal transportation funding through this provision.

*Congress should prioritize funding for the Great River Road and immediately provide funds for its completion.*

STATUS: Individual states are using the flexibility contained in ISTEA to fund improvements to the Great River Road and for scenic easements, historic preservation and other projects. In Arkansas, for example, since 1990, about 120 miles of improvements, including easements, historic preservation, highway reconstruction, highway resurfacing and major widening, have been completed at a cost of about \$140 million.

*States should create a regional consortium to guide the development of highway transportation for economic development.*

STATUS: An informal consortium of the states has evolved since the Commission report. However, no formal organization has been created.

*States should provide additional financial resources through increased fuel taxes or bond issues to meet projected unfunded highway and bridge construction and expansion requirements in the Delta.*

STATUS: States have increased investment in highway and bridge construction. Bridge deficiencies have been reduced but not all needs have been met. The attached table shows the comparison of bridge deficiencies in 1997, the latest figures available, with the deficiencies at the time of the Commission report.

## **SPECIFIC HIGHWAY RECOMMENDATIONS**

### **MULTI-STATE HIGHWAY PROJECTS**

*Continue the four-lane highway North out of Little Rock, Arkansas along U.S. Highway 67 to Poplar Bluff and then North to St. Louis, Missouri.*

STATUS: In Arkansas, the EIS for a freeway facility from Newport to Walnut Ridge has been approved and a planning study for the Highway 67 Corridor from Walnut Ridge to the Missouri State Line has been completed. Three miles have been built on new location in the Newport area at a cost of about \$10 million. A project has been let to contract for grading and structure work on a 1.5 miles segment east of Hoxie. The current estimated cost of completing all work from Newport to the Missouri State Line is about \$300 million.

In Missouri, spot improvements are on-going in the northern part of the Missouri portion of the corridor. About 15 miles of four-lane construction is in the Missouri DOT's 5-year program with the other portions of this corridor under evaluation for present and future needs.

*Complete the four-laning of U.S. 61 from Memphis, Tennessee to Baton Rouge, Louisiana. (Part of the Great River Road).*

STATUS: In Louisiana, a total of four projects to widen US 61 to four lanes are included in the Louisiana Department of Transportation and Development (LDOTD) highway program. The first project, from Bains to Wakefield (4.8 miles), has an estimated cost of \$7.9 million and is scheduled for construction in September 1999. The second project, from St. Francisville to Bains (1.3 miles), has an estimated cost of \$16.8 million and is scheduled for construction in October 1999. The third project, from Thompson Creek to St. Francisville (6.3 miles), has an estimated cost of \$5.4 million and is scheduled for construction in October 2000. The fourth project, from Wakefield to the Mississippi State Line (7.4 miles), has an estimated cost of \$10.3 million and is scheduled for construction in August 2002.

In Mississippi, some segments are complete and open to traffic. Others are still under construction. The segment beginning at Redwood and extending north to Leland is scheduled for improvements in June 2002. The segment from Le Tourneau to Port Gibson has been widened to 4 lanes and is open to traffic. Other segments range from the project development stage to construction. The segment from Doloroso to the Buffalo River is complete and open to traffic. One other segment is under construction while a third is scheduled to be let to contract in August 1999.

*Designate Highway 49 between Brinkley, Arkansas and Lula, Mississippi as a scenic parkway with the name the Delta Parkway.*

STATUS: Highway 49 from Brinkley, Arkansas to the Mississippi State Line near Helena, Arkansas was designated as the Delta Parkway, an Arkansas Scenic highway by Arkansas State Act 679 of 1991.

*Expand Highway 641 to four lanes from Tennessee north to Murray, Kentucky, providing a critical link to I-24 near Paducah, Kentucky.*

STATUS: In Kentucky, a signal system improvement is underway in the vicinity of Murray. Design for a major widening project is scheduled to be initiated in 2002. In Tennessee, no work has been completed or programmed.

*Complete the Great River Road Bridge, linking Rosedale, Mississippi and Dumas, Arkansas.*

STATUS: A final Environmental Impact Statement is being prepared. The current estimated cost of this project is about \$250 million (or \$460 million for a combination highway/railroad bridge).

*Complete the four-laning of Highway 412 from Tulsa, Oklahoma to connect with I-40 in Tennessee.*

STATUS: In Arkansas, more than 200 miles of improvements consisting of resurfacing, major widening, bridge work and some construction on new location have been completed, since 1990, at a cost of more than \$145 million. In addition, a planning study for the corridor from Norfork, near Mountain Home, to the Missouri State Line near Paragould, has been completed. The current estimated cost to complete the recommended improvements is about \$800 million.

In Missouri, several grading projects have been completed. The existing bridge over the St. Francis River is scheduled for replacement under the Missouri DOT 5-year program as well as four-laning about 10 miles of the eastern portion of the route in Missouri.

In Tennessee, all widening has been completed and the entire section is now 4 lanes.

## **ARKANSAS HIGHWAY PROJECTS**

*Upgrade corridor generally following U.S. 62, U.S. 49, SR 1, U.S. 65 and U.S. 82 from the Missouri State Line to the Mississippi State Line at Greenville, Mississippi.*

STATUS: Since 1990, almost 70 miles have been improved, consisting of resurfacing, rehabilitation, minor widening, and bridge work at a cost of about \$42 million. The environmental study for a new bridge crossing the Mississippi River at Greenville, Mississippi has been completed and the final design phase is underway. The current estimated cost for this project is \$200 million.

*Upgrade U.S. 425, SR 83 and SR 54 to four lanes from Dumas to the Louisiana State Line.*

STATUS: Since 1990, about 17 miles have been improved, consisting of resurfacing, major widening and bridge work at a cost of more than \$8 million. Remaining work is currently estimated to cost \$23 million.

*Construct SR 1 and SR 85 to a 2-lane high-type facility from U.S. 65 at McGehee to Elaine with a connection on new location between Watson and Snow Lake.*

STATUS: Funding has been programmed for the improvements.

## **ILLINOIS HIGHWAY PROJECTS**

*Extend I-24 to link with I-64 near East St. Louis, Illinois (O'Fallon), thereby connecting the western Kentucky and Southern Illinois areas and the greater St. Louis area.*

STATUS: An extension of I-24 from its current western terminus in Illinois (near Puley's Mill) is not considered warranted at this time. Constructing the proposed extension as a toll road was studied in the early 1990s, but the study conclusion was that a toll road would not be feasible.

*Complete the four-laning of Illinois Route 13 and 149 from the Great River Road through Harrisburg to the Ohio River at Shawneetown, Illinois.*

STATUS: The four-laning of the section of Illinois RT 13 between Murphysboro and Harrisburg (about 74 km) is virtually complete. The widening of Illinois RT 149 to four lanes west to the Great River Road from Murphysboro and Illinois RT 13 east to Shawneetown from Harrisburg is not warranted at this time.

## **KENTUCKY HIGHWAY PROJECTS**

*Widen Highway 58/80 from Mayfield, Kentucky to Cadiz, Kentucky.*

STATUS: The portion of the route, from Mayfield to Aurora (about 30 miles), will be a new route. The remaining portion, from Aurora to Cadiz (about 20 miles), will be widened. The entire 50 miles is programmed for completion between 1999 and 2002.

## **LOUISIANA HIGHWAY PROJECTS**

*Complete the four-laning of U.S. 61 from Memphis, Tennessee to Baton Rouge, Louisiana (part of the Great River Road).*

STATUS: Four projects to widen and improve U.S. 61 in West Feliciana Parish are included in the Louisiana Highway Program. Two are scheduled for construction during FY 1999 - 2001; the others are currently in the engineering phase and are scheduled for construction between FY 2001 and 2003. The remainder of U.S. 61 from West Feliciana Parish to Baton Rouge is already 4 lanes.

*Widen U.S. 65 through Concordia, Tensas, Madison and East Carroll Parishes (part of the Great River Road)*

STATUS: Widening of a portion of US 65 through the Town of Providence was completed in 1997. No other projects are scheduled.

*Reconstruct roads leading to Lake Faussee Point State Park in Iberia Parish (part of the Great River Road).*

STATUS: The Lake Faussee Point State Park access road from the pontoon bridge to George Dupuis Bridge Road was completed in 1997. No other projects are scheduled.

*Widen Louisiana 23 to four lanes in Plaquemines Parish.*

STATUS: Widening of LA 23 to four lanes from City Price to Happy Jack (1.2 miles) is estimated to cost \$9.5 million and is scheduled for construction mid-1999.

## **MISSISSIPPI HIGHWAY PROJECTS**

*Four-lane U.S. 49W from Yazoo, Mississippi to Indianola, Mississippi.*

STATUS: Four projects are underway to complete the improvements from Yazoo City to Belzoni. U.S. 49W is open to traffic from Belzoni to Indianola.

*Four-lane U.S. 49E from Yazoo, Mississippi to Greenwood, Mississippi.*

STATUS: Improvements have been made to several bridges on this route. US 49 from Sidon to U.S. 82 at Greenwood is scheduled for widening from 2 lanes to 4 lanes in 2000.

*Four-lane U.S. 49 from Greenwood, Mississippi to Clarksdale, Mississippi.*

STATUS: The project is in the early development stage.

## **MISSOURI HIGHWAY PROJECTS**

*Missouri Highway 25 needs improvements to be tied in with I-57 and or U.S. Highway 60 westward from Sikeston, Missouri.*

STATUS: About 15 miles of the northern portion of this route south of State Route 57 has been resurfaced. Additional resurfacing is scheduled within a year. The most southerly portion of this route is under evaluation for present and future needs.

*Widen and expand Highway 60 into a continuous four-lane from Sikeston, Missouri to Springfield, Missouri.*

STATUS: About 70 miles from Springfield east to US 63 is now four-lanes as is about 60 miles from Sikeston west to near Poplar Bluff. About 15 miles of the approximately 100-mile

middle portion of this described corridor is scheduled for upgrading to four lanes in Missouri DOT's 5-year program. The remaining mileage is under evaluation for present and future needs.

## **TENNESSEE HIGHWAY PROJECTS**

*Connect U.S. Highway 51 at Union City with Tennessee Route 22 and build it into a four-lane highway through Martin, Dresden and Huntington to I-40.*

STATUS: About 37 miles have been completed, another 23 miles are under construction, and the remaining five miles are programmed.

*Expand U.S. 45 East and West to four lanes from Tennessee-Kentucky State Line to Jackson, Tennessee and U.S. 45 south to the Tennessee-Mississippi State Line.*

STATUS: About 91 miles have been completed, another 35 miles are under construction, five miles are programmed and the remaining 21 miles are not yet programmed.

*Widen U.S. 64 at Memphis, Tennessee to I-24 in middle Tennessee.*

STATUS: About 91 miles have been completed, another 40 miles are under construction, about 126 miles are programmed and the remaining 14 miles are not yet programmed.

*Four-lane U.S. 79 from Paris, Tennessee to the Tennessee River.*

STATUS: This 18-mile section is complete.

## **AVIATION RECOMMENDATIONS**

*Congress and the President should release money from the Federal Aviation Administration (FAA) Aviation Trust Fund for the purpose of establishing a Delta regional air network.*

STATUS: Memphis International Airport is in the midst of a multi-million dollar expansion program, including construction and completion of a new 9,000-foot east parallel runway, the reconstruction and extension of the center parallel runway to 11,000 feet, and the reconstruction of the west parallel 9,000-foot runway. The new east parallel runway was completed and opened in late 1996. The center parallel runway will be completed and opened in late 2000. The west parallel runway reconstruction is scheduled to begin in early 2001 and be completed in early 2003.

Since fiscal year 1990, the Federal Aviation Administration has approved Airport Improvement Program projects for these and other airport improvements at Memphis totaling \$211.6 million, including \$69.3 million in scheduled Letter of Intent payments, over the next 10 years.

According to the University of Memphis's Bureau of Business and Economic Research, 110,000 area jobs are tied directly or indirectly to Memphis International Airport. Additionally,



the airport is the biggest job creator in the mid-south region and has an economic impact of \$10 billion on the local economy. It is the busiest air cargo airport in the world due to Federal Express, which accounts for 95% of the cargo traffic. This traffic has grown 11 per cent annually from 1995 through 1997. Passenger traffic has grown 8 per cent annually during the same period.

Also, MidAmerica Airport in Belleville, IL invested \$160 million to expand and convert the Scott Air Force Base to a joint military-civil Mid America Airport. The project was completed in late 1997. Airport development was aided in large part by a Letter of Intent for \$140 million issued by the FAA under its Airport Improvement Program.

This airport is located in Belleville, Illinois, across the river from St. Louis, MO, and serves as a major reliever airport in this region. It also is available for commercial and cargo operations. MidAmerica will be able to relieve disruptions caused by a major expansion at St. Louis Lambert International Airport.

*State transportation commissions and agencies; airport governing bodies; air transportation unions; international, national, and commuter air carriers; and consumer air transportation advocates should create a consortium to guide the development of the regional air transportation network.*

STATUS: A Master Plan Study for the development of a city-owned airport to serve the Tunica, Mississippi area is presently underway. A site selection study has been completed as part of the overall planning effort. The result of this site selection study has recommended the selection of the existing Tunica Airport as the preferred location for the new airport. Preliminary development concepts from the Master Plan Study recommend a change in the alignment of the existing runway and a runway length of approximately 7,000 feet to accommodate commercial jet aircraft. The Master Plan Study is continuing with the planning process and development of an Airport Layout Plan.

Also, the Louisiana Airport Authority (LAA) was created by the Louisiana Legislature in 1992 and charged with the planning and implementation of a new multimodal regional airport providing commercial service for South Louisiana. FAA issued a \$200,000 grant to LAA for a feasibility study in 1993. This study, completed in early 1995, indicated a new regional airport would be feasible provided commercial service utilizing Baton Rouge Metropolitan and New Orleans International relocated to the new facility.

Upon completion of the study, FAA received letters from the Mayors of New Orleans and Baton Rouge with neither voicing support for the new regional facility. In May 1998, FAA received LAA's application for \$2,250,000 in Federal assistance to conduct a Site Selection Study/Masterplan/Environmental Analysis for the new regional air carrier facility. The application is under review by the FAA.

*State governments should provide matching funds for Federal grants for the development of the network of small airports serving rural areas.*

STATUS: Federal Aviation Administration (FAA) officials are not aware of any specific initiatives by states in this area.

*The Regional Air Transportation Consortium should adopt a regional plan pending the Federal Aviation Administration's feasibility study on wayports.*

STATUS: In 1990, the FAA panel on National Airport System Policy, reviewed measures that should be taken by the FAA in the near term to enhance airport system capacity including wayports. The panel considered a wayport concept, which would place four to six airports in unused airspace and rural areas for use by airlines, cargo carriers, and the U.S. Postal Service in transferring passengers and cargo.

The panel concluded that wayports "are not feasible because the airlines intend to continue locating transfer hubs in highly populated areas that generate substantial numbers of originating passengers. The panel recommended making better use of the existing airport system to alleviate problems of congestion and delay.

## **MARITIME RECOMMENDATIONS**

STATUS: The State Departments of Transportation of Arkansas, Tennessee, Louisiana, Mississippi, Texas, Alabama, Florida, and Oklahoma have joined together to form the Gulf/Rivers Intermodal Partnership (GRIP), formerly known as the Maritime Advantage Intermodal Initiative (MAII). This is a Department of Transportation/state/industry effort to assure that maritime assets are incorporated into the respective intermodal plans. Two events have taken place:

(1) Federal Data Partnership (FDP), made up of state DOT and MPOs, met in DC on May 12 to obtain maritime data, and (2) Freight Intermodal Executive Laboratory Demonstration (FIELD) was held in New Orleans on June 15-18. The group visited modal, lock, and container facilities. Future activity includes (1) distribute a GRIP membership directory by June 30; (2) develop a website; (3) distribute a GRIP information brochure in September 1999; and (4) a Principle's Meeting is scheduled for December 8-9, 1999.

*State governments should provide funding mechanisms and tax structures to promote modernization of existing port facilities.*

STATUS: States are undertaking initiatives to upgrade and improve port facilities. In Mississippi, the DOT is in the final phases of contracting for a study which will research the best use of its inland and coastal ports in the coming century. It is expected to build upon the Latin American Trade and Transportation Study, a 13 state cooperative study funded by FWA.

In Louisiana, the Board of Commissioners of Port of New Orleans is researching sites for the possible relocation of the container facilities. Current container facilities are considered too far from the sea, on too shallow water, or on sites with inadequate intermodal connectivity. The

goal is to build a 21st century port near the mouth of the river which would be able to accommodate mega-ships. It is expected the port would cost \$1 billion with another \$1 billion being needed for intermodal connections.

In Arkansas, the Little Rock International Intermodal Export Center was constructed at the slackwater harbor at the Port of Little Rock. Completed in 1986, the 1,500 acre Industrial Park hosts more than 30 industries employing more than 2,000 people. The Port seeks improvements to its infrastructure to allow the Port to fulfill its potential for further growth and job creation.

The Port railroad track needs to be extended about one-half mile to connect with the slackwater harbor. Common use infrastructure and utilities need to be provided. Cargo handling facilities need to be constructed. The total cost of the proposed investment is \$20 million.

*Congress and the President should fund the following projects:*

### **Arkansas**

- *Completion of the slackwater harbor at Helena*

STATUS: Harbor project has been completed. Additionally, a sales tax has been passed that will fund a rail spur into the port from the main line. In 1995 contracts were let for seven miles of new railroad construction to provide rail access to the slackwater harbor and for a new 16-in. water line to serve industrial tenants. Construction was begun for a new road to the north end of the slackwater harbor. The first tenant for the slackwater harbor was announced and appropriate site construction began. A new plant was located in the industrial park adjacent to the slackwater harbor, with the dedication taking place in September, 1995.

- *Completion of the slackwater harbor at Yellow Bend*

STATUS: The port, which was originally constructed five years ago, has outgrown its original acreage. Consequently, the COE is presently conducting a study of expanding the harbor that should be completed by the end of this year. Also, a feasibility study, conducted by the University of Arkansas, has been completed that looked at extending rail from the main UP line to the port. This project will go forward as soon as funding is provided.

### **Louisiana**

- *Completion of the Red River navigation project.*

STATUS: The project has been completed. The Red River is navigable from the Mississippi River to the Port of Shreveport.

- *Completion of the first and second phases of the Mississippi River 45-foot channelization project from the Gulf of Mexico to Baton Rouge.*

STATUS: The 45' channel from mile 181 AHP to mile 234 (Baton Rouge) was completed in 1996. The channel crossings require maintenance dredging by the Corps of Engineers. Efforts to reduce the dredging using soft dikes to cause the river to self scour are meeting with safety concerns from industry.

A 55' depth channel is authorized. The additional 10' depth has not been dredged due to lack of funding and need for pipeline relocations.

- *Rehabilitate the railroad and dock facilities at the Lake Providence Port.*

STATUS: Completed.

- *Complete the Riverplex International project with South Louisiana Port Commission.*

STATUS: Significant improvements have been made to the Riverplex project.

- *Improve and renovate the port facilities at the Port of Baton Rouge*

STATUS: The access ramp to middle of the General Cargo docks connection was completed in 1996. Approximate cost was \$1.2 million. A rail spur is planned to link to the Inland Barge Terminal, which is under construction. The one mile length rail spur has yet to start construction since its \$1 million funding is only partially approved.

- *Improve the public dock terminal at the Port of Iberia*

STATUS: The cargo docks were expanded by construction of bulkheads and additional bank stabilization of the barge slip. The work was completed in late 1997 and early 1998. The area is now leased to an offshore equipment fabricator.

Bulkheading, slip dredging, and stabilization is planned to be bid out by September '99 to create an additional 170 acres at the Port. The exact specs are to be determined by a tenant. The state of Louisiana is committed to \$4 million for the project, with the Economic Development Administration to fund \$1 million, and the balance of the \$6.5 million project to be local match funds.

## **Tennessee**

- *Completion and improvement of the Memphis port.*

STATUS: Completed.

## **Corps of Engineers Waterway Transportation Projects**

In the time since *The Delta Initiatives* report was completed, the Corps of Engineers has initiated and/or completed construction on the following waterway transportation projects.

1. ***Mississippi River and Tributaries (MR&T) Project*** - The Corps' MR&T project is a huge project that serves transportation and agriculture needs of the Delta. The contributions of the project presented here relate only to the navigation features of the project. The other contributions of the project are presented under the natural resources section of the Interim Report.

(a) Dikes are large stone structures built perpendicular to the bank that confine the river to a single channel. Thus far, 340 miles of dikes have been authorized and 298 miles were completed as of September 30, 1998.

(b) Revetments, consisting of small concrete block joined together by wires, are placed on the subaqueous bank of the Mississippi River to maintain the proper channel alignment and protect nearby levees by preventing bank caving. Some 1,027 miles of the 1,085 miles of bank protection have been completed as of September 30, 1998.

(c) Foreshore protection, consisting of stone structures built parallel to the bank, protects nearby levees from wavewash attack. About 141 miles of the authorized 160 miles have been completed as of September 30, 1998.

(d) Dredging is employed to adjust river flow patterns and maintain navigable channels by deepening shallow areas that tend to form during low water.

2. ***J. Bennett Johnston (Red River) Waterway, Louisiana Project*** – This project provides for 9-foot navigation from the Mississippi River to Shreveport, Louisiana. The project consists of five locks and dams and related improvements which will result in over \$68 million annually in transportation savings. The project was opened to navigation in December 1994 with completion of the upper two locks and dams. The project is currently 89% complete with remaining work consisting of the construction of recreation improvements in pools 3, 4 and 5 and visitors centers, completing the acquisition of authorized mitigation lands, and miscellaneous channel improvements for navigation and environmental purposes. The total construction costs for the project is approximately \$2 billion and the project provides over \$68 million annually in transportation savings.

3. ***Mississippi River Ship Channel, Louisiana Project***. Phases I and II of this project are essentially complete providing 45-foot navigation from the Gulf of Mississippi to Baton Rouge, Louisiana. Phase III of the project to provide the authorized 55-foot navigation over this same reach of the Mississippi River is currently unscheduled pending completion of ongoing general design studies. Phases I and II of the project provide annual transportation savings of approximately \$1.3 billion and deepening the channel to 55 feet would provide additional transportation savings. The total construction costs for all three phases is currently estimated at \$592 million.

4. ***Mississippi River between the Ohio and Missouri Rivers Project*** – This navigation project is currently 65 percent complete. This project is intended to ensure year round a dependable 9-foot navigation channel on the Mississippi River between its confluence with the Missouri and Ohio Rivers while providing over \$260 million annually in transportation savings. The total construction costs for this project is currently estimated at \$274 million.

5. ***Melvin Price Locks and Dam, Missouri and Illinois Project*** - This navigation project includes a new dam in the vicinity of Alton, Illinois and two locks (a main lock 1200-feet long by 110-feet wide and an auxiliary lock 600-feet long by 110-feet wide). The main lock was open to navigation in 1990 and the auxiliary lock was open to navigation in 1994 providing over \$83 million annually in transportation savings. The total construction costs for this project is approximately \$1 billion.

6. ***Ouachita and Black Rivers below Camden, Arkansas*** – The project consists of four locks and dams and related improvements providing 9-foot navigation along the Ouachita and Black Rivers from the Red River to several miles above Monroe, Louisiana. The project is 92 percent complete. The remaining work which is currently unscheduled includes channel realignment and recreation facilities in Arkansas and Louisiana above Monroe. The total construction costs for this project is approximately \$281 million.

7. ***Inner Harbor Navigation Canal Lock Replacement, Louisiana Project*** – This deep draft navigation project provides for a new 110-feet wide by 36-feet deep by 1200-feet long lock in the New Orleans area. When completed this replacement lock will provide a vital link between the Mississippi River and the Gulf Intracoastal Waterway system resulting in transportation savings of over \$100 million annually. The project also includes several new bridges that will improve vehicular transportation in the project area as well as a \$33 million comprehensive community impact mitigation plan to provide job training for residents affected by the project, improvements to the homes and business impacted by the construction activities, traffic controls and many other improvements to homes and business to mitigate for the inconveniences associated with construction of the replacement lock. Construction on the replacement project is scheduled to begin in late 1999. The total cost of the project is currently estimated at \$641million.

8. ***Other Corps Navigation Projects in the Delta*** - The Corps of Engineers has also completed the following additional projects that provide navigation benefits to the Delta, the Lower Mississippi Valley and the nation: Mermentau River, Louisiana; Mississippi River – Gulf Outlet, Louisiana; Mississippi River Outlets, Venice, Louisiana; Calcasieu Pass Cameron, Louisiana; North Pass-Pass Manchac, Louisiana; Petite Anse, Tigre, and Carlin Bayous, Louisiana; Tangipahoa River, Louisiana; Waterway from Empire, Louisiana to Gulf of Mexico; Waterway from Intracoastal Waterway to Bayou Dulac, Louisiana; Greenville Harbor, Mississippi; Madison Parish Port, Louisiana; Natchez Port Area, Mississippi; Rosedale Harbor, Mississippi; Vicksburg Harbor, Mississippi; Yellow Bend Port, Arkansas; Caruthersville Harbor, Missouri; Helena Harbor, Arkansas; Elvis Stahr Harbor, Kentucky; New Madrid Harbor, Missouri; Osceola Harbor, Arkansas; White River below Newport, Arkansas; and Wolfe River (Memphis Harbor), Tennessee.

## **AMERICAN RIVER HERITAGE**

The American River Heritage Initiative Memphis and the area around New Orleans on the Mississippi have been selected for the American River Heritage Initiative program which will combine and promote historical, environmental and commercial uses of the river. This program is discussed in further detail in the tourism section.

## **RAIL RECOMMENDATIONS**

*State Departments of tourism and transportation, private groups and individuals should form a regional consortium to develop a regional rail service and marketing plan consistent with a regional transportation plan.*

STATUS: There has been no information provided on a regional rail consortium. However, in Louisiana, the Southeastern Louisiana Regional Planning Commission, the Metropolitan Planning Organization for a six-parish area, including Orleans Parish, has recently completed an intensive rail recommendation study which includes freight and passenger aspects. It is a product of numerous civic and transportation executives.

In Tennessee, there is a proposal by a public/private partnership to construct a Memphis Super Terminal on a site of more than 1,000 acres at the Pidgeon Industrial Park. The Super Terminal would consolidate the railyards of the five Class I railroads that serve Memphis. The expected benefits include reduced truck traffic in the Memphis business district through direct truck access to the interstate highway system; improved efficiency of the regional and national rail system; and reduced rail congestion. Private sector funding is projected at \$200 million. Public sector funding of \$160 million is sought.

*Amtrak and a regional tourism entity should develop a package for promoting tourism and rail passenger service.*

STATUS: Federal Railroad Administration officials have provided no information on this recommendation.

## **TRANSIT INITIATIVES**

In the past eight years, there have been several initiatives and proposals for upgrading transit facilities and service that would make transit an important part of the regional transportation system.

The major transit initiatives are:

### ***Tennessee:***

\*In Tennessee, Memphis city officials are constructing a 2.5 mile, \$5 million light rail line from the downtown area to the University of Tennessee Medical Center. This project is funded by Federal new start and fixed guideway modernization funds.

### ***Arkansas:***

\*In Arkansas, the State Highway and Transportation Department and FTA are working with local partners to provide accessible public and contract transportation services to residents of the Delta region, located east of Jonesville, Little Rock and El Dorado.

\*In Arkansas, the Central Arkansas Transit Authority is investing \$10.6 million in the Little Rock Junction Bridge project. When completed, there will be 1.9 miles of streetcar service on a combination of existing freight tracks and new tracks.

***Louisiana transit initiatives:***

\*The City of New Orleans is planning construction of a streetcar line, named Desire, and a commuter rail connection from the business district to the airport.

\*The State Department of Transportation and Development is providing accessible and contract transportation to rural residents of the Delta region.

\*The Capital Transportation Corp. in Baton Rouge has constructed a new maintenance and administration facility to improve service reliability.

\*The FTA has funded construction of transit lanes on the main span of the Greater New Orleans Bridge No. 2.

***Mississippi:***

\*In Mississippi, beginning in 1993, the Department of Transportation has funded the Delta Area Regional Transit System (DARTS) to provide bus service in the Clarksdale area. The 15 buses in the seven-county area are used primarily by workers traveling to jobs. FTA has provided a liveable communities grant to fund marketing services and software purchases and a separate grant to pay for expansion of a repair facility.



## **AGRICULTURE**

*The 1990 Report recognized the vital need to restore the health of the agricultural sector in the Delta. Adequate credit must be available to high-risk farmers, and in general, the report stressed that adequate financing must be made available to the rural Delta to assure that economic development potential can be reached. The Report emphasized the importance of assistance for minority or limited-resource farmers in the Delta who are troubled with small acreage and limited capital. Technical assistance and capital must be made available to these farmers in producing and marketing fruits and vegetables, aquaculture, or other alternative crops that offer higher returns to labor and capital when properly managed. Finally, the Commission urged that the farm sector should develop into “a stable, sustainable agricultural industry in tune with the environment.”*

### **Farmers’ markets and other small farm initiatives:**

Consistent with the 1990 Commission Report’s recommendations, USDA Secretary Dan Glickman pursued a series of outreach policies intended to assist minority or limited-resource farmers. One of the policies USDA followed in this regard was the promotion of various direct marketing initiatives aimed at improving the marketing opportunities of small farmers, many of whom are minority farmers in the Delta. The National Commission on Small Farms recommended in its 1998 report that promotion of better marketing for family farmers is important in the quest to bring about fairness for the roughly 94 percent of America’s farmers who are in the medium to small range in size. The Agricultural Marketing Service (AMS), the Food and Nutrition Service (FNS), and other USDA agencies pursued a series of efforts in support of these marketing goals.

**Marketing Conference for the Mississippi Delta:** More than 600 limited-resource farmers, producers, woodlot owners, and ranchers participated in an agricultural marketing outreach workshop in Memphis, Tennessee in March, 1999, sponsored by USDA and Southern University and A&M College, Baton Rouge, Louisiana. The workshop focused on ways to help small farmers from seven mid-Southern States (Alabama, Arkansas, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee) maximize their economic potential through alternative crop selection, efficient production techniques, and innovative marketing methods.

USDA and private sector partners provided funds for full scholarships for 154 limited-resource farmers. Fourteen USDA agencies, spearheaded by the Agricultural Marketing Service, provided workshop instructors and funding. The conference was part of AMS’ ongoing efforts to provide technical marketing assistance to farmers in the Delta.

### **Feasibility Studies intended to improve direct marketing outlets for small farmers:**

**Little Rock River Market, AR--**USDA initiated a study to develop criteria for business and operational improvements at the Little Rock River Market, which opened in 1996. In conjunction with the City of Little Rock, USDA developed recommendations for enhancing marketing and promotional programs; improvements in market operations, management practices, and physical layouts; and restructuring of tenant leases and other contractual

arrangements. These recommendations, including background information on initial development and detailed description of present market operations and design, are contained in a report due for publication in the summer of 1999.

**Missouri farmers market project**--USDA and the Missouri Department of Agriculture participated in a project to provide a technical platform for farmers' market facility development in Missouri. USDA engineers and marketing specialists made recommendations for a \$6.44-million development of retail and wholesale farmers market facilities, and future processing and conventional produce wholesale facilities. These recommendations provide a general model for other developments in the State. A report of the project's findings, "Regional Farmers Markets," was printed by the Missouri Department of Agriculture and released through a series of public meetings around the State.

#### **USDA grants to Delta States to improve marketing of agricultural products:**

Through the Federal-State Marketing Improvement Program (FSMIP) USDA provides matching funds to State departments of agriculture or other appropriate State agencies for a wide range of research and service projects aimed at improving the marketing, distribution, and use of agricultural products. The following FSMIP grants were awarded to Delta States:

**Arkansas—"International Market Development for Small and Medium-sized Producers of Value-added Specialty Products."** In 1996, USDA awarded a \$50,000 grant to the University of Arkansas to identify producers, processors, and distributors of specialty crops; determine and inform producers about current and potential international markets for Arkansas specialty products; and adapt and develop export marketing tools and techniques to the specific needs of agribusinesses. In 1997, \$50,000 was added to this grant to develop international marketing tools and techniques for blueberry and grape and aquaculture enterprises as identified in the project's first year. In 1998, USDA awarded an additional \$36,000 grant to help small- and medium-sized producers and processors of fruit, wood, and aquaculture products develop their export readiness and begin exporting to foreign markets.

**Kentucky--Marketing initiative for Kentucky tobacco farmers for agricultural diversification.** In 1996, USDA awarded a \$60,000 grant to the Kentucky Department of Agriculture, in cooperation with the Commodity Growers Cooperative Association, Burley Tobacco Growers Cooperative, and University of Kentucky Cooperative Extension Service, to improve horticultural marketing opportunities in tobacco communities. The project is designed to assess the existing diversification and marketing activities underway in 15 tobacco-dependent counties; develop a coordinated, multi-county approach to improve these programs; and document diversification successes for use in future educational and training activities. After assessing the status of current farm marketing activities in the region, a three-phase training and mini-grant program was established. This project was nearing completion by early 1999..

**Louisiana--Evaluation of live goat selection and goat meat classification system.** In 1997, USDA awarded a \$55,000 grant to the Louisiana Department of Agriculture and Forestry to develop sorting and classification systems to facilitate live-goat marketing and goat-meat purchasing in wholesale and retail channels.

**Tennessee--Consumer Segmentation for Direct-Market Outlets--The Development of Targeted Marketing Strategies.** In 1997, USDA awarded a \$44,014 grant to the University of Tennessee to characterize the customers among the wide array of farmers markets in Tennessee according to various demographic factors and identify the types of fresh and processed foods these customers desire. This data is useful for further development and planning for the markets.

**Women, Infants and Children (WIC) Farmers' Market Nutrition Program (FMNP)**  
The WIC FMNP is a relatively new program that has grown from a small pilot program in the late 1980s to a highly successful and innovative program in 33 states, the District of Columbia, and several native American tribal organizations by 1999. The program is administered by USDA's Food and Nutrition Service, in cooperation with participating states and local markets. The budget has grown to roughly \$15 million annually, serving more than 1 million WIC clients and 10,000 farmers nationwide. The program's growth has been especially dynamic in the Delta in recent years: Arkansas and Mississippi joined the program in 1998, with the Illinois, Kentucky, and Missouri programs having expanded in recent years. Alabama, which has joined the Delta 2000 Regional Initiative, joined the program in 1999.

The FMNP provides new markets for small fruit and vegetable farmers, while enhancing nutrition for low-income women, infants and children. Research by the Food and Nutrition Service (FNS) indicates that many WIC clients have been introduced to the practice of buying fresh produce for the first time through their participation in this program. FMNP provides a nutritional bonus for the standard WIC program, which provides a good diet largely based on cereals and dairy products. FMNP adds fruits and vegetables to this nutrition program.

States develop strategic plans for marketing programs in each state, in consultation with local markets and with FNS personnel. The funding formula is 70 percent federal and 30 percent state, so that for each state dollar devoted to the program, that amount is more than doubled by the federal contribution. The funding amounts start at a small amount in the first year a state takes part in the program. Throughout the country, the pattern has emerged that after a state becomes familiar with running the program and people see the advantages for WIC clients and farmers, the program substantially expands over the years.

**Mississippi joins the WIC Farmers' Market Program:** In fiscal year 1998 Mississippi received \$55,767 in Federal funds to begin an FMNP. The Mississippi (FMNP) operates under the direction of the Mississippi Department of Agriculture and Commerce (MDAC) and began its first year of operation in Fiscal Year 1998. MDAC has an agreement with the Mississippi Department of Health (MDH) to render several services to FMNP recipients and perform certain duties for MDAC. The two state departments have an excellent working relationship. Together, they agreed to target children who are part of the Centers for Disease Control Pediatric Nutrition Surveillance System that screens for children who are overweight or anemic in the FMNP.

FMNP operations began in two counties: Hinds County in Jackson, and Bolivar County, which is located in the Mississippi Delta. There were seven participating WIC Clinics in Hinds County, while Bolivar County had three participating WIC clinics: Bolivar County Health Department-Cleveland, Bolivar County Health Dept-Rosedale, and Mid-Delta Community Health Center. An estimated total of 3,600 recipients received coupons at a \$14.00 benefit level in FY 1998.

As in most states, the program in Mississippi started at a small level, and the 1998 placed further burdens on the scope of the program. However, in fiscal year 1999, Mississippi intends to expand its FMNP to include two additional counties, Natchez/Adams and Noxubee Counties, and two additional markets. This expansion would result in a request for expansion funds of \$18,933, bringing the requested Federal grant level to \$74,667. The estimated projected number of recipients they will serve is 7,619 at \$14. In many other states, states have started a program at the relatively small levels and expanded greatly over the years; and while Mississippi's amount may seem relatively small, almost all the money goes for the food coupons (only a small percentage goes for administration) that provide markets for the farmers and nutrition for the WIC clients.

**Arkansas joins the WIC Farmers' Market Program:** In FY1998 Arkansas received \$140,000 in Federal funds to begin an FMNP. Of the 11 farmers' markets that are participating in the State, four are in the Delta Region. Approximately 125 farmers in the State are participating in the FMNP. For fiscal year 1999, Arkansas is expanding FMNP to include Craighead County, another Delta county. As in Mississippi, Arkansas is requesting expansion funds for the WIC Farmers' Market Program in fiscal year 1999.

**Missouri FMNP expansion:** In Fiscal Year (FY) 1999, the Missouri FMNP Program is anticipating serving 15,510 WIC clients, with 62 authorized farmers and five Markets. They are anticipating four new markets. In FY 1998 Missouri received approximately \$130,000 in Federal funds to expand its FMNP. Again, Missouri plans to expand its program. For FY 1999, Missouri hopes to administer the program for a total grant amount of \$344,662. The Missouri's Farmer's Market benefit will increase from \$12 to \$18 per participant.

**Kentucky FMNP:** The Kentucky FMNP is operated in cooperation with the state departments of health and agriculture. Kentucky began the program in 1995. As of fiscal year 1998, Kentucky had a total of 200 authorized farmers participating in 23 authorized markets. An estimated 13,000 recipients received coupons in 1998 at a benefit level of \$20. The 1998 federal grant level was \$108,000 - \$89,640 for food and \$18,360 in admin - with a state requirement of \$46,286.

**Illinois Delta FMNP:** The largest local farmers' market program in Illinois is in East St. Louis, in the Illinois Delta. This local area has approximately 5,000 WIC Farmers' Market Nutrition Program participants. In 1998, there were seven farmers' markets, four farmstands, and 70 farmers participating in the program statewide. The state's program also grew in 1998, when Illinois received approximately \$83,000 for expansion.

**Farmers' markets and food stamps:** In many areas in the Delta, food stamp users are an important part of farmers' markets. The food stamp program is rapidly expanding in use of the

Electronic Benefit Transfer (EBT) system, so that about 55 percent of all food stamp households in America use electronic transfer today. By law, all states are required to have EBT systems operating by October, 2002. As states move rapidly toward full EBT implementation, there is concern that this system poses an obstacle to continued use of farmers' markets by food stamp recipients. Many markets and produce stands do not have ready access to phone lines and electricity, thus creating problems for the use of food stamps at these markets after the advent of EBT. One of the alternatives is a manual voucher system, but this can be slow and puts vendors at risk of not being paid. USDA's Food and Nutrition Service administers the food stamp program and is looking for solutions to the problem of preserving food stamp use at farmers' markets in the era of EBT. This will probably be an evolutionary process, with some solutions being better for smaller, rural markets, and other solutions being more effective for large urban markets. Demonstration projects are already under way in several states, and USDA is exploring alternatives in an effort to continue use of food stamps at markets in the Delta and throughout the country.

**School lunch/small farmers initiative:** In another effort to aid small and limited-resource farmers as recommended in the 1990 Report, USDA encourages schools and small farmers to engage in partnerships whereby local, fresh fruits and vegetables are sold directly to school lunch programs. This is a joint initiative among federal, state, and local entities. School children benefit by gaining access to fresh, nutritious produce and the development of healthy eating habits, while local farmers gain a new marketing opportunity. This program has succeeded in Florida, North Carolina, and elsewhere, and USDA is planning efforts to expand the initiative into the Lower Mississippi Delta.

In recent years USDA has developed a productive partnership with the Department of Defense Personnel Center in which DOD purchases and delivers fresh produce to children taking part in the National School Lunch Program. In partnership with local farmers, USDA's Agricultural Marketing Service (AMS) and USDA's Food and Nutrition Service (FNS), DOD began buying and delivering fresh produce to children taking part in the National School Lunch Program. DOD began this program with eight states in the 1994-95 school year and expanded it to 31 states by the 1998-99 school year, including Kentucky, Missouri, and Tennessee in the Delta. In North Carolina, USDA and DOD have been particularly active in purchasing from local, small farmer cooperatives, and this trend is gradually spreading to other states.

In addition to AMS and FNS, USDA's Rural Development also plays a role in this initiative by providing technical assistance to farmers on how to form cooperatives. Selling to schools as part of a small farm cooperative has been crucial to the success of this program elsewhere, since cooperatives can supply the volume, variety, and other characteristics schools require. USDA officials as well as nutrition and small farmer advocates intend to build upon the successes in North Carolina and Georgia by expanding into the Delta.

**The role of cooperatives in promoting rural development:**

*The 1990 Report stressed the importance of providing assistance to minority/limited resource and small family farms in the Delta that are characterized by small acreages and limited capital. Cooperatives have been vital forces for small agricultural producers, as well as for the overall rural development of the local areas in which farmers live.*

**Cooperatives:** Cooperatives have been and continue to be major non-government, self-help mechanisms for rural development. The cooperative model is an ideal mechanism for addressing the principal competitive disadvantages of rural communities such as those in the Delta region: low population densities, smaller markets, and higher service costs. Cooperatives are oriented to solving local problems by organizing local people into stable organizations. These organizations seek to address identifiable problems with local resources. They organize around sound business principles and have an explicit mission to keep funding, distribution of benefits, and responsibility and accountability in the hands of the local users.

USDA's Cooperative Services Program of the Rural Business-Cooperative Service (RBS) has promoted the knowledge of cooperative principles and practices, as well as cooperation with educational, marketing agencies, cooperatives, and others in promoting such knowledge. Cooperative Services (CS) conducts research on cooperatives, provides technical and educational assistance to existing cooperatives and helps agricultural producers and other rural residents organize new cooperatives. CS is the only entity that collects detailed nationwide data on the business activities of agricultural cooperatives. CS publishes research, education, and informational materials on a variety of cooperative subjects. Summaries of some of these materials and items of current cooperative interest are published in a bimonthly magazine entitled *Rural Cooperatives*. CS has a library inventory of over 200 publications addressing research and cooperative related topics.

**Cooperatives' broad role in rural development:** Cooperatives not only benefit agricultural producers but are helping to meet many other rural development needs. They are active in helping social service needs, such as health services, insurance, education, child care, and, to a lesser extent, housing and cultural activities. Cooperatives are involved in financial services, rural telecommunications, water and sewer systems, electrical power, and even rural transportation. Most, if not all, of these are needs faced by the Delta region.

For more than 70 years USDA's Cooperative Services program has provided technical assistance through a variety of forms to foster understanding and development of agricultural cooperatives in rural America. The following are some highlights of recent activities in the Delta region:

**Limited resource farmers:** Between 1990-1996, CS staff provided cooperative development assistance (conducting producer surveys, feasibility analysis and preparation of business plans, assisting in the development of bylaws, and the incorporation process) to limited resource and other producers in Arkansas, Louisiana, and Mississippi that resulted in the formation of eight new cooperative business organizations:

- North Delta Produce Growers Association, Coahoma County, Mississippi
- Louisiana Meat Goat Association, Denham Springs, Louisiana
- Southern States Meat Goat Association, Madison, Mississippi
- Mississippi Farmers Cooperative, Winstonville, Mississippi
- Arkansas Vegetable Cooperative, Hermitage, Arkansas
- Growers Produce, Inc., Mize Mississippi
- Southeast Arkansas Vegetable Growers Cooperative, Altheimer, Arkansas

## Miss-Lou Blueberry Growers Cooperative, Lumberton, Mississippi

Along with facilitating the organization of new cooperatives, CS has provided a range of technical assistance activities as well as education and training programs for cooperative directors, managers and employees throughout the region, with a total of 25 technical assistance projects in Arkansas, Tennessee, Louisiana, and Mississippi. Through experience and formalized training, cooperative members, directors and officers have increased the level of leadership potential not only for the cooperative but in the community as well. Many cooperative leaders have become active in their communities and contributed to other development efforts.

**Marketing projects:** Recent technical assistance has included such activities as helping establish a business plan for providing tomatoes to Burger King as a new venture of the East Arkansas Produce Marketing Association, a federation of several county based cooperatives. Working in partnership with Alcorn State University, Cooperative Services has provided guidance to area pork producers in the organization of the Golden Pig Cooperative. CS has provided strategic planning assistance to cooperatives in the region and for others just outside the region, but serving the region. Each of these and other projects had positive effects beyond the immediate project.

**Minority and small farm training programs:** Director training programs have been conducted in conjunction with educational activities of the Southern Federation of Cooperatives, the Arkansas Land Development Corporation and the East Arkansas Produce Marketing Association, a federation of cooperatives in Marianna, Arkansas. These programs provided training not only to cooperative directors but other cooperative trainer/specialists working with the minority and limited resource farmers not only in the Delta but the 16 Southern and Southeastern states.

In addition to working directly with specific cooperative projects in the region, CS continues to participate in a number of recurring cooperative education programs held in Arkansas, Louisiana, and Mississippi on an annual basis. CS has provided staff participation, in partnership with state cooperative councils, statewide rural electric associations, Cooperative Extension Service and others, in cooperative education programs targeted specifically to high school age youth audiences and young farm couple audiences. Many of these summer youth camps and young cooperator programs utilize the research, education and informational materials developed by Cooperative Services. The programs are designed to increase the awareness of these audiences about the cooperative form of business and how to benefit from being an active member/owner.

Cooperative Services regularly participates in the Annual Rural Life Conference at the University of Arkansas-Pine Bluff, providing information regarding various agency programs and the services available to cooperatives, their farmer members and other with an interest in cooperatives.

**Work with 1890 land grant institutions:** Cooperative Services continues its capacity building activities with Alcorn State University and plans to expand this effort to other 1890 land grant institutions serving the region. The model used includes: 1) recruiting agribusiness leaders from

industry and government for lectures; 2) assisting the faculty in developing modern instructional materials on agricultural cooperatives; 3) providing evaluation of the cooperative component of an agribusiness curriculum.

**Direct marketing activities:** As discussed in the “Community Development” section of this report, Rural Development’s Cooperative Services has worked with Louisiana State University Extension Service and the Northeast Louisiana Delta Community Development Corporation in Tallulah, Louisiana, to assist vegetable producers develop and organize a farmer’s market cooperative association. CS has been involved in another innovative marketing venture with Tennessee State University Extension Service and a community-based organization, *Memphis International Co-op*, to assist farmers in the Memphis, Jackson, and surrounding areas to explore feasibility of a fruit/vegetable and livestock marketing cooperative.

**Outreach:** The USDA reorganization has also provided opportunity for Cooperative Services to expand outreach and future cooperative development assistance efforts. Now an integral function of Rural Development, Cooperative Services programs can be accessed through the State Rural Development office in each state. At least one individual in each state in the Delta region has been assigned cooperative development responsibility. These individuals provide an additional means for increasing outreach and are developing valuable experience and networks of local resources which in the near future will result in increased cooperative development support available for the region. Cooperative Services staff at the national level will assist and provide technical resource support to the state staff for new and future cooperative endeavors.

Cooperative Services continues to be a primary source of cooperative-based education and information materials used by the respective state cooperative councils which represent the rural, primarily agricultural cooperative sector in the region. Rural Development’s state cooperative specialists are becoming increasingly important in disseminating cooperative-based information and development assistance.

**Research:** Cooperative Services conducts research with its own personnel as well as through cooperative agreements with universities and others. The research is broadly based and could be used throughout America, but much of it can and does find application in the Delta area. Examples of research reports that have been produced since 1990 that have clear application in the region include one on vegetable processing cooperatives in the South and Southeast; several reports on cooperative benefits for Southern dairy farmers; cooperatives’ role in hog contract production; a number of reports on marketing coordination in cooperatives; and a manual on “How to Start a Cooperative.”

In late fiscal year 1998 Cooperative Services signed cooperative agreements with several organizations in the Delta area to do research on various rural cooperative opportunities and problems. These agreements include the following:

- University of Arkansas School of Law, “A New Generation of Farmer Co-ops: Defining & Redefining What It Means To be a Cooperative”
- University of Arkansas at Monticello, “Sociological & Economical Constraints to Kiln Drying and Value-added Wood Processing Co-op”



- University of Missouri-Columbia, “Redefining Ag Bargaining Co-ops for the 21st Century: Solving the Free Rider Problem”
- Alcorn State University, “Economic Development in Rural Mississippi: What Is the Appropriate Role of Cooperatives?”
- Mississippi State University, “Role of Livestock Marketing Co-ops in Southeast Cattle Production”

These research reports will continue Cooperative Services’ role in providing information to small farmers throughout the Delta region.

### **Credit Availability for High-Risk Farmers**

*The 1990 Report stressed the importance of assuring that adequate credit be made available to high-risk farmers. “It has become increasingly difficult for farmers characterized as high credit risks to secure needed loans,” the Commission stated, while many high-credit-risk farmers have limited education and cannot adequately understand complicated, bureaucratic loan forms. The Commission urged USDA, state departments of agriculture and institutions of higher education to address these pressing credit issues.*

### **Farm Service Agency Payments and loans:**

USDA’s Farm Service Agency figures indicate that in the seven Delta states in 1997, total government payments to farmers were approximately \$1.6 billion. In 1998, 12,855 guaranteed loans were made with a total principal exceeding \$1.26 billion in the Delta states. On December 31, 1998 FSA had \$1.9 billion loaned out to 24,524 producers in the seven states through the direct loan programs.

**Increases in loans to small and socially disadvantaged farmers:** The recommendations of the National Commission on Small Farms directed the Farm Service Agency to continue focusing lending priorities on small and socially disadvantaged farmers. Farm loans to socially disadvantaged farmers were increased from 2,432 families in 1997 to 3,076 families in 1998, an increase of 26 percent. The value of USDA loans was increased from \$143.9 million to \$175.9 million, an increase of 22 percent.

Farm Service Agency initiated talks with lending institutions to facilitate guaranteed minority and SDA lending. This included discussions with Farm Credit Service to improve their SDA lending as well as their approach to Beginning Farmer loans. Beginning Farmer eligibility requirements were established and include allowances for farm experience.

### **FSA outreach activities**

The FSA Programs Staff has initiated programs to provide the under-served small family farmer and rancher with information to enhance their financial stability and technical expertise. FSA programs and partnerships with 1890 Land Grant Institutions, local schools, and community groups are designed to encourage minority youth in rural areas to enter farming, ranching, or an agriculturally related professions.

As outlined in the Civil Rights Action Team report, small and minority farmers consistently cite the lack of credit as the major external barrier to their success. The FSA direct loan program is a

vital source of funding, and is necessary to the success of these operations. FSA programs are designed to provide information about cooperatives, value-added features, County Committee participation, sustainable agriculture, and technical information. The agency continues to work with Land Grant Schools, the Federation of Southern Cooperatives, the National Small Farm Conference, the Arkansas Land and Farm Development Corporation and other family-farm groups to reverse current farming trends that threaten small farmers.

### **Working directly with farmers to build participation**

FSA held two Town Hall meetings in Mississippi within the last year, attracting producers from that State and Louisiana. These are part of the Agency's stepped up efforts to generate knowledge of and interest in production and credit programs which can benefit low-income, small, and socially disadvantaged farmers.

The FSA County Committee system provides program information and delivery structure for the Agency. Participation by all segments of the producer population is vital to ensure that everyone is aware of production, credit, and emergency programs that could benefit them. In past years, FSA has worked with the Rural Coalition to inform minority landowners and producers about the FSA County Committee nomination and election process, and is again planning an outreach effort.

### **Encouraging students in agricultural careers**

The Agency awarded the North Bolivar County Development Corporation in Mississippi a grant to encourage rural minority youth to enter agricultural professions. The \$15,000 grant awarded in February, 1999 is aimed at youngsters in the historically African American community of Mound Bayou. FSA staff, as well as representatives from USDA, Land Grant Universities, and regional agribusinesses are working with the program, which alerts the students to the wide variety of careers available in agriculture.

### **Educational projects:**

Consistent with the 1990 Commission's emphasis on opening up training and educational activities for limited-resource farmers and youths from rural areas, FSA is reviewing proposals from Alcorn State University in Mississippi to develop a Youth Agriculture Awareness Program, in conjunction with the North Bolivar school district. The \$50,000 request would allow the development of a facility growing sweet potatoes and hot peppers, using the talents of local students, and allowing them to learn farm and business management practices.

FSA is analyzing a proposal from North Carolina A&T University, the State Agriculture Commissioner, and Glory Foods, Inc. The proposed project would fund a field survey of small and minority farmers throughout the South who have traditionally grown tobacco. The goal is to replace or supplement tobacco crops with high-end vegetables with diverse markets, including corporate contracts with entities such as Glory Foods. These alternatives are crucial to the survival of small tobacco farmers in many southern States.

FSA is reviewing a proposal from Prairie View A&M University in Texas. The University is requesting funds to organize inner-city students to run a community vegetable market. In addition to exposing the youngsters to alternative lifestyles, the market would give them business

expertise, and introduce them to agricultural business owners, who would counsel them. “The Teen-Bizz” Project would also provide fresh produce to the inner city neighborhood and meaningful employment to the students.

### **Grain Inspection, Packers and Stockyards Administration (GIPSA) educational activities in agriculture:**

GIPSA is committed to improving educational opportunities for Delta inhabitants that could lead to careers in agriculture for non-traditional constituents. GIPSA has supported the AG-Hope (Agriculture Helps Our People Learn) educational initiative at Alcorn State University in Mississippi. The program is designed to support the recruitment of high school students in food and agricultural sciences, and to create a greater awareness of career opportunities in the food and agricultural sciences. GIPSA has committed \$39,000 to AG-Hope since 1992. The agency has committed \$133,000 in supporting efforts at the University of Arkansas at Pine Bluff (UAPB) Center of Excellence in Regulatory Science and Risk Assessment Program since 1992. In addition, since 1992 GIPSA has provided more than \$68,000 to support internship programs for college students as well as the 1890 Scholars Program at Southern University in Louisiana and UAPB.

### **The Delta’s Role in Exporting Farm Products to Latin America and the World**

*In 1990 the Commission recommended that USDA and American trade policy officials “should promote the interest of agriculture in world trade, with the objective of enhancing agricultural exports.” In an update on economic issues by then Federal Highway Administration Administrator Rodney Slater published in 1995, the U.S. Department of Transportation observed the importance of trade for the Delta’s economic development. With the ratification of the North American Free Trade Agreement (NAFTA) in 1993 and the General Agreement on Trade and Tariffs in 1994, milestones in global economic connection were achieved.*

*The 1995 update further elaborated upon the importance of trade for the Delta:*

*“In December, 1994, President Clinton hosted a Summit of the Americas in the gateway State of Florida. There, the 34 democratically elected leaders of our hemisphere agreed to establish a free trade area of the Americas by 2005. The President called it a historic step that will produce real opportunities for more jobs and solid, lasting prosperity for our peoples. The Southeast and the Delta region are strategically located to play a crucial role in the growth of hemispheric trade.*

*Furthermore, as expanding trade develops between Canada, Mexico, and the United States, the Mississippi River corridor becomes an even more important resource for focusing increased commerce...Canadian and Mexican consumption of products made in the Delta region, as well as their production of products for use in the region, are important to the Delta economy. Canada suffered from a 1990-1991 recession, followed by a progressive recovery. Mexico’s experience was the reverse, with strong economic growth in the early 1990s followed by a slow growth year in 1993 and a recession in 1995 related to currency devaluation.”*

*The 1990 Report and the 1995 update thus recognized the importance of exports for the regional and national economy.*

### **The role of agricultural exports in international trade:**

USDA's Foreign Agricultural Service (FAS) implements programs designed to build new markets and maintain the competitive position overseas of U.S. agricultural products. With offices in more than 75 countries, FAS uses this overseas network to bring global opportunities home to U.S. farmers. In recent years FAS has opened four outreach offices throughout the country. An Atlanta office opened in 1998, and a Des Moines office (which serves Missouri, Illinois and the northern Delta) opened in 1996. These outreach offices and the national office in Washington, D.C. provide farmers and small rural agribusinesses information on export programs and opportunities in foreign markets.

The Delta states as a whole play a dynamic role in America's overall agricultural export picture. Three of the states rank in the top eleven farm exporting states in the country, (based on fiscal year 1997 figures): Illinois ranking third, with approximately \$3.75 billion in agricultural exports; Arkansas eighth, with \$1.92 billion, and Missouri eleventh, with \$1.54 billion. Kentucky's farm exports were roughly \$1.11 billion, Mississippi's amounted to \$821 million, and Louisiana exported \$704 million in farm products for FY 1997. These states accounted for approximately 18 percent of all America's farm exports.

The U.S. agricultural sector reliance on exports, estimated at 29 percent in calendar year 1998, is far greater than the rest of the U.S. economy at 12 percent. Consequently, the agricultural sector boasted a positive trade surplus of \$15 billion in the 1998. As world economies have improved in recent years, so have their consumers' spending on valued-added products, resulting in increased exports of U.S. consumer-ready food products, which grew to \$20 billion in 1998, or 40 percent of total U.S. agricultural exports. Roughly ninety-six percent of the world's consumers live outside of the United States. Along with Asia, Latin America is projected to become the next generation's two largest consumer bases.

Canada and Mexico are the number one and two markets for American farm products. The South American countries are the fifth largest and the Caribbean Islands come in at eighth place. These countries and regions are strategically located and culturally similar with products produced and used in the Delta. Additionally, the growing seasons are opposite each other in the two areas of the world. In illustrating the importance of value-added products, of Mississippi's \$821 million in agricultural exports, 28 percent (\$238 million) were value-added, primarily poultry products. Mississippi is among the top ten states exporting cottonseed, cotton, rice, poultry and tree nuts, and overall the 23<sup>rd</sup> largest exporting state..

**USDA outreach to include small farm cooperatives in international trade:** As an example of FAS' assistance to rural producers in the Delta, USDA signed a Memorandum of Understanding with the Federation of Southern Cooperatives and the Network of Centers for Rural Cooperative Development (NCRCD) to promote the development of overseas markets for vegetables and other agricultural products. This project focuses on goods produced by small farmers that are processed and marketed through producer-owned cooperatives.

In November 1996, FAS coordinated a market trade mission using the Market Access Program, in cooperation with the Southern U.S. Trade Association (SUSTA), and the National Association of State Departments of Agriculture (NASDA) to survey export opportunities in Canada. Since then, the Federation of Southern Cooperatives has addressed grading, packaging and other issues

identified as essential to successfully marketing their products in Canada. As a result, the Federation's members completed exports of 2 ½ tons of sweet potatoes to Ontario, Canada in March 1998. The sweet potatoes were produced in Mound Bayou, Mississippi. By 1999 this project was preparing to engage in similar exporting opportunities to Ecuador.

**Foreign Agriculture Service programs that benefit small farmers.** Outreach activities aimed at increasing small farmers' participation in export opportunities include the following initiatives:

*Foreign Market Development Cooperator Program* - Historically, a \$25-30 million a year program which is administered by FAS, it fosters a trade promotion partnership between USDA and nonprofit commodity or trade associations called cooperators. These nonprofit groups are funded by their members, including individual farmers and ranchers, specialized producers or breeders, farmer cooperatives, and processors and handlers. Participants represent just about every U.S. commodity sector.

Under this partnership, USDA and the cooperators pool their technical and financial resources to conduct market development activities outside the United States. The program allows all segments of U.S. agriculture, including those associated with small-volume export commodities, to participate in efforts to build export markets, primarily for bulk commodities. The overseas promotions focus on commodities, rather than individual brand-name products, and are targeted toward long-term market development.

*Market Access Program* - Funded with some \$90 million dollars through the USDA's Commodity Credit Corporation, this program provides cost-share funds to U.S. companies, cooperatives, producers, and trade associations to help finance their promotional activities of U.S. consumer-ready food products in foreign markets. Activities financed include consumer promotions, market research, technical assistance, and trade servicing.

The *Export Credit Guarantee Program* provides U.S. agricultural exporters with commercial financing that protects them or U.S. financial institutions up to 98 percent of principal against risk if the importer's foreign bank fails to make payment. These programs are designed to expand and maintain foreign markets for U.S. agricultural commodities.

*Supplier Credit Guarantee Program* guarantees 50 percent of payments due from importers under short-term financing (up to 180 days) that exporters have extended directly to the importers for the purchase of U.S. agricultural commodities and products.

### **Aquaculture**

*In 1990 the Commission advocated federal, state and local support for the aquaculture industry, leading to its expansion "throughout the region as an alternative to row crop farming by the year 2001."*

**Aquaculture and family farms:** The Agricultural Research Service (ARS) administers aquaculture research facilities in Stoneville, Mississippi, Stuttgart, Arkansas, and Pine Bluff, Arkansas. The lower Mississippi Delta is in a unique position, from the standpoints of natural resources and climate, scientific and technical expertise, and commercial infrastructure, to

capitalize on the growing demand for aquaculture products. Unlike some other major agricultural activities, aquaculture is primarily an activity of family-owned farming operations, not large corporations. Contract farming in aquaculture is rare, and the economic benefits of aquaculture accrue primarily to private citizens. This is especially true of the lower Mississippi Delta area, where aquaculture provides a unique opportunity for employment and income for resource-limited, small farmers who might otherwise not be able to maintain their homesteads.

**Aquaculture's impact on the economy in Mississippi and Arkansas:** Catfish farming contributes in excess of \$2 billion to Mississippi's economy annually, accounting for 2.5 per cent of Mississippi's gross domestic product and 6.3 per cent of Mississippi's total employment. Mississippi has more than 91,000 acres of catfish ponds and produces about 75 percent of the nation's catfish. The farm gate value of the Arkansas aquaculture industry, including catfish, baitfish, and other warm water species, exceeds \$135 million annually, approximately one third the value of the rice industry. The Arkansas aquaculture industry directly employs approximately 2,000 persons in fish production, processing, and feeds manufacturing, and the economic impact of the industry is estimated at \$1 billion annually. The industry is growing at the rate of 12-15 per cent annually.

In Stoneville, Mississippi, ARS conducts catfish aquaculture research, in cooperation with the Mississippi Agricultural and Forestry Experiment Station, the Mississippi Cooperative Extension Service, and the College of Veterinary Medicine, at the Thad Cochran National Warmwater Aquaculture Center. ARS research is centered on genetic improvement of catfish at the ARS Catfish Genetics Improvement Unit. The program focus is on development and screening of molecular genetic markers, as well as applied breeding, to improve economically important traits of catfish to support small-, medium-, and large-scale catfish farmers. Fiscal Year 1999 program funding is \$4.2 million divided between the State of Mississippi and ARS. The ARS funding supports eight research scientists.

In Pine Bluff, Arkansas, scientists at the ARS Aquaculture Systems Research Unit, in cooperation with the University of Arkansas at Pine Bluff, are developing and evaluating new or alternative components of aquaculture production systems, particularly small scale systems, to improve production efficiency and quality of farm-raised fish. Fiscal Year 1999 program funding is \$0.5 million to support two research scientists.

At the ARS Stuttgart, Arkansas, National Aquaculture Research Center, the program focus is on Therapeutics Evaluation Research for the registration of safe and effective drugs and chemicals to treat fish diseases, and Aquatic Production Systems Research for the warmwater fish farming industry with an emphasis on species other than catfish. Fiscal Year 1999 program funding is \$2.5 million to support nine research scientists.

#### **USDA's Animal and Plant Health Inspection Services (APHIS) Aquaculture Activities**

*In 1990, the Commission called attention to the problem of predatory birds, which "are costing aquacultural interests millions of dollars annually." USDA's APHIS has taken extensive actions to address the predatory bird problem, as well as other issues involving aquaculture.*

With the growth in aquaculture, there has developed a corresponding increase in fish-eating birds preying upon aquaculture stocks. The National Wildlife Research Center (NWRC) of the APHIS Wildlife Services has a research station at Mississippi State University to address these problems. Biologists at the Mississippi Research Station conduct studies to determine the extent of fish-eating bird damage, the local and regional population of these birds, and effective control methods. In fiscal year 1998, Wildlife Services successfully 57-80 percent of the winter cormorant population of 55,000 to 65,000 birds away from fish farms in Mississippi using nonlethal control techniques. Similar migratory bird damage management activities are being carried out by Wildlife Services in Arkansas, which leads the nation in baitfish production and is second only to Mississippi in the production of channel catfish. APHIS also conducts similar programs in Kentucky and Missouri.

APHIS also provides a variety of other services for the aquaculture industry in the States of the Delta. For example, APHIS veterinarians work with State Agriculture officials to provide diagnostic assistance to aquaculture producers, develop animal health monitoring and surveillance programs, and endorse animal health certifications for the export of live aquatic species and their products. In addition, APHIS officials oversee the licensing of domestic veterinary biologics for fish to ensure that these products are pure, safe, potent, and effective. On May 4, 1999, APHIS published an advance notice of proposed rule-making soliciting comments concerning the possible designation of farm-raised fin fish as livestock, and the establishment of veterinary health programs and regulations for these fish that are similar to those available for livestock.

#### **Developing a fish facility**

Several USDA agencies in addition to ARS also contribute to the promotion of the aquaculture industry. The Farm Service Agency is working with Grambling State University in Louisiana and Alcorn State University in Mississippi to develop a catfish processing facility. In addition to technical information, the staff are advising the universities on accessing grant and loan funds from Rural Development. The catfish facility, a joint project of the two Universities, will be located at Grambling University.

### **Small Farm, Agriculture, and Food Processing Research**

**Small Farm Management and Marketing:** A special project located at the Dale Bumpers Small Farms research complex in Booneville, Arkansas serves small farmers in a multi-state area in the Mid-South. In 1998, this program disseminated information on farm production, management and marketing to more than 13,000 producers through publications, newspapers and other media. Assistance was provided to over 17,500 stakeholders in Arkansas, 27 other states and two foreign countries.

In fiscal year 1997, the National Research Initiative funded research at the Agricultural Research Service's Southern Weed Science Research Unit in Stoneville, Mississippi. The research, which was funded at a level of \$130,000, has led to a better understanding of how cotton fibers develop.

Within the last 2 years, the Agriculture Research Service has developed a cotton production model which is being field tested for the first time with the '99 crop. CSREES, through land-grant researchers and extension specialists, is collaborating on identifying growers and assisting

with the validation of the model. It should prove to increase yields and enhance profits for the farmer. For example, it allows for "fine tuning" nitrogen applications in order to reduce residual, unused soil nitrogen and thereby avoid groundwater contamination.

**Using Satellite Data to Assist Farmers:** The Research Division and the Arkansas field office of the National Agricultural Statistics Service (NASS) have been creating and providing to data users, upon request, a crop specific categorization of eastern Arkansas using earth resource observation satellite data from 1991 to the present. In the future, NASS plans to distribute the crop specific categorization output from its Internet Web site. The crop specific categorization, as a GIS data layer, will be quite useful for a number of agricultural and environmental applications. Among those are: all farm producers in the area could view the annual crop rotations and consider that as one information input to their management practices and planting intentions; agribusiness facilities servicing those producers can use it similarly for business planning, watershed analysis evaluation and planning, soil management and erosion evaluations, and for crop disease and pest eradication planning and treatment. NASS is currently working with the Mississippi State government and the State extension to expand the program into that State; Louisiana is being considered for inclusion within the next few years.

**Southern Rural Development land grant institutions' research:** The Southern Rural Development Center (SRDC), one of four USDA-sponsored regional centers, works with the 29 land-grant institutions of the 13 Southern states, Puerto Rico, and the Virgin Islands. Activities in the states of the Mississippi Delta included a project on food processing industry competitiveness. In this initiative, Mississippi State University led an SRDC-funded, Southern region-wide consortium to address food processing technology issues, technical assistance resources, and collaborative opportunities. The consortium produced a directory of the resources available to support the food processing industry in the region. The directory provides a concise listing of persons and their specific expertise, facilities and equipment, and other related resources such as publications, newsletters, fact sheets, and videos.

#### **Cotton—Boll Weevil Eradication Program**

*In addition to the emphasis on diversification and outreach to small and limited resource farmers, the 1990 Report stated that the traditional support for "the predominant and established aspects of agriculture," such as grains, cotton, livestock, and aquaculture, should continue. USDA has continued its support for grains, cotton and other traditional crops. One significant area of accomplishment in this area has been USDA's Animal and Plant Health Inspection Services (APHIS) boll weevil eradication program.*

APHIS works with cotton producers and State Departments of Agriculture to eradicate the boll weevil in eight states, including Arkansas, Louisiana, Mississippi, and Tennessee. The boll weevil is the primary insect pest of cotton, estimated to cost U.S. farmers \$300 million annually in control costs and yield losses. Cooperative eradication efforts have already eliminated the boll weevil from Arizona, California, Florida, Georgia, North Carolina, South Carolina, Virginia, and most of Alabama. In fiscal year 1999, APHIS provided approximately \$11 million for boll weevil eradication efforts, including about \$700,000 earmarked for Arkansas, \$1.2 million for Louisiana, \$2.2 million for Mississippi, and \$500,000 for Tennessee. APHIS employees also help administer cooperative agreements and provide support in the form of loaned government



vehicles and equipment, environmental monitoring activities, and technical assistance. The eradication program integrates extensive trapping with the judicious use of pesticides to treat infested fields.

By mid-1999, cooperative eradication activities had begun in southeast Arkansas, eastern Louisiana, and the western half of Mississippi. Eradication efforts have been completed in 50 percent of Louisiana, 25 percent of eastern Mississippi, and all of the middle part of Tennessee located directly above Alabama. After eradication is accomplished, the area is protected against reinfestation by continued trapping, state quarantines, and localized treatment when necessary. In areas where boll weevil eradication has been achieved, producers have been able to reduce pesticide applications by 40 to 90 percent, lowering production costs and yielding environmental benefits.

### **Sustainable Agriculture**

*The Commission urged Congress and USDA to support “a stable, sustainable agriculture that will operate in tune with the environment by the year 2001.” The Commission defined sustainable agriculture as “one that is productive, competitive, and profitable; conserves natural resources, protects the environment, and promotes improved public health and safety for the foreseeable future.”*

The broad goals of the Commission’s recommendation on this subject are promoted by many, if not most of the other issues discussed in the “Agriculture” section of this Interim Report. The program which most directly addresses these issues is USDA’s Sustainable Agriculture Research and Education (SARE) program. SARE sponsors competitive grants to improve profits and stewardship through four regional host institutions, including the Southern Region SARE program hosted by the University of Georgia and Fort Valley State University. Examples of southern SARE projects in the Mississippi Delta states include the following:

**Improved cover crops:** A SARE project in Mississippi was designed to make cover crops more attractive by reducing their costs and developing easier ways of managing them. Reseeding cover crops offers the benefits of increased organic matter inputs to soils and reduction in the need for purchased nitrogen fertilizer without the expense of seeding a cover crop each fall. Through screening in replicated plots and on-farm trials, this project identified two promising new legume cover crops that have re-seeded for at least two years in several locations in Alabama, Georgia and Mississippi: southern spotted burclover and Paradana’ balansa clover. If the cover crops are planted on time and managed to produce a heavy seed crop the first spring, the farmer can save \$25 per acre in cover crop seeding costs plus \$15 an acre in fertilizer savings (50 lb/a) for the following 3-4 years, even in crop rotations where cover crops cannot make seed each year.

**Equipment innovation for sugarcane:** A SARE project in Louisiana demonstrated a prototype sprayer designed to eliminate or reduce aerial application of pesticides in sugarcane production, reduce drift and overspray, and combat sugarcane borer. An additional component is being designed to remove dry leaves from sugarcane stalks and turn them into mulch; this will reduce soil runoff and combat weeds while improving air quality by eliminating the need to burn leaves.

The unit has attracted interest among sugarcane growers at two field days and generated feature stories in the Daily Iberian and the newsletter of the Southern Sustainable Agriculture Working Group.

**Pasturing hogs to increase farming opportunities:** A SARE project in Arkansas developed and demonstrated low-capital swine-production systems for limited-resource farmers in the Mississippi Delta. Portable, low-cost farrowing huts, along with inexpensive fencing, allow farmers to scale operations to meet market demand. Raising sows on pasture saved approximately \$7.75 monthly in feed costs during early gestation. Mid-way through the project, approximately 300 people had toured the project and received information on it. Two other demonstration sites based on farms were set up to expand outreach.

**Waste put to work:** A SARE project helped to turn poultry litter from an environmental problem to a valuable resource by making connections between litter sources in Western Arkansas and Delta farmers who could use the litter to build soil organic matter and fertility where precision leveling has exposed problem subsoils. Project leaders estimate conservatively that 150,000 tons of litter were marketed in 1994 as a result of the project. Another project in Arkansas tested the value of litter and other organic wastes, including cotton gin trash and fish-waste compost, on small-scale vegetable farms in the Delta. Many of these farms are operated by African American farmers. Composted gin trash increased cabbage yields, and worked well in potting mix for ornamentals, watermelon and tomato transplants. Poultry litter improved the yield of collards more than inorganic fertilizer alone in areas where laser-leveling exposed the subsoil. It also boosted cabbage and spinach yields in sandy soils with low organic matter, and improved sweet potato yield and quality.

**Value-added diversification:** This SARE-funded project developed a network of farmers, entrepreneurs, researchers, non-profit staff and extension agents to catalyze formation of locally-owned, value-added enterprises in the northern Delta region. Proceedings of a conference on entrepreneurial agriculture are available on the World Wide Web ([www.deltanetwork.org](http://www.deltanetwork.org)). The project analyzed the results of the conference and surveys on the needs for training in sustainable enterprise facilitation. Delta residents showed higher levels of interest in this training than did non-Delta residents. Findings from the analysis are being used to implement an entrepreneurial training plan with a second grant from SARE.

**Limited-resource farmers learn pastured poultry:** Several SARE projects have documented the benefits of pastured poultry, an endeavor in which chickens are raised in pens that are moved across the pasture daily. The chickens receive sunlight, fresh grass and fresh air everyday and are usually processed on the farm. No antibiotics are required in the feed. The system is healthy for the livestock, builds the soil with manure from the chickens, and provides the farmer with a good return from this value-added product. A recent SARE project led by Arkansas-based Heifer Project International worked with universities and other partners in Alabama, Louisiana, Kentucky, and around the South to train farmers to produce and market pastured poultry. One model farm for this training nets \$20,000 per year by raising 8,000 chickens during six months of the year. A Kentucky family that started a pastured poultry enterprise after the SARE training sells broilers for \$5.50 apiece with feed costs of \$2.50 per bird.

**Grass hedges save soil and money:** A SARE project offers farmers an inexpensive biological water erosion control alternative that is compatible with all tillage systems. This project tested grass hedges for erosion control on farms in Mississippi and Arkansas. Hedges may replace costly terraces and are appropriate to land where terraces cannot be constructed either because of shallow soils or the lack of an appropriate outlet. On one farm, a 10-foot-wide switchgrass hedge across a cotton field cost \$100 to sow and took up one-fifth the space that a 50-foot wide, \$4,000 terrace would have taken. Hedges can also increase habitat diversity and, depending on layout and management, may have important integrated pest management and wildlife benefits.

**Sustainable forestry for limited resource landowners:** Small landowners, or farmers with small woodlots, tend to be unaware of the value and sustainable methods needed to manage and harvest their timber and non-timber forest products. A collaborative effort led by Winrock International is teaching Delta and Ozark Foothill non-industrial forest owners about the value and management of their trees. Over 400 people participated in workshops in just the first year of the project. The project leaders estimate that landowners involved in the project will increase their income by an average of 25 percent, and most will be cutting less timber than they would have under their initial estimates.

## **INFRASTRUCTURE**

The Commission placed great emphasis upon the development of public infrastructure:

*“Local infrastructure, such as adequate water and sewer systems and good fire protection, are not only necessary for economic development, but also for enhancing the quality of life for people. Throughout the Delta, there remain communities which do not have approved water supplies. Telecommunications need adequate investment and support if economic development is to take place in the Delta. A sophisticated telecommunications system can make a significant difference in the region’s capacity to improve educational services, rural health care delivery, public safety, and to build a communications network that businesses will require in order to survive in a more competitive environment.”*

### **USDA’s Rural Development**

The Commission emphasized that infrastructure was especially weak in the rural Delta. USDA’s Rural Development agencies—Rural Utilities Service, Rural Housing Service, Rural Business-Cooperative Service, and Office of Community Development—administer a broad spectrum of programs for funding water, waste, telecommunications, distance learning and telemedicine (which involves both education and health care), community facilities, public safety, and other projects. Rural Development provided infrastructure funding to the 219 Delta counties from fiscal years 1994 through 1999 in the total amount of approximately \$858.2 million (these figures include business and industry funds, community facility projects, rural economic development loans [REDL], water and waste projects. Loans amounted to about \$608.2 million and grants came to approximately \$250 million. The following sections illustrate the nature of these programs and their impact on the lives of people in the Delta.

### ***Electric Infrastructure***

*The Commission emphasized the importance of developing the Delta’s infrastructure in order to improve the quality of life and provide for economic growth and development. Pursuant to this goal, USDA’s Rural Utilities Service (RUS) has pursued projects throughout the Delta for development of the region’s electric infrastructure.*

**Electric projects:** The Rural Utilities Service (RUS), an agency of USDA’s Rural Development, has conducted a variety of projects in the 1990s to strengthen the electric infrastructure in the Delta. RUS plays an important role as a federal credit agency, providing financial assistance and technical guidance for rural utilities. It is the successor to the Rural Electrification Administration (REA), which was established in 1935 to bring electricity to rural America at a time when only 10 percent of the nation’s rural homes had access to electricity. Under the reorganization of USDA in 1994, REA’s Electric and Telecommunications Programs were combined with Water and Environmental Programs to form RUS, creating a unified agency dedicated to improving the electric, water and telecommunications infrastructure of rural America.

The RUS Electric Program makes loans to finance the construction of distribution lines, transmission lines, generating plants, and related facilities by rural utilities so that they can provide electric service to rural areas at an affordable cost. The loans are made primarily to rural electric cooperatives, nonprofit associations, and public utilities. Borrowers repay their loans,

with interest, from operating revenues. These projects have contributed to job creation, encouraging the growth of small rural business, farming, and retail establishments in the Delta. These projects are far too numerous to list in their entirety, of course, but the following examples illustrate the kinds of projects pursued through USDA Rural Development.

**\*Woodruff Electric Cooperative Corporation Forest City, Arkansas:** Woodruff Electric Coop serves portions of Cross, Lee, Monroe, Prairie, St. Francis, and Woodruff Counties in Arkansas. Woodruff has received RUS loans for investments in electric infrastructure projects. Over the period of the loan from October, 1997 through October, 2001, it is estimated that these projects will have led to the creation of approximately 900 jobs.

Loans totaling approximately \$10 million were made to clients serving in counties with endemic poverty, including Cross, Lee, Monroe, Phillips, St. Francis, Woodruff, and Prairie counties. Through the aid of the statewide electric cooperatives association, Woodruff has been instrumental in recruiting several major industries to its service area, resulting in the creation of several hundred jobs.

**\*Carroll Electric Cooperative Corporation, Berryville, Arkansas:** Serving portions of Searcy County, Carroll Electric Coop has demonstrated the advantages of using RUS funding to leverage even greater amounts from other sources of funding. Carroll will leverage approximately \$24,633,000 of RUS funds with \$10,557,000 of supplemental financing and \$9,618,000 in self-generated funds for distribution and transmission plant investment. In addition, the borrower will invest \$3,500,000 in general plant items for a total ratio of \$1.96 for each \$1.00 of RUS funds.

**\*C&L Electric Cooperative Corporation, Star City, Arkansas:** This coop has engaged in a wide variety of initiatives aimed at expanding infrastructure and improving the quality of life in rural Arkansas. This borrower serves portions of Bradley, Cleveland, Dallas, Desha, Drew, Grant, and Jefferson Counties in Arkansas. The borrower personnel work with community leaders to develop rural water systems in many parts of the cooperative's service area. Cooperative personnel were active in developing a statewide association of water users. The cooperative provides billing services and have upgraded lines so that they deliver more power and are more reliable.

C&L Coop works closely with both county and state authorities on road improvement projects involving the relocation of the cooperative's facilities. The cooperative normally relocates its facilities at no cost to the county government where these facilities are located. The cooperative shares the cost on State road improvement projects.

The cooperative has an on going project involving the conversion and upgrading of distribution lines in order to encourage growth of commercial and industrial loans, agricultural, as well as small business. The cooperative has also been involved in the upgrading of the distribution system, distribution substations and constructing new substations to improve reliability of service. C&L Coop installs loan control systems to assist farmers in lowering the cost of power.

**Southwest Louisiana Electric Membership Corporation, Lafayette, Louisiana:** A major job creation project was generated by investments in the rural electric infrastructure resulting from

RUS loans in Acadia, Avoyelles, Evangeline, St. Landry and St. Martin Parishes in Louisiana. Southwest Louisiana Electric Membership Corporation has \$35,182,242 of private investment leverage by RUS loans. The Cooperative has made loans to persistent poverty parishes totaling \$22,886,780. These projects led to the creation of 497 jobs from September, 1996 to September, 1998.

**Southern Pine Electric Power Association, Taylorsville, Mississippi:** This cooperative serves portions of Copiah, Covington, Jefferson, Lawrence, Rankin, and Simpson Counties in Mississippi. An RUS loan in 1998 was used to finance 3,400 new residential services and 200 new commercial services and any additional required facilities within the borrower's service area, which includes a substantial number of low-income areas. In addition, the loan was used to finance 63 projects upgrading the borrower's electric distribution system.

**Crawford Electric Cooperative, Inc., Bourbon, Missouri:** Crawford is another coop assisted by RUS that is involved in a broad array of activities for improving the infrastructure of its area, which includes parts of Crawford, Dent and Washington Counties in Missouri. The coop is involved in assisting one community of 600 homes to establish a sewer district; the coop's help is in the form of organizational assistance, billing and collection services, and grant and loan writing assistance. The cooperative provides financial assistance to the rural fire departments for equipment, and has also established a charitable trust to provide support and financial assistance to needy residents and community support services such as ambulance districts and police departments. Moreover, this coop provides support in assisting in the efforts of the regional commission to improve rural services offered to residents (solid waste management plan and energy management services).

The cooperative was at the forefront of efforts to establish additional weather radio sites of the National Oceanographic Atmospheric Administration (a part of the Department of Commerce) to warn area residents about tornados and other dangerous weather conditions. The cooperative purchased the radio transmitter, provided the tower site and the electricity to broadcast weather updates from the National Weather Service on a 24 hours basis. The total cost to establish two transmitter sites in Missouri was approximately \$100,000. Four distribution cooperatives and one generation and transmission cooperative shared that cost.

In the area of economic development, the Cooperative was instrumental in relocating a recycling company into a facility abandoned by a plastic manufacturer. This project created 5 new jobs and an additional 5 jobs are expected in the near future. The cooperative is involved in an ongoing project for the conversion of single-phase lines to three-phase lines to encourage continued growth of small rural businesses, sawmills and retail establishments. The cooperative is also involved in extensive system upgrades to residential customers to provide stability of service required by sophisticated computerized loads and home-based business.

**Citizens Electric Corporation, St. Genevieve, Missouri:** This is another example of a coop that has developed electric infrastructure leading to job creation. Citizens Electric serves portions of Cape Girardeau and St. Genevieve Counties in Missouri. In one project, a Rural Development loan for the Perry County Industrial Park led to the creation of four jobs. In a large-scale project, the cooperative negotiated and RUS approved a large power contract in

November, 1998 with Proctor and Gamble Paper Products Company for a new plant, which created approximately 350 new jobs.

**Southwest Tennessee Electric Membership Corporation, Brownsville, Tennessee:** This coop has enjoyed major successes in infrastructure projects that led to job growth. It serves portions of Chester, Crockett, Fayette, Hardeman, Henderson, Lauderdale, Madison, and Tipton Counties in Tennessee. Approximately 4,000 jobs have been generated by investments in the rural electric infrastructure resulting from RUS loans. This coop has made loans to clients serving in Haywood, which is part of the Fayette/Haywood Enterprise Community, totaling \$2,073,362.

As part of an effort to assist counties that face “outmigration”—in which more people are leaving the county than are coming into it—RUS makes substantial loans to those areas. In this area, examples of such loans to outmigration counties loans included one of \$1,433,958 for Lauderdale county and another of \$1,145,000 for Hardeman County.

**Gibson Electric Membership Corporation, Trenton, Tennessee:** It is estimated that approximately 2,800 jobs were generated by investments in rural electric infrastructure resulting from RUS loans from September, 1996 to September, 1998. This borrower serves portions of Crockett, Dyer, Gibson, Haywood, Lake, Lauderdale, Madison, and Obion Counties in Tennessee. The cooperative has made loans to clients serving counties with endemic poverty counties in the amount of \$1,902,555 for Lake County and \$1,675,000 for Haywood County. Other major loans included one of roughly \$4.38 million for Gibson County, \$4.24 million for Obion County, and \$3.18 million in Crockett County.

Furthermore, the cooperative has made rural development and energy resources conservation loans in the amounts of \$100,000 for Gibson County and \$400,000 for Crockett County. In doing this, the coop made use of Section 12 deferments, in which RUS defers principal payments and the money is loaned to consumers for energy conservation uses—such as new windows and insulation.

### **Community Facilities Infrastructure**

Since 1990, USDA’S Rural Housing Service RHS provided financing to enable development of over 240 Community Facility projects totaling over \$100 million in loan or loan guarantee funds and nearly \$1.6 million in grants. Medical services were improved with over 50 projects including 21 hospitals, 4 medical rehabilitation centers, 13 outpatient care facilities, 8 physician care centers, and 6 psychiatric hospitals. Emergency services were improved by assisting with 31 fire departments, 27 fire trucks, 2 police stations, and 9 rescue and ambulance projects. RHS improved the ability of communities to care for their elderly through the establishment of 5 assisted living facilities and 7 elderly boarding homes. Parents in two communities were able to seek or maintain employment through the establishment of child care centers. RHS also helped Delta communities meet the needs of their rural residents through communications centers, public use building, natural gas distribution, and cultural facilities.

Some examples of Community Facilities projects include:

\*In Lonoke, Arkansas, RHS assisted the First Year Child Care Center by guaranteeing a \$170,000 for the facility. This center has capacity to care for 32 infants and 42 toddlers full-time. The facility can also provide part-time care for up to 99 children through age 12.

\*Northwest Arkansas Child Care, Inc. received a direct loan of \$510,000. This facility, sponsored by a unique partnership between the local the center and a large local employer provides care for up to 150 children on a daily basis and 90 children during evenings and summer time.

\*North Arkansas Human Service received a loan of \$749,500 to provide assisted living facilities for 40 chronically mentally ill persons.

### ***TELECOMMUNICATIONS INFRASTRUCTURE AND DISTANCE LEARNING TELEMEDICINE***

*In 1990 the Commission stressed that “telecommunications are the highways of tomorrow, on which the most valuable commodity, information, will travel.” The Commission lamented that the Delta lagged behind the rest of the nation. According to 1980 Census statistics, 11.5 percent of households in the Delta had no telephone service, compared to the national average of 7.1 percent. Many rural areas of the Delta especially suffered from a lack of telecommunications infrastructure. The Commission specifically urged that USDA’s Rural Utilities Service (RUS) should expand its programs of funding assistance for the development of advanced telecommunications facilities. Furthermore, the Commission recommended that the federal government develop “an advanced telecommunications infrastructure in rural areas in the Delta to promote business development, education and health care services.”*

**Telecommunications activities of the Rural Utilities Service:** USDA’S Rural Utilities Service has worked diligently to improve the quality of life through access to educational opportunities, improved health care and upgraded telecommunication infrastructure in the Lower Mississippi Delta Counties and Parishes. RUS’ Telecommunications Program has two major components designed to meet the informational and technological needs of rural America: Distance Learning and Telemedicine, and the Telecommunications Infrastructure Loan Program.

Since 1993, the Telecommunications Infrastructure Loan Program has made a combination of loans to telecommunication Local Exchange Carriers, as well as loans and grants to schools, hospitals, libraries. This program makes loans to rural telecommunications providers to build new and modernize existing telecommunications networks, connect new subscribers in previously unserved areas, and provide distance learning and health care applications. In the Delta over \$195 million have been provided since 1993. During this period, more than 8,200 rural residents in the Delta received telephone service for the first time, while more than 77,000 residents received improvements in the form of more modern, upgraded telecommunications infrastructure.



The Distance Learning and Telemedicine Program is designed to meet the educational and health care needs of rural America. Since the first grant was provided for this program in 1993, total funding of \$8.4 million (\$7.9 million in grants and \$0.5 million in loans) through RUS for 34 telemedicine and distance learning programs has provided educational opportunities and access to health care for more than 800,000 rural residents in the region.

A discount rate called the “E-rate” has revolutionized the availability of educational opportunities for rural areas, where geography and distance challenge both quality education and affordable telecommunications. The power of telecommunications technologies is enormous—higher achievement levels, broader course offerings, and new challenges for the mind. However, the greatest obstacle to sustainable distance learning opportunities is the high cost of monthly telecommunications bills. With the “E-rate,” services are offered to schools and libraries at discounts, making it affordable to get the on-line services they need. In return, the telecommunications provider is reimbursed for making a commitment to invest in the Delta’s children. With the help of the E-rate, the barriers of time, distance, and affordability are falling, making new information age technologies available to rural as well as urban America.

**Arkansas:** In the Arkansas counties alone, over \$64million was provided that enables over 15,000 rural people to have upgraded, modern telecommunications facilities and services as well as over 3,700 rural people receive first time telephone service. In addition, over \$1.3 million was supplied for distance learning and telemedicine programs that provide educational opportunities and first time health care access to over 25,000 rural residents in 25 schools 12 hospitals.

**Illinois:** In the Illinois counties, \$4.4 million was used to build and improve telecommunications infrastructure so those 113 rural people were able to have telephone service. Grants and loans \$1.08 million was provided to link 12 high schools with Shawnee Community College and 6 school districts with Illinois Eastern Community College. These funds also provided over 715,000 rural people access to medical service via telemedicine facilities to Loyola University Chicago and to Southern Illinois Healthcare in Carbondale. These facilities now enable rural people to have diagnostic services performed by specialists where once there was none.

**Kentucky:** In the Kentucky counties, over \$42 million has been supplied to improve the telecommunications infrastructure to 33,360 existing rural residents and give 5,380 rural residents first time telephone service. In addition, grants and loans of over \$372,000 were provided to construct a telemedicine network linking Murray-Calloway County Hospital with Trigg County Hospital. Trigg County Hospital has a limited medical professional staff that now has access to specialists. Over 12,500 rural resident have improved health care.

**Louisiana:** In the Louisiana parishes, over \$42.0 million of funding was provided for infrastructure improvements to 25,000 existing rural residents and first time service to 1,881 rural residents. Grants and loans supplied to Louisiana hospitals, schools and libraries amounted to \$3.2 million.

**Mississippi:** In the Mississippi counties, \$1.6 million in telecommunications infrastructure was provided to improve the facilities of 263 rural residents and connect 111 rural residents for first

time telephone service. Grants and loans of \$1.4 million has been provided for new educational resources as well as improved healthcare facilities. These funds link 29 schools that serve over 18,000 students and provide access to advanced high school classes and college courses.

**Missouri:** In the Missouri counties, \$14.9 million was used to improve the rural telecommunications infrastructure for 3900 existing rural residents and provided first time telephone service for 954 rural residents. Grants and loans of \$480,000 was supplied for distance learning facilities for more than 15 schools.

**Tennessee:** In Tennessee counties, \$7.6 million was provided for telecommunications infrastructure and \$530,000 was supplied for rural healthcare and distance learning facilities.

USDA's Rural Development will continue working with local communities across the Delta to expand and improve telecommunications infrastructure. These activities have tremendous potential for enhancing the Information Superhighway of the 21<sup>st</sup> century and expanding access to educational opportunities and access for health care to thousands of rural Delta people for the first time in their lives.

### **EXAMPLES OF DISTANCE LEARNING TELEMEDICINE PROJECTS**

The following is only a tiny fraction of the 34 telemedicine projects in the Delta, intended to illustrate the type of activities that are being carried out. For more in-depth information on these projects, see the Appendix.

**Arkansas Delta Consortium:** The Arkansas Delta Consortium is comprised of four school districts in the Mississippi River Delta with five user sites. The four school districts, Barton-Lexa, Clarendon, Holly Grove, and Marvell will connect with the Great Rivers Educational Cooperative in West Helena, Arkansas. This project received a \$350,000 RUS grant and will assist about 1,200 high school students, 400 elementary students, and 175 staff members, and 5,000 residents in the immediate communities per year in Phillips and Monroe counties. At each of the four high schools and one elementary school, multimedia computers will be installed in distance learning classrooms, libraries, media centers, labs, and/or regular classrooms to provide on-line and other technology resources for teaching staff and those students taking classes taught by distance learning.

**Southern Illinois Healthcare Service initiative:** Loyola University-Chicago, will use RUS funding (a loan of \$130,080 and a grant of \$88,751) to link five southern healthcare sites to one another via the hub site at Loyola University Medical Center. This network will provide considerable access to resources already available within Loyola University Health System and beyond. The direct benefits of the Illinois Rural Telehealth Alliance (IRTA) network will include telemedicine care, electronic medical information access, continuing health education, and community access to a population of 677,366 people in a 32 county area of the Southern Illinois Healthcare service area, including Franklin, Saline, Pope and Jackson counties in the Delta.

**Illinois Community Health & Emergency Services, Inc. project:** Community Health & Emergency Services, Inc. (CHESI) is a nonprofit organization that serves as the only medical service provider in Alexander and Pulaski Counties in the Illinois Delta. CHESI provides primary medical and dental care, a diagnostic laboratory, a radiology department, an urgent care department and an ambulatory surgical treatment center for more than 20,000 people. CHESI used an RUS grant of \$62,500 to purchase digital teleradiology equipment to connect its radiology department with Southern Illinois Healthcare (SIH) in Carbondale to allow CHESI providers to get immediate “primary read” reviews of x-rays by a radiologist. The system will also allow CHESI to store and access stored medical data and x-ray images. This project will serve the residents of Alexander and Pulaski counties and Ballard County, Kentucky, and Mississippi County, Missouri, which will include an additional 18,000 plus residents.

**Murray State University rural education and health care project:** Through a \$319,376 grant, this project is an expansion of a two-way video, audio and data distance learning network for education and health care. The expansion will accomplish several goals: 1) establishing new rural end user sites in Hickman, Carlisle, and Ballard Counties, and 2) adding a medical service component, including radiology and distance diagnostic consultation to the existing network, including the new sites. The expansion will allow Murray State to offer a nurse anesthetist program through the network. The new network will also enable these new end user sites to link with numerous other educational institutions via the statewide educational network, which has a node at Murray State. The project serves the Kentucky Delta counties of Ballard, Callaway, Carlisle, Fulton, Graves, Hickman, Marshall and McCracken.

**Louisiana Rural TeleTrauma Network:** The Louisiana State University Medical Center has received a grant of \$344,000 on behalf of the TeleTrauma Network of Louisiana, which will reduce the death and disability rate from traumatic injuries for rural residents in Louisiana. Currently, there is no networking of the smaller hospitals and the trauma centers of the state. The TeleTrauma Network will give immediate access to rural hospitals to an accepting facility with resources to care for the injured. The hospitals taking part in this project are Lalie Kemp Hospital, Acadia St. Landry Hospital, Riverside Parish Hospital, St. Helena Parish Hospital, St. James Parish Hospital, and the Medical Center of Louisiana at New Orleans (hub site). This TeleTrauma Network will reduce the death and disability rate from trauma in rural Louisiana by providing instant access to trauma surgeons, orthopedic and neurosurgeons, emergency room physicians and other specialists; providing 24 hour teleradiology to support trauma and emergency care; providing logistical support in arranging prompt ambulance and helicopter services; and providing continuing education for physicians and nurses specifically geared towards improving clinical skills for trauma and emergency care.

**Northeast Louisiana Health Network for low-income areas:** With a \$336,124 grant, this project will serve 10 parishes in the Louisiana Delta. The Northeast Louisiana Health Network is a non-profit health care consortium of 10 hospitals based in northeast Louisiana, serving approximately 287,600 people. The overall goal of the Network is to provide, through telecommunications, outreach health care services to primarily low income, economically depressed rural areas of northeast Louisiana. The RUS grant award will assist the Network's proposed telemedicine plan by providing ways to fill the service void left by declining state budgets for public health care and by the inability to attract health care professionals to much of

the project's targeted area. Specifically, the proposed telecommunications system establishes a consultative/diagnostic link at a primary hospital with connections to small rural hospitals that lack medical expertise. Benefits and services to be provided by the project are: immediate diagnosis for radiology imaging; increased accessibility of improved medical care; new medical staff specialists through referral and intra-hospital agreements; reduced travel costs and in-patient hospital stay; and accessibility to continuing education and teleconferencing programs.

**Mississippi Authority for Educational Television Distance Learning and Telemedicine project:** Many isolated and small rural schools in Mississippi lack the facilities to provide the educational opportunities needed for global competition. These poor, rural areas of the state have difficulty attracting and retaining instructors in subjects such as foreign language, mathematics, and science. Often, the small number of students to be served by special or advanced courses makes it financially impractical to hire a teacher. Rural community members have been unable to take advantage of the ever-growing array of professional and personal enhancement opportunities because of their distance from urban areas and major universities.

Such was the case in a nine county area, stretching from the Mississippi Delta to the gulf coast of Mississippi. However, progress in addressing these issues has been made since the Mississippi Authority for Educational Television (MAETV) applied for and was awarded a Distance Learning and Telemedicine Grant of \$271,929 in 1994. The schools involved in the project are located in some of the poorest districts of the state. The design of this network provides advanced telecommunications access to rural school districts and communities within the state. The intent of the project is to improve both the quality of life and the economy in rural areas.

MAETV, headquartered in Jackson, will link 20 rural schools in eleven districts through a mobile uplink satellite, creating a distance learning telecommunications network. By providing the equivalent of one teacher per school through distance learning technology, the system's 20 schools will benefit from a direct savings of \$570,000 per year. The addition of satellite technology has provided rural schools and communities access to direct, interactive distance learning credit courses for over 12,000 students. Specifically, 1,300 high school students will have access to college and university programs both in and out of the state and 700 teachers will have opportunities for staff development. Satellite transmitted programs available for community development opportunities and new trends in business and industry will benefit 192,000 residents, business and industry personnel.

**Mid-Mississippi Delta Consortium:** The Mid-Mississippi Delta Consortium consists of four impoverished rural school districts with nine user sites. It serves both the Mid-Delta Empowerment Zone and several Champion Communities. As a whole, 3,446 students and 40,963 residents in four counties (Washington, Humphreys, Leveler, and Bolivar) benefit from this project, which was made possible by a \$300,000 grant. Interactive electronic classrooms in three high schools, multi-media computers with Internet access and video-conferencing in four middle schools will serve as one distance learning network to provide challenging curricula, compensate for teacher shortages, and deliver individualized instructional opportunities to such underserved groups as the gifted and talented and the homebound. The interactive video classrooms were designed in accordance with Mississippi ETV guidelines. Courses offered

through the Mississippi ETV interactive video network during 1996-1997 included fine arts, foreign languages, language arts, mathematics, science, and social studies.

**The University of Tennessee link to rural clinics:** In an effort to enhance learning and health care opportunities for rural residents of Tennessee, the Department of Family Medicine at the University of Tennessee-Memphis is proposing to link two urban residency sites in Memphis (Baptist/Health Plex; St. Francis) with one rural residency site in Covington (Tipton County) and one rural satellite clinic in Ripley (Lauderdale County). Through a \$127,178 grant, this project will provide obstetric ultrasound imaging capability and UT-Memphis connections for (1) medical conferencing and review and (2) educational purposes. This project's main purpose is to provide telemedicine services. The telemedicine link will connect medical professionals at separate sites in order to exchange medical information related to ultrasound imaging for the rural residents of Lauderdale County. The project will also provide distance learning opportunities for faculty, residents, and medical students through the vax connects with UT-Memphis. There are no existing telemedicine connections currently at any of the sites.

**Department of Commerce Infrastructure projects:  
Economic Development Administration (EDA)**

EDA provides grants to help distressed communities attract new industry, encourage business expansion, diversify local economies, and generate long-term, private sector jobs. Among the types of projects funded are water and sewer facilities primarily serving industry and commerce; access roads to industrial parks or sites; port improvements; and business incubator facilities. Proposed projects must be located within an EDA-designated Redevelopment Area (RA) or Economic Development Center. Projects in other areas of an EDA-designated Economic Development District are also eligible if they will directly benefit a RA within the District. Projects must be consistent with an approved Overall Economic Development Program (OEDP). An applicant may be a state, political subdivision of a state, Indian tribe, special-purpose unit of state and local government, or a public or private nonprofit organization or an association representing the RA or part thereof.

**City of Hopkinsville and Hopkinsville Industrial Foundation  
Hopkinsville, Christian County, Kentucky**

The Atlanta Regional Office approved a \$1,000,000 Economic Adjustment grant to the City of Hopkinsville and Hopkinsville Industrial Foundation in April, 1998. This project was designated as a 1997 Flood Disaster project. The total project cost was estimated to be \$1,612,000. The purpose of the project was to construct water and sewer improvements for the Commerce Industrial Park. The improvements consisted of water main, a ground water storage tank and booster pump station and sewer force main, gravity sewer line and a pump station.

The project was originally estimated to create 480 near-term jobs. The majority of the jobs created are automotive industry-related, with several other companies creating a large number of jobs. The private investment has substantially surpassed the original estimate of 138 million. In addition to the original four industries that located and created 480 jobs, four more industries have located in the park creating an additional 220 jobs. This industrial park has become number one in the State of

Kentucky in recruitment and creation of manufacturing jobs. It also ranks highly in the nation in this category.

### **Technology Economic Development Center in Kentucky Madisonville, Kentucky**

The Madisonville Technology Economic Development Center, a facility that cost over \$1.5 million to construct, was awarded a \$541,500 EDA Public Works grant in 1993 and was provided additional assistance in the amount of \$350,400 in 1995. The Center, a 20,000 square-ft. facility located in the Greater Madisonville Industrial Park in Madisonville, Kentucky, opened in October 1996. The facility is owned by the city and is used as a resource for the economic development efforts of the community. The Center features two video conferencing rooms, a 15 station computer lab, several classrooms, flexible manufacturing space equipped with reinforced concrete floor, and other features. There is also a Career Assessment Center that can provide a wide range of testing for individuals and businesses.

The telecommunications were designed by Bell South Corp., a partner in the development of this project. They also provided fiber optics to the building and the necessary switching equipment needed to provide state-of-the-art connectivity. The computer network in the facility is connected to Kentucky's Information Backbone system, giving each workstation desktop-to-desktop access to over 35,000 public agency employees. Since the Backbone system is also connected to the Internet, access to this worldwide network is also provided at T-1 speeds to everyone in the building. The video conferencing facility is connected to the statewide educational network used for teleconferencing and distance learning. This equipment is also capable of video conferencing with other systems using standard protocols. The auditorium, with its 8' by 10' video wall and in-floor connectivity, is in almost constant use by businesses in the industrial park and others for training and problem-solving sessions.

The latest addition to the facility is the One-Stop Workforce System. This initiative brings partners from the Employment Services, vocational rehabilitation, Job Training Partnership and other training agencies into the facility. These highly trained workforce specialists assist both individuals and businesses with employment and training services. They are linked to other agencies via a computer network and desktop video systems; therefore, clients in this primarily rural area can directly contact a variety of organizations for support without leaving the facility.

### **Senatobia, Tate County, Mississippi**

In May 1992, EDA approved a \$893,810 Public Works grant to the City of Senatobia to develop a 180-acre industrial park. The total cost of the project was over \$1.7 million and the funds were used for improvements that included water and sewerage systems, an access road and a railroad spur.

The park is almost full. As of March 1999, 185 persons are employed in the park. Several existing employers will be expanding to hire additional employees. An additional 60 jobs are expected by the end of December 2000 from the opening of BMW of North America regional distribution center. By the end of the year 2000, approximately \$20 million in total investments have been made by three corporations: (1) Carlisle SynTec, which manufactures and distributes thermoplastic roofing system; (2) Deltona Lighting Products; and (3) BMW of North America. In addition, another employer has purchased 10 acres and will employ 20 persons by the end of 1999.

The City is in the process of developing an additional 100 acres adjacent to its current Industrial Park. Senatobia is a finalist competing for a 500-employee Fortune 500 company looking at a 40-acre site as well as a 200-employee company looking at a 45-acre site.

### **City of Clarksdale/Coahoma County, Mississippi**

EDA approved Public Works grants to the City of Clarksdale and Coahoma County, Mississippi, amounting to over \$1 million to help develop a 160-acre and a 225-acre industrial parks. The funds were used for improvements that included water and sewerage systems and a railroad spur.

The 160-acre park is 90% full. As of March 1999, 160 persons are employed in the 225-acre Industrial Park. In addition, the Sunbelt Industrial Park is home to the Coahoma Community Skill Technical Center and Clarksdale/Coahoma Chamber of Commerce and Incubator Program. Total investments by all manufacturing industries, Chamber of Commerce and Coahoma Community College Skill Tech exceeded \$15 million in 1998.

### **Greenville, Washington County, Mississippi**

Washington County has been hard hit by major plant closings. The string began with Chico-San in September 1991 (60 employees), Schwinn Bicycle in October 1991 (240 employees) and ended with Vlastic Foods (208 employees) in March 1992. Fruit of the Loom (Greenville Manufacturing) decided to acquire the facility for an expansion of its knitting and dyeing operations and initially create 700 jobs. The facility lacked adequate infrastructure in the form of water and sewer.

EDA agreed to participate in improvements to the water system by providing an EDA Economic Adjustment Assistance grant of \$1,000,000.

### **Memphis Depot Redevelopment Corporation**

The Entrance Boulevard/Utility Corridor Project is the initial phase of the redevelopment of the Memphis Depot. The cost of the project is \$4,175,806, of which EDA is providing 33% or \$1.5 million. The private companies and local public agencies attracted to the Depot since closure in September 1997, in response to redevelopment activity and the excellent location, have brought 500 jobs to the Depot. Five-year projection of jobs for the former army supply depot is approximately 36,000. Operating under a master lease from the Corps of Engineers, the redevelopment corporation has signed seven leases already. Included in the leases and in anticipation of a public benefit transfer through the U. S. Department of Justice, the Memphis Police Department is leasing facilities for the new southeast precinct.

### **Batesville, Arkansas**

The city received a \$570,000 Public Works grant for a \$953,200 project to upgrade its existing water system to better serve three major business expansions. The city of Batesville serves as a major employment center for the adjacent counties. The three project beneficiaries are Professional Dental Technologies, Inc., White River Medical Center, and the University of Arkansas Community College at Batesville. With the upgrade of the water system, 253 full-time and 25 part-time jobs will be created. Improvements to the water system will also enhance other economic development potential. The project is consistent with the Piney Woods Investment Zone strategy targeted to the rural development needs of the area and it supports the long-term economic development of the area.

### **Jefferson County, Arkansas**

The applicant received a \$1.2 million Public Works grant for a \$3,935,893 project to construct an access road and a railroad overpass located in the Harbor Industrial District (HID) in the Port of Pine Bluff. The pressing need for the project was based on the fact that the intermodal transportation network of the area is insufficient. Basically, there is only one way in and out of the HID. The proposed project will enhance the flow of traffic greatly and the railroad overpass will alleviate having to cross six railroad tracks that are main lines of the Union Pacific Railroad that hauls hazardous chemicals. In addition, this project will enable the HID to expand its resources onto an adjacent 850 acres that will lure new industries and create new jobs for the area. Seven companies are currently located in the Port and will benefit immensely from the project; three companies have expressed an interest in locating in the area that could create 1,125 jobs and generate \$1.3 billion of investments into the area. The project meets the EDA's export promotion special initiative.

#### **Morgan City Harbor & Terminal District, Louisiana**

The applicant received a \$750,000 Public Works grant for a \$2,608,125 project for the construction of an addition to its dockage facility, including paved storage space. The Port was awarded a \$717,800 EDA Public Works grant in 1993, and this project is a continuation of the Port's expansion program. With additional dockage and paved storage space, the Port will be able to accommodate more vessels and corresponding cargo. The Port expansion will have a large economic impact and also create additional jobs. The new facility will accommodate the oil industry for storage and shipment. In addition, the Port is presently negotiating with Louisiana Sugar Cane Projects, Inc., to handle their raw sugar shipments. This project is also a vital element in the region's investment strategy to diversify the economy and to promote trade and export promotion along the Gulf Coast of Louisiana.

#### **Lake Providence Port Commission, Louisiana**

The Port received a \$1,250,000 Public Works grant for a \$2,233,000 project to create additional flood free sites with river access for the Lake Providence Port. With additional flood free sites, industries are expected to expand, and more industries are projected to locate in the Port area. There are four project beneficiaries who have committed. The project addresses the Region's Delta Area investment strategy. It will assist in increasing exports and in the long-term recovery of the area.

#### **Ullin, IL (Pulaski County)**

EDA awarded a \$287,200 Public Works grant for a \$359,000 project to construct the infrastructure required to serve businesses and the Criminal Justice Center. The project will provide the Village of Ullin with adequate infrastructure and sufficient road access to accommodate the expansion of three businesses and the Justice Center. Also, the project will provide for new development opportunities adjacent to the I-57 interchange leading to further growth and development. The Tri-County Criminal Justice Center which includes Alexander, Pulaski and Union Counties is a joint multi-county project to construct a regional criminal justice center. The justice center will be located in the Village of Ullin, which is located in Pulaski County. Once constructed, the Justice Center will be operated and maintained by residents hired from the three counties. This project will allow local businesses to retain 20 jobs that currently exist and create at least 15 new jobs. The new Justice Center will create 60 new jobs and additional jobs are expected to be created in the area as a result of increased business



interests at the location of the I-57 interchange. Through this initial effort, this project should act as a catalyst for further efforts to promote the economic development of the area.

#### **City of Pinckneyville, IL (Perry County)**

EDA awarded a \$708,800 Public Works grant for a \$886,000 project to construct infrastructure for the Pinckneyville Business Industrial Park. The project will help the city accommodate the demand for a full service industrial park, encourage development in the area, and serve the businesses interested in locating in the industrial park. It is anticipated that 150 jobs will be created within 3-5 years. Residents not only from Perry County but from nearby counties (Randolph and Franklin Counties) will benefit from business expansion and the subsequent job opportunities. This project compliments a previously EDA funded (\$1.5 million) project to construct a water treatment plant in 1996. The two projects will encourage businesses and industrial development in the greater Pinckneyville area and allow the county to be competitive with other areas for the location of industries. These projects will further alleviate the long-term economic distress of Perry County and provide for a more stable and diversified economy.

EDA is also in partnership with and continues to provide economic development planning grant assistance to three regional organizations serving the delta region: Southeastern Illinois, Greater Egypt and Southern Five. These three organizations are EDA designated Economic Development Districts. The grants help provide and retain professional services which are available to member communities to identify development needs and opportunities, and to develop strategies necessary to meet these needs and opportunities. The District's efforts to date have resulted in development of strategies in response to flooding, the identification of public works projects to stimulate business development and job retention and to identify future goals and objectives that are important to each region. Each District also administers an EDA funded Revolving Loan Fund. These RLF programs are available to assist small and medium size businesses in their efforts to leverage private sector funding necessary to expand or retain their operations.

#### **City of Cape Girardeau, Missouri**

During the Midwest Floods of 1993, the City of Cape Girardeau was severely impacted. As a result of flooding, the access route to the city's wastewater treatment facility, which provides service to approximately 75 industrial operations which employ over 3,000 persons, was closed for 103 days and employees had to boat to the plant. Flood waters also isolated and partially submerged the intake structure at the city's water treatment plant, resulting in severe damage to equipment. In addition, the flooding caused major problems with access to a major employer in southeast Missouri; Lone Star Industries. The company, which employed over 160 persons, was forced to reduce production by 50 percent of its usual volume.

To assist with flood mitigation activities, EDA awarded the City three grants which totaled \$1,524,085. The grants were used to improve access to the wastewater treatment facility; to provide an emergency back-up power supply to the wastewater treatment facility; to construct a new intake structure and install an emergency back-up power supply at the water treatment plant; and to improve access to a major employer. The grants helped to ensure continuing economic activity in flood-impacted areas.

#### **Howell County, Missouri**

During the past several years, Howell County has experienced the closure of plants by the shoe industry, the closure of a poultry processing plant, and the downsizing of local defense contractors. Those closures have resulted in significant job losses which, in turn, have had a negative economic impact on an area which already has the dubious distinction of being one of the most economically distressed in the state.

During fiscal years 1996 and 1997, EDA assisted Howell County in its efforts to overcome the aforementioned economic dislocations. The county, along with the Ozarks Development Corporation, developed a 156-acre, centrally located, industrial park in Pamona, Missouri. EDA awarded Howell County a total of \$927,472 in Public Works grants to help construct infrastructure (water lines, well, water storage, roads and sanitary sewer improvements) for the industrial park. The first company to locate in the park, Caterpillar, Inc., will initially create 50 new jobs. The development corporation is negotiating with other prospective tenants, such as Barber Foods, which is expected to create another 175 jobs. Jobs created by the industrial park tenants will help to replace those which have been lost through plant closures and downsizing.

### **Ava, Missouri**

The city of Ava is the county seat for Douglas County which, with its high unemployment rates and low per capita incomes, is one of the most economically distressed **areas** in Missouri. In 1996, one of the area's major employers, Emerson Electric, closed its doors and displaced 250 employees. Prior to the company's downsizing in 1994, it had employed 650 persons. In January 1997, EDA awarded the city an Economic Adjustment implementation grant of \$750,000 to help modify the facility which was vacated by Emerson Electric. The renovated facility was leased to another company, Copeland Corporation, which created manufacturing jobs similar to those of Emerson Electric, but which required a higher level of technical skill. Initial job creation estimates were for 140 positions. The company negotiated with the Missouri Department of Economic Development for the retraining of those who were dislocated by Emerson Electric's closure.

On March 1, 1999, EDA invited the city to submit another application for a Public Works grant of \$988,800 to construct infrastructure improvements which are needed to expand the Ava Industrial Park. The industrial park infrastructure improvements will help to facilitate a major expansion of Copeland Corporation, and that expansion is expected to create another 250 jobs. The new jobs will help to alleviate the high unemployment rate and the low per capita income being experienced in the area, as the Copeland Corporation pays higher wages and provides a benefit package than do the other local manufacturers.

### **Telecommunications**

#### **National Telecommunications and Information Agency (NTIA)**

NTIA's Telecommunications and Information Infrastructure Assistance Program (TIIAP) is a highly-competitive, merit-based grant program that brings the benefits of an advanced national information infrastructure to communities throughout the United States. TIIAP grants play an important role in realizing the vision of an information society by demonstrating practical applications of new telecommunications and information technologies to serve the public interest.

TIIAP provides matching grants to non-profit organizations such as schools, libraries, hospitals, public safety entities, and state and local governments. Grants are used to fund projects that improve the quality of, and the public's access to, education, healthcare, public safety, and other community-based services. The grants are used to purchase equipment for connection to networks, including computers, video conferencing systems, network routers, and telephones; to buy software for organizing and processing all kinds of information, including computer graphics and databases; to train staff, users, and others in the use of equipment and software; to purchase communications services, such as Internet access; to evaluate the projects; and to disseminate the project's findings.

**TIAAP projects based in the Mississippi Delta Region: [NOTE; DEPARTMENT OF COMMERCE NEEDS TO ADD SUMMARIES OF THESE PROJECTS]**

Arkansas Delta Housing Development Corporation--\$95,550; Forrest City, AR  
Main Street Arkansas--\$130,700; Little Rock, AR  
Arkansas Education Television commission—\$300,000; Conway, AR  
Loyola University--\$280,000; New Orleans, LS  
University of New Orleans--\$368,827; New Orleans, LA  
City-Parish of East Baton Rouge--\$39,793; Baton Rouge, LA  
Mississippi Department of Economic and Community Development--\$600,000; Jackson, MS  
Mississippi Department of Education--\$800,000; Jackson, MS  
Southwest Tennessee Development District--\$92,262; Jackson, TN

**Local Infrastructure--Using CDBG for Infrastructure Projects**

*The Commission recommended that states should provide additional resources for infrastructure development in rural areas.*

Under the State CDBG program, states provide CDBG funds to smaller communities for use in revitalizing neighborhoods, expanding affordable housing and economic opportunities and improving community facilities. Traditionally, the largest single use of State CDBG funds has been the provision of public facilities. Funds can be used, for example, to provide streets, sidewalks, sewers, and water systems, parks and community centers, and fire stations. For example, in 1998 St. Francis County, Arkansas used \$1.7 million for a waste water treatment plant.

Another example of utilizing State CDBG funds took place in 1994, when Hudson Foods, Inc. announced their intention to construct a new chicken processing plant in Western Kentucky. The entire operation would be comprised of four facilities that would be spread between Webster, Henderson and McLean counties. It was soon discovered, however, that the existing waste water facilities in the area would not be sufficient to provide adequate water and sewer services to the proposed project. As a result, Webster and Henderson Counties submitted a joint application for funding to the Department for Local Government (DLG), the administering agency of the State and Small Cities Program, to construct a new wastewater treatment plant in order to accommodate the needs of the area's prospective new employer. In return, Hudson Foods, Inc.

committed to provide 700 local jobs if the project became a reality. Also, it was estimated another 800 jobs would result in the next three to five years from resulting secondary and support businesses such as feed producers and chicken farms that would be generated by the new plant. Today, the project has grown dramatically from the original proposal: 1,400 jobs have been created at the plant itself, and another 1,200-1,500 jobs have been created from various spin-off industries. The project, now run by Tyson Foods, continues to be a great economic success story for the state the region.

***Rural Funding for Economic Development Activities***

Again, the Delta Region can also significantly benefit from HUD Rural Housing and Economic Development funds. In FY 1999, \$17 million of the \$27 million HUD is making available will fund innovative housing and economic development activities. These funds will go to tribes, State housing finance agencies, State community and/or economic development agencies, local rural non-profits and CDCs to support innovative activities including the provision of infrastructure.

## **Water and Waste Disposal Programs**

*In 1990, the Commission emphasized that “Many small communities and rural households do not have access to an approved public water supply. Development of water sources, treatment facilities and distribution lines are very costly in rural areas. Ongoing programs are not adequately funded to provide grants and loans to meet the needs of the region.”*

In addressing the challenge of providing access to a sound water supply, USDA’s Rural Utilities Service Water Programs Division provides assistance to develop and improve water and waste disposal (including solid waste disposal and storm drainage) systems in rural areas. Applicants must be unable to finance their needs from their own resources or obtain financing from commercial sources of credit. Financial assistance is available to public entities such as municipalities, counties, special-purpose districts, native American tribal organizations, and corporations not operated for profit. RUS makes loans directly to qualified entities, and also guarantees water and waste disposal loans made by banks and other eligible lenders. In addition to loans and guarantees, grants may be made if needed to reduce water and waste disposal costs to a reasonable level for rural users. Grant funds are used to reduce user rates and charges to a reasonable level. Grants may not exceed 75 percent of eligible project costs. In addition to financial assistance, RUS also provides technical assistance. Technical assistance is provided both directly, through RUS engineers and other staff members, and through third parties.

All of RUS’ water and waste disposal programs contribute directly to meeting the public infrastructure needs identified in the 1990 report. The seven states included in the Lower Mississippi Delta Development Commission report have active rural water and waste disposal programs. All of them are well above the median in terms of the factor used to allocate funds to the states. During the period from fiscal year 1991 through fiscal year 1998, the seven states obligated a total of \$1,124,392,636 in loan funds and \$689,844,069 in grant funds, for a total of \$1,814,236,705. This represented over 20 percent of the total obligated nationwide during the same period. \$288,642,276 of the loan funds and \$209,267,385 of the grant funds used by these states were in counties designated as Lower Mississippi Delta counties. This represents 26 and 30 percent, respectively, of the total amounts for the states. The loan and grant funds provided by the Rural Utilities Service in the Mississippi Delta counties were used in conjunction with an additional \$87 million in funds from other sources. This brings the total amount for water and waste disposal, including FY 1999 funds, to over half a billion dollars.

The counties included in the Commission Report typically have relatively low incomes. Overall, the median household income for all projects in the seven states averaged \$14,829 for fiscal years 1991 through 1998. For most of those years, the average median income was near, if not below, the national poverty line used in the water and waste disposal program. For all of the states, the average median income is well below the State Nonmetropolitan Median Household Income established for the State. For six of the states, the average is also under 80 percent of the state figure; this is a threshold for eligibility for lower interest rates and grants.

As the dollar amounts suggest, considerable progress has been made toward meeting water and waste disposal needs in the Lower Mississippi Delta report counties since the report was prepared. Although staffing and the number of offices has been reduced since 1990, the program

is still being implemented efficiently. The following are two examples of the types of water projects being carried out in the Delta:

**Coahoma County, Mississippi project:** Like the other States included in the initiative, Mississippi has invested considerable resources for critically needed water and sewer infrastructure in the counties involved. A good example is Coahoma County, about 50 miles southwest of Memphis.

Several densely populated areas in the county had severe problems due to inadequate sewage disposal capabilities, primarily failed or failing septic systems. In many cases, there was frequently raw sewage standing in yards and ditches. This, of course, created a potential health hazard. The Department of Environmental Quality had reached the point of actually levying fines against the local County Supervisors.

Water service was already available in the areas; sewage disposal was not, although it was desperately needed. These critical needs were met through the formation of Sewer and Water Utility Districts in the Lurand, Farrell, and Bobo areas. The Districts provided sewer service to a total of 233 families in these districts. Each district received some grant funding from Rural Development, with further project costs being covered by Rural Development loans and Community Development Block Grant funds. In addition, the County provided over \$270,000 in the form of in-kind assistance to help make the projects feasible.

The areas served by these projects are in many ways typical of the Lower Mississippi Delta region. They are troubled by infrastructure that is inadequate or lacking altogether; low income; and needing assistance to develop the organizational structure and management capability needed to obtain financing and address their problems. The quality of life in all three areas has been substantially improved as a result of the provision of sewer service.

**Illinois Southwater, Inc. project:** An innovative approach was used in Illinois for one of the large projects in the Lower Mississippi Delta counties. Southwater, Inc. was formed by the Southern Illinois Electric Cooperative to provide safe, dependable drinking water to the residents of Alexander, Pulaski, Union, Johnson, and Massac counties. Consolidation of service was necessary to replace three inadequate existing water treatment plants and efficiently serve their users. Furthermore, other users needed service due to contaminated wells and raw sewage running in storm gutters that represented a serious threat to other wells. There was also a problem in use of water from cisterns by households without a well. Some users will be served directly by Southwater, but most will receive water purchased from Southwater through bulk purchase contracts by other entities.

The project will be built in phases due to its size – approximately \$20 million total cost. Phase I will serve 3 communities, 2 water districts, and 266 individual users; a total of 2,628 users. The areas to be served have the highest unemployment rate in Illinois and suffer from chronic poverty.

The project will be realized as a result of cooperation between rural electric cooperatives and the Rural Utilities Service water and waste disposal programs. It will provide badly needed safe drinking water to areas with wells that either are already contaminated or are at high risk of becoming contaminated. This has resulted in chronic illnesses in some residents of the area.

**Remaining challenges for the future:** The Rural Utilities Service tracking system showed over \$150 million in preapplications and applications on hand as of March 4, 1999. This does not represent all of the needs which exist, since it only reflects projects which have progressed to the point of submitting an application. However, it does clearly indicate that a considerable amount remains to be done in the Lower Mississippi Delta counties. Despite the progress that has been made, there is still a great deal of work to do to bring a good water supply to all people in the Delta.

## NATURAL RESOURCES AND ENVIRONMENT

A wide spectrum of accomplishments have been made in the areas of environmental protection, water and air quality improvements, waste management, wetland quantity and quality, forestry, minerals management, and environmental outreach and education. Recent events in the Lower Mississippi River Valley are now resulting in more concerted regional efforts among Federal and State partners, including a number of collaborative ecosystem restoration projects and research efforts. Ecosystem and watershed assessment approaches are being applied in multiple basins within the Lower Mississippi Valley to plan priorities and implementation strategies for ecosystem protection and restoration. An array of technical and financial assistance programs are implementing important restoration and conservation projects involving landowners, private groups, and industry, as well as local, tribal, State and Federal government agencies.

### **Issue: Freshwater Wetlands**

*The Commission recommended that all remaining high quality freshwater wetlands be protected without preventing economic development. To support this goal, emphasis was placed on support of preservation of high quality wetlands at all levels of government and in the private sector. The 1990 Report recommended that Congress establish a wetlands protection program with incentives for landowners to protect and establish high quality wetlands, with emphasis on the conservation and reestablishment of bottomland hardwood wetlands. The Commission further recommended that Congress should direct appropriate Federal agencies to clarify regulations associated with wetland management including developing procedures that clearly identify mitigation requirements, eliminating the “dredge removal” loophole in Section 404 of the Clean Water Act of 1972, establishing minimum-sized wetlands for regulation, exempting pre-Food Security Act croplands from wetland regulation, and performing a wetlands inventory.*

**American Heritage Rivers Initiative.** In his 1997 State-of-the-Union address, President Clinton announced the American Heritage Rivers Initiative that supports local efforts to enhance America's rivers and river fronts. The goals of the Initiative include historic and cultural preservation, natural resource protection, and economic revitalization. The Initiative will use existing Federal resources more effectively to assist communities, but creates no new regulatory requirements for property owners or State, tribal, or local governments.

On July 30, 1998, President Clinton designated the Lower Mississippi River as one of fourteen American Heritage Rivers, with segments along Memphis, Tennessee, and between Baton Rouge and New Orleans, Louisiana. Captain Robert Innes of the U.S. Coast Guard was selected as the “River Navigator” through a process that involved the local community. The role of the River Navigator is to work as facilitator and ombudsman with community partners and with State, tribal, and Federal agencies, to help them on numerous projects along the Mississippi River. The National Park Service is assisting communities with historic preservation, tourism development, and greenway enhancement. Several Federal agencies, including the Environmental Protection Agency, Corps of Engineers, Fish and Wildlife Service, U. S. Geological Survey, and National Marine Fisheries Service, are members of community groups that are working to protect the natural and wildlife amenities of the river and surrounding wetlands.



The local communities that nominated their stretches of the Mississippi River are refining their American Heritage River plans of action. The Louisiana Community, which consists of 11 parishes from New Orleans to the mouth of the river, met on June 1, 1999 to elect officers to represent them. Angela Falgoust, of Ascension Parish, was elected president. The Memphis segment is represented by the city and local stakeholders. Several Louisiana parishes, including Orleans and Plaquemines, have identified environmental priorities linked to reclaiming lands for people and wildlife, including wetlands protection and brownfields redevelopment. Wetlands protection includes diverting freshwater and sediment, in order to help protect the coastline and build wetlands marsh. East Baton Rouge Parish has an extensive economic development plan for river front redevelopment (tourism development). Ascension Parish will develop an open air entertainment venue on the river to attract passenger river boats and promote non-gaming tourism.

**Wetland Conservation and Restoration through Cooperative Agreements.** The Commission emphasized that all levels of government and the private sector should actively support preservation of high quality wetlands. Federal agencies have developed extensive cooperative agreements in the Delta region with tribal, State, and local governments, private organizations and individuals, and universities, to preserve wetland areas.

- Since 1993, the Environmental Protection Agency has provided more than \$8.8 million to the Delta States to assist State and tribal agencies, interstate and intertribal entities and associations, and local governmental agencies and associations, in wetlands protection efforts.
- Working with cooperating private landowners, private conservation organizations, and State agencies, the Fish and Wildlife Service has restored freshwater wetlands and wildlife habitat on 114,000 acres of degraded or converted wetlands at a cost of \$30 million.
- The Environmental Protection Agency initiated and continues to participate in the River Corridors and Wetlands Restoration Partnership Program to seek and catalyze opportunities for wetland and stream restoration projects that are supported by local citizens, businesses, and environmental groups.
- The Environmental Protection Agency initiated and participated in multiple projects, including the West Tennessee Tributaries, Tennessee and Mississippi Restoration Projects, the Lower Yazoo River Basin, and funding for wetland restoration landowner assistance specialists in the Mississippi, Tennessee, and Kentucky Delta. Since 1994, more than \$2 million have been applied to projects related to wetlands restoration planning, mapping, and education in this portion of the Delta.

**Incentives and Assistance For Landowners.** The Federal agencies have worked with Congress to expand voluntary wetland conservation programs, such as the Wetlands Reserve Program, which provides landowners with an opportunity to receive financial incentives, including permanent and long-term easements to restore wetlands on marginally productive agricultural land. The Natural Resources Conservation Service, with the Fish and Wildlife Service and other

Federal agencies, and private organizations including Ducks Unlimited and the Mississippi Fish and Wildlife Foundation, provide private landowners with financial and technical assistance to restore wetlands on a voluntary basis. In addition, the Environmental Protection Agency has supported several Delta States in the development of landowner assistance guides that provide technical, regulatory, and financial information to citizens regarding wetlands protection and management options on their land.

Restoration efforts in the Delta region typically include restoration of water flow patterns and reforestation of bottomland hardwoods, aimed at maximizing wildlife habitat benefits, especially for migratory birds. The Wetlands Reserve Program's inherent flexibility to work with landowners allows the collection and use of monitoring data, and enables modifications and improvements at restored sites. Expanding wetlands enrollment nationally in the Wetlands Reserve Program to 250,000 acres a year is one of the key action items of President Clinton's Clean Water Action Plan. By the end of 1999, nearly 300,000 acres of the program's 780,000 acres will be enrolled in the Lower Mississippi Valley, with ninety percent of landowners choosing the permanent easement option. The financial benefits of the Wetlands Preserve Program has enabled some landowners to pay down debts and stay on their land, and also has provided landowners with alternative sources of income in the form of hunting and other recreational leases.

**Waterfowl and Wetlands.** The Fish and Wildlife Service administers the North American Waterfowl Management Plan in the Lower Mississippi Valley, with the objective of supporting the recovery of continental waterfowl populations. The Lower Mississippi Valley Joint Venture partnerships involving Federal, State, and private entities have achieved extensive protection and restoration of freshwater wetlands and associated shallow water habitats. Since 1990, those partnerships have accounted for the protection of 106,600 acres of freshwater wetlands — primarily forested wetlands — at a Federal cost of \$52.9 million, and restoration of 44,900 acres of wetlands and associated shallow waters at a Federal cost of \$434,000. Non-Federal contributions to those projects was nearly \$8.5 million. These protection accomplishments do not include acquisition of National Wildlife Refuge lands.

**Bottomland Hardwood Reforestation.** About 80 percent of the original bottomland hardwood forest in the Delta has been lost by conversion to agriculture and other land uses. Consistent with priorities of the Commission, Federal agencies have initiated and participated in several projects aimed at the protection of the remaining bottomland hardwoods.

- In 1993, six Federal agencies joined with State and local agencies and private landowners to initiate the Tensas River Basin Project in Louisiana, whose objectives were to identify priority bottomland hardwood restoration sites, and to implement agricultural nonpoint source pollution reduction projects. This effort, involving multiple government and non-government partners in the community, has protected approximately 35,000 acres, and has become a national model for watershed restoration work.
- The National Wetland Resources Center of the U.S. Geological Survey, Fish and Wildlife Service, and Louisiana State University have worked to reconstruct historic forest conditions in the Tensas and Ouachita River Basins of Louisiana. This information,

describing large stands of virgin bottomland hardwood forest, is a valuable source of data for comparing current forest conditions to those of forests before advanced colonization by Europeans.

- The Fish and Wildlife Service reforested more than 62,000 acres of Federally managed lands and conservation easement areas within the Lower Mississippi River Ecosystem, in partnership with private landowners, private conservation agencies, and State agencies.
- Department of Agriculture programs have helped protect and replant thousands of acres of environmentally sensitive or marginal croplands, including the reforestation of 2,200 acres of wetland in the Cache River basin.
- The National Wetland Resources Center of the U.S. Geological Survey and several partner agencies have investigated techniques to enhance the success of restoration of bottomland hardwood forest on cropped wetlands in the Delta.

**Wetland Protection.** The Fish and Wildlife Service and National Park Service have been protecting and restoring freshwater wetlands throughout the Delta through acquisition of National Wildlife Refuge and National Park lands. Both of these programs acquire, protect and restore large acreage of wetlands in the Mississippi drainage basin. Since 1990, the FWS has restored about 22,000 acres of wetlands on National Wildlife Refuges in the Lower Mississippi Valley, at a cost of about \$1.6 million. The Environmental Protection Agency is a partner in this effort, serving as a voting member of the Migratory Bird Conservation Commission and reviewing North American Wetlands Conservation Act proposals.

The National Park Service studied the 600,000 acre Atchafalaya Basin for potential inclusion in the National Park System and provided a report to Congress in February 1999. The Atchafalaya Basin contains the largest and most intact high quality freshwater wetlands remaining in the region. In its report, the National Park Service developed a range of protection scenarios for consideration and further action, which emphasized the importance of developing a partnership of local, State, tribal, and Federal agencies and private organizations and individuals. Louisiana recently formed the Atchafalaya Basin Advisory Committee comprising Federal, State, and local representatives to develop a plan to fulfill their role as non-Federal sponsor of any new recreational development. The National Park Service and Corps of Engineers continue to work closely with the State task force in discussing plans and management for the basin.

**Wetland Dredge Removal Activities.** The 1990 report recommended that Congress should eliminate the “dredge removal” loophole in Section 404 of the Clean Water Act, which allows wetlands to be drained if the removed material is hauled away and deposited in a non-wetlands site. In 1993, the Federal agencies closed the loophole in regulations by clarifying that redeposits of dredged material incidental to activities that destroy wetlands (such as excavation and land clearing) require a Section 404 permit. However, in 1998, the new regulation was overturned by the courts. The Federal agencies are currently conforming the regulation to the court’s decision. In the meantime, wetland destruction continues as a result of the loophole the Commission identified in 1990. The Administration has urged Congress to address this and

other urgent threats to coastal ecosystems and other waters caused by gaps in wetlands protection.

**Wetlands Mitigation Banking.** In 1995, the Federal agencies issued guidance on the appropriate establishment, use and operation of wetlands mitigation banks. Mitigation banking provides greater flexibility to permit applicants by providing opportunities for mitigation more easily, at reduced cost, and with a greater certainty of ecological success. Under the Administration's Clean Water Action Plan, Federal agencies have committed to reviewing the effectiveness of wetlands mitigation banking through an independent body, such as the National Academy of Sciences, by the year 2000.

**The Nation's First Wetland Mitigation Bank.** In Dexter, Missouri, the Natural Resources Conservation Service is providing technical assistance to landowners, the Agricultural Conservation Innovation Center, and the American Farmland Trust to create the first wetland mitigation bank in the United States. The mitigation bank comprises about eighty acres of converted cropland that, when restored to wetlands habitat, will connect two other areas currently managed for wildlife. The restoration will be paid for and carried out by the landowner, who will be reimbursed by the sale of bank credits. No Federal funds will be used for the restoration effort. The Natural Resource Conservation Service will hold the permanent easement and will conduct long-term monitoring on the site, but is not responsible for management or maintenance. The mitigation bank benefits farmers by providing a cost-effective alternative to small, on-site mitigation efforts. The bank benefits wetland conservation by increasing the likelihood of successful mitigation, providing a larger mitigation area, improving the protection and management of the restored wetland, and improving habitat value relative to small, disconnected wetlands. Success of this mitigation bank may lead to additional banks across the country, thus helping agricultural producers meet required wetland conservation provisions.

**Wetland Delineation and Regulation.** Wetland delineation under the Section 404 program is uniformly applied nationally, by all Federal agencies, using the Corps of Engineers 1987 Delineation Manual. Wetland delineation was a contentious issue in the late 1980s, with the focus of controversy on revised delineation manuals that were perceived by many as being based on too broad a definition of wetlands. Wetland delineation is important because it determines what lands will be regulated — by the Army Corps of Engineers under the Rivers and Harbors Act of 1899 and Section 404 of the Clean Water Act, and by the Department of Agriculture under the Food Security Act. In the early 1990s, the Federal agencies adopted the 1987 manual as the standard. The appropriateness of that decision was affirmed in 1995 by the National Academy of Sciences.

In evaluating permit applications for activities in waters of the United States, including wetlands, the Corps carefully considers the environmental impacts of the proposed activity. Most applications are approved, but only after impacts to the aquatic environment are minimized to the extent practicable, and unavoidable impacts to the aquatic environment are offset by compensatory mitigation. Such mitigation is required as permit conditions, and typically involves restoring, creating, enhancing or preserving other aquatic areas, generally in the same watershed. The Fish and Wildlife Service provides extensive technical assistance to the Corps of

Engineers on habitat acquisition priorities and related easement language, design of water management features, and impacts of flood control features on fish and wildlife.

In 1990, the Environmental Protection Agency and the Army Corps of Engineers issued guidance clarifying for permit applicants the kinds and nature of mitigation required under Section 404 of the Clean Water Act. This was intended to increase consistency and certainty for permit applicants, and to improve the ultimate success of mitigation projects themselves. In addition, the two agencies have committed to emphasize restoration and mitigation of wetlands as remedies for section 404 violations. Finally, the Environmental Protection Agency and Natural Resources Conservation Service have worked closely with local Resource Conservation Districts to increase consistency between the Section 404 and Food Security Act regulatory programs.

**Wetland Inventory and Research.** The National Wetlands Resources Center of the U.S. Geological Survey has recently completed an inventory of both natural and artificial freshwater wetlands in the Lower Mississippi. This inventory was incorporated into a geographic information system that helps Federal, State, and private resource managers to evaluate future conservation plans for the region. The Center has also created digital databases containing aerial photographs covering the Lower Mississippi.

#### **Issue: Coastal Marshlands/Wetlands**

*Recognizing the value of coastal wetlands to fish and wildlife habitat and for flood control, the Commission established a goal of achieving an equilibrium in the loss of coastal marshes and wetlands by the year 2001. The Commission recommended that Congress and the States create marshes using dredged material, develop an approach for meeting no net loss of permitted wetland activities, stabilize river banks and stream channels, accelerate projects that replicate natural action of the river and thus restore vegetated marshlands and wetlands, and accelerate installation of nonpoint source discharges into coastal wetlands to offset salinity intrusion and improve quality of water flowing into oyster reefs and fishing grounds.*

**Louisiana Coastal Wetlands Conservation and Restoration Task Force.** Federal agencies have been extensively involved in the protection and restoration of Louisiana's coastal marshes and swamps. Congress initiated a multi-agency effort with passage of the Coastal Wetlands Planning, Protection and Restoration Act. Pursuant to the Act, State and Federal agencies joined in establishing, in 1991, the Louisiana Coastal Wetlands Conservation and Restoration Task Force. Members include the Administrator of the Environmental Protection Agency, the Secretaries of Army, Agriculture, Commerce, and the Interior, and the Governor of Louisiana. Federal funds have been provided from a trust fund for wetland restoration projects in coastal Louisiana, with cost-sharing by the State of Louisiana. The Task Force completed a detailed restoration plan for the Louisiana coastal wetlands in November 1993. The plan is being revised for release in 1999. About a million acres of coastal wetlands will benefit, either through restoration or protection, from projects outlined in the plan.

**No Net Loss of Wetlands.** The Commission recommended no net loss of wetlands in regulatory programs. The Clinton Administration, has gone beyond the concept of no net loss, and has

adopted a national goal of a 100,000 acre net gain in wetland acreage annually. Designed in part to meet those goals, the Environmental Protection Agency, National Marine Fisheries Service, Fish and Wildlife Service, and Army Corps of Engineers, continue their regulatory responsibilities under section 404 of the Clean Water Act to review activities that alter wetlands. These agencies recommend measures to avoid, minimize, or compensate for projects that would result in wetland loss. Numerous factors that affect the ultimate project authorizations make it almost impossible to determine the number of acres of wetlands that have been preserved through these efforts, but decision criteria and mitigation requirements are aimed at the no-net-loss recommendation of the Commission.

**Wetlands Restoration, Protection and Creation.** Federal agencies have many administrative tools, in addition to regulation, that can help reduce losses of wetlands. These include wetland restoration, protection, and creation projects. Examples of Federal agency efforts include:

- Since 1991, the Louisiana Coastal Wetlands Conservation and Restoration Task Force has approved over 90 wetland restoration projects, at an estimated cost of \$270 million. The Task Force has completed 26 of these projects, resulting in significant restoration of vegetated marshlands and wetlands. Another 74 projects, currently active, are expected to protect, restore, create, or enhance about 64,000 to 80,000 acres of coastal wetlands.
- One project resulted in a gain of 275 acres of vegetation in place of open water in just two years. This 340 percent increase represents the greatest percent gain of any Task Force project.
- One project at Bayou Sauvage National Wildlife Refuge projects gained 327 acres, representing a 61 percent increase in freshwater marsh from 1994 to 1996.

**Protection of Barrier Islands.** To further protect interior marshes, the Environmental Protection Agency administers \$18 million in funding under the Coastal Wetlands Planning, Protection and Restoration Act, for barrier island restoration in the Mississippi River Delta, and for increasing freshwater diversions into Louisiana's coastal marshes. Effective restoration of barrier islands requires in-depth understanding of the processes that form and erode barrier islands. In support of this effort, the U.S. Geological Survey, in cooperation with Louisiana State University, has conducted studies in the Delta region on the geologic framework, development of barrier islands, and processes of barrier island erosion. This study has advanced our understanding of barrier island dynamics. It was previously believed that rising sea level was the principal cause of barrier island erosion. Through this study, scientists learned that both the redistribution of sediment and the general absence of sand-size sediment are the principal causes of the island's instability.

**National Parks and National Wildlife Refuges.** Established in part to preserve the natural resources of the Mississippi Delta region, the Barataria Preserve unit of the Jean Lafitte National Historical Park and Preserve provides protection to a significant example of coastal wetlands. The Park works closely as a partner with other Federal and State agencies, local governments, non-governmental organizations, businesses and citizens in several initiatives undertaken to protect coastal wetlands, including the Coastal Wetlands Planning, Protection and Restoration

Task Force, the Barataria-Terrebonne National Estuary Program Management Conference, and the American Heritage Rivers Initiative. The Fish and Wildlife Service has acquired several thousand acres in Louisiana's coastal wetlands for national wildlife refuges. Within the refuges, the Fish and Wildlife Service is working with the U.S. Geological Survey and a variety of partners to investigate and implement methods to more effectively restore bottomland hardwoods and wildlife habitat and to prevent and mitigate nonpoint source pollution.

**Protecting Fishery Resources.** The Magnuson-Stevens Fishery Conservation and Management Act requires the identification of "essential fish habitat" for all species managed under the Act, and mandates increased Federal agency consultation to conserve those essential habitats. The goal of this effort is to alert planners, landowners, and permitting agencies to important fish habitats in the vicinity of activities that may destroy or degrade that habitat. Wetlands in the lower Mississippi Delta have been described as "essential fish habitat" for shrimp and a number of other commercial species managed by the National Marine Fisheries Service and the Gulf of Mexico Fishery Management Council. This description is expected to be formally adopted in 1999, at which time Federal agencies will be required to consult with the National Marine Fisheries Service on any Federal activity that may adversely affect the designated "essential fish habitat." The National Marine Fisheries Service will then assist Federal and State agencies by providing conservation recommendations to help them avoid adversely affecting these important habitats. Through this enhanced coordination with State and Federal agencies, the National Marine Fisheries Service will increase protection for the valuable wetlands of the lower Mississippi Delta.

**Protecting Coastal Wetlands From Pollution.** Certain Federal, State, and tribal agencies are designated as natural resource trustees under various environmental statutes. Trustees are responsible for protecting and restoring marine and coastal resources threatened and injured by releases of oil and hazardous materials, and for strengthening capabilities for responding to spills of oil and hazardous materials. Examples in the Delta States include:

- Cleaning up hazardous waste sites in Louisiana and other coastal States to protect and restore coastal and marine resources.
- Assessing and restoring damages resulting from the 1995 Dixon Bay oil spill in the Mississippi River Delta, Louisiana and the 1992 Greenhill Well blowout in Timbalier Bay, Louisiana. In each case the settlement with the responsible parties included creation of wetlands: five acres of marsh habitat in the Dixon Bay settlement, and 21.7 acres of intertidal wetlands in the Greenhill Well blowout.

**Estuary Planning.** In 1996, the Barataria-Terrebonne National Estuary Program completed its Comprehensive Conservation and Management Plan, which represents a collection of community-supported strategies that offer solutions to the environmental problems facing the Barataria-Terrebonne Estuary. Three identified priority problems — hydrologic modification, reduced sediment flows, and habitat loss/modification — are intricately linked to the broad issue of wetland preservation and restoration, so crucial to the future of the Delta.

The National Oceanic and Atmospheric Administration, in cooperation with the Environmental Protection Agency, Army Corps of Engineers, Department of the Interior, and the State of Louisiana, is developing a database and mapping project for the Calcasieu Estuary. This project will show the spatial relationships of sediment contamination and toxicity data, natural resources, and habitat restoration projects, in the context of the estuary's features and land uses. The Calcasieu Estuary project will provide coastal resource managers with the information and tools they need to make decisions that impact the estuary's valuable wetlands.

**Research and Data.** The U. S. Geological Survey's National Wetland Resource Center has developed and enhanced databases and decision-support systems to support wildlife and habitat protection in the Delta, including Duckdata, an Internet bibliographic database on wetlands and waterfowl. The Center is working with Louisiana State University and the Delta National Wildlife Refuge to determine the suitability of crevasse-created habitat in the Delta for trans-Gulf migratory land birds. Results of this study will be used to guide marshland reclamation efforts in Delta National Wildlife Refuge for the benefit of migratory birds.

In response to significant loss of critical wetland habitats and environmental degradation in the Lake Pontchartrain Basin, the U.S. Geological Survey is conducting a study involving the shallow geologic framework, historic shoreline and wetland change, lake bed sediment characterization, critical processes, circulation modeling, and a program of information transfer, education and public outreach.

**Water Quality Enhancement and Salinity Control.** The Louisiana Coastal Wetlands Conservation and Restoration Task Force has initiated activities for coastal wetland improvement through freshwater diversions, sediment enhancement and hydrologic restoration. As examples:

- In Louisiana, hydrologic restoration to remedy past navigation, drainage, and oil and gas access, will serve to redirect freshwater and enhance the health of marshes, thereby reversing the negative consequences of saltwater intrusion.
- Twelve small freshwater diversions are authorized under the Coastal Wetlands Planning, Protection and Restoration Act, several of which are already under construction by a multi-agency partnership.



- Sediment enhancement, in conjunction with the planned diversions, will increase substrate accumulation in failing marshes and help stem their losses.

### **Issue: Natural Resource Conservation and Development**

*Excessive soil erosion was identified by the Commission as a factor in preventing effective rural revitalization. Though the Commission placed much of the burden for improvement upon State governments and local organizations, Federal agencies have a clear role in stabilizing and strengthening soil resources. The Commission recommended funding of the Resource Conservation and Development program and other technical assistance programs, continuation of conservation provisions in the Farm Bill, State support to help farmers implement conservation practices, and developing a model rural economic development structure for local jurisdictions.*

**Resource Conservation and Development.** Under the Resource Conservation & Development initiatives of the Natural Resources Conservation Service, local volunteers form Councils that work to improve their community through a variety of projects. Most of the projects in the Delta are aimed at enhancing natural resources, water quality, recreation, and tourism. All of the projects involve public education, helping Delta residents to appreciate their natural resources and to better understand how a strong resource base contributes to rural economic development.

- Twenty four Resource Conservation and Development areas have been established within the seven Delta States since January 1990, bringing the regional total to 54.
- By 1998, 320 community-based projects were completed within the seven Delta States.
- One enterprising Council in Southern Illinois developed a \$7.1 million initiative to reduce soil erosion by offering conservation easements on 6,000 acres of marginal cropland damaged by wet conditions. The Council is also assisting with the reforestation of 2,200 acres in the Cache River Watershed.

**Technical Assistance.** The Forest Service, in cooperation with the State Foresters, has helped more than 65 Delta communities, through leadership training, strategic action planning, community projects, capacity building, business start-ups, wood product recycling and use projects, and cooperative business ventures. The actions are aimed at building capacity in disadvantaged communities to help them become self-sufficient. Program successes continue, as small ventures started with small “seed money” grants have grown into long-term change, and value-added technical assistance has helped turn ideas into a reality. Examples include:

- Projects in Mississippi, such as the Chautauqua Arboretum in Hazelhurst, the Lady Landowners workshop, the Outdoor Classroom and Park in Suqualak, the

Jonestown Nature Trail Plan, and the Liberty Natural Area, have made it possible for all ages of people in the community to become educated about their natural environment and how to be good stewards of the resources.

- An after-school program in Lake Providence, Louisiana, where otherwise “at risk” youth learn life skills and receive positive reinforcement.
- Helping the Tunica Biloxi Tribe in Marksville to develop an exhibit for its museum, which has strongly enhanced the tribal cultural identity and educated others about the tribe’s unique culture.

**Community Leadership Training.** The U.S. Forest Service and the Cooperative Extension Service have teamed up to provide 10 community leadership courses to approximately 170 diverse community leaders in the Delta region. As a result of these courses, communities have started working together on economic development planning, creating outreach efforts to others in the communities, and implementing multiple projects. As examples:

- Bolivar County in northwest Mississippi was able to make a successful bid for designation under the Empowerment Zone/Enterprise Community program. The leadership courses helped to build human capital, instill self-pride, and encourage people to get involved with their communities.
- Magee (Franklin County), Mississippi, developed a multi-county recycling system that employs handicapped persons, and created a tourism plan with actions based on a new county recreational lake they have built. People's attitudes and traditional biases have started to change as this primarily-minority community started working together across cultural and social boundaries.

**Solving Community Problems With AmeriCorps.** AmeriCorps Rural Development members, who were college students or graduates, were placed in needy rural communities in the Delta to help them solve a particular community problem. Examples include:

- In Madison Parish, Louisiana, the tourism industry was explored and methods were developed to capitalize on tourism in the future.
- A boardwalk was established for viewing the wetlands and wildlife in Lake Providence, Louisiana.
- A tourism brochure was developed and distributed in Winn Parish, Louisiana.
- Modifications were made to parks in Marvell, Arkansas, to expand access for handicapped persons, and to attract more visitors.

- A woody residue assessment was conducted in Randolph County, Arkansas, which resulted in the development of pelletized fuel for heating poultry houses, thus saving thousands of dollars in natural gas costs for farmers.
- People affected by the Federal Emergency Management Agency's designated flood plain buyout program in Holly Grove, Arkansas, were assisted in their relocation to the new housing area. The housing area was designed by a Forest Service landscape architect.

### **Issue: Preservation and Protection of Ground Water**

*The Commission set a goal of attaining an equilibrium of ground water withdrawal and recharge by 2001. The Commission recommended that Congress and States provide incentives for development of surface water storage, protect the cropland base where surface water is stored, modify eligibility requirements in the Conservation Reserve Program to provide for surface water storage, require a conservation plan from farmers who irrigate as a condition of benefits from the U.S. Department of Agriculture, revise Section 404 permitting to allow surface water storage in wetlands areas that had cropland histories prior to passage of the 1985 Food Security Act, and provide incentives for development of ground water conservation measures and/or the utilization of surface water for human, commercial, or industrial use.*

**Protecting Drinking Water.** The 1996 Safe Drinking Water Act Amendments, signed into law by President Clinton, place a new focus on source water protection by requiring States to implement Source Water Assessment and Protection programs. The purpose of these programs is to assess areas serving as sources of drinking water in order to identify potential threats and implement protection efforts. Several programs specifically address the protection of ground water since it serves as a source of drinking water for 95 percent of the population in rural areas and approximately half of the nation's population. Under the Drinking Water State Revolving Fund program, States have the flexibility to set aside a portion of their capitalization grant to develop source water protection programs. To date, over \$305 million in capitalization grants has been provided to the Delta States through the Drinking Water State Revolving Fund program.

**Preventing Contamination of Ground Water.** The Environmental Protection Agency's Underground Injection Control Program works with State and local governments to regulate injection wells in order to prevent them from contaminating underground drinking water resources. Since 1993, the agency has provided over \$11 million to the Delta States for their underground injection programs. Additionally, all of the Delta States are running Wellhead Protection Programs. The Environmental Protection Agency supports State development and implementation of Comprehensive State Ground Water Protection Programs through the ground water portion of Section 106 Clean Water Act grants. Section 319 of the Clean Water Act is also a source of funding through EPA for State ground water protection projects within the Delta States. The agency has worked to

implement its State Management Plan approach for protecting ground waters from pesticides.

**Ground Water Quality and Saltwater Intrusion.** In the Louisiana District, the U. S. Geological Survey is studying saltwater intrusion in the aquifer that provides drinking water to Baton Rouge. The Survey also monitors ground water levels Statewide, and determines rates of use of ground-water resources. Under its National Water Quality Assessment program, the Survey has two study units in the Delta Region — the Lower Mississippi Embayment, and the Acadian-Ponchartrain. In both areas, ground water quality is monitored in relation to land use.

**Ground Water Protection For Grand Prairie, Arkansas.** Recently the Corps of Engineers received authority to construct an agricultural water supply and ground water protection demonstration project for Grand Prairie Area in eastern Arkansas. This project, currently estimated to cost over \$300 million, is the first project of this type for the Corps of Engineers. Construction is scheduled to begin in early 2000.

**Ground Water Withdrawal.** The U.S. Geological Survey is studying several areas in the Delta to determine the effects of ground water withdrawal. These include:

- In Mississippi, modeling the withdrawal of ground water and its effects on water levels in the Mississippi River Alluvial Aquifer.
- In Arkansas and Louisiana, in cooperation with the Arkansas Soil and Water Conservation Commission and the Louisiana Department of Transportation and Development, development of a digital flow model to help manage the Sparta Aquifer, a major source of water for public and industrial needs. In certain areas, ground water conditions have been declared critical.
- In eastern Arkansas, evaluating future demand for water. The Mississippi River Valley Alluvial Aquifer is the major source of irrigation water for agriculture, particularly rice farming. Withdrawals have long exceeded recharge and water supplies are being depleted. In certain areas, the Alluvial aquifer levels have been declared critical by the Arkansas Soil and Water Conservation Commission.

#### **Issue: Water Quality - Nonpoint Sources**

*The Commission set a goal of ending the degradation of surface and ground water from nonpoint pollution by the year 2001. The Commission recommended that Congress and States should evaluate the effectiveness of Best Management Practices on both ground and surface water quality, and to provide technical assistance to assure that the Best Management Practices are installed.*

**Riparian Buffers to Protect Water Quality.** The U.S. Department of Agriculture has several programs that provide technical and financial assistance for establishing

conservation buffers on farmland. For example, the Department formed a partnership with the National Conservation Buffer Council, comprised of seven national agribusiness organizations, the National Corngrowers Association, and the National Council of Farmer Cooperatives, to inform and encourage farmers and ranchers to install buffer techniques on their property. Riparian buffers are strips of permanent vegetation that slow and absorb runoff, sediment, nutrients, and chemicals that otherwise could move as potential pollutants, from cropland, pasture, and other upland areas, into rivers and streams. Buffers can also help to control odor from agricultural operations, provide wildlife habitat, and improve the general appearance of an area. In the last three years, approximately 350,000 acres of buffers have been installed in the seven Delta States.

**Implementing Best Management Practices.** Best Management Practices — those methods that maximize both environmental protection and economic benefits — have been evaluated for most commodities produced in the Delta States. Since 1990, more than \$18 million have been used to provide technical assistance and financial incentives for the implementation of these practices in the Delta States. Under President Clinton's Clean Water Action Plan, funding has been doubled for grants under Section 319 of the Clean Water Act, which can be used for the implementation of Best Management Practices. In addition, the Plan includes a key action of working with States to increase the number and dollar amount of loans made through the Clean Water State Revolving Funds for priority projects to prevent polluted runoff, including Best Management Practices. The goal is to increase the annual percentage of funds loaned for this purpose to at least 10 percent — about \$200 million — by the year 2001.

The U.S. Geological Survey is assessing the effects of agricultural Best Management Practices on runoff from agricultural areas. The Survey also operates a network of streamflow gaging stations and seven water-quality monitoring stations on the Mississippi River and its major tributaries in the Delta region. Monitoring suggests that Best Management Practices may be having a beneficial effect on water quality, evidenced, for example, by a general decline in nitrate concentrations in the Mississippi River since 1990, as measured at St. Francisville, Louisiana. The high flow year of 1993 was the only exception to this downward trend.

**Pollution Control and Prevention.** States have indicated the need for more flexibility in funding options to address complex, high priority pollution problems such as polluted runoff. The Administration proposed in its FY 2000 budget to give States flexibility to use up to 20 percent of their Clean Water State Revolving Fund capitalization monies as grants, instead of loans, for polluted runoff control and estuary management projects. Under the proposal, up to \$157 million in new Federal grants could be made available.

**Strategies for Reducing Pollution.** Several studies are aimed at identifying methods to reduce nutrient loads in the Delta region. As examples:

- The U.S. Geological Survey hosted a 1998 workshop entitled "Solutions and Approaches for Alleviating Hypoxia in the Gulf of Mexico" in Lafayette,

Louisiana. Twelve Federal and State agencies and one U.S. Senator attended the workshop.

- The U.S. Geological Survey initiated a study on the capabilities of wetland habitats to remove nutrients and contaminants from surface waters and the impacts of nutrient enrichment on biological resources of coastal watersheds in the Delta. The study will also determine the rates of transformation and assimilation of river-borne nutrients and sediments flowing through Mississippi River Delta. The study will provide key information that will be useful to help the Senate Committee for Environment and Natural Resources develop a strategy for reducing excessive nutrient enrichment in Northern Gulf waters.
- The Fish and Wildlife Service funded a comprehensive study to evaluate nonpoint source pollution threats to National Wildlife Refuges in the Lower Mississippi Valley, with findings expected in 1999.
- The U.S. Geological Survey is studying ground water quality in several areas in the Delta, including saltwater intrusion in the Baton Rouge aquifer, land use effects on the Lower Mississippi Embayment and Acadian-Pontchartrain area, and in Louisiana, State-wide monitoring of ground water levels. In addition, the Survey operates seven water quality monitoring stations on the Mississippi River and its major tributaries in the Delta region.

**Reducing Nonpoint Pollution Through Wetland Restoration.** Restoration of wetlands and shallow water areas on former agricultural lands under incentive and assistance programs of the Departments of Agriculture and the Interior has helped to reduce nonpoint source pollution in the Delta.

**Lower Mississippi Aquatic Management Plan.** The Fish and Wildlife Service coordinates the activities of the Lower Mississippi River Conservation Committee and has recently allocated additional funding to support the initiative. The Committee is formulating a comprehensive aquatic resource management plan for the river's 2.5 million acre flood plain, which will include a basin-wide water quality enhancement plan aimed at reducing nonpoint source pollution and improving fish populations.

**Agricultural Water Supply.** Portions of the Mississippi River and Tributaries Project of the Corps of Engineers, a project constructed primarily for navigation, also contribute directly to the agricultural base of the Delta's economy by providing flood protection to farmers. These features include: 3,422 miles of levees and floodwalls that provide protection from Cape Girardeau, Missouri, to the Gulf of Mexico; floodways in Louisiana and Missouri that divert excess flows past critical reaches so that levee systems will not be unduly stressed; and tributary improvements such as dams, reservoirs, levees, control structures, pumping plants that provide for flood control and drainage; and recreation facilities at major reservoirs.

## **Issue: Development of Timber Resources**

*The Commission set forth as its ten year goal optimum utilization of timber resources. Because forest industries typically employ people from within the region, the Commission believed that utilization of the region's timber resources would promote economic development. The Commission called for tax incentives, planning assistance by the Forest Service, local ownership assessments, expanding the region's forest products industry into domestic and international markets, infrastructure development to support expansion of forest products in counties and parishes with large timber resources, environmentally-acceptable timber harvest by the Forest Service, and expeditious reforestation of harvested lands.*

**Fire Protection Enhances Community Development.** In Arkansas counties where rural water supplies are inadequate for fire fighting, many “dry fire hydrant” systems have been funded by the Forest Service. In addition to the hydrants, small retention ponds have been built to meet fire suppression needs. Because of assistance to Crow and Hill Top, Arkansas, for example, volunteer fire departments were strengthened, and the communities now have an enhanced ability to attract local business and investors.

**Community Development Grants to Expand the Forest Products Industry.** The Forest Service awarded several grants for development of community plans in such areas as Eupora, and Sunflower and Tate Counties in Mississippi, and Mansfield, Holly Grove, and Lee County in Arkansas. The Forest Service is involved in educational activities including leadership training, strategic action planning, economic development planning, and capacity building. The Forest Service has also assisted the communities in their search for persons to lead the planning and coordination efforts. In these and other communities organizing and planning efforts have made a difference in the long-term commitment to the difficult task of solving local problems.

- The Hardwood Shutter Manufacturing in Jonesboro, Arkansas, is one of several projects aimed at utilizing natural resources in new or different ways. The Jonesboro plant shows how low-valued hardwoods can be used for making a high-value secondary product.
- The Wood Pallet Recycling project in Clay County, Arkansas, repairs old pallets. Not only did this project create a new industry that trains and employs local laborers, it uses materials that otherwise would be discarded into landfills.
- Growing Shiitake mushrooms created a different use of low-quality hardwood logs, filled a niche in a new market, and started a thriving business in the community of Winnsboro, Louisiana.
- In Ferriday, Louisiana, a wood carving workshop was funded to promote this art and skill, which resulted in several people starting the trade and adding value to local tourism.

- Teaming up with Winrock International, the Forest Service identified new wood products that are being manufactured in a 19-county area of Arkansas. The products are now being marketed over a broader range and increased income is being generated in this industrial sector.
- In Mississippi, the Forest Service teamed with Mississippi State University to develop a Forest Resource Database for the entire State to assist in future planning efforts. The Forest Service also developed a Wood Product Marketing Expansion Plan for Lawrence County.

### **Issue: Mineral Resources**

*The Commission set a goal aimed at ensuring that Delta mineral resources be extracted and used in an environmentally sound manner to enhance economic development. In support of this goal, the Commission recommended use of the Clean Coal Technology Program to demonstrate and deploy environmentally-friendly coal combustion technologies, collaborative agreements between Federal and State governments and the private sector to identify environmentally-safe, practical, and enhanced techniques for oil and gas recovery, and research programs designed to resolve potential long-term effects of mine subsidence on agricultural productivity in Illinois due to maximized coal extraction. The Commission further recommended an underground miner re-training program to mitigate employment problems, and encouraged State and local governments and the private sector to investigate domestic and international potential or expanding markets.*

**Increase Mineral Resource Production.** The Bureau of Land Management has supported the economic development of the Delta region through its continued efforts in mineral resource production. Substantial progress has been made in mineral resource production from Federal lands during the 1990's. Production of oil and gas under Federal leases in the Delta region increased over 100 percent for the decade. Copper, lead and zinc production increased as well.

**Relief for Stripper well Operators.** Low oil prices caused the Bureau of Land Management to announce in February 1999 a suspension-of-operations policy, designed to assist companies operating stripper (low volume) oil wells. Under this policy, the lease can continue in effect even though production has been suspended because of low oil prices. No rentals or minimum royalty payments will be due during the suspension.

### **Issue: Reclamation of Abandoned Mine Land**

*The Commission set a goal of reclaiming and stabilizing all abandoned mine areas in the Delta by the year 2001. The Commission recommended that the Rural Abandoned Mine Program be used to complete coal reclamation projects within ten years and that additional programs be developed for reclamation of lands mined for sand, gravel, clay,*



*phosphate and other minerals. The Commission further recommended that State and local governments prioritize and develop cost-sharing provisions for reclamation, and that they develop an inventory of abandoned mines.*

**Rural Abandoned Mine Program.** Under the Rural Abandoned Mine Program, 14,607 acres have been reclaimed out of 22,000 coal mine acres in the Delta Region. Most Delta States have focused on addressing the high priority projects in the Mississippi River watershed rather than coal mine reclamation programs. Approximately \$227 million remains in the fund, available for appropriation for qualifying projects.

**Abandoned Mine Inventory System.** Each State has an up-to-date abandoned mine inventory, maintained on the Office of Surface Mining's Abandoned Mine Land Inventory System.

**Brownfields Economic Redevelopment Initiative.** In 1995, the Environmental Protection Agency launched the Brownfields Economic Redevelopment Initiative, to help States and communities address abandoned or under-used industrial and commercial facilities, including mined lands, where expansion or redevelopment is complicated by environmental contamination. The goals of the Brownfields initiative are a cleaner environment, new jobs and an enhanced tax base. The Environmental Protection Agency provides funding to local governments through the Brownfields Assessment Demonstration Pilot program. For example, a project in Bonne Terre, Missouri, provides assessment and reuse planning for an area impacted by mining wastes. The city of Bonne Terre is partnering with the Mineral Area College on this project and is providing internship opportunities for students of the College.

### **Issue: Alternative Fuels**

*The Commission envisioned that Delta farmers would be positioned to take advantage of the increased use of "farm-grown" alternative fuels, such as ethanol, with attendant creation of new jobs. The Commission recommended that the tax exemption on ethanol be continued and that other incentives be initiated that would encourage and promote production of the crops used in alternative fuels. Research should promote efficient production of fuel crops and the technology associated with alternative fuels, and educational efforts should be aimed at both the production and use of alternative fuels.*

**Training and Public Education.** The Commission, following the lead of then Governor Bill Clinton, then U.S. Senator Al Gore of Tennessee, and then Congressman Bill Alexander of Arkansas affirmed that the public's demand for cleaner air meant that expanded use of cleaner burning, farm-grown fuels was integral. The Environmental Protection Agency has undertaken several initiatives consistent with the recommendations made by the Commission, including:

- Funding the National Alternative Fuels Training Program at the West Virginia University in 1992-1998, for a total of \$7.3 million. Funds in the amount of

\$650K were made available during fiscal year 1999 for public education on alternative fuels.

- Funding through the Mobile Source Outreach Assistance Competition State air grant program for efforts to educate the public about motor vehicles, air pollution, and fuels, including alternative fuels. Approximately \$1.4 million have been awarded during 1997-1998 for these types of education projects under this grant program.
- Funding of grants to State and local agencies under Section 103 and 105 of the Clean Air Act that may be used for public outreach on air pollution and air quality.

#### **Issue: Conservation Reserve Program**

*Recognizing the conservation protections provided by the Conservation Reserve Program, the Commission expressed the hope that protection would continue after the ten-year contracts expired. The Commission recommended that the program be extended until the goal of 45 enrolled million acres had been reached, and that Congress bring enrolled lands under “sodbuster” or “swampbuster” requirements of the Food Security Act if they are converted to agriculture commodities after the contracts expire.*

**National Conservation Goals.** Approximately 30.5 million acres of environmentally sensitive cropland are currently enrolled in the Conservation Reserve Program, with a goal for the year 2002 of up to 36.4 million acres. Enrolled acreage consists of highly erodible land, cropped wetlands, new and existing trees, native and non-native grasses, acreage devoted to wildlife habitat, acreage devoted to rare and declining habitat, and wetland restoration acreage. The goal of the program is to ensure that the enrolled acreage is properly protected from erosion and that it will improve water quality and wildlife habitat.

**Conservation Reserve in the Delta.** Nearly two million acres within the Delta region are enrolled in the Conservation Reserve Program. A promising technique, known as a Conservation Reserve Enhancement Program, allows a Delta-region State to enter into an agreement with the Department of Agriculture to target State and Federal funds in a way that achieves shared environmental goals of national and State significance. One Delta State has already entered into such an agreement, and other States are investigating how such an agreement might help them achieve their conservation objectives.

#### **Issue: Environmental Standards and Emergency Procedures**

*The Commission aimed to improve the overall environmental quality of the Delta by meeting or surpassing national environmental standards and by preparing for natural disasters. The Commission recommended that uniform numerical national air and water quality standards be enacted and enforced, that more stringent toxin emission levels be*

*adopted, that industries bear the full cost of environmental impacts, that States and local governments give preference to environmentally-sound industries, that the cumulative effects of contaminants to ecological systems be studied and appropriate regulations adopted, and that a regional river ecology program be established to assess water and sediment quality and living resources on the Mississippi River and to develop associated plans for reducing river pollution. The Commission further recommended that disaster plans be prepared, that fast response teams be established, and that the public be educated about the risks and possibilities of natural disasters.*

**Flood Control for Delta States.** Since 1990, the Corps of Engineers has initiated and/or completed construction on the following flood control projects that are designed at least in significant part for protection of residential areas:

- East Baton Rouge Parish, Louisiana. This project involves construction of flood control improvements on Beaver Bayou, Blackwater Bayou and tributaries, Jones Creek and tributaries, Ward Creek and tributaries and Bayou Fountain. Assuming authorization of this \$130 million project by Congress, construction could begin in 2001. When completed, the flood control benefits to be provided by this project are estimated at over \$25 million annually.
- Ouachita River and Tributaries, Arkansas and Louisiana. This project is essentially complete. It includes over 117 miles of levees protecting Monroe, West Monroe, Columbia and Bawcomville, Louisiana; DeGray Lake and Lakes Ouachita and Greeson that provide flood protection, navigation, recreation and hydropower; and construction of local flood protection works in Pine Bluff, Arkansas and Calion, Arkansas. The total construction cost for this project was over \$160 million.
- Cape Girardeau - Jackson, Missouri. This project involves construction of a dry detention reservoir and channel improvements, as well as recreation features. The project is 82 percent complete and the total construction cost is estimated at \$49 million. When completed, the flood control benefits to be provided by this project are estimated at over \$3.7 million annually.
- Meramec River, Valley Park Levee, Missouri. This project provides both flood protection and recreation features. The project is 31 percent complete and the total construction cost is estimated at \$38 million. When completed, the flood control benefits to be provided by this project are estimated at over \$1.3 million annually.
- Ste. Genevieve, Missouri Project. This project is designed to provide both flood protection and historic preservation benefits. Phase 1 of the project is 20 percent complete and the total construction cost is estimated at \$50 million. Phases 2, 3

- and 4, which include interior channel improvements and recreation facilities, are currently unscheduled.
- East St. Louis, Illinois Project. This project involves reconstruction of existing levees, floodwalls and appurtenant facilities. The project is 91 percent complete and the total construction cost is estimated at \$46 million. When completed, the flood control benefits to be provided by this project are estimated at over \$30 million annually.
  - Alton to Gale, Illinois and Missouri. This project involves reconstruction of existing levees, floodwalls and appurtenant facilities. The project is essentially complete at a total construction cost of approximately \$113 million. However, some reaches of the levee system experience slides, and correction of these problem areas is necessary to ensure that the levee system will provide the authorized level of protection.
  - The Southeast Louisiana Project was authorized by Congress in 1996 after a major flood event occurred in the New Orleans area that caused flood damages exceeding \$1.5 billion. Construction on this \$508 million flood control project was initiated in 1997 and is scheduled to be completed as early as 2002, subject to available funding. In addition, studies are underway to determine the feasibility of expanding the scope of the authorized project.

**Hurricane Protection for Delta States.** Since 1990, the Corps of Engineers has initiated and/or completed construction on the following hurricane protection projects that are designed at least in significant part for protection of residential areas. Most projects involve construction of levees, floodwalls, pumping stations and appurtenant facilities. Projects include:

- Lake Pontchartrain and Vicinity, Louisiana. The project is 80 percent complete and the total construction cost is estimated at \$732 million. When completed, the flood control benefits to be provided by this project are estimated at over \$95 million annually.
- West Bank vicinity of New Orleans. The project is 10 percent complete and the total construction cost is estimated at \$294 million. When completed, the flood control benefits to be provided by this project are estimated at over \$71 million annually.
- Larose to Golden Meadow, Louisiana. The project is 86 percent complete and the total construction cost is estimated at \$114 million. When completed, the flood control benefits to be provided by this project are estimated at over \$3.5 million annually.
- New Orleans to Venice, Louisiana. The project is 76 percent complete and the total construction cost is estimated at \$244 million. When completed, the flood

control benefits to be provided by this project are estimated at \$15 million annually.

- **Comite River Diversion, Louisiana.** This project involves construction of a 12-mile diversion of the Comite River into the Mississippi River. Construction on this \$141 million project is scheduled to begin in 2000. When completed the flood control benefits to be provided by this project are estimated at over \$13 million annually.

**National Ambient Air Quality Standards.** Under the Clean Air Act, the Environmental Protection Agency establishes National Ambient Air Quality Standards for air pollutants for which air quality criteria have been issued. The Agency established standards for ground-level ozone, particulate matter, carbon monoxide, lead, nitrogen dioxide, and sulfur dioxide. In 1997, the Agency revised the National Ambient Air Quality Standards for ozone and particulate matter to be more protective of public health and welfare. More recently, the Agency developed stringent air pollution emissions standards for heavy duty trucks, buses, and multiple off-road engines and vehicles, that were previously uncontrolled, beginning with the 1999 model year in the Mid-Atlantic and Northeast, and extending in the 2001 model year to all States except California.

Most Delta Initiative States have been delegated primacy for enforcing the stationary source emission-limiting regulations that are designed to protect the national ambient air quality standards. EPA serves in an overview role to monitor the States' inspection and enforcement programs, and conducts Federal inspections to verify compliance status of emission sources as determined by the States.

**Setting Numerical Standards for Water Quality.** The President's 1994 Clean Water Initiative included recommendations to Congress on State Water Quality Standards Reviews. Under current practice, the Environmental Protection Agency uses appropriate regulations to assure that water quality standards in each State are uniform in the strength of their underlying scientific rationale, the processes used in their development, and the opportunity for public participation. The Delta States have adopted numerical criteria for toxic pollutants and for discharged priority pollutants that could adversely affect water quality.

**Cumulative Effects of Contaminants.** The Delta Initiative States and Environmental Protection Agency are working in partnership to ensure that water quality is maintained in State waters where there are cumulative impacts from contaminants. The Agency has identified waters where designated uses are impaired due to contaminants, and is working with the States to address each of these impairments in priority order, so that the waters can once again meet water quality standards.

Several Federal agencies, including the Environmental Protection Agency, U.S. Geological Survey, Fish and Wildlife Service, and U.S. Department of Agriculture, are studying the cumulative effects of contaminants and potential methods for mitigating

these effects. The Geological Survey initiated a study on the role of wetland habitats in the removal of nutrients and contaminants from surface waters and the impacts of nutrient enrichment on biological resources of coastal watersheds in the Delta. The Fish and Wildlife Service has funded a comprehensive study to evaluate nonpoint source pollution threats to national wildlife refuges in the Lower Mississippi Valley.

**Ground and Surface Water Contamination.** The Drinking Water State Revolving Fund provides dollars to States to fund ground water protection by supporting drinking water source assessments, wellhead protection and other source water protection efforts within the Delta States. Other ground and surface water protection efforts are now being implemented through new provisions of the Safe Drinking Water Act, and through Federal agency agreements under the President's Clean Water Action Plan. The Environmental Protection Agency provides an oversight role to the Delta States that have primacy for the implementation of the Underground Injection Control program. This Safe Drinking Water Act program protects underground sources of drinking water from contamination by injection wells. In addition, Environmental Protection Agency directly implements the land disposal restrictions for hazardous waste injection wells in the Delta region. In 1998, the Environmental Protection Agency finalized Land Disposal Restrictions regulations to apply treatment standards to additional categories of hazardous wastes and a petroleum listing rule that lists additional petroleum wastes as hazardous.

**Reducing Air Pollution.** Since 1990, the Environmental Protection Agency has promulgated 27 national emissions standards covering some 52 source categories. When fully implemented these standards will reduce the emissions of hazardous air pollutants by over one million tons per year. The Agency will soon finalize the "Revised Standards for Hazardous Waste Combustors" rule to provide additional requirements for hazardous waste incinerators. In Missouri, an interagency group has been implementing a strategy to control emissions from lead smelters, that has resulted in significant reductions of lead in air emissions. In addition, Missouri and the Environmental Protection Agency have jointly developed a State rule for controlling emissions from charcoal kilns, which will result in the reduction of millions of pounds of particulate matter, volatile organic compounds, and hazardous air pollutants.

**Stormwater Runoff.** The second phase of the Environmental Protection Agency's stormwater program will begin in the Fall of 1999. The new rules will require owners and operators of small municipal storm sewer systems in urbanized areas and small construction sites to implement programs and practices that address polluted stormwater runoff. Without such practices, municipal stormwater runoff can be polluted with oil and grease from roads, sediment from construction sites, litter, heavy metals, pathogens and other contaminants.

**Regional River Ecology and Water Quality Monitoring.** As part of its National Water Quality Assessment Program, the U.S. Geological Survey in 1994 began a regional water, sediment and biological quality study of the Lower Mississippi Delta States, called the Mississippi Embayment Project. The Survey is continuing its long-term water quality

monitoring at seven stations on the Mississippi and its major tributaries in the Delta region. The resulting data and reports are distributed to Federal and State agencies. The Environmental Protection Agency has helped Delta States conduct their own water quality monitoring by providing funding. The Department of Agriculture's Resource Conservation and Development Program supports projects throughout the Delta aimed at monitoring and improving water quality and controlling sediment.

**The Gulf of Mexico Program.** The Gulf of Mexico Program is a cooperative partnership among Federal, State and local government agencies, and among people and groups who use the Gulf. Nutrient enrichment within the Mississippi River Basin and the Gulf is one of many priority areas being addressed through the Gulf of Mexico Program. The Program extensively participates in work regarding the Gulf hypoxia zone, and nutrient load reduction issues in the Mississippi River Basin.

**Public Awareness and Safety.** In a national effort, the Clinton Administration has increased community access to information about chemicals released into their air and water. As one part of that effort, the Environmental Protection Agency has doubled the number of chemicals subject to reporting under the Toxics Release Inventory. Industrial facilities are required to disclose the amount of pollution from these listed chemicals that they release into the environment. Thus, the public has more information available on the chemicals that could affect them. To better share this data with the States and public, the Environmental Protection Agency created the Index of Watershed Indicators, an interactive tool on the Internet. This website enables individuals to access information about any watershed nationwide, and includes data layers describing water quality, fish consumption advisories, and other watershed characteristics. The U.S. Geological Survey is working with the riverside parishes in Louisiana to produce a Lower Mississippi Spill Alert Map. This map will show what is stored and where discharges occur along the lower river, and will direct the user to sources of information on flow rates, wind speed and direction, and other useful information for emergency response.

#### **Issue: Environmental Research, Education and Regional Awareness**

*In the 1990 report, the Commission set a goal for the Delta to be at the forefront of environmental research and to promote community environmental awareness and education throughout the region. The Commission recommended that Federal and State governments target funding for health studies, including potential environmental exposures and hazards to humans, throughout the region. In particular, the Commission emphasized that research dollars should be targeted to study the disproportionate effects of environmental pollution and hazardous materials on minority, low-income and rural communities. The Commission also recommended further research into the relationship between surface activities and surface and ground water contamination. Emphasizing the importance of environmental education, the Commission recommended expanded environmental education efforts, including cooperation on community "right-to-know" law workshops, and conferences and workshops to acquaint the public with environmental issues and information.*

**Pesticides.** The Environmental Protection Agency has conducted extensive studies on the impact of the pesticide, methyl parathion, on the population throughout the entire Delta region. The efforts have focused on medical testing and follow-up, and public awareness. In a collaborative Environmental Protection Agency effort with the University of Mississippi and Alcorn State University, researchers are working with local communities on the issues of pesticide-contaminated fish consumption and indoor use of agricultural pesticides. The project includes funding to train Delta residents about environmental health issues and pesticides exposure.

**Children's Health Protection.** The Environmental Protection Agency and the Department of Health and Human Services co-fund (\$10 million in 1997) the Centers for Children's Environmental Health and Disease Prevention Research that provide grants for community-based prevention and intervention projects. The Environmental Protection Agency's Child Health Champion Campaign provides grants for initiating community efforts to identify local environmental risks to children. As an example, the Delta portion of Missouri in New Madrid County was funded to work in three communities on the health issues of water quality, asthma triggers, and childhood lead poisoning.

**Minority and Low-income Outreach.** The Clinton Administration issued Executive Order 12898, "Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations," which required Federal agencies to consider the effects of their actions on minority and low-income communities, and to develop programs aimed at assisting disadvantaged communities.

The Environmental Protection Agency has funded a variety of low-income and minority communities through the Environmental Justice Program, including projects in community outreach and education, community empowerment (training, infrastructure development), data collection and dissemination, community clean-up projects, and children's health initiatives. In 1998, more than \$1.5 million was awarded under the program, including grants to:

- Murray State University, to train approximately 200 teachers and 21,000 students in the Delta States of Mississippi, Tennessee, and Kentucky, on the topics of hazardous waste, human health and the environment.
- Xavier University in New Orleans, for a project which focuses on community issues near Federal facilities.

The Forest Service, in cooperation with State Foresters, have provided educational opportunities aimed at disadvantaged communities to help them become self sufficient. These efforts include community leadership training, strategic action planning, community projects, capacity building, business start-ups, wood product recycling and use projects and cooperative business ventures. The program provides "seed-money"



grants to small ventures and provides value-added technical assistance to turn ideas into reality. In addition, AmeriCorps volunteers were placed in rural communities in the Delta to help solve particular community problems.

The Environmental Protection Agency's Waste Divisions have provided numerous technical assistance grants to enable communities to fund the oversight of cleanup work being done at Superfund sites. Some of these projects are within low-income, minority communities in the Delta region.

**Environmental Education.** The Environmental Protection Agency funds grants to schools and universities, government agencies and non-profit organizations for projects that improve teaching skills, educate the public about environmental health issues, and enhance State and local programs in environmental education. An example is a recent grant award to Alcorn State University, in the Delta portion of Mississippi, for an environmental stewardship project.

The Environmental Protection Agency has also funded environmental education and outreach on a variety of watershed protection issues associated with wetlands and nonpoint source pollution. An example includes a multi-year grant to the Mississippi Museum of Natural Sciences for a watershed education training program in the Mississippi Delta.

The Forest Service and the Cooperative Extension Service have teamed up to provide community leadership courses to diverse community leaders in the Delta region. These courses encourage communities to work together on economic development planning and implementing multiple projects. Successful projects have included designation under the Empowerment Zone/Enterprise Community program in Bolivar County, Mississippi. The Forest Service also provides Community Development Grants for development of community plans. Several projects have focused on utilizing natural resources in new or different ways, especially to make better economic use of traditionally low-value timber materials.

### **Issue: Waste Management**

*The Commission aimed to achieve methods to dispose of hazardous and solid waste in all Delta States without threatening ground and surface water and air quality. The Commission recommended that the Federal government adopt uniform requirements and enforcement procedures for solid and hazardous waste management, and work with the States to enforce strict regulations to protect surface and sub-surface waters and recharge areas, and to encourage the use of recycled products.*

**Hazardous and Solid Waste Management.** The Environmental Protection Agency has developed uniform national requirements for hazardous waste management, and national criteria for solid waste landfills under the Resource Conservation and Recovery Act. The enforcement procedures are defined in statutes and regulations, and numerous policy and

guidance documents have been issued to ensure uniform enforcement. The Environmental Protection Agency and the States enforce regulations for any release to surface or sub-surface water areas covered by the statute, and respond to any release of hazardous constituents from these areas that may cause immediate or substantial endangerment. In addition, the Environmental Protection Agency has developed uniform enforcement procedures, supporting policy, and guidance documents for Superfund site management under the Comprehensive Environmental Response, Compensation and Liability Act. Numerous administrative reforms have been written since 1990 to ensure fairness and advancements in enforcement applications. The Environmental Protection Agency has provided over \$60 million to the Delta portions of Mississippi and Tennessee for site assessment, remedial actions, emergency removal actions, and grant awards through these programs.

**Recycling and Waste Management.** All Federal agencies, State and local governments, and contractors and grantees who receive funding from Federal agencies follow procurement guidelines that encourage use of recycled products. Under the Resource Conservation and Recovery Act and recent executive orders, the Environmental Protection Agency has developed comprehensive procurement guidelines that recommend high recycled content products.

Federal agencies support opportunities for manufacturers, marketers and purchasers of recycled products. The Environmental Protection Agency has programs that encourage both the private and public sectors to reduce the amounts of new materials they use, to recycle materials and to use recycled products. The Jobs Through Recycling program, for example, is intended to stimulate the development of recycling/reuse businesses, to increase the use of recovered or reusable materials, and to contribute to job creation in the recycling field. The Environmental Protection Agency also funds innovative solid waste management projects, including source reduction, recycling/composting, and recycling market development.

**Brownfields Economic Redevelopment Initiative.** In 1995, the Environmental Protection Agency launched the Brownfields Economic Redevelopment Initiative to empower States and communities to address abandoned or under used industrial and commercial facilities where expansion or redevelopment is complicated by real or perceived environmental contamination. The goals of the Brownfields initiatives in affected communities are to accomplish changes toward a cleaner environment, new jobs and an enhanced tax base. Examples of Brownfields Assessment Demonstration Pilot program funding to local communities include:

- Shelby County, Tennessee, to assist in the environmental assessment, remediation planning, and community education for specific Brownfield sites.
- Bonne Terre, Missouri, for assessment and reuse planning for an area impacted by mining wastes. The City of Bonne Terre is partnering with the Mineral Area

College on this project and is providing internship opportunities for students of the College.

### **III. BUSINESS AND INDUSTRIAL DEVELOPMENT**

#### **Capital**

*The Commission recommended that \$2 billion a year in additional capital should become available for business investment and development in the Delta. The Delta Initiatives recommended that community development corporations, churches, other nonprofits and local governments should establish revolving loan programs to facilitate small business and micro-enterprise development on the local level.*

Since 1994, HUD has promoted the Section 108 loan guarantee provision of the Community Development Block Grant program to increase capital flow in the Delta Region. Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large scale physical development projects.

#### ***Loan Guarantees***

HUD Section 108 loan guarantees enable communities to leverage private sector investment in distressed communities and neglected neighborhoods, and serve as incentive for companies and community groups to promote small business development in areas like the Delta region.

#### ***EZ/EC impact on capital investment***

Empowerment Zones and Enterprise Communities are also designed to spur capital investment in underutilized areas like the Delta region, integrating human capital needs with economic development initiatives. HUD and USDA have given special assistance to the EZ's and EC's in the lower Mississippi Delta. As stated in the community development section, there are now two rural EZ's, seven rural EC's, and five urban EC's in the region.

#### **President Clinton's New Markets Initiative**

President Clinton's New Markets Initiative, which is designed to make it more attractive to invest in "untapped markets," will greatly enhance opportunities to stimulate job growth, and neighborhood and economic development in the Delta Region. The America's Private Investment Companies (APIC) initiative is being proposed in HUD's FY 2000 budget as a key component of the President's New Markets Initiative. It will be jointly administered by HUD and SBA, combining SBA's private investment expertise with HUD's expertise in large scale economic revitalization in distressed areas. It complements SBA's existing equity investment programs and is modeled after the Small Business Investment Companies (SBICs), a program with a 40-year track record of success.

APICs will be organized as for-profit private venture capital funds with an estimated private capitalization of \$100 million each. APICs will be eligible for twice that amount

in government guarantees on loans obtained from private sources. These significant pools of investment capital will be available to take advantage of the opportunities described above and will help to create good jobs in inner cities and rural areas.

HUD and SBA anticipate that the budget request of \$37 million in FY 2000 will provide \$1 billion of government-backed private loans nation-wide. Combined with a private equity investment of \$500 million, by investors in the selected organizations, the program is expected to have a total impact of \$1.5 billion per year or \$7.5 billion over five years. Most of the communities in the Mississippi Delta regions should be eligible for APIC investments.

### ***Community Empowerment Fund (CEF)***

HUD's FY 2000 budget proposal would fully fund the Community Empowerment Fund at \$125 million, to substantially increase capital for business investment and job creation in underserved inner city and rural areas such as the Delta Region. By combining \$125 million in Economic Development Initiative grants with an estimated \$625 million in Section 108 guaranteed private loans, the CEF will provide a total of \$750 million in grants and low-cost loans in these communities. The program is thus expected to leverage up to five times the guaranteed loan amount in additional private sector financing, and this will create an estimated 100,000 jobs through direct business development and other spill-over effects. Job creation projects funded through the CEF will include: loans for business expansion and modernization; start-up costs for new and small medium-sized businesses; preservation and expansion of existing industrial facilities; and retail and commercial revitalization initiatives, such as grocery stores and neighborhood shopping centers. The CEF will spur job growth and economic development in the Delta region.

### **Rural Business Development**

*The Commission recognized in 1990 that a vibrant business, industrial, and commercial sector lies at the heart of regional economic development in the Delta. Without expanded opportunities, the region will continue to under-utilize its human resources and export the best and brightest of its workers to other areas of the nation.®*

USDA's Rural Business-Cooperative Service (RBS) enhances the quality of life for rural Americans by providing leadership in building competitive businesses and sustainable cooperatives that can prosper in the global marketplace. To meet business credit needs in under-served areas, RBS Business Programs are usually leveraged with the resources of commercial, cooperative, or other private-sector lenders. RBS has been energetic in assisting the people of the Lower Mississippi Delta in realizing economic opportunities and allowing Delta residents to become full partners in America's future.

### **Private-Public Partnership: Business and Industry Guaranteed Loan Program**

The Business and Industry (B&I) Guaranteed Loan Program helps create jobs and stimulates rural economies by providing financial backing for rural businesses. This program guarantees up to 80 percent of a loan made by a commercial lender. Loan proceeds may be used for working capital, machinery and equipment, buildings and real estate, and certain types of debt refinancing. The primary purpose is to create and maintain employment and improve the economic climate in rural communities. This is achieved by expanding the lending capability of private lenders in rural areas, helping them make and service quality loans that provide lasting community benefits. This program represents a true private-public partnership.

The following example illustrates the assistance provided by the B&I Guaranteed Loan Program: in West Memphis, Arkansas, Santoshi, LLC, received a loan of \$1.44 million to construct a 54-room Sleep Inn at the interchange of I-40 and I-55. This project will create 10 new jobs and provide additional available rooms for the area.

From Fiscal Years (FY) 1993 to 1998, 378 B&I Guaranteed Loans have been approved, totaling \$422,959,671, which is estimated to have created or saved 21,420 jobs in the Delta States.

<b>BUSINESS AND INDUSTRY GUARANTEED LOAN PROGRAM</b>			
<b>State</b>	<b>Number of Loans/Grants</b>	<b>Dollars Obligated</b>	<b>Jobs Created/Saved</b>
Arkansas	39	\$42,148,020	2,200
Louisiana	87	110,935,570	4,930
Mississippi	34	44,732,000	1,930
Tennessee	42	32,412,000	2,380

### **Business and Industry Direct Loan Program**

The Business and Industry (B&I) Direct Loan Program provides loans to public entities and private parties who cannot obtain credit from other sources. Loans to private parties can be made for improving, developing, or financing business and industry, creating jobs,

and improving the economic and environmental climate in rural communities (including pollution abatement).

A loan for creating a small engine and tractor dealership in Ripley County, Missouri, provides an example of the kind of assistance provided by the B&I Direct Loan Program: In Doniphan, Ripley County, \$150,000 in loan funds will be used for the relocation and expansion of a small engine and tractor dealership and service center. This is the only dealership of this kind in the county, which is in a persistent high unemployment area. It is expected this project will immediately result in saving or creating 48 jobs, with more jobs expected within 2 to 3 years.

Since FY 1997 (the first year the B&I Direct Loan Program had been funded for several years) 24 loans totaling \$6,847,180 led to an estimated 576 jobs being either created or saved. The following is an overall summary of B& I program activities in the Delta states as a whole:

<b>BUSINESS AND INDUSTRY DIRECT LOAN PROGRAM</b>			
<b>State</b>	<b>Number of Loans/Grants</b>	<b>Dollars Obligated</b>	<b>Jobs Created/Saved</b>
Arkansas	5	\$2,991,000	120
Louisiana	0	0	0
Mississippi	1	419,999	24
Tennessee	2	1,213,000	48

### **Intermediary Relending Program**

Intermediary Relending Program (IRP) loans finance business facilities and community development projects in rural areas, including towns with a population of less than 25,000. RBS lends these funds to intermediaries which, in turn, provide loans to recipients who are developing business facilities or community development projects.

From FY 1993 to 1998, 67 IRP loans have been approved, totaling \$69,422,347. It is estimated that over the term of the loan this funding will create or save 53,010 jobs in the Delta States.

<b>INTERMEDIARY RELENDING PROGRAM</b>			
<b>State</b>	<b>Number of Loans/Grants</b>	<b>Dollars Obligated</b>	<b>Jobs Created/Saved</b>
Arkansas	14	\$14,341,586	10,940
Louisiana	8	9,040,762	6,890
Mississippi	11	12,750,000	9,750
Tennessee	10	11,075,000	8,420

### **Rural Business Enterprise Grant Program**

Rural Business Enterprise Grants (RBEG) help public bodies, nonprofit corporations, and Federally recognized Indian Tribal groups finance and facilitate development of small and emerging private business enterprises located in rural areas. Grant funds can pay for the acquisition and development of land and the construction of buildings, plants, equipment, access streets and roads, parking areas, utility and service extensions, refinancing, and fees for professional services. Grant funds can also pay for technical assistance and related training, startup costs and working capital, financial assistance to a third party, production of television programs targeted for rural residents, and for rural distance learning networks.

A Rural Business Enterprise Grant in Bolivar County, Mississippi provides a good example of this program's assistance. Funding in the amount of \$715,360 in Bolivar County (Port of Rosedale) will be used for downtown revitalization, i.e., business development and adult job training for the downtown business district and improvements to the facades of 10 buildings. This is located in an Enterprise Community and is expected to create 25 jobs.



From FY 1993 to 1998, 288 RBEGs have been approved, totaling \$49,840,036, which is estimated to have created or saved 6,630 jobs in the Delta States.

<b>RURAL BUSINESS ENTERPRISE GRANT PROGRAM</b>			
<b>State</b>	<b>Number of Loans/Grants</b>	<b>Dollars Obligated</b>	<b>Jobs Created/Saved</b>
Arkansas	27	\$8,088,177	620
Louisiana	60	5,365,170	1,380
Mississippi	25	8,506,725	580
Tennessee	60	7,868,600	1,380

### **Rural Economic Development Loan and Grant Program**

The Rural Economic Development Loan and Grant (REDLG) Program finances economic development and job creation projects in rural areas based on sound economic plans. Rural Economic Development Loans and Grants are available to any Rural Utilities Service electric or telecommunications borrower to assist in developing rural areas, from an economic standpoint, to create new job opportunities and to help retain existing employment. Loans at zero-interest are made primarily to finance business startup ventures and business expansion projects. Grants are made to these telephone and electric utilities to establish revolving loan programs operated at the local level by the utility. The revolving loan program facilitates rural development by providing needed capital (a) to nonprofit entities and municipal organizations to finance community facilities which promote job creation in rural areas, (b) for facilities which extend or improve medical care to rural residents, and (c) for facilities which promote education and training to enhance marketable job skills for rural residents.

From FY 1993 to 1998, 92 Rural Economic Development Loan and Grant projects have been approved, totaling \$31,164,999. This funding is estimated to have created or saved 5,350 jobs in the Delta States as a whole.

<b>RURAL ECONOMIC DEVELOPMENT LOAN AND GRANT PROGRAM</b>			
<b>State</b>	<b>Number of Loans/Grants</b>	<b>Dollars Obligated</b>	<b>Jobs Created/Saved</b>
Arkansas	5	\$1,644,300	290
Louisiana	5	1,700,000	290
Mississippi	11	4,488,398	640
Tennessee	37	12,072,651	2,150

### **Regional development**

The Commission stressed throughout its 1990 Report that the region as a whole would benefit from taking a unified, regional approach to community and economic

development. One such recommendation centered on creating a regional development entity or “bank.”

**Enterprise Corporation of the Delta and the Agricultural Research and Commercialization Corporation (AARCC)**

The Enterprise Corporation (ECD) for the Delta is a nonprofit corporation that was created in 1994 and has actively pursued economic development activities in the Lower Mississippi Delta. ECD formed another entity, ECD Investments, LLC, to provide a commercially feasible vehicle through which individual and institutional investors can participate in business development activities in the Delta of Arkansas, Louisiana, and Mississippi. ECD is certainly one constructive step toward a regional development entity, although it operates only in the southernmost three states of the region, and other efforts need to expand upon ECD’s initiatives.

A promising collaboration was born in March, 1998, when the Alliance for Bio-Enterprises (ABE) program was created. This alliance was formed to promote economic development and job creation in rural areas. ABE is a joint venture program among the Enterprise Corporation for the Delta (ECD), the Institute for Technology Development (ITD), and the U.S. Department of Agriculture’s Alternative Agricultural Research and Commercialization Corporation (AARCC). The Institute for Technology Department conducts scientific research and transfer it into usable technology, as well as to enhance economic development. The Mississippi Agribusiness Council and ITD worked together in 1997 to secure funds from the Mississippi Legislature to establish ABE. The Enterprise Corporation of the Delta’s target service area consists of 56 counties of the Arkansas, Louisiana and Mississippi Delta.

AARCC gives equity investment preference to projects that benefit rural communities, are environmentally sound and open nontraditional markets for farm and forest products. The goal of this corporation is to convert bio-based inputs from farm and forest materials and animal byproducts into useful products. ECD and AARCC work together to identify businesses that will expand into or relocate into the 56-county target area for the purposes of co-investment and job creation. The Institute for Technology Development provides technical and analytical support services in this effort to attract investment companies.

***The DELTA project:*** In October, 1998, ECD’s investment affiliate asked the Alliance for Bio-Enterprises to provide support services for the DELTA project, which is a two-year pilot project funded by the US Department of Health and Human Services to establish an interactive “Help Desk” to assist the EZ/EC/Champion Communities in the Mississippi Delta. DELTA will provide access to model programs and best practices over a broad spectrum of economic and social development issues.

**Looking toward the future:** In December, 1998, the Alliance for Bio-Enterprises started contacting foundations that could contribute financial support to education. An extensive computer database was compiled of foundations in the region. These educational initiatives include a video and teacher-student materials explaining the benefits of the bio-based economy. Through this and other projects, ABE will assist in

the vital process of ensuring that young people in the Delta acquire the skills needed to compete in the 21<sup>st</sup> century economy.

### **Department of Commerce export assistance projects**

In 1995, when the U.S. Foreign Commercial Service began the establishment of the Delta U.S. Export Assistance Center (USEAC), the Delta region was serviced by of total of seven staff members of the US&FCS housed in Little Rock, Jackson, and New Orleans. Today this area is serviced by 14 staff members located in four offices (Little Rock, Jackson, New Orleans, and Shreveport, Louisiana. Because of its close proximity, staff from New Orleans service the Lower Mississippi State area. Likewise, staff from Shreveport serviced not only Northern Louisiana but also 10 southwestern counties in Arkansas. Offices in New Orleans, Shreveport and Jackson have relocated to facilities that allow them to collocate with other organizations engaged in complementary activities. This allows a leveraging of resources and overall greater effectiveness. In fiscal year 1998 the Delta USEAC conducted over 2000 client counseling sessions. These sessions have targeted traditionally underserved members Delta community.

In 1998-99 the following activities were undertaken to educate the Delta exporters on the means and opportunities of international trade and to promote Delta products abroad:

- Hosted a U.S. Conference on Trade and Investment in Africa.
- Hosted the Saudi Arabian Reverse Trade Mission for four days. Coordinated all activities and arranged approximately 360 appointments with U.S. companies.
- Hosted a delegation from Russia.
- Supported the following International Buyer Program Exhibitions in New Orleans:
  - Pittsburgh Conference & Exhibition for Chemistry and Applied Spectrographic.
  - Hosted a FAS officer for a total of 5 days that included a series of one-on-one appointments and two seminars.
  - Sponsored the Value Added Food teleconference with six downlink sites across the Delta.
  - Sponsored a series of seminars and conferences across the Delta on "International Trade and Electronic Commerce."
  - Sponsored a series of seminars on Economic Integration across the Delta.
  - Launched and successfully completed Mississippi's first ever Export Train Assistance Program.
  - Conducted a survey (in conjunction with four other partners) of all Louisiana Exporters determine satisfaction with services provided from a variety of sources, and published the results.
  - Recruited over 100 companies to participate in international trade events abroad.
  - Organized trade missions to Canada and Mexico.
  - Hosted and arranged appointments for a United Arab Emirate buying delegation.
  - Hosted and organized two days of appointments for a Foreign Agriculture Service officer from Korea.

All of the above mentioned events have followed with the US&FCS's Congressional mandate of promoting American businesses and business interests abroad. The targeted audience has always been the segments of the Delta community who were semi- or fully- export ready but who were traditionally not assisted by government programs. These events took place in 1998-99. This is present in the high customer service marks the Delta Hub and Spokes have received.

## **DEVELOPING PRIVATE ENTERPRISE IN THE MISSISSIPPI DELTA**

### **SBA's Fundamental Mission and Goals**

The U.S. Small Business Administration (SBA) was created in 1953 as an independent agency of the Federal Government to aid, counsel, assist and protect the interests of small business concerns, to preserve free competitive enterprise, and to maintain and strengthen the overall economy of our Nation. SBA provides financial, technical and management assistance to help Americans start, run, and grow their businesses. By seeking assistance from SBA, an entrepreneur can turn a dream into reality.

With a portfolio of business loans, loan guarantees and disaster loans worth more than \$45 billion, the SBA is the Nation's largest single financial backer of small businesses. In addition, last year alone, the SBA offered management and technical assistance to more than one million small business owners. Across the county, SBA is reaching out to small businesses to make our programs and services available to anybody who needs them. The SBA also plays a major role in the Government's disaster relief efforts by making low-interest recovery loans to both homeowners and businesses.

America's 24 million small businesses employ more than 50 percent of the private workforce, generate more than half of the Nation's gross domestic product, and are the principle source of new jobs in the U.S. economy.

*In 1990, the Lower Mississippi Delta Development Commission noted that "the central challenge facing the Delta is the challenge to develop a strong business and industrial sector that will enable the region's economy to be one of growth and vitality..." The U.S. Small Business Administration (SBA) plays a leading role in economic development by helping owners and potential small business owners start and grow their businesses.*

### **Serving the Delta through the New Markets Initiative**

Since President Clinton took office in 1993, nearly 18 million jobs have been created. However, not every community shares this strong economy. Some communities have been left behind. Concentrations of poverty and joblessness continue to have a devastating effect on the social and economic fabric of communities in the Mississippi Delta and across the country.

The evidence is clear – there are business opportunities in rural communities that are not being tapped. A key step to reaching these markets is to expand access to capital and to conduct more outreach activities to minorities and women who want to start or grow a small business.

*The SBA, led by Administrator Aida Alvarez, is committed to using all of its present programs and expertise to reach out to these distressed communities, and small businesses in the Delta. Ms. Alvarez is working with other Federal agencies, such as the Department of Housing and Urban Development, the private sector, such as the International Franchise Association, and internal partners, such as the Office of Women's Business Ownership to expand business ownership and growth opportunities in the Mississippi Delta.*

*SBA's state offices, or district offices, bring SBA programs and services to the small business community. For example, in Kentucky and Arkansas, SBA staff conducts regular "circuit rides" to Delta counties. The riders meet with community lenders and residents to educate them about SBA programs and assistance in starting, maintaining, or growing their business. In Tennessee, the SBA has signed partnership agreements with the Memphis Minority Business Opportunity Committee, Hispanic Business Alliance and Black Business Associates to publicize SBA programs and services to their members.*

Administrator Alvarez has also set ambitious goals for lending and outreach to African Americans, Hispanic Americans, Asian Americans, and women. In partnership with trade associations such as the National Black Chamber of Commerce and non-profit organizations such as the Hispanic Builders Association and Business and Professional Women/USA, the SBA is reaching out to those who are in danger of being passed by.

Even though the economy is the strongest it has been in more than a generation, not everyone has benefited. The Clinton Administration and Administrator Alvarez pledge to continue to use SBA's resources to increase small business ownership and growth in the Delta and ensure that small businesses have the tools they need to succeed in the 21<sup>st</sup> Century marketplace.

### **INCREASING SMALL BUSINESS ACCESS TO CAPITAL**

In 1990, the Commission identified a regional need to increase access to capital to promote business investment and activity in the Delta. Since then, SBA has worked to increase access to capital for Delta small business owners who have had difficulty accessing capital by traditional means. Many of SBA's programs address this challenge.

#### *SBA's Microloan Program in the Mississippi Delta region*

In 1990, the Commission encouraged SBA to work with local organizations to encourage micro-enterprise development. SBA's Microloan Program is a community-based lending program enacted since 1990 that makes small amounts of capital available to small business owners who have difficulty accessing capital from traditional sources.

The purpose of the SBA Microloan Program is to assist women, low-income, and minority entrepreneurs, business owners and other individuals operate a successful small business. The program also assists small businesses in areas of the country suffering from a lack of credit due to economic downturn.

SBA provides loan funds to qualified intermediary lenders which, in turn, provide microloans (loans of \$25,000 or less) to start-up, newly established, or growing businesses. Microloans may be used for working capital, materials, supplies, equipment, or inventory. The types of businesses assisted under the program include businesses as varied as home-based wedding and bridal consultants, small manufacturers, lawn and garden services, data services, child and elder care services, agribusiness and retailing. SBA also provides grants to the intermediary lenders and non-lending technical assistance providers (NTAPs) to help support intensive business based technical assistance to microloan borrowers.

The roots of SBA's Microloan Program are in the Delta. Inspired by a public radio story about a community based lending program in Pine Bluff, Arkansas, legislation was introduced that resulted in the 1991 program authorization. Since then, as many as 14 intermediary lenders in the Delta have provided over 1,000 SBA funded microloans to that area's smallest businesses. The total value of these loans amounts to more than \$10.7 million. SBA's Microloan Program has assisted more than 8,000 enterprises across the Nation since the program was authorized as a demonstration program in October 1991. As a result of local partnerships between non-lending technical assistance providers (NTAPs) and local private sector lenders, low-income entrepreneurs throughout the Delta have been able to obtain micro-level loans.

For example:

- In Arkansas 293 microloans were made from 1991 - 1998, about half to small businesses owned by African Americans and 42 percent to small businesses owned by women. The total amount of these loans is nearly \$2.6 million and the average loan is just under \$9,000. As a result of these loans, 523 employees were retained and 107 new jobs were created.
- In Illinois, 115 microloans were made from 1992 – 1998, almost two-thirds to small businesses owned by African Americans and 60 percent to small businesses owned by women. The total amount of these loans is nearly \$1 billion and the average loan is about \$10,000. As a result of these loans, 213 employees were retained.
- In Kentucky, 211 microloans were made from late 1992 – 1998, about half to small businesses owned by African Americans and one third to small businesses owned by women. The total amount of these loans is about \$2.1 million and the average loan is a little over \$10,000. As a result of these loans, 404 employees were retained and 170 new jobs were created.
- In Louisiana, 27 microloans were made from late 1992 - 1995, about 20 percent were made to small businesses owned by African Americans and more than half to small businesses owned by women. The total amount of these loans is nearly \$320,000 and the average loan is about \$14,000. As a result of these loans, 100 employees were retained.
- In Mississippi, 91 microloans were made from late 1991 – 1998, more than 90 percent were made to small businesses owned by African Americans and more than a third to small businesses owned by women. The total amount of these loans is about \$900,000 and the average loan is about \$9,000. As a result of these loans, 333 employees were retained and seven new jobs were created.
- In Missouri, 181 microloans were made from late 1992 – 1998, about one quarter were made to small businesses owned by African Americans and more than one third to small businesses owned by women. The total amount of these loans is about \$2.6 million and the average loan is about \$14,500. As a result of these loans, 338 employees were retained and 50 new jobs were created.

An example of the SBA Microloan Program at work in the Mississippi is the Arkansas Enterprise Group (AEG). AEG is a tax-exempt nonprofit organization and subsidiary of the Southern Development Bancorporation, Inc. AEG's mission is to strengthen the economy of eastern and southern Arkansas by helping small, locally owned and operated businesses to grow and to create jobs for residents of these low-income communities. Since 1992, AEG has borrowed \$1.25 million from the SBA and has loaned the funds



through AEG's Good Faith Fund. The Good Faith Fund, headquartered in Pine Bluff, Arkansas, makes microenterprise and small business loans, and conducts self-employment training.

Microenterprise lending is a relationship, not a simple loan transaction, with the purpose of helping a small business to grow. Constant communication with and training support for borrowers is a key to success. The Good Faith Fund has a strong technical assistance component, which starts with the first appointment made by a potential borrower and lasts the life of the loan. This is one-on-one skill development and business assistance.

Two true stories of success illustrate how SBA and the Good Faith Fund contribute to small business development and help entrepreneurs in the Delta succeed. A single mother from Pine Bluff, Arkansas raising two children on the income from a part-time job wanted to open a dry cleaning business. After working with her loan officer for two years, she received a \$25,000 loan to renovate a building and buy laundry equipment. With ongoing support from her advisers at the Good Faith Fund, her business has steadily grown. She has now purchased her own building and installed modern dry cleaning equipment. During her 5 years as a client, she has never missed a payment or a learning opportunity. The business now employs five people.

In another story of success, a counselor at Phillips County Community College, one of the poorest counties in the state, attended a Good Faith Fund workshop and received information on SBA's Microloan Program. With assistance from SBA and the Good Faith Fund, he started a vending machine business with 10 gum machines. The business has expanded to 100 machines in an area bordered by Memphis, Tennessee, and Pine Bluff, Arkansas. The Good Faith Fund made computers available and helped the entrepreneur prepare cash flow projections and understand his business needs. With a second microloan, he has expanded to placing copying machines in grocery stores and now employs two full-time employees.

#### Angel Capital Electronic Network (ACE-Net)

*In 1990, the Commission encouraged creative and innovative methods to increase access to capital in the Delta. Recently, consistent with the Commission's recommendation, SBA's Office of Advocacy created the Angel Capital Electronic Network (ACE-Net), which encourages venture capital investment in the Delta's small businesses.*

Launched in October 1996, ACE-Net was developed by the SBA's Office of Advocacy in consultation with the Securities Exchange Commission and the North American Securities Administrators Association. The goal of ACE-Net is to help small businesses raise equity capital. ACE-Net is a national securities listing service that allows venture capitalists, and institutional and individual angel capital investors to find small, growing companies through a secure Internet-based database.

ACE-Net, with Delta network operators in Arkansas, Tennessee, Missouri and Illinois and potential operators in Louisiana, Mississippi and Kentucky, helps link small

businesses, including women and minority owned businesses, with investment capital. The “angels” using *ACE-Net* negotiate directly with listing companies to provide equity capital funding and advice for a stake in the entrepreneur’s corporation.

SBA’s Office of Advocacy has also worked with states in the Delta region to streamline securities regulations to promote investment in small businesses. Missouri, Kentucky and Arkansas have adopted the Model Accredited Investor Exemption which streamlines state securities laws so that small business are not required to cross-register securities in the states for which they are for sale. In addition, Illinois has adopted similar statutory language.

### **SBA’s 7(a) Loan Guaranty Program**

*In 1990, the Commission recommended increased access to capital to promote business investment and activity. The SBA’s 7(a) Loan Guaranty Program promotes access to capital for small business in the Delta region.*

SBA’s 7(a) loan program brings access to capital to the Delta’s small businesses. The program provides short-and long-term loans to eligible, credit-worthy start-up and existing small businesses that can not obtain financing on reasonable terms through normal lending channels. The SBA provides financial assistance through its participating lenders in the form of loan guaranties not direct loans. Loans under the program are available for most business purposes, including purchasing real estate, machinery, equipment, and inventory, or working capital. SBA can guarantee a maximum of \$750,000 under the 7(a) program.

The 7(a) program has steadily increased its loan activity to minorities. In FY 1992, 15 percent of the loans were made to minorities and 14 percent of the loans were made to women. By FY 1998, 24 percent of the loans were made to minorities and 24 percent of the loans were made to women. In FY 1999, the SBA guaranteed 4,052 7(a) loans in the Mississippi Delta states, bringing \$755,586,000 million into the Delta economy. Nearly half of the loans were made to minorities and women.

In Marshall County, Kentucky, SBA 7(a) loans have helped build a family restaurant with two employees into a company generating over \$4,000,000 in sales. In 1977, a mother and son opened a family restaurant in rural Kentucky. The first year, the restaurant struggled to make \$8,000 in sales. Now, more than 20 years and two SBA 7(a) loans later, the business has expanded to two restaurants and an entertainment and retail complex. The business employs up to 231 people in the peak season and generates over \$4,000,000 in sales. The restaurant provides employment to young people, minorities, the disabled and the economically disadvantaged. The complex has become a destination for tourists, travelers and city dwellers in a two-state region. The owner notes that they have survived many loan refusals from bankers who didn’t believe in them. “If it weren’t for the SBA loan guarantees, I’m sure we would not be here today in the fine shape we’re in.” With assistance from the SBA, one rural county in the Delta has economic development potential and jobs for its residents.

### Streamlining the Loan Application Process and Reducing the Paperwork Burden

*In 1990, the Commission recommended that SBA streamline the paperwork involved in applying for and processing SBA loans. The SBA responded by making the loan application process easier for both the SBA lender and the borrower. The streamlined process makes more loans available to businesses more quickly.*

SBA's Low Documentation loan, *LowDoc*, is available for loan guarantees of up to \$150,000. The SBA uses a one-page application that relies on the borrower's credit history and character. In FY 1998, the staffing and processing procedures in the LowDoc Processing Centers resulted in application turn around times of less than 36 hours. Once the borrower satisfies the lender's requirements, the lender may request a guarantee from the SBA.

The SBA has also initiated the *SBAExpress* loan program. The goal is to encourage lenders to make more small loans to small business owners. Participating banks use their own forms and procedures to approve, service and liquidate loans of up to \$150,000. In return, the SBA agrees to guarantee up to 50 percent of each loan.

The SBA has another program called the Loan Prequalification, or PreQual program. It is designed to help small business owners who may not have access to capital by emphasizing the borrower's character, credit, experience and reliability rather than assets. A SBA lending partner, such as a Women's Business Center, helps the borrower prepare the package for submission to the bank. The SBA agrees, in advance, to guarantee the loan for up to \$250,000, as long as the borrower meets the bank's credit criteria. This program is designed to assist minorities and women secure loans.

### **SBA's 504 Loan Program**

In 1990, the Commission recommended an increase in business investment in the Delta. SBA's 504 Loan Program builds business capacity while accomplishing a public purpose, such as job creation or retention.

The 504 Loan Program provides permanent, fixed-rate financing for small businesses that need to acquire industrial or commercial buildings or heavy machinery and equipment. SBA 504 loans must also serve a public purpose - such as job creation. The SBA, in partnership with Certified Development Companies (CDCs) and private lenders, has significantly increased its 504 loan activity in the Delta region. That increase has resulted in an increase in Delta jobs and economic activity.

The program is delivered by local CDCs working in partnership with private lenders and the SBA. In general, the small business owner provides 10 percent of the cost and with SBA's guarantee the CDC and private lender cover 90 percent of the loan. Each CDC project must meet one of three economic impact goals; job creation, filling a special community need, or meeting a public policy goal. Since 1980, CDCs have arranged

more than \$30 billion in asset financing for more than 37,500 small businesses. Approximately 850,000 jobs have been created through this program.

There are 41 lenders operating in the Delta region states and the increase in loans since 1990 has been significant. In the Delta region states, from 1990 – 1995, \$541 million worth of 504 loans were made resulting in the creation or retention of more than 14,600 jobs. From 1996 – 1998, \$666 million worth of 504 loans were made resulting in the creation or retention of nearly 51,000 jobs.

For example:

- In Arkansas, from 1990 – 1995, there were 96 loans approved totaling \$38 million, creating or retaining nearly 3,000 jobs. From 1996 – 1998, there were 111 loans approved totaling \$145 million, resulting in the creation or retention of more than 11,000 jobs.
- In Tennessee, from 1990 - 1995, there were 127 loans approved totaling \$47 million, creating or retaining 3,600 jobs. From 1996 – 1998, there were 173 loans approved totaling \$76 million, resulting in the creation or retention of nearly 5,850 jobs.
- In Illinois, from 1990 – 1995, there were 266 loans approved totaling \$112 million, creating or retaining 8,600 jobs. From 1996 – 1998, there were 452 loans approved totaling \$191 million, resulting in the creation or retention of 14,600 jobs.
- In Missouri, from 1990 – 1995, there were 152 loans approved totaling \$213 million, creating or retaining 16,380 jobs. From 1996 – 1998, there were 478 loans approved totaling \$151 million, resulting in the creation or retention of 11,600 jobs.
- In Mississippi, from 1990 – 1995, there were 74 loans approved totaling \$31 million, creating or retaining nearly 2,400 jobs. From 1996 – 1998, there were 90 loans approved totaling \$34 million, resulting in the creation or retention of 2,600 jobs.

#### *The Small Business Investment Companies Program in the Delta*

In 1990, the Commission encouraged SBA to continue to expand the Small Business Investment Companies (SBDC) program in the Delta. SBA has met the challenge and since 1990 thirteen new SBIC's have been licensed in the Delta.

The Small Business Investment Companies (SBIC) program is a unique partnership of public and private funds facilitated by the SBA. SBA supplements the capital of private venture capital investment firms, known as leverage, which may equal two to three times the invested private capital.

Small businesses qualifying for assistance from the SBIC program are able to receive equity capital, long-term loans, and expert management assistance. As long as SBICs operate within the SBA regulations, they are free to make all investment decisions they

deem necessary as determined by their private owners and managers. This program structure allows creative uses of funds and has spurred successful innovation in thousands of small companies.

At the end of FY 1998, the SBIC program had a total investment pool of \$9 billion nationally, up by more than \$2.1 billion from the end of FY 1997. In FY 1998, licensees made 3,456 investments worth \$3.2 billion. Over the past 40 years, the SBIC program has provided roughly \$20 billion in equity and debt financing to more than 85,000 different companies. Many of them have become household names, such as Intel, Apple Computer, Federal Express, America On-Line, Callaway Golf, Compaq, Sports Authority, Outback Steakhouse, Staples and Sun Microsystems.

There are 13 SBIC Licensees currently active in the Mississippi Delta region licensed since January 1, 1990, with a total investment pool of more than \$380 million. Each SBIC licensee differs in terms of the projects it invests in depending on the expertise and talents of its management board. As part of the New Markets Initiative, SBA has encouraged many of the SBICs to seek out opportunities, especially in low- and moderate-income areas. In addition, the program is currently in the process of creating new funding mechanisms that will provide financial incentives for SBIC investments in low- to moderate-income areas as determined by census tracts.

## CREATING CONTRACTING OPPORTUNITIES

### Federal Procurement

*In 1990, the Commission recommended that SBA increase small businesses' opportunity for selling goods and services to the Federal Government. SBA has a number of programs to help those efforts. Administrator Alvarez is committed to increasing the Delta region's small business share of Federal contracting dollars.*

One of the ways to stimulate economic development in the Mississippi Delta region is to increase its share of Government procurement dollars. The SBA has extensive programs to help small businesses gain access to Federal procurement contracts.

The Federal Government spends approximately \$200 billion a year on goods and services from the private sector. From October 1, 1997, through September 30, 1998, the Federal Government awarded nearly \$22 billion (14 percent) of its contracts to the seven states in the Delta region. The national goal for small businesses' share of those dollars is 23 percent, for women-owned businesses 5 percent, and for disadvantaged business 6.6 percent. Offices of Small and Disadvantaged Business Utilization (OSBDU), located in every Federal department and agency work to secure Government contracting dollars for small and disadvantaged businesses as well as women-owned businesses.

### SBA's 8(a) Program

*In 1990, the Commission recommended a Federal procurement set aside for businesses located in the Delta region. The SBA's 8(a) program is a set aside available to Delta small businesses.*

SBA's 8(a) program is named for the section of the Small Business Act that authorized the program. The SBA's 8(a) program is a business development program that helps certified small disadvantaged businesses compete in the marketplace by providing technical assistance and access to Federal contracts. SBA certifies a firm as 8(a) if a socially and economically disadvantaged U.S. citizen owns the business; the business has been operational for at least 2 years; and the business has demonstrated the potential for success. Some groups are automatically assumed to be culturally and economically disadvantaged. These groups include African Americans, Hispanic Americans, Native Americans, and Asian Pacific Americans. Individuals who are not members of designated groups must prove that they have been discriminated against because of gender and/or race.

Once a business owner has been certified as 8(a), she/he can participate in the program for 9 years. In the developmental stage of the program, which lasts 4 years, 8(a) owners receive help in developing their businesses and accessing Federal contracts. In the transition stage of the program, which lasts 5 years, 8(a) owners receive help in stabilizing their businesses, lessening their reliance on Federal contracts, overcoming the remaining elements of disadvantage in order to prepare to leave the program.

Every year, the SBA negotiates procurement goals for 8(a) firms with each Federal department and agency. For some departments, the goal is as low as 3 percent, for others it is as high as 11.5 percent. The goal for the entire Federal Government is a little more than 10 percent of the total Federal procurement dollars be directed to 8(a) firms.

In addition, the SBA operates Procurement Centers to assist small businesses sell to the Federal Government. Arkansas has three such centers. The centers conduct outreach activities, training sessions and seminars throughout the Delta region to inform small business owners of their opportunities to access Federal contracts.

In FY 1998, the Federal Government awarded 97,000 contracts totaling nearly \$6.5 billion to 8(a) firms across the country. There are 683 8(a) companies in the Delta states: 69 in Arkansas, 196 in Illinois, 30 in Kentucky, 102 in Louisiana, 134 in Missouri, 60 in Mississippi, and 92 in Tennessee. Of the Delta region states, Missouri is the largest recipient of Federal contracts. In FY 1998, firms in Missouri received \$6 billion Federal contracting dollars. Small business in other states received more than \$16.5 billion in Federal contracting dollars. In Arkansas, in FY 1998, small and disadvantaged businesses in four Delta counties received nearly \$18.5 million in Federal contracting dollars. In Illinois, in FY 1998, Williamson County small and disadvantaged firms received more than \$620,000 in Federal contracting dollars. In Louisiana, in FY 1998,

small and disadvantaged businesses in three Delta counties received almost \$32 million in Federal contracting dollars.

The SBA is committed to increasing the number of 8(a) companies and their success in competing for Federal contracting dollars.

### PRO-Net

*In 1990, the Commission recommended the establishment of innovative ways to access Federal contracting dollars. Administrator Alvarez and the Office of Government Contracting responded with PRO-Net, an Internet-based electronic listing of small business sources for contracting officers, prime contractors, and state officials.*

Once a business has been certified as 8(a), SDB or HUBZone qualified, SBA lists the business in the Agency's PRO-Net site, which is a procurement and marketing access network. Currently with a listing of more than 180,000 small, disadvantaged, 8(a), and women-owned businesses, the database connects public and private contracting officers to small businesses seeking Federal, state, and private contracts. Presently, there are nearly 600 firms from the Mississippi Delta states listed in PRO-Net.

PRO-Net is also an electronic gateway providing links to the "Commerce Business Daily," the official publication for announcements of government contracts. In addition to resources on SBA's website, PRO-Net provides access to other key sources of information, assistance and training to 8(a) firms. Pro-Net is a resource available to all small businesses seeking Federal, state and private contracts.

### HUBZones

*In 1990, the Commission recommended increased opportunity for Delta region businesses to compete for Department of Defense and other government contracts. Administrator Alvarez and the SBA responded by implementing the HUBZone program, which is targeted to small businesses located in designated distressed areas.*

SBA administers the HUBZone (historically underutilized business zone) program. The program provides Federal contracting opportunities for qualified and certified individually-owned small businesses located in distressed areas with low income residents, high unemployment or on Indian Reservations. It is estimated that HUBZone contracting will represent approximately \$2 billion for small businesses in FY 1999. As of June 17, 1999, SBA has approved close to 100 applications. Helping these businesses to grow and prosper helps to create jobs, empower communities and improve the quality of life for all residents. More than 7,500 HUBZones have been designated across the country, including nearly every county that lies along the Mississippi River in the Delta region. There are some requirements for a small business to be eligible, such as location in a historically underutilized business zone; ownership and control by one or more U.S. citizens, and at least 35 percent of its employees must live in the HUBZone. The goal for awarding Federal contracts to HUBZones is 1 percent

in 1999, 1.5 percent in 2000, 2 percent in 2001, 2.5 percent in 2002, and 3 percent for 2003 and beyond. Small business owners can determine if their business is eligible for certification by contacting local SBA office or by visiting SBA's website at [www.sba.gov](http://www.sba.gov).

#### Small Disadvantaged Business Certification Program

*In 1990, the Commission recommended the establishment of a program to enable minority businesses to access Government contract dollars. Administrator Alvarez and the SBA responded with the recent expansion of the Small Disadvantaged Business (SDB) Certification Program.*

In order to increase opportunities for small disadvantaged firms to compete for Federal contacts, SBA's SDB program certifies small businesses from traditionally underrepresented segments of American society. After a small business is certified, it is placed in a national registry that is available to everyone. In many industries, these certified SDB's are eligible for Federal procurement preferences. Additional preferences are available to large businesses using SDB's as subcontractors, which encourages Federal subcontracts to firms with this certification. The application, checklist and required forms are available on the Internet at [www.sba.gov/sdb](http://www.sba.gov/sdb), by calling the business owner's nearest SBA office, or by calling SBA's toll free number at 1-800-558-0884.

#### GROWING AND SUPPORTING SMALL BUSINESSES THROUGH TRAINING AND COUNSELING

In 1990, the Commission recommended the building of entrepreneurial and management skills among present and potential Delta region small business owners. The SBA has extensive counseling and training programs that serve its clients in person and electronically.

#### SBA's One Stop Capital Shop Initiative

*The SBA's One Stop Capital Shop Initiative began in 1994 to support the Empowerment Zone (EZ) Initiative; a central initiative in the President's efforts to revitalize distressed inner cities or rural communities. A One Stop Capital Shop is a partnership between SBA and a local community designed to offer small business assistance from an easy to access, retail location, all under one roof. Each is unique, is located in a distressed area, and generally targets underserved communities, or SBA's new markets.*

*In 1998, SBA opened a One Stop Capital Shop in the Mississippi Mid-Delta EZ and is making another One Stop Capital Shop available to the Southernmost Illinois Delta EZ. SBA has committed to making available a One Stop Capital Shop to each EZ community.*

*The Mid-Delta One Stop Capital Shop supports the small business community throughout the Mississippi Delta through a wide range of services. Services range from the simple: accessing the Internet or gathering basic information on writing a business plan, to the*



*complex: learning how to compete for a Federal contract or apply for a city permit. Whether a small business needs information or has to complete a transaction, requires training or counseling, is applying for a loan or seeking a Government contract, the One Stop Capital Shop is designed to make all those services available in one location. Additionally, SBA's Business Information Center (BIC), located in each One-Stop Capital Shop, offers extensive small business libraries and publications, as well as state-of-the-art computer resources, small business software, and Internet access. The SBA is particularly proud of the strong working relationship with local SBDCs and the Greenville chapter of the Service Corps of Retired Executives (SCORE). The Mid-Delta One Stop also makes available a range of financial products including microenterprise loans and technical assistance and private sector lending partners.*

#### *The Welfare to Work Program in the Delta*

Administrator Alvarez and the SBA are contributing to the economic vitality of the Delta region through its Welfare to Work Initiative by helping small business owners access job-ready employees and training potential entrepreneurs to start their own small business.

Following the signing of the Personal Responsibility and Work Opportunity Act of 1996, the SBA's Welfare to Work Initiative was launched. The Initiative is rooted in the idea that small businesses represent the "work" side of the welfare to work equation and are essential to the success of any community development initiative. Through its Welfare to Work Initiative, SBA has been able to help small businesses meet the challenges of starting, running and growing a small business in a most fundamental way – by helping them hire and maintain workers.

Small firms provide the largest potential source of jobs for individuals leaving public assistance. By hiring former welfare recipients, small business owners can tap into significant wage subsidies and tax breaks as well as gain access to new workers. This SBA outreach initiative strives to provide information and to broker local relationships between the small business community and job training organizations. In addition, SBA's existing training and counseling services provide the instruction that individuals coming off welfare need to start their own small business. In the Delta region states, during FY 1998, SBA welfare to work contacts and resource partners linked small businesses interested in hiring to 14,000 post-welfare recipients. SBA is meeting its goals by connecting small business owners to job training and placement organizations. SBA and its resource partners have also trained hundreds more recipients interested in starting their own business.

Each state in the Delta region has a welfare to work contact. Over the last year and a half, the contacts have acted as a guide to small businesses interested in Welfare to Work. The contacts connect area business owners to local job trainers and provide basic information on Welfare to Work. SBA staff have also developed their own outreach materials and targeted businesses throughout the region asking them to pledge to hire. SBA's contacts also provide small business owners with information on available tax

credits and business hiring incentives. An on-line Tool Kit to assist small businesses hire has been developed and can be found at [www.sba.gov/w2w](http://www.sba.gov/w2w).

### **Assisting Small Business Development in the Delta's Native American Communities**

*In 1990, the Commission recommended greater assistance in promoting the business development skills of Native American communities. The SBA has a program office devoted solely to the Native American Community.*

SBA's Office of Native American Affairs' primary focus is to make business-development resources available to Native Americans. Each year, district offices throughout the Nation have specific targets for serving Native Americans. SBA's district offices located in the Delta region use a variety of methods to reach out to Native Americans, from distributing materials at Pow Wows to conducting workshops for Native Americans.

In addition, SBA's national resource partners, SBDC and SCORE, provide training and counseling to Native Americans on starting and running a small business. Further, Native American firms in SBA's 8(a) program are targeted for ongoing management assistance and technical assistance during their tenure in the program.

### **Women's Business Centers**

In 1990, the Commission recommended the development of management skills for potential and actual women small business owners. Administrator Alvarez and the SBA has responded through the Office of Women's Business Ownership and the Women's Business Center program.

The SBA Women's Business Center (WBC) Program is a unique public-private partnership, established in 1988, to provide community-directed business and technical training. The program has grown to 35 grants representing 37 sites. The Delta centers target women, and nearly half of the clients they serve are socially and economically disadvantaged.

The Centers in the Delta region provide long-term training, counseling, networking and mentoring to potential and existing entrepreneurs. Since the Women Business Center program began, many of the centers have offered training programs to move women from public assistance to self-sufficiency.

One example of a WBC in the Delta is the site run by the St. Louis, MO Chapter of the National Association of Women Business Owners (NAWBO). The NAWBO Center, which has graduated from Federal funding, offers one-on-one counseling, mentoring, monthly educational and networking meetings, referrals to women-owned businesses and an educational program. This program is called SUCCESSavvy and consists of a series of classes to help women start and grow a successful business. Course topics include; Do I Really Want to Be In Business, Writing a Business Plan, Basic Accounting for Your

Business, Writing a Marketing Plan and When and How to Use Professionals. The program also includes a SMART BUSINESS conference with seminars designed to educate women in the various stages of business ownership.

Women who have started their own businesses with help from Women's Business Centers in the Delta region include a laundry service that picks up and delivers, and a underwater diver who inspects water tanks in Tennessee. In New Orleans, a woman fulfilled her dream of starting a child care service for parents who are attending conferences in New Orleans. She accepts children from ages five through 12 and adolescents from ages 13 through 17. In addition to herself, she employs four people. Women's Business Centers are making a real difference in the lives of people in the Delta.

In addition to the local WBCs, the SBA has built a state-of-the-art Internet site to help women start or expand their businesses. This free, interactive web site, the Online Women's Business Center ([www.onlinewbc.org](http://www.onlinewbc.org)) is available for information and business training. The Online Women's Business Center offers a wide range of information and services to women at all levels of business development. The Online Women's Business Center is accessible 24-hours a day to anyone with a computer and Internet access. While technology cannot replace one-to-one interaction between a counselor and a client, women who do not currently have a center nearby can use the Internet as a tool to help them become entrepreneurs.

### **Business Information Centers**

*In 1990, the Commission recommended increased technical and management training for Delta region small business owners. Administrator Alvarez and the SBA has increased the number of Business Information Centers in the region.*

The SBA provides business counseling and training through a network of resource partners. SBA's Business Information Centers (BIC) are one-stop locations for information, education, and training designed to help potential and actual small business owners start, operate and grow their business. Each BIC is equipped with high tech hardware and software, reference materials, publications and Internet access. There are BICs in Illinois, Arkansas, Kentucky, Missouri, and Tennessee. Last year, more than 125,000 people took advantage of training at a BIC.

During 1998 BICs:

- In Nashville, 7,557 clients took advantage of BIC training. About half of the BIC clients served were women and nearly one third were African American.
- In Louisville, 402 clients took advantage of BIC training. About half of the BIC clients served were women and more than 90 percent were African American.

- In Illinois, 2,443 clients took advantage of BIC training. Nearly 40 percent of the clients served were women and almost half were African American.
- In Arkansas, 61 clients took advantage of BIC training, at a recently opened center. Nearly one third of the clients served were women and one fifth were African American.
- In St. Louis, approximately 2,500 clients took advantage of BIC training. Approximately one-third of the clients served were women and almost half were African American.

If a business owner wants personal training and assistance, he or she can visit a SCORE (Service Corps of Retired Executives) counselor or receive counseling on-line. SCORE is made up of 12,400 volunteer, mostly retired, business executives who offer their experience and advice at no charge. There are nearly 400 SCORE chapters around the country and 56 chapters in the Delta region states. SCORE chapters also offer low-cost workshops and seminars. Workshops range from writing a business plan to financing your business. In 1995, SCORE volunteers provided advice and counseling to more than 165,000 potential or actual small business owners and in 1998, to more than 246,000 potential or actual small business owners. Overall, SCORE counseling sessions increased by more than 10 percent during the 1990's.

For example, in Arkansas, SCORE chapters held nearly 1,800 training and counseling sessions, and in Nashville, SCORE chapters held nearly 2000 training and counseling sessions. In Kentucky, SCORE participated in Business Development Weeks held in Delta counties. SCORE volunteers were part of a team of SBA resource partners and staff who led 14 seminars and trained nearly 300 participants during each Business Development Week.

In 1997, SCORE began to offer counseling sessions over the Internet. There are 560 SCORE volunteers serving as e-mail counselors and in FY 1998, SCORE counseled 29,966 clients through e-mail.

SCORE is part of the continuum of SBA services. For example, in St. Louis, in 1994, three young people were laid off from their jobs at a radio and television production studio. The trio decided to start a video production business that would utilize their work experience. The problem was, they had no business experience. A SCORE counselor, a retired national sales manager, assisted the group with marketing and sales plans. The Women's Entrepreneurial Program at a local community college and the Small Business Development Center helped them obtain a SBA guaranteed loan. And once the business was up and running, the SCORE counselor visited them at their place of business for regular counseling for more than 2 and a half years. The business is now a leader in non-profit video production and recently expanded to include communication expertise in Spanish. Their SCORE counselor has been with them every step of the way and the owners credit him with their success.

### Small Business Development Centers

In 1990, the Commission recommended increased activity, training and technical assistance by the region's Small Business Development Centers. Administrator Alvarez and the SBA have increased the number of SBDC subcenters and expanded outreach activities.

The SBA's Small Business Development Center (SBDC) program provides management assistance to current and potential small business owners. SBDC's offer one-stop facilities providing a wide variety of information and guidance in easily accessible branch locations. The program is a cooperative effort of the private sector, educational community, and Federal, state and local governments. There are more than 1,000 SBDC lead centers and subcenters. Many of them are connected with state university systems, vocational schools, chambers of commerce and community colleges and are therefore located in areas where most of a state's population can reach them. There are 158 SBDC's in the Delta region. Each state's SBDCs and SBA's district director work closely and negotiate an annual agreement to meet the state's needs.

The program provides up-to-date counseling, training, and technical assistance in all aspects of small business management. SBDC services include helping small businesses with financial, marketing, production, organization and technical problems. There are some specialized programs, such as procurement assistance, venture capital formation and rural development. SBDCs also make special efforts to reach minority members of socially and economically disadvantaged groups, veterans, women and the disabled. Anyone interested in starting a small business or improving their small business, that cannot afford the services of a consultant, is eligible for SBDC assistance.

One example of an SBDC in the Delta region is the lead SBDC for Tennessee, located at the University of Memphis. The SBDC provides counseling through five local service centers and averages counseling and training to over 1,600 potential and actual small business owners each year. The SBDC has signed agreements with minority organizations such as the Black Business Association, Memphis Minority Business Opportunity Committee, Hispanic Business Alliance and have an excellent working relationship with the Minority Purchasing Council, which helps to provide contracting opportunities for minority-owned firms. The SBDC also trains small business owners on using electronic commerce and PRO-Net. In addition, the statewide directors' network meets regularly to discuss better ways to serve small business and to promote economic development. The SBDCs meet annually on a national basis and twice a year within each state in order to review their progress, share best practices, and make any needed adjustments to their programs.

*In Kentucky, a little more than half of the clients trained and counseled by the SBDCs are women. In Mississippi, almost 25 percent of the clients trained and counseled are African American. In Arkansas, the SBDCs increased their training and counseling of Native Americans by 25 percent between 1997 and 1998.*

SBDCs often sponsor activities designed to reach out to the community. Some examples are Rural Business Mini-Conferences, Lenders Conferences, computer and Internet training, and down link conferences. In addition, SBDCs host cable television shows, designed to help people who want to start or grow their businesses; form partnerships with economic development organizations to increase member services; conduct workshops with local banks and/or participate on state economic development boards and commissions.

SBA's Small Business Development Centers contribute directly to business development and growth to the states they serve.

For example in 1998:

- In Arkansas, SBDC activities resulted in the creation of 395 jobs and the retention of 316 jobs. More than \$60 million in sales revenue and nearly \$2.25 million in state taxes were generated. SBDC services led to 69 SBA guaranteed loans, totaling \$22 million, and 70 non-SBA loans, totaling \$7 million.
- In Illinois, SBDC activities resulted in the creation of 2,108 jobs and the retention of 2,339 jobs. Nearly \$24 million of sales were generated. SBDC services led to 113 SBA guaranteed loans totaling \$21.1 million, and 355 non-SBA loans, totaling almost \$55.25 million.
- In Kentucky, SBDC activities resulted in the creation of 706 jobs and the retention of 261 jobs. Almost \$46 million in sales revenue were generated. SBDC services led to 77 SBA guaranteed loans totaling \$8.4 million, and 87 non-SBA loans totaling \$19.7 million.
- In Louisiana, SBDC activities resulted in the creation of 532 jobs and the retention of 360 jobs. Almost \$73.4 million in sales revenue and \$195,152 in state taxes were generated. SBDC services led to 13 SBA guaranteed loans of nearly totaling \$3 million, and 51 non-SBA loans totaling \$9.4 million.
- In Mississippi, SBDC activities resulted in the creation of 2,467 jobs and the retention of 2,778 jobs. Almost \$440 million in sales revenue and \$10 million in state taxes were generated. SBDC services led to 82 SBA guaranteed loans totaling nearly \$1.5 million, and 348 non-SBA loans totaling \$47 million.
- In Missouri, SBDC activities resulted in the creation of 793 jobs and the retention of 1,399 jobs. Almost \$82 million in sales revenue and \$4.9 million in state taxes were generated. SBDC services led to 54 SBA guaranteed loans totaling \$6.1 million, and 91 non-SBA loans totaling \$17 million.
- In Tennessee, SBDC activities resulted in the creation of 1,811 jobs and the retention of 1,056 employees. Almost \$117 million in sales revenue and more than \$5 million

in state taxes were generated. SBDC services led to 73 SBA guaranteed loans totaling nearly \$19 million and 136 non-SBA loans totaling \$34 million.

SBDC counseling and training has helped countless numbers of small business owners. In Jackson, Tennessee, the SBDC has worked on a continuing basis with the owner of an automotive repair shop. SBDC counselors advised the owner on plans for expansion and worked with the local bank to obtain funding for the business owner.

In Mississippi, SBDC staff from the Mississippi Delta Community College assisted a client, with experience in the nursing home industry, to open her own personal care home. SBDC assisted by helping to write a business plan with financial projections and by meeting with the lender to discuss the business' potential. Funding was obtained from the bank, a local development organization and individual investors, including the client. The business has opened; employing 10 people and is generating sales of more than \$600,000 per year.

*In Little Rock, SBDC staff helped a woman fulfill her dream of opening a used bookstore and café. Since she had no previous business experience, SBDC counseled her and enrolled her in a seminar, "Introduction to Business Ownership." After meeting with bank representatives for financing, she went back to the SBDC for help in preparing a SBA loan application. She was successful in obtaining the loan and has opened her business that employs seven people. As you can see from these stories of successful small businesses in the Delta, the SBDC program is making an extraordinary difference in the lives of entrepreneurs.*

#### Small Business Export Assistance

In 1990, the Commission urged public and private sectors to encourage and assist small Delta businesses expand into international markets. Administrator Alvarez and the SBA are committed to increasing the small business share of the export market.

SBA's Office of International Trade, in cooperation with other Federal agencies and groups, encourages and assists small business exports. SBA's New Orleans Export Assistance Center is designed to offer a full range of programs and services— all in one location. SBA's Office of International Trade also markets SBA's loan guaranty programs to small business exporters and lenders. Administrator Alvarez is committed to increasing the small business share of the export market. She has led trade missions to Mexico, Ireland and Canada to increase the opportunities for small business exporters.

#### Disaster Assistance

*The SBA comes to the aid of residents and small business owners in times of disaster. The SBA Disaster Assistance Program, administered by the Office of Disaster Assistance, is the primary Federally funded assistance loan program for funding long-range recovery for private-sector, non-agricultural disaster victims. Eligibility is based on financial criteria. Interest rates fluctuate according to statutory formulas. A maximum*

*interest rate of 4 percent is provided to applicants without credit available elsewhere; a higher maximum of 8 percent is for those with credit available elsewhere.*

*In addition to Presidential declarations, the program handles disaster loans when the SBA Administrator makes a declaration. There are three disaster loan programs: loans for homes and personal property; physical disaster loans to businesses of any size; and economic injury loans to small businesses without credit available elsewhere. Between FY 1991 – FY 1998, the SBA Disaster Assistance Program made 10,094 disaster loans totaling \$206,811,300 in Mississippi Delta counties.*

*The following is a summary of the number and dollar amount of SBA disaster loans in Delta counties between FY91-FY98:*

- In Arkansas, 426 loans were made, totaling \$14,363,600.
- In Illinois, 337 loans were made, totaling \$13,278,000.
- In Kentucky, 289 loans were made, totaling \$15,087,500.
- In Louisiana, 7,512 loans were made, totaling \$108,800,300.
- In Mississippi, 679 loans were made, totaling \$25,867,500.
- In Missouri, 501 loans were made, totaling \$15,470,700.
- In Tennessee, 350 loans were made, totaling \$13,943,700.

## **Conclusion**

From Business Information Centers and One-Stop Capital Shops to SBA's 7(a) and Microloan Program, the SBA is reaching out to small business in the Delta to provide the tools and services needed to achieve success. Working through the SBA's district offices and resource partners, such as Small Business Development Centers, SBA is meeting the objectives of the Lower Mississippi Delta Commission by helping to develop a strong business sector in the Mississippi Delta.

## **Historically Underutilized Business (HUB) Zone Contracting Empowerment Program**

The Department of Veterans' Affairs is working closely with the Small Business Administration (SBA) on this initiative which is designed, unlike other small business programs, to assist communities through the infusion of Federal contracting dollars, not individual businesses. SBA estimates that around the country, 11% of urban communities and 30% of rural areas are designed to be HUB zones. In 1999, 1% of VA's procurement dollars are to be spent with HUB Zone concerns, through both competitive and noncompetitive awards. In addition, 1% of dollars to be subcontracted



by VA's prime contractors will also be spent with HUB Zone concerns. SBA's HUB Zone registration site was made available on March 22. Because VA is a highly decentralized procurement organization, with almost 200 contracting activities distributed in major metropolitan and rural environments, we hope to exceed the Federal goal for this highly beneficial new program. VA facilities in Delta States purchased \$386.4 million in FY '98. Based upon FY '98 procurements, \$3.8 million could be dedicated to HUB Zone Contractors.

## **DEPARTMENT OF TREASURY BUSINESS AND INDUSTRIAL DEVELOPMENT PROGRAMS**

### **Community Adjustment Investment Program (CAIP)**

The Community Adjustment Investment Program (CAIP) aims to assist private companies in creating or retaining job opportunities in NAFTA trade affected areas; to leverage private sector business lending; and to focus resources into the most significantly affected areas. The CAIP is a partnership between the U.S. Government and the North American Development Bank (NAD Bank) to assist economic adjustment by increasing the availability and flow of credit, while encouraging business development and expansion in trade impacted areas. The CAIP loan and loan guarantees are made through existing U.S. Government loan or loan guarantee programs of the USDA and the SBA. The recently developed grant and technical assistance program is administered by the CAIP grant/technical assistance office.

As of June 25, 1999, 231 loans/loan guarantees were awarded in 25 states with a gross loan amount of \$166 million. The gross loan amount for the Mississippi Delta totaled \$46.2 million or 27.8% of the total CAIP loans and loan guarantees. A detailing of the individual loans and loan guarantees follows.

### **CAIP: Loans and Loan Guarantees for Small Business Development**

#### **Blytheville (Mississippi County), Arkansas**

SBA guaranteed loan to Green Acres Nursery in the principal amount of \$65,000. Endorsed by the FC on March 5, 1998. It is expected that 16.5 full-time equivalent jobs will be created. The loan proceeds will be used to payoff bank debt and for working capital.

#### **Corning (Clay County), Arkansas**

USDA guaranteed loan to Johansen Brothers Shoe Company in the principal amount of \$1,851,880. Endorsed by the Finance Committee (FC) on April 23, 1998. It is expected that 101 full-time jobs will be retained and 15 full-time jobs created. The loan proceeds will be used for working capital, machinery and equipment, factory improvements, and debt restructuring.

#### **Des Arc (Prairie County), Arkansas**

SBA guaranteed loan to Mr. B's Quickstop of Des Arc in the principal amount of \$50,000.

Endorsed by the FC on December 11, 1997. It is expected that 2.5 full time equivalent jobs will be created and the loan proceeds will be used to upgrade equipment and to add a food delivery service.

**Greenway (Clay County), Arkansas**

SBA guaranteed loan to Lianne Fisher Company, a wholesale distributor of silk flower arrangements, etc., in the principal amount of \$184,000. Endorsed by the FC on April 23, 1998. It is expected that 10 full-time jobs will be created. The loan proceeds will be used to purchase real estate, expand existing facility and for refinancing.

**Pocahontas (Randolph County), Arkansas**

SBA guaranteed loan to G & K Crocker, d/b/a Crockwen Foods, in the principal amount of \$665,000. Endorsed by the FC on September 29, 1997. It is expected that 14.5 full-time equivalent jobs will be created. The proceeds of the loan will be applied to purchase land, construction, equipment, inventory, startup costs, franchise fee and working capital.

**Breaux Bridge (St. Martin Parish), Louisiana**

USDA guaranteed loan to Cormier Shoring & Equipment Co., Inc., engaged in the rental of trench shoring device, in the principal amount of \$1,711,532. Endorsed by the FC on June 3, 1998. The loan guarantee will create 20 full-time jobs and preserve 17 full-time jobs or a total of 37 jobs. Proceeds will be used for debt restructuring, machinery and equipment, and working capital.

**Crowley (Acadia Parish), Louisiana**

USDA guaranteed loan to Dixie Rental & Supply, LLC, a company which rents industrial equipments, in the principal amount of \$3,500,000. Endorsed by the FC on March 25, 1999. The loan guarantee will create 35 full-time jobs and preserve 18 full-time jobs. Proceeds will be used to purchase real estate, construct a building, refinancing, purchase of equipment and fees.

**Egan (Acadia Parish), Louisiana**

1. USDA guaranteed loan to Egan Rice Drier Corporation in the principal amount of \$245,000. Endorsed by the FC on October 23, 1997. Expectation is that the loan guarantee will allow the corporation to preserve 15 full-time jobs. The proceeds of the loan will be used to purchase an existing rice drying facility.
2. USDA guaranteed loan to G. L. Manuel Conoco Oil Company, Inc., in the principal amount of \$3,500,000. Endorsed by the FC on January 7, 1999. The borrower expects to create 10 and preserve 40 full-time jobs. The loan proceeds will be used mainly for real estate improvements.

**Eunice (St. Landry Parish), Louisiana**

USDA guaranteed loan to Nursing Home of Eunice in the principal amount of \$4,800,000. Endorsed by the FC on June 16, 1998. The loan guarantee will enable the

company to retain 167 full-time jobs. The proceeds will be used to purchase land, for construction, and for contingency and reserve.

**Rayne (Acadia Parish), Louisiana**

1. USDA guaranteed loan to Frog City Enterprises, LLC (truck stop business) in the principal amount of \$3,480,000. Endorsed by the FC on June 16, 1998. It is expected that the loan guarantee will allow the borrower to create 50 full-time jobs. The proceeds will be used to purchase land, for construction and for machinery and equipment.
2. USDA guaranteed loan to Moon Ventures, LLC, a manufacturer of housing units for oil and gas production and drilling rigs, in the principal amount of \$9,000,000. Endorsed by the FC on August 20, 1998. It is expected that the loan guarantee will allow the borrower to create 45 full-time jobs and preserve 84 full-time jobs or a total of 129 jobs. The proceeds will be used to purchase machinery and equipment and for working capital.
3. USDA guaranteed loan to Body Masters Sports Industries, Inc., a sports equipment manufacturer, in the principal amount of \$5,000,000. Endorsed by the FC on December 2, 1998. It is expected that 250 existing full-time jobs will be preserved and 38 full-time jobs will be created, or a total of 288 jobs. The proceeds will be used for working capital, machinery and equipment, real estate improvement, debt refinancing and loan fees.

**St. Martinsville (St. Martin Parish), Louisiana**

USDA guaranteed loan to Preeminent Energy Services, Inc., in the principal amount of \$9,250,000. Endorsed by the FC on September 23, 1998. It is expected that the loan guarantee will allow the borrower to create 30 and preserve 106 full-time jobs or a total of 136 jobs. The proceeds will be used for machinery and equipment (69.2%), debt refinancing (29.3%) and loan fees (1.5%).

**Bolivar (Hardeman County), Tennessee**

USDA guaranteed loan to Lucerne Technologies, Inc., maker of high quality electrical switches, in the principal amount of \$1,150,000. Endorsed by the FC on May 4, 1999. The loan will save 50 current full-time jobs and create another 30 jobs by the end of 1999. The proceeds will be used to take out interim financing and for working capital.

**Dyersburg (Dyer County), Tennessee**

USDA guaranteed loan to Outdoor Assets, LLC, manufacturer of wooden insect vacs, in the principal amount of \$260,000. Endorsed by the FC on June 15, 1999. The loan will create 10 full-time jobs, with the loan proceeds to be used for working capital.

**McKenzie (Carroll County), Tennessee**

USDA guaranteed loan to Cut Right Wood Products, LLC, manufacturer of wooden furniture frame for use in upholstered couches and chairs, in the principal amount of \$400,000. The borrower expects to create 15 new full-time jobs. The loan proceeds will be used for working capital, office equipment, machinery, fees and other expenses.

**Union City (Obion County), Tennessee**

USDA guaranteed loan to Union City Processors, Inc., a meat processing facility, in the principal amount of \$1,100,000. Endorsed by the FC on April 9, 1998. It is expected that 36 full-time jobs will be created. The loan proceeds will be used for refinancing, working capital, new equipment and loan fees.

## **TOURISM**

### **Issue: Marketing the “Delta Image” in Tourism**

*The Commission’s goal was to use marketing to help the Delta to become a major travel destination in America. The Commission perceived the Delta of the late 1980s to be a weak travel market in an otherwise strong southeast region. The Commission recommended an evaluation and strengthening of the region’s image, advertising of its travel opportunities, elimination of barriers to travel, and a 10-year marketing strategy.*

**Tourism Marketing by Travel South USA.** Travel South USA is a non-profit regional tourism marketing organization that represents eleven southern, primarily Delta, states. Recently, the Commerce Department gave a grant of \$400,000 to Travel South USA to participate in the Market Development Cooperator Program, a public-private partnership developed to help small- and medium-sized U.S. firms to expand exports that support jobs for Americans. Under the grant, Travel South USA will implement a strategic marketing program designed to increase visitation to member states from Brazil. The Commerce Department will provide technical assistance and other guidance, and work to ensure the success of this program.

### **Issue: River Travel Corridor**

*The Commission envisioned a major north-south travel system traversing three travel arteries: the Mississippi River, the Great River Road, and a continuous non-motorized bike and hike trail. Recommendations were made for a master plan to be completed by a consortium of universities and organizations, including the Great River Road as a scenic byway, identification of other scenic byways, non-motorized bike and hike trails, and a river protection strategy.*

**Mississippi River Corridor Study.** In recognition of the Mississippi River’s importance to the nation, Congress established the Mississippi River Corridor Study Commission, which would undertake a study to determine the feasibility of designating the river as a national heritage corridor. This report, provided to Congress in 1996, recommended designation of a Mississippi River National Heritage Corridor. It further recommended that the Mississippi River Parkway Commission be designated as the lead agency among many partner agencies and organizations to provide management emphasis and coordination.

**Great River Road.** Individual states are using the flexibility contained in ISTEA to fund improvements to the Great River Road and for scenic easements, historic preservation and other projects. In Arkansas, for example, since 1990, about 120 miles of improvements, including easements, historic preservation, highway reconstruction, highway resurfacing and major widening, have been completed at a cost of about \$140 million.

### **Issue: County/Parish Tourism Development**

*The Commission determined that the communities will produce professional tourism leadership, develop their most important amenities, and boast good lodging and other service facilities by the year 2001. The Commission recognized, however, that many communities were not equipped to undertake some of the tasks to fulfill this goal. While many of the recommendations were directed to state and local entities, the Commission recommended that the federal government recognize that tourism is a legitimate and vital tool in rural social and economic development, and also recommended that Congress provide federal resources, provide support services, expand loan programs and tax incentives, and establish tourism development zones.*

**Important Marketing Resources.** Two offices within the Department of Commerce are important resources for marketing the Delta's as an important destination for tourists:

- The Office of the Deputy Assistant Secretary for Tourism Industries fosters tourism trade development and represents the United States in tourism-related meetings with foreign government officials. The Office interacts with the Commercial Service to advise and assist both the foreign and domestic commercial service officers on matters of policy, technical assistance and research.
- The Tourism Development Group is responsible for economic policy and technical assistance for tourism development. The Group aims to increase the number of businesses and communities exporting travel and tourism products by providing statistical research, policy coordination, advocacy, and technical assistance to companies and communities seeking to start or expand their tourism-related businesses abroad.

### **Issue: Protection of Historic and Prehistoric Sites and Wetlands**

*The Commission goal of protecting remaining historic and prehistoric sites recognized the unique historical character of the region, and the fact that so many of these areas had been destroyed or were in danger of destruction. The Commission called for region-wide surveys to identify sites of historical importance, using existing mechanisms, such as the Conservation Reserve, and tax and other incentives to protect historical areas, to require pre-development archaeological investigations, and to provide public access to high quality wetlands.*

**Lower Mississippi Delta Region Heritage Study.** The Congress passed in 1994 the Lower Mississippi Delta Region Initiatives legislation, for which the National Park Service was given lead responsibilities for a study. Funding in the amount of \$320,000 was provided to complete the study, and \$120,000 to implement education, preservation, and tourism projects that would support the intent of the legislation. The resulting report to Congress, submitted in 1998, is a comprehensive look at the Delta's cultural, natural, and recreational resources. It provides a basis from which the Congress, states, local

governments, and/or a tourism entity could make decisions regarding future planning and/or implementation strategies related to heritage preservation and heritage tourism initiatives in the Delta. The report highlights potential locations for an African American Heritage Trail and Native American Cultural Center. Development of the study brought together governments — state, local, tribal, and federal, private nonprofit organizations, academic institutions, communities, and individuals living throughout the Delta region. Contracts for specific elements went to:

- The Louisiana Endowment for the Humanities, to identify the status of museum organizations that had exhibitions that interpret aspects of Delta culture.
- The University of Mississippi's Center for the Study of Southern Culture, to identify sites not listed on the National Register of Historic Places but which could portray to visitors the unique character of the delta.

Issue: Promoting the Delta's Environment

*The Commission envisioned the Delta of the year 2001 as a region known for the quality of its environment. The wealth of wetland resources lying within the borders of the main-stem levees were viewed as a significant resource, but with minimal public access.*

National Wildlife Refuges in the Delta. Woven deeply into the fabric of the Nation's history, the 975-mile reach of the Lower Mississippi River constitutes one of the Delta's most underutilized natural resource attractions. The river and its 2.5 million-acre flood plain possess abundant sport fisheries and wildlife resources as well as opportunities for non-consumptive uses such as bird watching, boating, hiking, and sightseeing. The extensive network of National Wildlife Refuges throughout the Delta serves as an excellent resource for ecotourism development. Those refuges provide opportunities for viewing and photographing native wildlife, fishing, hunting, and other activities. They can also provide a major economic asset for many Delta communities. Some of the wildlife refuges have visitor centers and other interpretive facilities that enhance the quality of the outdoor experience and showcase the Delta's unique natural resources. New wildlife refuges added or enlarged since 1990 are:

- Bayou Sauvage National Wildlife Refuge, located in East Orleans Parish, within the City of New Orleans, was originally authorized at 19,000 acres. Subsequent approvals have authorized an additional 12,000 acres during the 1990's.
- Big Branch Marsh National Wildlife Refuge, established in 1994, is the last large undeveloped natural area on the north shore of Lake Ponchartrain. Congress appropriated \$5 million to acquire the Refuge's 12,600 acres.
- Bayou Cocodrie National Wildlife Refuge, located near Vidalia, Louisiana, was established in 1990. Congress appropriated \$8.9 million, and 13,000 acres have been purchased to date.

- Black Bayou Lake National Wildlife Refuge, a 6,200 acre refuge, was established in 1997. Congress appropriated \$2 million to acquire this privately owned lake in Ouachita Parish, Louisiana.

**National Parks in the Delta.** National Parks represent some of the nation's best natural, historical, recreational, and cultural treasures. Following are the national park additions and expansions in the Delta during the 1990's:

- Atchafalaya Basin Study. Congress directed the National Park Service to study the 600,000 acre Atchafalaya Basin — the largest and most intact high quality freshwater wetland remaining in the delta, and to make recommendations for its protection. The Special Resource Study evaluated the basin for national significance, and provided a range of protection scenarios. A report was sent to Congress in 1999.
- Jean Lafitte National Historical Park. The park was authorized in 1978 to preserve significant examples of natural and historical resources of the Mississippi Delta region. During the 1990's, \$3.9 million was spent to acquire land within the park boundaries and within the park protection zone.
- Natchez National Historical Park, authorized in 1988. Natchez is one of the best preserved concentrations of significant antebellum properties in the country. During the 1990's, approximately \$8.5 million were spent to acquire land and properties in the park.

#### **Issue: Thematic Programs and Networks**

*The Commission's goal was to sponsor a broad thematic range of special projects and programs which build a network of communities and attract visitors of many interests, with special focus on a native American heritage route, a delta African American heritage trail, river corridor, rural and adjacent town tourism, a network of information centers, folklife destinations, music and literature features, natural resources attractions, farm tours, and senior citizen tourism.*

**Welcoming Visitors to the Delta.** The National Wetlands Research Center of the U.S. Geological Survey has a comprehensive visitor program that attracts more than 6,000 visitors annually, including Elder Hostel and international journalists sponsored by the State Department, to learn about coastal Louisiana wetlands and other issues related to the Delta. Special migratory bird programs, held in conjunction with Partners in Flight, also bring tourists to the area.

**Educating the Public about the Delta's History.** More than twenty projects have been completed that support tourism, preservation, and education efforts throughout the Delta, including:



- Development of a CD-ROM entitled *Delta: The Mother of Waters*, a Lower Mississippi Valley Civil War Brochure, and a Mississippi Delta Traveling Trunk and Teaching Guide.
- Studies on the Highway 165 Corridor, and Lower Mississippi Delta Mounds.
- Workshops on “African American Heritage,” and “Saving Historic Architecture and Antiques.”
- Conferences on: “African Americans: From Slavery to Contemporary Times,” and “Southern Cultural Landscapes: Past, Present, and Future.”

**Lower Mississippi Delta Region Heritage Study.** The 1998 report to Congress detailing the Lower Mississippi Delta Region Heritage Study highlights potential locations for an African American Heritage Trail and a Native American Cultural Center. Development of the study brought together governments — state, local, tribal, and federal, private nonprofit organizations, academic institutions, communities, and individuals living throughout the Delta region.

**Applying Geographic Information Systems (GIS).** The Lower Mississippi Valley GIS Task Force group was established in 1995 to coordinate and promote the development of GIS databases and applications. The first-of-its-kind CD-ROM of Lower Mississippi Valley datasets resulted from this group of ten state, federal, and local agencies, and The Nature Conservancy. Forty-eight individuals who attended a two-day GIS workshop in Vicksburg, Mississippi, identified issues related to GIS database and applications development, and established goals for enhancing and/or overcoming the issues. Participants included managers and GIS technicians from multiple government agencies at all levels, non-governmental organizations, and private corporations. The workshop has provided a strategy for future development of a coordinated effort of GIS database and applications development within the Delta.

## **THE DELTA'S LITERARY AND MUSICAL HERITAGE**

One of the greatest arenas for future tourist development lies in the realm of culture. The Mississippi River is the cradle of American literature and music. Many of America's greatest writers lived and traveled along the Great River, from Mark Twain to Richard Wright, William Faulkner, Walker Percy, and Eudora Welty. There are many historic sites along the Delta that trumpet the region's great cultural contributions to the world: the Blues, Jazz, Country, Cajun, Zydeco, Gospel, Rock & Roll, and Rhythm and Blues. Famous sites in the Delta include Muddy Waters' cabin, Storyville in New Orleans, the Blues Museum in Clarksdale, Mississippi, and the Museum of the Mississippi River in Memphis. New Orleans is the birthplace of Louis "Satchmo" Armstrong and Mahalia Jackson, the famed gospel singer. The University of Mississippi is a world-renowned showcase for the literary genius of William Faulkner. Currently, people from around the world come to see these attractions. Some of these sites are already preserved and used to promote tourism, while others need to be re-developed.

The region's literature and music play a role in racial healing. Many of the Delta's most profound literary works lament the tragedy of racism. People from all ethnic backgrounds have contributed to the Delta's musical heritage: many Americans have believed that rock was only the "whites' music," or that jazz and rhythm and blues were exclusively developed by African Americans; but a closer view of the region's heritage will reveal that African Americans and Hispanics influenced rock and country, while there were white influences on jazz, gospel and rhythm and blues. Given the importance of music to the day-to-day lives of ordinary people, racial healing through music may have a more broad-based impact than purely academic discussions of the matter.

Considering the Delta's profound contributions to America's cultural tradition, there is great untapped potential in expanding this phase of the region's tourist industry. One proposal for helping to promote the development of tourism is the creation of a "National Cultural Heritage Trail" to help promote the development of tourism. Such a trail would preserve vital historic sites and cultural traditions, promote tourism, and advance the President's initiative on race by helping the nation understand the diverse racial cross-currents that have enriched American music and literature. The trail would develop a tour route and "living museum" along the River. Potential governmental and nongovernmental partners might include record companies, cable music channels, musical instrument companies, railroads, airlines, rental car companies, music foundations, movie studios, local chambers of commerce, Empowerment Zones/Enterprise Communities/Champion Communities, and others. USDA's Rural Development, the National Parks Service, the National Endowment of the Arts, the National Endowment of the Humanities, the Smithsonian Institution and its Festival of American Folk Life, state arts councils, and rural development councils could also assist in this effort.

The promotion of this Trail, and general promotion of the Delta's musical tradition, will be discussed by the Delta 2000 Initiative. As recommendations for the Initiative's Final Report are developed, we invite the counsel from people throughout the region and the country who are interested in preserving this cultural heritage. Promotion of greater

regional, national and international interest in the Delta's literature and music would not only enhance economic development through expansion of the region's tourist industry, but even more importantly, it would enrich the educational and cultural fabric of American society as a whole.

## **DIVERSITY**

A fundamental theme running throughout the Report is the need to ameliorate race relations in the Delta. Racism has been one of the most destructive forces in preventing the people of the Delta from making progress in attacking the region's social, political, and economic problems. In many areas—community development, educational opportunities, small business assistance, and others—there have been important strides made in the 1990s for the African-Americans, Hispanics, Native Americans, and other minorities in the Delta. However, much remains to be done, and minorities in the Delta have not received their fair share of participation in the economic boom. Approximately 40 percent of the Delta's people are African American. The number of Hispanics in the region is relatively small but is growing rapidly.

There are exceedingly diverse and numerous issues discussed in this Report and the following Inventory that deal partly or entirely with race relations. A sketch of several examples is listed below, as an illustration of some of the important activities underway in the field of ethnic and race relations:

- **Magnet Schools:** The Magnet School Assistance Program (MSAP) has assisted school districts that are planning and implementing magnet schools as part of the district's approved desegregation plan to reduce, eliminate or prevent minority group isolation. For example, the Monroe City School District in Louisiana will receive up to \$3,730,659 over three years of its MSAP project to establish technology-based magnet schools at Carroll Junior High School and Carroll Senior High School. The program will foster partnerships with business, technical colleges, and universities to create a strong link between school-based and real-world learning.
- **Minority education at elementary, secondary and college levels:** Through the 1994 reauthorization of the Elementary and Secondary Education Act (ESEA), additional Federal resources were directed to schools with high percentages of students living in poverty through the Title I program. A substantial majority of elementary and secondary schools in the Delta receive Title I funding. At the college and university level, a number of initiatives have been pursued, including assistance for the Historically Black Colleges and Universities (HBCUs) program, which makes up another major component of the effort to assist minorities obtain opportunities for educational advancement.
- **Bilingual and migrant education programs:** The Department of Education's Bilingual Education program assists Hispanics and others with Limited English Proficiency (LEP), and its Migrant Education Program reaches out to migrant farm workers' children who suffer from the combined effects of poverty, mobility, and limited English proficiency that are characteristic of many migrant children. For example, the Orleans Parish School District received \$463,676 in Federal funding in FY98 through a Bilingual Education Comprehensive School grant to restructure,

upgrade, and reform the current program for over 1,300 LEP students speaking more than 20 languages.

- **Minorities in the agricultural sector:** The U.S. Department of Agriculture has pursued a number of policies for assisting small farmers and farm workers, many of whom are minorities. Expansion of marketing opportunities, more credit opportunities, and other policies for the disadvantaged have been pursued, although much remains to be done to correct the historic discrimination that has been inflicted upon minority farmers.
- **Farm labor:** Similarly, numerous efforts have been made to provide aid for farm laborers, many of whom are African American or Hispanic. In addition to the education programs cited above, housing is a major issue for migrant workers. Farm Labor Housing in the Delta region, as funded through USDA Rural Development, has traditionally consisted of single family dwellings located on private lands, which the agricultural producer funded. But, with changes in the agricultural economy of the Delta, there has been a shift away from that type of housing. In the 1990s, Mississippi built 26 on-farm labor housing units totaling \$1.23 million, and western Tennessee built two units at a cost of over \$100,000. In Arkansas, however, construction of new, on-farm units has continued at a more significant rate, and an innovative, overnight housing and referral facility for migrant farmworkers was developed in Hope, Arkansas. During the 1990s, Rural Development in Arkansas provided 47 domestic Farm Labor Housing loans to finance 62 on-farm units totaling approximately \$2,610,000.

Moreover, Rural Development in Arkansas also granted \$2.5 million to construct the new Hope Migrant Complex. The Hope Migrant Farm Labor Center was constructed to assist families and individuals as they travel through a “migrant stream”—where workers travel to points north and south, anticipating work opportunities along certain routes. Each year, thousands of families following the midwestern migrant stream travel through Hope, and many families stop at the Labor Center to rest. They are provided with housing, job referrals and social services assistance. Farm workers have historically been among the most socially and economically distressed groups in the region, despite their essential contribution in producing the food Americans eat every day. USDA’s Rural Development and the U.S. Department of Labor are working on this and other projects to assist farm workers throughout the region.

- **Housing opportunity:** The Department of Housing and Urban Development (HUD) has vigorously invoked its authority under the Fair Housing Act to prosecute cases of housing discrimination. HUD has funded the Fair Housing Initiatives Program, which supports private nonprofit organizations, state and local governments and other entities committed to enhancing compliance with the nation’s fair housing laws. Furthermore, HUD launched a rigorous, independent study of racial and ethnic discrimination in housing and rental sales in order to enhance its continuing effort to enforce fair housing opportunities.
- **Minority small businesses:** The Small Business Administration’s (SBA) MicroLoan program assisted small businesses throughout the region, with over half of them going to African Americans. SBA’s Section 7(a) Loan Guaranty Program provides loans to eligible, credit-worthy small businesses that cannot obtain financing on reasonable terms through normal lending channels. This program has steadily increased its loan activity for minorities. In fiscal year 1992, 15 percent of the loans were made to minorities and 14 percent to women, while in fiscal year

1998, that percentage had risen to 24 percent to minorities as well as 24 percent to women. In Fiscal Year 1999, SBA guaranteed 4,052 loans in the region, amounting to more than \$755 million, and almost half of the loans were to minorities and women. Similarly, the Community Development Financial Institutions Fund has provided opportunities for small businesses, including many African American businesses, working with community development organizations such as the Enterprise Corporation for the Delta and many others.

- **Minority government contracts:** The federal government has made a concerted effort to provide minorities with opportunities to increase involvement with federal contracting. The 1990 Commission explicitly recommended such assistance. The Department of Defense gives attention to minority defense contract awards, and SBA's Section 8(a) program is a set-aside for small disadvantaged businesses. African Americans, Hispanic Americans, Native Americans and Asian Pacific Americans are included among those assumed to be disadvantaged under the Small Business Act. There are 683 companies taking part in Section 8(a) in the Delta region. Examples of the benefits: in four Delta counties in Arkansas in 1998, \$18.5 million in federal contracting dollars were awarded to small and disadvantaged businesses; three Louisiana Delta counties received almost \$32 million.
- **HUBZones:** Similarly, the historically underutilized business zone program provides federal contracting opportunities for qualified and certified individually-owned small businesses located in areas with high unemployment, low-income residents, or on Native American reservations. Almost every county along the Mississippi River is included among the more than 7,500 HUBZones across the nation. SBA pursues a number of other policies aimed at providing fair opportunities for minorities (and all small, disadvantaged businesses) through its Small Business Development Centers and other initiatives.
- **Minority health:** In 1998, President Clinton instructed federal agencies to pursue a major initiative to eliminate racial and ethnic disparities in health. The U.S. Department of Health and Human Services is leading this effort to focus attention on minority health issues. One example of this attention is the Mississippi Delta Environmental Health Project, supported by HHS through a cooperative agreement with the Minority Health Professions Foundation. This project determines environmental and other problems that affect minority health, addresses demographics, identification of health care providers and environmental services in the region, and implements strategies to address these problems.
- **Environmental Justice for Minorities:** Pursuant to the Clinton administration's Executive Order 12898, "Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations," the Environmental Protection Agency has funded a variety of low-income and minority communities through its Environmental Justice Program, including grants to Delta institutions of higher learning to study hazardous waste, health and the environment in the region.

- **Empowerment Zones, Enterprise Communities, and Champion Communities:**  
One of the major Clinton-Gore administration innovations in community development is the EZ/EC program. The 15 rural and urban EZ's and EC's in the Delta are located in economically distressed areas with large minority populations.

The Inventory discusses in detail these numerous initiatives aimed at providing fair social and economic opportunities regardless of race or ethnic group. But much more needs to be done to attack the remaining racial problems. As the Delta 2000 Initiative moves forward to recommendations for the future, we especially invite suggestions and ideas as to how we can advance civil rights for all people in a region that has suffered historically from the blight of racism.

## CONCLUSION

This Inventory of the Delta 2000 Initiative compiles an extensive array of data concerning the recommendations of the 1990 Lower Mississippi Delta Development Commission report. In two major areas, we invite the participation of the Delta's people in the completion of the Final Report: first, in filling in the gaps or expanding upon any of the information included herein; and secondly, to make recommendations as to how best to respond the challenges that yet remain to bring the Delta into the mainstream of prosperity. It should be emphasized that in this era of limited federal budgets, the thrust of proposals should be upon how federal, state, local and nonprofits can best implement and coordinate their policies. The Executive Summary stressed the crucial importance of eradicating racism in the Delta, and the Delta 2000 Initiative is profoundly interested in gaining advice and ideas regarding the struggle to advance the cause of civil rights.

This report will be placed on the Internet (list web-page), and there will be an ongoing series of meetings held in the Delta to enlist the ideas and responses of people at the grassroots level. In 1995, the Federal Highway Administration's Report, *Linking the Delta Region with the Nation and the World*, concluded that it would be beneficial to produce a comprehensive update of the 1990 Commission's work, in roughly the same scale and at approximately the same level of authority. Similarly, Wilbur Hawkins, the Executive Director of the original report, recommended an update of the report. The Interim Report was published in September, 1999 as a condensed version of this Inventory. The Delta 2000 Initiative held a series of listening sessions in the Delta in late September and October, 1999, to continue the process of obtaining substantial comments from local people across the Delta—in keeping with President Clinton's emphasis upon making the reports a spur to action. The sessions were held in West Memphis, Arkansas; Baton Rouge, Louisiana; Vicksburg, Mississippi; and Cape Girardeau, Missouri. The dialogue promoted at these meetings on the region's development is an ongoing process.

The Report contains a voluminous amount of information, but a recurring theme is the tremendously uneven nature of progress in the region: regarding some issues or some geographical areas, substantial progress has been made: yet in other areas, people are left with the bleak realization that the historic prosperity of the 1990s never embraced them. For example, in Jonesboro, Arkansas, the last decade has been a time of booming growth and optimism for the future. But in Lee County, Arkansas, just a couple of hours south, one still encounters widespread poverty and a sense that conditions are only slightly better than they were a decade ago. In President Clinton's "New Markets" initiative aimed at developing areas that never enjoyed the nation's economic boom, the President has stressed, "We have been given an opportunity now to prove that we can bring the benefits of free enterprise to every neighborhood in America."

In the Interim Report, the vast majority of the data come from people who live and work in the Delta—whether representatives of the Empowerment Zones and Enterprise Communities, or employees of the departments contributing to this Report. At the federal level, the departments provide technical assistance and resources to assist in



the strategies devised by people in the communities along the Mississippi. Leaders who grew up in the Delta—like Secretary Rodney Slater, who has taken part in this regional initiative since its inception in the 1980s—have provided support from the national level. As the 1990 Commission stated, people in the Delta “don’t have time to re-invent the wheel,” and this Report is another step in the continuing process of regional planning and development. Substantial sections of this Report have summarized the activities of the community leaders who energize the Mississippi Delta Regional Initiative—the coalition of Empowerment Zones, Enterprise Communities, Champion Communities, and nonprofit foundations that were created by local people and received strong support from Vice President Al Gore, Secretary Rodney Slater, and Secretary Dan Glickman. This Report and subsequent reports from the Delta 2000 Initiative are intended to serve as a catalyst to aid the existing regional initiative as it grows and begins to flourish. As of the spring of 1999, the Delta Partnership had developed a Board of Directors composed of regional leaders; the Board will develop an overall regional strategic plan based on the Lower Mississippi Delta Development Center’s recommendations and the existing strategic plans of the EZ’s and EC’s. This process of strategic planning provides a model for development throughout the region.

Many community leaders have stressed that it is highly beneficial to broaden horizons to the regional level. Moses Williams, Vice Chair of the Southern EZ/EC Forum, epitomized this spirit when he said that before the onset of the regional development process, “You tended to think you were alone in your community with your problems, as if you were on an island. You feel better knowing that you’re not by yourself...and then you start solving problems.” With its grassroots support, the Delta 2000 Initiative shows promise of expanding the horizons of community and economic development for the people of the Delta into the next century. The Interim Report and the Inventory play a role in this process by complying with the President’s goal of providing “an honest assessment of where we are now.” The Interim is an integral part of the follow-up to the meeting in Memphis, Tennessee, in July, 1998, where the Mississippi Delta Regional Initiative Interagency Memorandum of Understanding was signed. Major contributions from Departments that joined this effort after the original Memorandum was signed—such as Treasury, Defense, Veterans Affairs, and others—will be added.

Above all, the federal partners seek the invaluable counsel and direction from the community level. As we proceed, we encourage all people interested in the Delta to give us their thoughts about what we have achieved over the last decade and what we need to do in the future for the region that lies at America’s heart.