



USDA Rural Development

**Office of Community
Development**

Progress Report

*Rural Empowerment Zones and
Enterprise Communities Initiative*

April 8, 1998

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Preface

The rural Empowerment Zones and Enterprise Communities Initiative (EZ/EC) was created to better serve the citizens of America's impoverished rural communities. Since day one, this program has empowered rural citizens to become active participants and stakeholders in planning their community's economic and social growth.

The 3 rural EZs and 30 ECs in Round I began implementing their strategic plans in 1995, after creating performance benchmarks to chart the success of their programs. Since that time, these communities have been actively engaged in carrying out projects to improve the economic prospects and quality of life of their citizens.

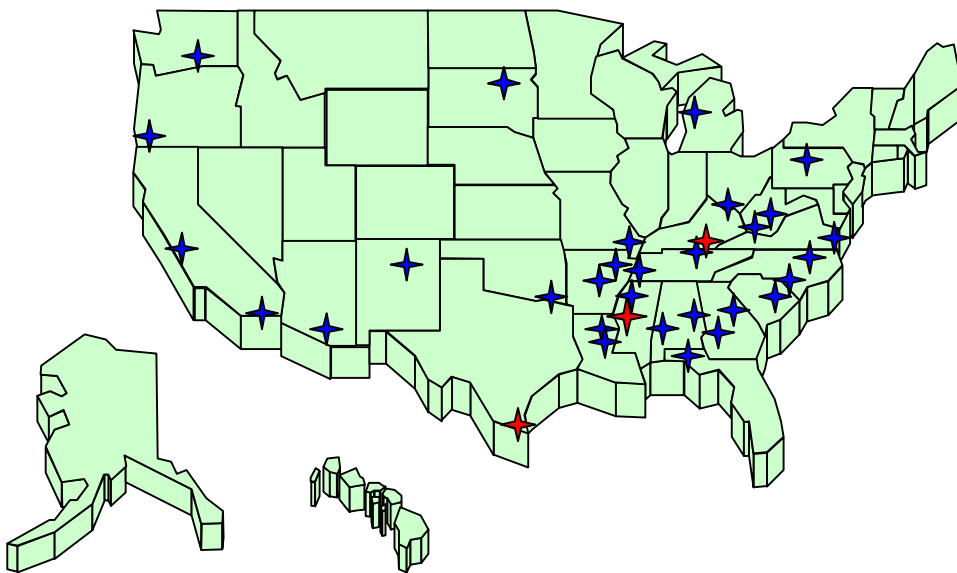
This report provides an interim review of the rural EZ/EC Initiative. Although it reflects barely two years of activity, it is already clear that rural citizens are going back to work, families are moving into safe and affordable housing, schools are being built and renovated, and health care services are more accessible. As these communities continue implementing their strategic plans, larger and more sustainable advances can be expected.

The United States Department of Agriculture (USDA) invites you to participate in this exciting new initiative to fight rural poverty. For further information about the EZ/EC communities, how you can help, or details regarding Round II of the Initiative, please feel free to visit our web site at: <http://www.ezec.gov> or call 1-800-851-3403.

Victor Vasquez
Deputy Administrator
Office of Community Development

1. Rural Empowerment Zones and Enterprise Communities

Location of Rural Empowerment Zones and Enterprise Communities



Empowerment Zones

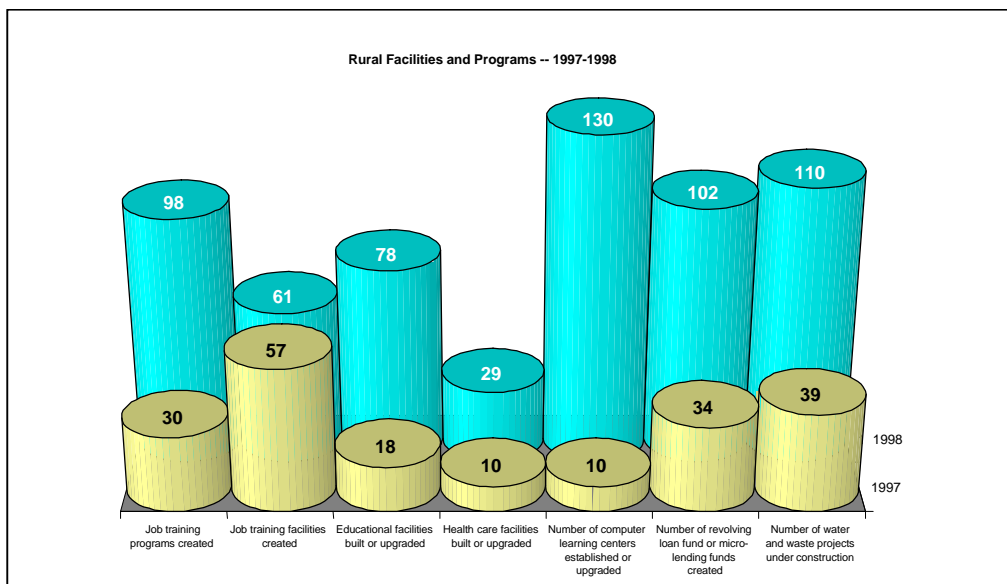
| | |
|-----------------------|----|
| Kentucky Highlands EZ | KY |
| Mid-Delta EZ | MS |
| Rio Grande Valley EZ | TX |

Enterprise Communities

| | |
|-----------------------------------|----|
| Chambers County EC | AL |
| Greene & Sumter Counties Rural EC | AL |
| East Central Arkansas EC | AR |
| Mississippi County EC | AR |
| Arizona Border Region EC | AZ |
| Imperial County EC | CA |
| City of Watsonville EC | CA |
| Jackson County, Florida EC | FL |
| Crisp/Dooly EC | GA |
| Central Savannah River Area EC | GA |
| Northeast Louisiana Delta EC | LA |
| Macon Ridge EC | LA |
| Lake County EC | MI |
| City of East Prairie, MO EC | MO |
| North Delta Mississippi EC | MS |
| Halifax/Edgecombe/Wilson EC | NC |
| Robeson County EC | NC |
| La Jicarita EC | NM |
| Greater Portsmouth EC | OH |
| Southeast Oklahoma EC | OK |
| Josephine County EC | OR |
| City of Lock Haven Federal EC | PA |
| Williamsburg-Lake City EC | SC |
| Beadle/Spink/South Dakota EC | SD |
| Fayette County/Haywood County EC | TN |
| Scott/McCreary Area EC | TN |
| Accomack-Northampton, Virginia EC | VA |
| Lower Yakima County Rural EC | WA |
| Central Appalachia EC | WV |
| McDowell County EC | WV |

2. Accomplishments and Accountability

Now in their third year of strategic plan implementation, rural EZ/ECs are showing rapid accomplishment



Selected Accomplishments of Rural Empowerment Zones and Enterprise Communities

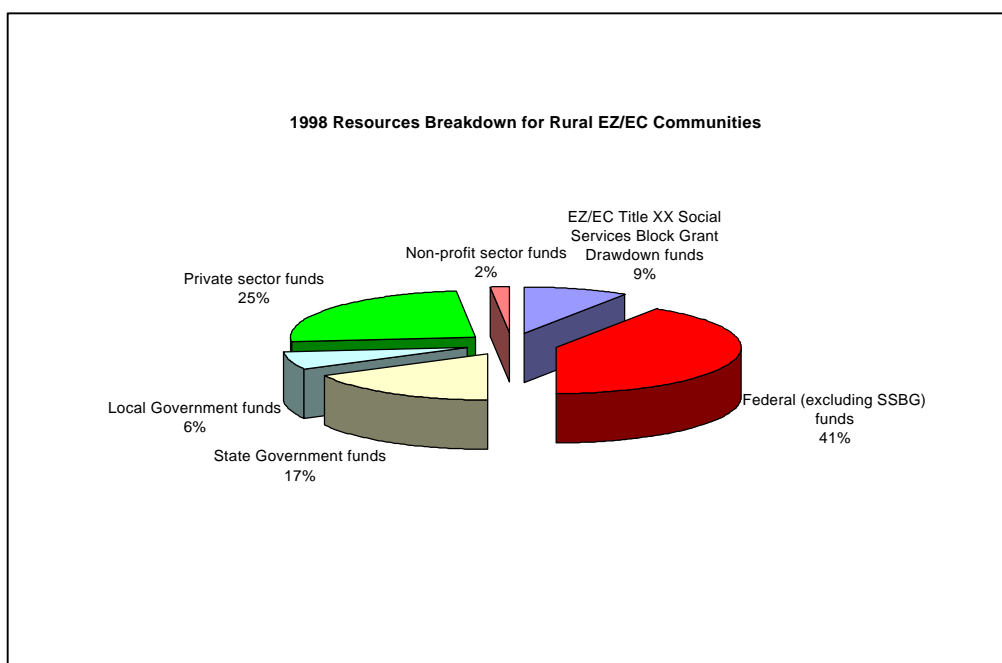
| | <i>As of January 1997</i> | <i>As of January 1998</i> |
|--|---------------------------|---------------------------|
| Number of jobs created or saved | 6,692 | 9,944 |
| Job training programs created | 30 | 98 |
| Job training facilities created | 57 | 61 |
| Number of persons trained | 5,709 | 14,229 |
| Youth development programs created | 21 | 212 |
| Number of youth served by development programs | 4,960 | 25,448 |
| Health care facilities built or upgraded | 10 | 29 |
| Educational facilities built or upgraded | 18 | 78 |
| Number of computer learning centers established or upgraded | 10 | 130 |
| Number of computers donated | 3,626 | 4,405 |
| Number of revolving loan funds or micro-lending funds created | 34 | 102 |
| Number of housing units built or renovated | 1,076 | 2,140 |
| Number of water and waste projects under construction | 39 | 110 |

Sources of Financing for Rural Empowerment Zones and Enterprise Communities (includes in-kind contributions)

(Dollars in millions)

| | <i>As of January 1997</i> | <i>As of January 1998</i> |
|---|---------------------------|---------------------------|
| Social Services Block Grants (SSBG) | \$35.6 | \$62.3 |
| Other Federal funds | 113.5 | 276.5 |
| State Government | 88.2 | 117.7 |
| Local Government | 28.1 | 41.0 |
| Private Sector | 86.1 | 170.1 |
| Non-profit | 8.1 | 12.0 |
| <i>Total</i> | <i>359.5</i> | <i>679.6</i> |
| Total Other than SSBG | 324.0 | 617.3 |
| Leveraging Ratio of non-SSBG to SSBG funds drawn down | 9.1 | 9.9 |

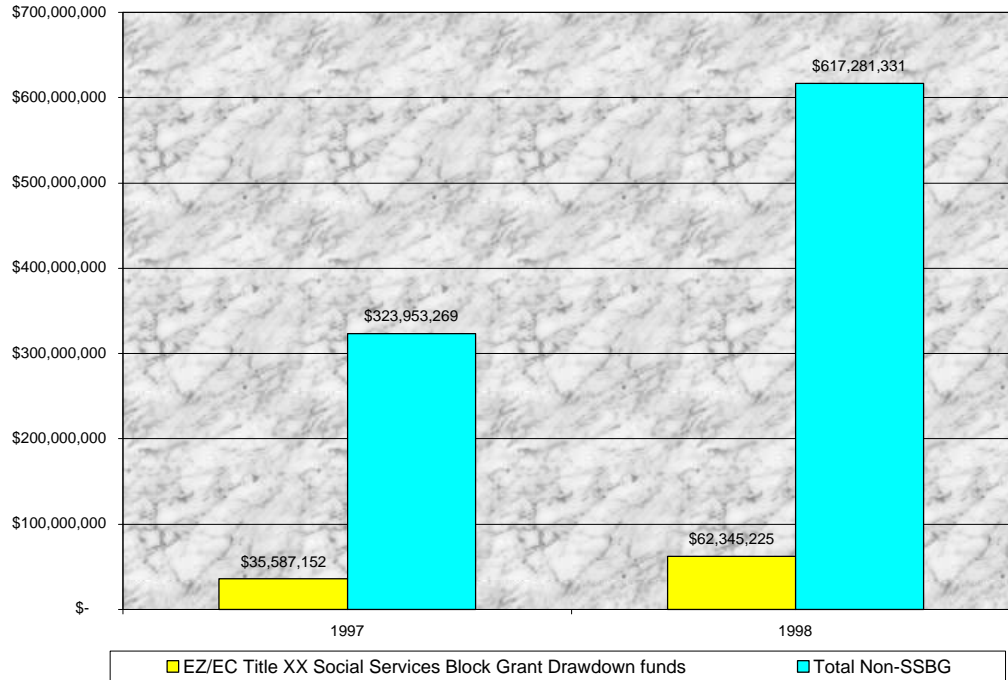
Rural EZ/ECs Have Been Resourceful in Leveraging Their EZ/EC SSBG Funds



Rural Empowerment Zones and Enterprise Communities



SSBG Funds Make Up a Small Share of Total Strategic Plan Funding



Accountability and Oversight of the Rural EZ/EC Program

USDA is implementing a comprehensive evaluation process to capture both the immediate output successes and the long-term changes brought about within these high-poverty communities.

Elements of the Accountability Process

Reporting Systems:

- Weekly reports from EZ/EC communities to USDA Rural Development field staff (Community Development Program Managers)
- Weekly reports from State Community Development Program Managers to Office of Community Development
- Weekly reports from Office of Community Development to Under Secretary for Rural Development
- Fall Report: a narrative statement of progress achieved and obstacles encountered from each community
- Spring Report: a statistical reporting of benchmark outputs collected through a web-based reporting system

Third Party Evaluation:

- An evaluation to measure level of empowerment achieved is being conducted by the North Central Regional Rural Development Center (Dr. Cornelia Flora, project director)

3. USDA Signature Initiatives for Community Empowerment

USDA has established six Signature Initiatives designed to break new ground to ensure sustainable capacity building in rural communities, promote regional cooperation and partnering, and provide Champion Communities with basic technical assistance.

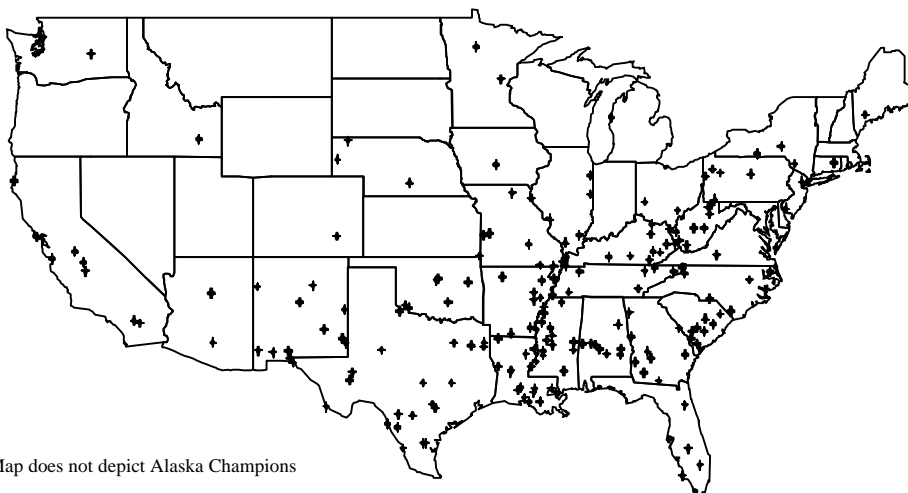
Champion Communities

More than 180 rural communities organized and completed the valuable strategic planning process as part of their application for Round 1 of EZ/EC. To assure that their important work produced continuing benefits to these communities, USDA designated them as “Champion Communities” and provided continuing assistance to them.

Key Features:

- USDA Rural Development has funded more than \$100 million in development projects in Champion Communities since 1995
- Other CEB agencies have targeted funds and other initiatives to Champions
- USDA Rural Development has sponsored conferences to train community leaders and promote networking among communities
- USDA provides targeted technical assistance to Champions and gives them preference points in decisions on project funding

Rural Champion Communities



Map does not depict Alaska Champions

List available at <http://www.ezec.gov/Communit/champion.html>

National Centers of Excellence

Local capacity building toward economic sustainability is being enhanced through a two-year partnership among four rural colleges and USDA. The four colleges assist EZ/EC communities with strategic plan implementation through training programs and other sources of expertise.

Key Features:

- Each school received \$100,000 in seed money from the Fund for Rural America
- Each school received a returning Peace Corps fellow from Illinois State University
- Participating schools have formed a national network to share information and expertise with other isolated rural communities
- The objective is to build a permanent relationship between the community and the college, so as to continue the capacity building and rural development capabilities

Participating Colleges:

- Heritage College, Toppenish, Washington
- Mississippi Valley State University, Itta Bena, Mississippi
- Somerset Community College, Somerset, Kentucky
- University of Texas-Pan American, Edinburg, Texas

National Centers of Excellence: Tribal College Partnership

A related initiative helps tribal communities develop empowerment programs through the technical assistance of Tribal Colleges. With assistance from USDA, the colleges are developing programs of training and community service to address the critical needs of the communities they serve. The initiative responds to President Clinton's Executive Order 13021, which asked federal departments and agencies to integrate American Indian Tribal Colleges into their programs.

Key Features:

- Each school received \$50,000 in seed money from USDA for first year operations
- Colleges participate in a national network to share information and expertise
- The objective is to strengthen capacity building relationships between the community and the tribal colleges

Participating Colleges:

- Cankdeska Cikana (Little Hoop) Community College, Fort Totten, North Dakota
- Crownpoint Institute of Technology, Crownpoint, New Mexico
- Fort Peck Community College, Poplar, Montana
- Nebraska Indian Community College, Nibroara, Nebraska

Rural Economic Area Partnership (REAP) Zones

Rural areas in the Northern Great Plains face unique challenges due to their isolation, low-density populations, and changing economic base. Rather than high poverty, these areas are challenged by declining populations, slowing economic activity, and growing difficulty in providing public services. To counter these troubling trends, two REAP Zones were established in multi-county areas of North Dakota.

Key Features:

- Memorandum of Agreement signed by Senator Byron Dorgan, representatives from two REAP Zones, and USDA Rural Development staff in July 1995
- REAP Zones strategically plan and benchmark similarly to EZs and ECs
- USDA Rural Development pledged \$10 million over 5 years to each Zone
- To date, USDA has exceeded its pledge, investing over \$29 million in the Zones to meet critical needs
- USDA Rural Development provided \$75,000 in start-up assistance to the REAP Investment Advisory Committee
- SBA established a One-Stop Capital Shop in Bismarck, North Dakota, to serve the REAP Zones and other North Dakota communities

Southwest Border Regional Initiative

In response to Vice President Gore's challenge that EZs and ECs adopt regional approaches to planning and problem-solving, 19 Empowerment Zones, Enterprise Communities, and Champion Communities from the southwest border region formed the Southwest Border Regional Initiative.

Key Features:

- It includes EZs, ECs, and Champions from Arizona, California, New Mexico, Texas, and Washington (serving migrant workers)
- The goal is to foster sustainable approaches to rural development across the border region

- Partnership has identified education, environment, health, infrastructure, trade and welfare reform as focus issues

Delta Regional Initiative

A similar regional initiative is being started in the Lower Mississippi Delta. Modeled on the Southwest Border Region Initiative, it includes rural and urban EZs and ECs from 219 counties in the seven states that formed the basis for the study in 1990 by the Lower Mississippi Delta Development Commission. The Delta Initiative will join the Southern EZ/EC Forum and the Lower Mississippi Delta Development Center in a cooperative agreement to develop a long-range strategic plan and implement the recommendations from the Lower Mississippi Delta Development Commission report.

Key Features:

- It includes EZ/ECs from the states of Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee
- Links the planning and organizational capacity of the Lower Mississippi Delta Development Center with the implementation capacity of Empowerment Zones and Enterprise Communities
- Facilitates cross-community collaboration
- Signing of the Memorandum of Agreement targeted for the Spring of 1998

4. Organizations Partnering with USDA to Support Rural Empowerment Zones, Enterprise Communities and Champions

The following organizations have contributed significant financial, human, or technical resources in support of the rural Empowerment Zones/Enterprise Communities program over the last four years. These represent only a small portion of the total organizational effort in support of EZ/ECs. At the local level, there have been many more organizations—governmental, private sector, and non-profit—making valuable and significant contributions. USDA Rural Development gratefully acknowledges the contributions of all.

- American Association of Enterprise Zones
- American Bankers Association
- American Council on Education
- Annie E. Casey Foundation
- Appalachian Regional Commission
- Community Empowerment Board
- Corporation for National Service
- Ford Foundation
- Foundation for the Mid-South
- Hispanic Association of Colleges and Universities
- Illinois State University
- Kellogg Foundation
- Lower Mississippi Delta Commission
- National Association of Community Action Agencies
- National Association of Development Organizations
- National Association of State Development Agencies
- National Center for Appropriate Technology
- National Congress of Community and Economic Development
- New York University
- North Central Regional Rural Development Center
- Office of the Vice President of the United States
- Small Business Administration
- Southern Rural Development Center
- Southern Rural Development Initiative
- Tennessee Valley Authority
- U.S. Army Corps of Engineers
- U.S. Department of Commerce/NIST, NOAA, and Bureau of the Census

- U.S. Department of Education
- U.S. Department of Health and Human Services/Bureau of Primary Health Care & Office of Rural Health Policy
- U.S. Department of Housing and Urban Development
- U.S. Department of Justice
- U.S. Department of Labor
- U.S. Department of Transportation
- U.S. Environmental Protection Agency
- University of Texas—Pan American
- USDA/Cooperative State Research, Education, & Extension Service
- USDA/Economic Research Service
- USDA/Forest Service
- USDA/National Agricultural Library
- USDA/Natural Resources Conservation Service/RC&D Program
- USDA/Rural Business-Cooperative Service
- USDA/Rural Housing Service
- USDA/Rural Utilities Service
- Winthrop Rockefeller Foundation