

TENNESSEE

DELTA

DEVELOPMENT

PLAN

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State of Tennessee

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TENNESSEE DELTA DEVELOPMENT PLAN

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TENNESSEE DELTA DEVELOPMENT PLAN

SECTION I INTRODUCTION

Purpose

The Act which created the Delta Regional Authority (hereinafter referred to as the DRA, the Delta, or the Authority) requires the preparation of a state delta development plan to guide investments of the DRA and other resources for the development of the Delta region of the state.

Tennessee's plan will perform three interrelated functions as follows:

- 1. Describe the state organization and continuous process for Delta development planning including the procedures established by the state for the participation of local development districts in such process, and the means by which such process is related to overall statewide planning and budgeting processes;**
- 2. Set forth the goals, objectives, and priorities of the state for the region, as determined by the governor, and identify the needs on which such goals, objectives, and priorities are based; and**
- 3. Describe the development programs for achieving such goals, objectives, and priorities, including funding sources, and recommendations for specific projects to receive assistance.**

Planning is vitally important to the development of the Delta region. The DRA has prepared a regional plan which will define the goals, objectives, and development strategies for the development of the eight-state Delta region. The Delta states will participate as equals with the federal government in the preparation of the regional plan to ensure it reflects goals, objectives, and development opportunities in the states, and provides a structure that is useful and effective in meeting the needs of the residents of the region.

It is important to contrast the regional plan with plans and regulations which are prepared in traditional federal agencies. The DRA is one of only three agencies where those who receive the benefits of the program are involved in program planning. This feature of the Delta program ensures

that the program remains relevant to the needs of the region, and is developed with an understanding of the requirements of program implementation.

Working within the structure imposed by the regional plan, each Delta state prepares a state plan which defines the goals, objectives, priorities, and development strategies of the governor of that state. State plans provide individual states with the opportunity to determine their own methods of achieving the overall goals established in the regional plan, and to strategically target resources provided by the DRA and other sources of assistance to meet the sometimes unique needs of individual states.

The DRA also encourages the preparation of sub-state development plans prepared by local development districts (LDDs). LDDs bring the planning process even closer to the people the Authority serves, and ensure the investments which are made are effective in meeting the needs of the region and encouraging development.

Plan Scope

While this plan has been written to meet the requirement in the Delta legislation, it also serves as a guide for the investment of other federal and state funds which may be available for use in the Delta region of Tennessee. Clearly, rules and regulations of other programs often have a major influence on how such funds may be used, but the basic principles enunciated in this plan are for the development of the region and not just for the expenditure of DRA funds, and will be used, where possible, as a guide for the investment of other funds.

The preparation of this plan is related to, and coordinated with, other planning activities in the state. This relationship is particularly strong with functional planning in several state agencies whose activities impact economic development.

Several specific program plans exist in state government. Commonly known as functional plans, the Departments of Transportation, Education, Environment and Conservation and others prepare specific plans to guide investments in particular program areas. The Delta plan is different in that its concerns relate to development in general and, to a great extent, crosses functional lines.

Policy Plan

This plan is designed to be a policy plan, not a blueprint for the development of the Delta region of Tennessee. A policy plan analyzes the

development potential of the state for the near future, establishes a sense of the preferred future direction of state growth, and identifies guidelines, criteria, and performance standards to be used when making funding and program decisions impacting state development. There is not enough information or insight available to identify every opportunity and problem that may be encountered. Therefore, it is futile to attempt to prescribe specific methods for dealing with each opportunity or problem that may occur.

This policy plan is designed to present major principles of development that will be used in guiding investments in Tennessee's Delta region, and the programs and projects that will be brought forth to implement the plan will be evaluated against the development policies that form its foundation. As conditions warrant, these basic development policies will be modified to meet changing conditions, but the policies in affect at any time will guide the investment of state and federal funds in the Tennessee Delta region.

Plan Modification

The Tennessee Delta Development Plan is designed to be a dynamic as opposed to a static instrument, and will be modified over time as necessitated by changing conditions. There are three types of situations which necessitate modification of the plan. These are 1) internal changes in the state which result in the obsolescence of all or part of the plan, 2) changes external to the state which necessitate a modification of the plan, and 3) the accomplishment of the goals of the plan.

Internal Changes

There are three changes internal to the state which will result in a modification of the plan. The first of these is the election of a new governor. As the Delta program is so closely tied to the development policies and programs of the member governors, it is necessary upon the election of a new governor to develop a new plan based upon his or her development philosophy. At the very minimum, the existing plan of record should be closely scrutinized by a new governor to ensure its conformance with the goals of the new administration.

Second, from time-to-time development policies within one administration may change. When such policy changes occur they should be reflected in the plan, and the necessary modifications made therein.

Third, changes in growth potential, location determinants, resource availability, or other conditions within the state may necessitate modifications of the plan.

External Changes

There are two types of changes external to Tennessee that may necessitate changes in the plan. The first would be changes in national conditions such as development policies or legislation that would impact the development of the Tennessee Delta. The second would be changes at the DRA, primarily program changes or changes in the funding available to the state.

Goal Accomplishment

Finally, accomplishment of the development goals will necessitate a modification of the plan. As the Delta plan is primarily an economic development plan, the indicators of goal accomplishment would be economic variables. The following are the types of development indicators which may be used to measure goal accomplishment: per capita income; median family income; employment (total and by sector); employment / population ratios; unemployment rates; poverty levels.

SECTION II

STATE AND REGIONAL ECONOMIES

A plan for the economic and social development of the Tennessee Delta must be based on an understanding of trends that have taken place in the region in recent years, and changes which are expected to occur in the future. Section II, therefore, is a description and explanation of these trends in order to provide a foundation or base of information on which policies, programs, and priorities are presented in later sections.

The Tennessee economy, and its social implications, are driven by forces that are not easily defined based on the designation of Delta versus non-Delta Tennessee. The conditions that have resulted in areas of the Tennessee Delta being among the most economically depressed areas of the state have also resulted in similar conditions in other areas. Consequently, much of the information presented in Section II will pertain to the state as a whole. Where appropriate, specific reference will be made to the Delta counties.

Tennessee In A National Economy

Conditions in the Delta are not as they were 50 years or so ago. While there are still major areas of the region that significantly lag behind national averages, by and large the Delta is becoming more like the United States as a whole relative to economic conditions, economic composition, and resulting social conditions.

The same is true for Tennessee. Prior to World War II, Tennessee was predominantly rural. While the manufacturing sector was growing, agriculture and extractive industries were the dominant sectors of Tennessee's economy. Unemployment was high, income levels were low, and Tennessee, in general, was considered to be economically disadvantaged.

Following the war, and particularly during the decades of the 1950s, 1960s, and most of the 1970s, Tennessee grew rapidly as an industrial state, primarily due to its location, abundant and low cost labor, low labor union activity, and low energy costs resulting from Tennessee Valley Authority (TVA) power facilities. Ultimately, manufacturing replaced agriculture as the dominant sector of the economy.

From the middle of the 1970s to the present, which is the period most relevant for consideration in this plan, Tennessee's economic conditions have become increasingly similar to those of the United States. Expansions and contractions of the national economy have been mirrored by similar changes in the economy of Tennessee. Gross state product and

gross national product track closely. Employment growth and unemployment rates follow the same swings, although they are somewhat more exaggerated in Tennessee because of the somewhat heavier concentration of manufacturing production which is more cyclical than other sectors of the economy. Per capita income has maintained at 87 percent of the national average in 2000 to 2006.

Structural Changes In The Tennessee Economy

Like the nation, Tennessee has evolved from an agricultural and extractive based economy to an economy based on manufacturing. It is now transitioning into an economy based on the service sector. This section will focus the structural changes which have occurred in the Tennessee economy, and the changes which appear to be on the horizon for the future.

Agriculture

In the early 1900s, Tennessee's economy was based primarily on agriculture, and over 80 percent of its population resided in rural areas. Prior to World War I, Tennessee's economy was stimulated by the demands for agricultural products in European markets. Following the war, however, increased agricultural production in foreign countries and increased inflation in the United States, forced many small farms to close, and a significant number of farm workers moved to northern industrial states where work was plentiful and wages higher.

The depression years of the 1930s were also hard on agriculture in Tennessee. Prices for farm commodities decreased, and the total value of farm products dropped. As the depression wore on, it became clear that agriculture in Tennessee, as in most other Southern states, would not come back to its former level without special assistance. Many of the New Deal programs were instrumental in stemming further declines in the agricultural economy, and in some cases reversing what had been a decade or more of decline.

World War II spawned another increase in demand for agricultural products, and improvements in the agricultural economy. Increased mechanization, improved fertilizers, and improved agricultural techniques all resulted in vast improvements in agricultural productivity to the point that farm production actually increased while the number of farm workers declined.

This trend continues. The number of workers engaged in agricultural production continues to decline, as does the amount of land devoted to agriculture. The total value of agricultural production remains steady, and

agriculture remains an important part of Tennessee's economy, and in some areas of the state it is the dominant industry. Among the three "grand divisions" in Tennessee (East, Middle, and West), agriculture remains relatively more important in the Delta counties of West Tennessee than in other regions of the state.

Manufacturing

At the beginning of the twentieth century, Tennessee's economy was dominated by the agricultural sector. Tennessee's industrial growth began at approximately the turn of the century. Between 1904 and 1909 the number of manufacturing businesses grew by almost 45 percent. At the time of the depression in the 1930, Tennessee's manufacturing economy was continuing to grow and diversify.

While still predominantly rural at the time of the depression, many of the programs initiated in the New Deal had a profound impact on the future growth of the manufacturing sector in Tennessee. Agricultural programs, road building and other public works projects created a base for future expansion. None of these, however, were more important for manufacturing growth than was the creation of the Tennessee Valley Authority in 1933. Hydroelectric and coal-fired power generating facilities were constructed throughout the state providing jobs in construction, but more importantly providing low cost and abundant electrical power for the growing manufacturing industry.

World War II was another milestone for manufacturing in Tennessee. The war brought an increased demand for war materials, most based on manufacturing. With the labor being released from farming through gains in agricultural productivity, and through the new electrical power resources offered by TVA, Tennessee was very well positioned to capitalize on the demands of a war-time economy. Existing factories converted to war materials production, and new factories sprang up to meet the needs of the military. One of the more significant of these was the development of the research and manufacturing complex in Oak Ridge initiated to produce nuclear armaments. Oak Ridge continues to this day to be an important research and development center, not only for defense purposes but as an ally of the growing high-technology industry in the nation.

Following the war, state and local officials in Tennessee, as in most other Southern states, continued their efforts to develop new manufacturing business, no longer for war time production, but to meet the needs of a population with increasing purchasing power and a desire for the amenities of modern living. Between 1939 and 1947, the number of manufacturing establishments increased by over 50 percent. Most of this production was concentrated in five counties (Shelby, Davidson, Hamilton, Sullivan, and

Knox) with 49 percent of the manufacturing employees, and 39 percent of the establishments.

In the 1950s, 60s, and 70s, Tennessee enjoyed its greatest period of industrial growth, diversifying the type and number of manufacturing products and spreading this production out from the dominant urban centers. This was a record breaking period of growth in Tennessee. The number of new firms locating in Tennessee increased, and employment, income, and value added grew steadily.

Tennessee has enjoyed a number of advantages which have resulted in the rapid growth of manufacturing, particularly after World War II. Geographically, Tennessee has a location central to the major markets of the Eastern United States. With the construction of the interstate system in the 1960s and 1970s, Tennessee found itself in the enviable position as a transition state between the industrial North and the rapidly growing South. Additionally, because of its east/west dimensions and its central location, Tennessee has been fortunate to have a disproportionate number of interstate miles within its borders.

In the 1950s, Tennessee had abundant and low cost labor. In 1958, Tennessee's average wage per worker was less than 82 percent of the nation's. Currently, Tennessee wage rates are approximately 90 percent of the national average. Rising productivity of the Tennessee work force, however, has offset the increasing wage levels, and labor costs remain an advantage for Tennessee.

The attitude of government at all levels in Tennessee has been very important to economic growth. Tennessee maintains right-work legislation, with no indication this will be modified in the near future. Elected officials at all levels find ways to cooperate with economic development and to encourage the growth of new jobs through start-ups, new locations, and expansions.

The 1980s and 1990s saw a continuation of the growth in manufacturing. Although employment in manufacturing is declining in terms of a percent of total employment, absolute manufacturing employment continues to increase. Through gains in productivity and output, manufacturing as a share of the gross state product is holding steady at approximately 25 percent. This is expected to increase slightly during the next decade.

No discussion of the growth in manufacturing would be complete with a discussion of the importance of the transportation industry. There has probably been no manufacturing sector which has had a greater impact on the state's economy than transportation.

Automobile production in the United States began in the late 1800's, with most of this production being concentrated in Michigan. As the population and markets for automobiles increased, it became obvious to the auto makers that significant transportation costs were being incurred in the transportation of automobiles to other parts of the nation, and in the early 1900s regional assembly plants began to be constructed in order to reduce shipping costs.

Throughout this transition, the manufacturing of parts was dispersed, as parts could be packed more compactly and transported to the assembly plants fairly inexpensively. Tennessee's growth in manufacturing, starting in the late 1940s and early 1950s and continuing today, was influenced tremendously by the manufacture of automobile parts which were shipped to assembly plants in the North and to regional assembly plants throughout the nation.

Tennessee first became involved in the assembly of automobiles with the location of the Nissan plant in Smyrna in 1980. This was followed shortly thereafter by the location of the Saturn assembly plant in Spring Hill in 1985. These assembly plants not only had a significant impact on Tennessee's manufacturing base, but because of the just-in-time manufacturing processes adopted by both firms they have had a major impact on the location of new parts plants which provide components to the assembly plants. At the present time, Tennessee ranks fourth among the 50 states in the production of automobiles, and 15th in the production of light trucks.

Services

As manufacturing continues to be the dominant sector of the Tennessee economy, the service sector is the most rapidly growing. Studies indicate that the decline in manufacturing employment is being taken up by employment in service industries. Between 1947 and 1998, employment in services increased by almost 400 percent. Today, service-providing jobs comprise more than 80 percent of Tennessee's economy.

Hidden in the data on Tennessee's transition from a manufacturing based economy to one based on services are relative wage rates among these two sectors. While many service businesses pay extremely well, often exceeding manufacturing wages, in general services tend to provide low wage employment. The challenge to the state in the years ahead is to recruit and develop service businesses that require greater levels of education, training, and technology, and thus pay higher wages.

Also hidden in the data on the growing service sector are the urban and rural differentials. The data indicate that the service sector is growing much more rapidly in the urban and suburban areas than it is in the rural

areas. Since, with the exception of Shelby County and Madison County, West Tennessee is substantially rural, one might not expect the rapidly growing service sector to have a significant impact on the economic growth of the Delta counties.

Distribution

One can not conclude a discussion of the Tennessee economy, especially when the focus is on West Tennessee, without a discussion of the importance of distribution. Memphis and Shelby County are arguably one of the premier distribution centers of the nation. River transportation on the Mississippi River probably initiated the distribution based economy of Memphis decades ago. The concentration of distribution deepened in the intervening years with the development of rail and highway transportation. In recent years, the location and growth of FedEx in Memphis further identified Memphis as the distribution center of the South.

Today, while manufacturing is a major economic sector in Shelby County, it is distribution which gives the county its distinct economic culture over the rest of Tennessee. One has only to visit Memphis to be aware of the concentration of the distribution activities. In Shelby County, over 56,000 people are employed in the distribution sector. This is the largest concentration of any county in Tennessee, and is four times larger than the rest of the Tennessee Delta combined. The largest distribution firm is FedEx, but within Shelby County there are a large number of other distribution companies as well.

Differential Growth Within Tennessee

Tennessee's economic development has been enhanced by the geographic distribution of its metropolitan areas which have served as magnets for industrial and commercial growth. The interstate system, and new state highways which have connected them, have exerted a major influence on regional growth and economic development in the state.

Metropolitan areas have many advantages which cause them to be engines of economic growth. Their population bases are larger and their income levels higher which result in significantly greater levels of purchasing power. They have a higher concentration of standard business services, as well as being centers for more technical services, giving them an advantage in business development. Transportation services are highly developed. Educational expenditures have traditionally been greater in metropolitan areas resulting in these areas having a more highly skilled work force. Metropolitan areas are the focus of most of the retail trade within the state, and because Tennessee relies heavily on sales taxes as a source of revenue these areas have had greater ability to fund those

programs that have a positive effect on community and economic development.

Rural areas have fewer of the attributes which give the metropolitan areas their advantage in economic development. Population and income levels are lower. Business services are fewer. Many of them are or have been distant from major sources of transportation, although this is being improved in many instances because of the major road building which has gone on in the state. Retail spending and sales tax collections are less, and consequently there is less ability to fund the community and economic development projects and programs which are the foundation of economic growth.

Suburban counties stand in the middle. They are neither urban nor rural. They are frequently close enough to the metropolitan areas to enjoy the advantage of urbanization. This is especially true for those counties that have interstate connectivity. As the metropolitan areas continue to grow, much of this growth spills over into the suburban counties. Additionally, as the state's transportation system improves, the disadvantage of distance decreases, and the suburban counties take on more of the advantages of their urban neighbors.

The growth in the metropolitan and suburban counties, and the distinct lack of growth in the rural areas is readily apparent. Metropolitan counties are getting a disproportionate amount of the manufacturing and non-manufacturing projects and investments compared to suburban and rural counties. If non-manufacturing businesses, including services, is where the growth of the future will occur as some believe, it would appear that the suburban and especially rural counties will become farther behind. Since, with the exception of Shelby and Madison Counties, the Tennessee Delta counties are largely rural, this issue will need to be watched in the years ahead.

For those who know Tennessee, it is clearly misleading to paint with such a broad brush. There are many anomalies associated with this analysis. Clearly, many counties that would be classified as rural have experienced significant growth based on factors other than proximity to metropolitan areas. Dynamic local leadership, for example, can occur anywhere and is frequently the basis for the growth that occurs. Nevertheless, the classification of counties based upon their relationship to metropolitan areas is useful for showing the impact of urbanization and the advantages this brings to economic development in Tennessee.

Current Economic Conditions

A plan for the development of the Tennessee Delta must take into consideration existing economic conditions found in the state. An understanding of where economic distress and economic affluence exist provides foundation information for development programs and policies that will be presented in later Sections. Unemployment rates, poverty rates and income levels are commonly accepted ways of showing economic conditions.

Table 1 shows the Per Capita Income for a seven year period. Table 2 shows the Annual Average Unemployment Rates for an eleven year period. Table 3 shows the Percent in Poverty in the Delta Counties.

SECTION III

GOAL ATTAINMENT

There are three major goals that the DRA plan proposes to address:

1. Advance the productivity and economic competitiveness of the Delta workforce.
2. Strengthen the Delta's physical and digital connections to the global economy.
3. Create critical mass within Delta communities.

Goal One: Advance the productivity and economic competitiveness of the Delta workforce

In order to accomplish Goal One, it is necessary that the overall workforce education and professional skills programs in the Tennessee Delta counties be strengthened.

Economic growth and an enhanced quality of life depend on an educated population and a trained work force. A region may be deficient in many of the physical attributes normally correlated with economic growth and job development, but if the population of that region is well educated and with skills which are needed by manufacturers and other businesses, not only will the businesses in that region be more likely to be successful, but the population in general will have a higher quality of life.

Many areas of the Delta, and many areas of the Delta region in Tennessee, have educational systems which are among the best in the United States. Other areas, largely because of a lack of financial resources and a legacy of undervaluing the role of education in human development, have school systems which fail to prepare their students for higher education and for a place in the work force of tomorrow which demands even higher levels of education and skill development.

Education and training encompass many different focuses. It includes not only the traditional K-12 education, but it includes employment training programs as well as higher education. It encourages students to complete at least their high school education, and to seek higher education or technical training. It includes the expansion and modernization of

curriculums at all levels. It includes adult education which encourages those who may have terminated their formal education to return to school.

Education and training are very important elements of Tennessee's development program. However, while Tennessee continues to improve, most assessments of the state's education situation are mediocre at best.

Prior to the 1990s, education in Tennessee was very much a local responsibility. The state had little direct control over education. Instead, each county was responsible for its own school system. For many, an adequate education consisted of a basic reading ability and some arithmetic, and any education beyond the eighth-grade level was considered unnecessary. This was a direct reflection of the state's economy which was based on agriculture and manual labor.

Tennessee's renaissance in education began in the early 1920s, largely in recognition of the importance of improved education to economic development. Ironically, one of the first education initiatives was a massive road building program started in 1923 which brought modern society and expanded educational opportunities to the rural parts of the state.

In 1925 the state legislature passed the General Educational Law of 1925. This legislation provided state funds for an eight month school year, established a state salary schedule for teachers, standardized the licensing of teachers, and funded several four-year teacher colleges.

This legislation significantly improved the quality of education in Tennessee. The extension of the school year allowed more material to be taught, and the improved licensing requirements and the creation of educational programs for teachers improved the overall quality of teachers in Tennessee classrooms.

Over the years, as people realized the value of education to employment opportunities and to overall quality of life, public support for education increased. In 1947 the first general sales tax was enacted, with most of the revenue going to public education. Not only did per pupil expenditures increase, but teacher salaries improved, attracting more qualified teachers to the classroom.

The commitment to public education in Tennessee continued to increase, but did not keep pace with the advances in education in many of the other Southern states. Graduation rates, achievements on standardized tests, per pupil expenditures, and teacher salaries were all substandard. This was especially true in the rural parts of the state where local school systems did not have the additional resources to invest in education as did the school systems in the urbanized areas.

This discrepancy between urban and rural school systems became so great that in 1988 a group of 75 small and mid-sized school systems challenged the constitutionality of the state's education funding program, known as the Tennessee Foundation Program. These smaller systems contended that the method of distributing state educational funding placed them at a disadvantage and unconstitutionally impaired the educational opportunities of their students.

The small school systems won the law suit but this decision was overruled on appeal, and it was obvious that the issue of the adequacy of state was headed to the state Supreme Court. In 1992, in anticipation of a Supreme Court ruling in favor of the small schools, the General Assembly enacted the Basic Education Program (known as the BEP). The BEP will be described more fully later in this section.

Despite these advancements, in 2009 Tennessee continues to lag behind national norms in most measures of educational attainment. These include performance on standardized tests, graduation rates, educational expenditures per student, and teacher salaries. Despite the results of the BEP program, there continues to be substantial differences between rural and urban schools. Many of the Delta counties, particularly the more distressed, do not have the resources which will allow them to close the gap in the foreseeable future with the more affluent counties.

State Goals and Objectives

Tennessee has adopted the goals of the National Education Goals Panel to guide the development of the state's education programs. These goals are the following:

1. All Children will start school ready to learn.

This goal recognizes that education starts in the home and in preschool programs, and that this experience is vitally important to success in school. It focuses on high quality and developmentally appropriate preschool programs, and on educating parents about the importance of early learning. It also focuses on early childhood health so that early learning is not handicapped by physical or emotional problems.

2. High school graduation rates will increase.

Graduation from high school provides students with the minimum of skills which are necessary for future employment and an acceptable quality of life. Students will be encouraged to at least finish 12 years of public education, and those who leave school early will be encouraged to return to school to complete their GED.

3. **Students will demonstrate competency over challenging subject matter, and learn to use their minds so they may become responsible citizens, further their learning, and become productive citizens in the nation's modern economy.**

This goal requires performance. Not only will students take classes in mathematics, sciences, and social sciences, but they will establish mastery of such subjects. Additionally, students will be able to apply the skills mastered in the classroom to solving problems in their everyday lives, and be able to function as productive citizens in modern society.

4. **Teachers will have access to programs for their continuing education and improvements of their teaching skills so they can more effectively instruct and prepare students for life in the 21st century.**

Goal 4 is wide ranging. It includes continuing education in teachers' areas of competency. It includes improvements in the methods of instruction. It includes the development of networks and partnerships among diverse elements of the community to encourage and support programs for the professional development of educators.

5. **Students will be world class achievers in mathematics and science.**

Math and science are increasingly important not only in manufacturing, but in a broad spectrum of business activity. This goal recognizes this, and encourages a higher level of achievement in these areas than has been the case.

6. **Every adult will have the ability to read, and have the knowledge and skills necessary to compete in a world economy and to be good citizens in this nation.**

This goal involves not only adult literacy, but life-long learning. Not only must adults develop basic competencies in reading, comprehension, and the ability to perform basic mathematical functions, but they must also embrace this as a life-long endeavor. In the changing world of work, skills quickly become outdated, and the workforce must be constantly improved if the region is to maintain its competitive position.

7. **Schools will be free of drugs, violence, and the threat of violence, and will offer students a disciplined environment conducive to learning.**

Students can not learn effectively when their school environment not only detracts from learning, but poses danger to them. Goal seven provides that education administrators, teachers, parents, local governments, and communities at large ensure that students have a risk-free environment in which to study. This goal includes not only the school campus, but education regarding the dangers of drugs, alcohol, firearms, and other situations in the home and community at large.

8. **Schools will involve parents in the social, emotional, and academic growth of children.**

This final goal may be the most basic of all. There is probably no one who exerts more influence on the growth of children than their parents. The efforts of the educational systems will be significantly more effective if parents become active partners with the schools in the education and social maturation of the students. Not only will parental participation in the educational process ensure more attention to learning by students, it will also assist in holding teachers and administrators to a higher level of accountability for the education process.

According to the 2000 Census, all of the Tennessee Delta counties except for Lake County had at least high school education attainment levels above 60 percent.

Another factor in attaining Goal One involves improving overall employability and productivity among the resident of the Tennessee Delta. Industrial recruitment has been and will remain an important approach to creating employment opportunities. For an industry to be able to “expand” it must be located in the region. Many existing industries were first recruited to the region from elsewhere in the nation, and even from foreign countries. While “relocations” can be controversial, and will not be supported by DRA funds, in fact most of the industries which are recruited to the region stem from the expansions rather than from relocations. Perhaps the labor market where they are located is saturated. Perhaps they need to be closer to companies which use their output in an end product. Perhaps they are market driven, and need to be in the center of the market of the Southeast. For whatever reason, recruitment is an important strategy of business development, and will be so in the Delta program in Tennessee.

It is also necessary that the overall health of the residents of West Tennessee be improved in attaining Goal One.

Adequate and affordable health care is important in the Tennessee Delta for two reasons. First, healthy people are more productive. Fewer days of work are missed, and employees are more efficient when they are at work. Second, health is a basic quality of life issue. Delta residents, regardless of their place of residence, should have access to affordable health care as a basic right.

Public education about health related issues has been and is today a major goal of the Department of Health. Educational programs cover a broad spectrum from information disseminated through the news media, to one-on-one counseling sessions with individuals and small groups. It may involve a variety of subjects including diet, drugs, alcohol, teenage

pregnancy, and aids prevention. It may be addressed to any age groups from pre- and post-natal information to teenage mothers, to breast cancer screening for women, to information on working with Alzheimer patients. Public education may be the more important functions of the department since it is much less costly to prevent health problems from occurring as opposed to treating them after they do.

Today, except in the more rural parts of the region, most residents have access to health care facilities. Consequently, the focus of health care programs, while not neglecting the construction of needed health care facilities, is focusing more on networking of other available resources, and making maximum use of available resources.

Despite the advances made in health facility construction and in making maximum use of health care resources, some areas of the Tennessee Delta remain deficient in health care opportunities. This may be because isolation from metropolitan areas and inadequate transportation make it physically difficult to travel to medical care. Because of salary and wage differentials, and because of the lack of professional stimulation and opportunities for professional advancement, medical personnel are often reluctant to practice in rural areas. This problem is exacerbated when income levels prevent people from purchasing health care.

The status of health conditions among the population of the Delta region of Tennessee is not as bad as it could be, but it is not as good as it should be. While the Delta region, with the exception of Shelby and Madison Counties, is primarily rural, there are enough moderate size communities and health services to allow the region to avoid much of the health and medical problems which prevail in some of the more remote and low income areas of the Delta.

There are, however, several indicators which show there is still a significant amount of work to be done before the Delta region and the residents of the Delta have acceptable levels of health care. The following information about health conditions in the Tennessee Delta point to typical problems which plague rural areas throughout the United States.

If one looks at the leading causes of death (cancer, heart disease, and stroke), the Tennessee Delta counties are well above the national average in all causes. This is especially true of lung cancer and heart disease, both of which can be substantially decreased by voluntary actions of the population.

In Tennessee, the responsibility for ensuring public and individual health rests with the Department of Health. There are obviously other departments which have certain functions which are directly related to health and safety (Environment and Conservation addresses the quality of

drinking water), but the bulk of the responsibility, and the agency to whom the public and the Governor look for health matters is the Department of Health.

The mission of the Department of Health is to “provide the leadership and support necessary to promote, protect, and improve the physical and mental health and well being of Tennesseans.” In doing this, they have two types of clientele. The first of these is the public in general when they are involved in “public health” issues. The second is the indigent population that does not have the financial capabilities to purchase adequate health care on the open market.

It is the department’s goal to maintain an active screening and monitoring system to ensure they are fully informed about the status of public health as well as the status of any individual health problems which may occur. Norms have been established for many health measures, and it is the deviation from the norms which become flash points of concern. Screening and monitoring can take place directly with individuals and with the community at large, it can occur through monitoring the incidence of problems through statistical analysis, or it can occur through networking with the Center for Disease Control or other organizations which review the conditions of health and wellness.

Public education about health related issues has been and is today a major goal of the Department of Health. Educational programs cover a broad spectrum from information disseminated through the news media, to one-on-one counseling sessions with individuals and small groups. It may involve a variety of subjects including diet, drugs, alcohol, teenage pregnancy, and aids prevention. It may be addressed to any age groups from pre- and post-natal information to teenage mothers, to breast cancer screening for women, to information on working with Alzheimer patients. Public education may be the more important functions of the department since it is much less costly to prevent health problems from occurring as opposed to treating them after they do.

The department also attempts to recruit medical personnel into medically underserved areas in order to increase the number of medical professionals available in rural areas. This includes working with the J-1 visa programs that allows foreign medical personnel to stay in the United States and practice medicine.

The department is also a major advocate for the TennCare program. TennCare is Tennessee’s substitute for Medicaid. There have been problems in securing adequate funding for the TennCare program, and the Department of Health is a major advocate for increased funding. As physicians drop out of the TennCare program, much of the burden for healthcare has fallen to the county health clinics.

An increasing factor of significance in the Delta counties of Tennessee is deaths from diabetes. In 2006, Tennessee had a total of 1,713 deaths from diabetes per 100,000 population; 443 deaths from diabetes occurred in the Delta counties. This exceeds 25 percent of the total deaths from diabetes in Tennessee in 2006. In 2005, 9.1 percent of adults in Tennessee had diabetes, while the national average was 7.3 percent.

Goal Two: Strengthen the Delta's physical and digital connections to the global economy

It is necessary to continue to expand and maintain the state's transportation resources to serve economic development and to maintain safe and efficient transportation for its citizens. This includes navigation, interstate and primary roads, and air transportation. This goal is implemented by efficient utilization of federal funds which are available to the state and administered by the Department of Transportation, and by state funds which are appropriated by the General Assembly.

Tennessee is fortunate that BellSouth has already constructed a basic structure of telecommunications infrastructure in Tennessee in previous years. Tennessee's challenge and goal is to expand the use of this resource by business, government, education, and the public in general. It is particularly important to ensure that the benefits of telecommunications extend to the rural parts of the state, and are not restricted to the metropolitan areas. In order to increase digital connections in the Delta counties of Tennessee, AT&T must now be committed to providing this infrastructure via telecommunications.

Goal Three: Create critical mass within Delta communities

Because of Tennessee's ARC and CDBG experience, and knowing the priority of local elected officials, it is anticipated that most of the requests for funding in the Delta program will be for water and wastewater projects. Consequently, this section of physical infrastructure will focus primarily on these two types of projects.

Water and wastewater projects can be classified in different ways. A useful classification is to distinguish between system projects and distribution or collection projects. System projects include treatment plants, intake structure, major transmission lines and other projects that enhance the entire system. System projects do not provide direct service to users, but are necessary for the utility to operate. Distribution and collection projects are those that provide direct service to residential, commercial, or industrial users.

System projects may be constructed with no immediate increase in the number of customers. The primary reason for distribution and collection projects is to expand the number of people to be served.

One may also classify the types of needs which communities face in the provision of water and wastewater services. For convenience these may be classified as 1) required for normal community growth, 2) rehabilitation or replacement of worn-out utilities, and 3) necessitated by sudden and unexpected industrial or commercial growth. Each of these types of needs present their own unique problems.

Expansions of water and wastewater systems are required to accommodate growth. More distribution or collection lines may be required. New sources of water may need to be developed, new treatment plants constructed, and other improvements made to the system to accommodate an expansion of the customer base. Unlike rehabilitation or replacement projects, projects required for growth have an expanded customer base to help finance them, although these costs normally fall on current users as well as the new customers.

Many utilities in Tennessee were constructed several years ago and have deteriorated to the point where they no longer provide adequate service or are incapable of meeting current environmental or health standards. These utilities may need to be rehabilitated or replaced in order to serve the existing customer base. In many cases there will be no appreciable increase in the number of customers, and the costs for improvements must be spread over the current customer base.

Normal growth and rehabilitation and replacement projects can be anticipated and plans made to meet these needs. Large and unexpected industrial and commercial projects, on the other hand, can not be projected and may place a sudden and severe impact on the utility system, necessitating major expenditures to meet these needs. These problems are more acute when the demands that are placed on the utility are large and the existing community or utility is small.

The exact magnitude of water and wastewater needs in Tennessee is unknown. Several estimates, however, provide a realistic approximation of the problem facing the State. An estimate of wastewater needs eligible for funding under the Environmental Protection Agency (EPA) program indicates that almost \$1.5 billion would be required to solve these problems.

The water and wastewater goal is three fold. First, to ensure that municipal water and wastewater systems have sufficient capacity to meet the needs of industrial, commercial, and residential growth. Second, to ensure that when privately owned systems (springs and wells for water supply, and septic tank systems for waste disposal) are not functioning adequately, that municipal services are extended to these areas. This is probably more critical in water supply than in waste disposal. There are probably few privately owned water sources in Tennessee that are completely free of contaminants. Well functioning septic tank systems are acceptable methods of waste disposal. However, when soils are not suitable for drain fields or development exceeds the capacity of the drain field to absorb the waste, septic tank failures can occur with environmental and public health consequences. The third goal is to encourage the development of regional water and wastewater systems where this is appropriate and possible. It is sometimes more cost effective, both in construction and in operation for systems to be developed which serve more than one municipality. When this can be done, regional systems will be encouraged.

It is necessary to continue to expand and maintain the state's transportation resources to serve economic development and to maintain safe and efficient transportation for its citizens. This includes navigation, interstate and primary roads, and air transportation. This goal is implemented by efficient utilization of federal funds which are available to the state and administered by the Department of Transportation, and by state funds which are appropriated by the General Assembly.

The efficient disposal of solid waste is necessary to protect public health and to maintain the beauty of the Tennessee landscape. Several years ago, the Tennessee General Assembly mandated that each county prepare a solid waste disposal plan which identified and developed areas for waste disposal. Most communities are in compliance with the requirement, either by themselves or in concert with other counties in regional solid waste systems. The solid waste goal, therefore, is to help counties maintain compliance. In most cases this will involve solid waste equipment. In some cases it could involve transportation improvements.

In considering the use of Delta and other resources to achieve the above objectives, a priority will be given to projects that will have the maximum and most immediate impact on economic development.

1. **First priority will be for infrastructure projects whose Delta investment is directly related to a commitment to create, expand, or retain private sector employment, and where these infrastructure improvements are required to secure the private sector investment. Infrastructure improvements will include, but not be limited to, water and wastewater system improvements, access roads, improvements to rail, air, or water transportation, and improvements in telecommunications.**

Business creating, expanding, or retaining employment resulting from the Delta investment must meet the following criteria;

- a. **They must be basic businesses which sell a majority of their product or service in national or international markets (retail or local service businesses are specifically excluded), or**
- b. **They must be businesses that directly support and are critical to the success of a basic enterprise, or**
- c. **They must be businesses that produce products or services which are not currently being produced in Delta Tennessee.**

The private sector businesses that benefit from Delta infrastructure investments must demonstrate the following conditions that, cumulatively, improve the likelihood of success and long-term employment opportunities in Delta Tennessee.

- a. **The management personnel must be skilled and experienced in the operation of the type of business being proposed. If these skills and experience are missing, a commitment must be made by the company to acquire them.**
- b. **The business must have a sound business and marketing plan that evidences they have analyzed the structure of the industry they are entering, have a proven market for their product or service, and have anticipated the risks associated with a new business venture and have taken them into account.**
- c. **The business must have the financial strength to ensure it will be able to sustain operations. If adequate financial resources are not available, evidence must be provided they will be acquired.**

- 2. The second priority in the use of Delta resources for economic development is for projects that are designed to remove obstacles to or encourage the growth of private sector employment. Some programs (such as job-relevant training and retraining) will address the needs of individuals in the labor market, while others (such as enterprise development programs) will address the company itself. Within this category, priority will be given to projects that have the greatest likelihood of producing immediate employment opportunities.**
- 3. The third priority related to programs that are indirectly related to employment growth, but which produce a labor force that is more skilled and physically capable of participating as a productive member of society. Education programs (primary, secondary, post-secondary, adult education, dropout prevention programs, and housing and health programs are examples of projects in priority three).**
- 4. Finally infrastructure projects may be recommended for funding that do not result in the immediate creation of employment if there is ample evidence this will occur in a short period of time after the infrastructure is complete. Projects submitted under this priority must meet all of the following conditions.**
 - a. There must be reasonable evidence of private market support from studies showing that there exists a class of potential users which can reasonably be expected to be attracted to the site or facility to be assisted or supported by the project, or that there is likely to be an actual market use for the facility, product, or service of the type that is to be assisted or supported by the project.**
 - b. There must be a formally organized economic development organization that has achieved a measurable rate of success in the area, and that will assume responsibility for marketing the facility, product, or service that is to be assisted or supported by the project.**
 - c. An analysis must be done of the direct and indirect permanent employment that the project is expected to produce.**

Manufacturing

This section is significantly broader than just manufacturing. It includes warehousing and distribution, research and development, certain types of (basic) service industries, and corporate headquarters. The other types of businesses are included under manufacturing for two reasons. First, manufacturing accounts for a significant majority of the activity in this category. Second, the responsibility for encouraging growth in these

sectors lies primarily with the Department of Economic and Community Development (ECD).

In 2007, West Tennessee saw 12 new manufacturing projects along with 158 expansions resulting in a total of 4,121 job opportunities. Also, there were 5 new headquarters projects and 70 headquarter expansions resulting in 2,579 jobs. Foreign direct investment in West Tennessee totaled \$452,931,794 including 2 new projects and 27 expansions resulting in 1,803 jobs.

Marketing and Recruiting

ECD's marketing and recruiting mission is to create high-paying, high-quality jobs by marketing the state as a premier business locating, attracting capital investment, and expanding the states diversifying business and industry base. Marketing offices in Nashville, and in Jackson and Memphis in the Tennessee Delta, are actively involved in identifying and recruiting companies to locate in the region from other parts of the nation and from other countries.

Within this function, there are separate staffs which focus on domestic marketing and recruiting, and on overseas activities. International offices are maintained in Canada, England (which serves Europe), and Japan (which serves the Far East).

ECD's offices in Nashville, Jackson, and Memphis work very closely with a regional economic development program affiliated with TVA's power distributors known as the West Tennessee Industrial Development Agency (WTIDA). WTIDA is located in Jackson, and serves all of the Tennessee Delta.

Federal funds will not be used in the recruiting process. However, once the location decision is made by a company being recruited by the state, federal (and state) funds will be used to assist the city or county in which the business is locating to provide the necessary public infrastructure for successful operation. In no case, however, will federal funds be used to assist in the relocation of a company from elsewhere in the United States to the Tennessee Delta.

The marketing and recruiting function is perhaps the most visible part of ECD's development programs, and is considered by many to be the most crucial to the state's long-term economic development. While most of the jobs created year in and year out are from expansions of existing industries, these companies will not exist in Tennessee unless they first locate here.

Business Service

The business services function basically serves existing industries, those which currently operate in Tennessee, helping them to grow and expand. Within the business services section, there are three activities: manufacturing services, small business services; and minority business services.

Manufacturing services assists existing industries in becoming more productive, efficient, and profitable. Through the “manufacturing means jobs” initiative, ideas and technology are made available to Tennessee manufacturers to help them solve problems and become more competitive. MMJ is a cooperative effort among ECD, the Oak Ridge Centers for Manufacturing Technology, the University of Tennessee Center for Industrial Services, and the Tennessee Board of Regents. The Tennessee Manufacturing Extension Partnership is a cooperative effort with the University of Tennessee Center for Industrial Services to provide help with engineering, training, and technical issues.

Small business services provide similar services, focusing on small firms, by facilitating an exchange of ideas and improved communications between small business and state government. It also serves as a clearinghouse of public and private sector programs and projects that benefit small business. The small business services are also a prime source of information for individuals who desire to create a new business. Information is provided on organizational issues, tax issues, how to prepare business plans and other information which is required to start and run a successful business.

The Business Enterprise Resource Office provides special consulting for prospective and existing minority business, assistance in financial counseling and packaging of loan proposals. The mission of this office is to increase the share of minority business with corporations and government agencies.

Situation Assessment

Tennessee is very active, and may be among the leading states in the nation, in leadership development. There are numerous federal, state, and local programs available to citizens and local governments which are there to develop leaders of the future and to improve the governing capabilities of cities and counties.

Of the 21 counties in West Tennessee, only three do not have local leadership programs. These programs are focused on educating the leadership classes about the issues which are confronting their communities, and what is being done about them. By and large, the

participants in the leadership programs are businessmen, educational leaders, and young professionals who desire to become more active in the affairs of their communities. One might classify them as “leaders in waiting”, and it is from their ranks that elected officials and community leaders of the future will come.

WestStar is a regional leadership program which operates throughout the Delta region in Tennessee. Its members consist of exemplary graduates of local leadership programs. As one might imagine, there is a significant amount of interaction between WestStar and local leadership programs, with WestStar being instrumental in fostering and keeping going local programs. WestStar focuses on regional issues. Such issues may be important at the community level, but they are truly issues which impact all of West Tennessee.

There are a number of institutions in Tennessee which are involved in civic capacity building (defined as strengthening the capabilities of local elected officials). Housed in the University of Tennessee, the Institute for Public Service (IPS) is one of the leaders in this area. Within IPS are the Municipal Technical Advisory Service (MTAS), the County Technical Assistance Service (CTAS), and the Center for Government Training (CTG).

MTAS and CTAS have staff regional located in Tennessee to be of service to city and county governmental officials. In the Tennessee Delta, those staffs are located in Jackson which is somewhat central to the region. These staffs offer training programs and technical assistance in such diverse areas as accounting, personnel management, procurement, public safety, etc. Staff is also available to provide general technical assistance. Each agency employs attorneys who can advise local officials on the legal implications of operating local government. The CGT serves as a training unit for local governments, and offers packaged training programs which are offered periodically to newly elected and appointed officials. Special programs are also offered on an as-needed basis. Increasingly, as a means of expanding the amount of assistance provided, and to reduce costs both to the states and local governments, many standard courses are being offered on the internet. Local officials can stay at home and complete the course work as their schedules permit.

The Department of Economic and Community Development’s Office of Local Planning offers urban planning services to small towns and counties in primarily the rural parts of the state. Master planning and special functional planning services are offered, as are the implementing mechanisms of subdivision regulations and zoning. There is a Local Planning Office in Jackson which serves all of West Tennessee. The state’s planners work under contract with local planning commissions, with the support of the office being paid by the state (65 percent) and by the local grantee (35 percent).

Also within the Department of Economic and Community Development is the Governor's Three Star Program for Economic Preparedness. The Three Star staff works with local governments and local industrial boards in helping them prepare for economic development. The program was conceived as a way to help Tennessee communities, primarily those in rural areas, sell themselves as desirable locations for industries. It grew out of recognition that many small communities did not know how to market themselves to industrial prospects, or even what information they needed to provide. While industrial recruiting is still an important part of the Three Star Program, the program has evolved to emphasize community development as a whole, its philosophy being that helping a community become a desirable place to live and work is a worthwhile goal in its own right. At the present time, Tennessee has 92 certified Three Star communities, with 20 being in the Tennessee Delta.

The creation of "home-grown" industries, or entrepreneurships, is a necessary approach to developing employment opportunities in the Tennessee Delta. Individuals start business in their basement or garage, and this business grows to be successful. Perhaps an entrepreneur is working for another business and determines there is a way to go into business producing a competing or supporting product. Many of these new companies are "high-tech" firms, while others produce more traditional products for national and international markets. If one looks just at start-ups as a source of employment opportunities, the numbers pale in comparison with recruited jobs and with expansions. However, in the long run, start-up firms may become major employers. Perhaps one of the best examples is FedEx which was a start-up in Memphis which has grown into an international corporation.

Community Development

Community Development projects, unlike economic development projects, are not designed to increase employment opportunities. Rather, they are designed to improve the quality of life in the community, and to make it a more safe, attractive, and efficient place for people to reside. In evaluating requests for funding to support community development, consideration will be given to four factors: a) financial ability of the applicant to carry out the project without assistance; b) the technical feasibility of implementing the project as designed; c) the severity of the need for the project compared to other problems that exist, not only in that community, but across the state; and d) the cost-effectiveness of the project.

Other things being equal, a higher priority will be given to projects that are submitted from communities that have little ability to carry out the project without assistance from outside sources. A number of factors will be considered in arriving at the determination of financial ability. These

include income levels of the community, short and long-term rates of unemployment, poverty rates, and the ability-to-pay index.

The technical feasibility of the project is an extremely important consideration particularly in projects that involve the provision of water and wastewater service, transportation facilities, telecommunications, and similar projects that require engineering or other equally technical investigations. Only those projects that are found to be technically sound will be considered for funding.

The relative severity of the problem that the project is designed to address is difficult to determine because of the myriad of types of projects that must be considered. Listed below are the factors which will be taken into consideration in assessing the severity of need for projects that are commonly submitted for funding. The final category of projects, community livability, encompasses other types of projects.

For water line extensions, need will be measured by the following factors: a) water quantity problems as indicated by days of water shortage or days when the existing water source was incapable of meeting the needs of the community; b) water quality problems as measured by bacteria content in the water; c) water quality problems as indicated by mineral content in the water.

For water treatment plants, need will be based on the ability of the existing plant to provide the quantity and quality of water required to meet customer needs, and the standards of the Tennessee Department of Environment and Conservation (TDEC). Quantity problems are evaluated based on the percent of the existing capacity of the plant that is being utilized. Quality problems are evaluated by engineers in the TDEC.

For water distribution systems, need will be based on deficiencies in the existing distribution facilities as evidenced by lack of water storage, pressure problems, and water loss. The adequacy of storage is based on TDEC's requirements for storage capacity equal to 24 hours average usage. Pressure problems will be documented by pressure tests. Water loss is calculated based on the difference between water produced and water sold.

For water source development, need is based on the ability of the current source to produce sufficient water to meet the projected demands for the quantity and quality of water required by the community.

For sewer system projects, need will be based on the priority list maintained by the TDEC for the Environmental Protection Agency. Highest priority will be given to new treatment plants, small alternative wastewater systems (SAWS), and other innovative alternatives.

For sewer line extensions, need will be based on septic tank failure rates.

Other types of projects fall into a community livability category. Because of the large number of potential projects that may be submitted in this category, the funding criteria are necessarily more subjective. Highest priority is given to projects that relate to health and safety. Major consideration is given to the severity of the problems that are expressed in the application, and the adequacy of documentation to substantiate the nature and magnitude of the problem.

Funding Plan

The allocation of Delta funds will be based on the following criteria: a) ineligible activities; b) funding limitations established in the Delta authorizing legislation, regulations, and guidelines, and c) funding limits imposed by the state.

Ineligible Activities

There are certain types of projects which are inappropriate for Delta funding. Except for very unusual circumstances, which will be fully documented and explained, the following types of activities will not be eligible for Delta funding in Tennessee:

1. Projects which would result in the relocation of business enterprises from another state to Tennessee.
2. Funding commitments that will influence the location of new industry or the expansion of existing business enterprises within the state. This restriction, however, will not extend to assisting a community in meeting the infrastructure or social demands that may be placed on it by a business that has already decided to locate or expand.
3. Projects that are related to the general operation of local governments. This would include the construction of city halls, courthouses, jails, etc., as well as salaries and operating costs related to these governmental functions. This restriction will not, however, extend to programs operated by local governments that provide direct service to the residents of Delta Tennessee such as education or health services.
4. Political activities of any kind at the local, state, or national level, will be ineligible for Delta funding.

SECTION IV

ORGANIZATIONAL STRUCTURE

Implementation of the DRA program is complex because of the differing roles and functions of the various agencies which are involved. The purpose of Section VI is to describe the organizational structure of the DRA program in Tennessee, and how the various individuals and agencies which are involved in implementing the program work together.

State Organization

As provided in the DRA legislation, the Governor is the chief operating officer for the program in each state. Each Governor, however, may have an Alternate who will manage the program on a day-to-day basis, following the policies and priorities established by the Governor.

In recognition of the fact that the DRA program in Tennessee is first and foremost an economic development program, the management of the program is housed in the Department of Economic and Community Development (ECD). The Governor's Alternate to the DRA is the Assistant Commissioner of Community Development. The Governor's Alternate has immediate access to the Commissioner of ECD and the Governor as required for administration of the DRA program in Tennessee.

Other state departments (Transportation, Health, and Education especially) are frequently involved in matters of relevance to the Tennessee Delta and to the administration of the DRA program. Programs are coordinated with these departments (and others) as warranted depending on the issues involved.

Local Governments

Local governments are the ultimate beneficiaries of the DRA program, whether as the providers of services to businesses in their communities or to the citizenry at large. As such, they are the principal spokespersons for community needs in the Delta. Local governments are involved in the DRA program directly and through local development districts.

Local Development Districts

Local development districts (LDDs) are an integral part of the DRA program in Tennessee. They represent sources of information about needs and priorities at the regional and local levels. LDDs prepare grant applications for their member governments, not only for DRA but for other programs

that are utilized by local governments. Depending upon the nature of the project being implemented, development districts may be directly involved in the administration of DRA projects.

The development districts in the Tennessee Delta Region are:

Northwest Tennessee Development District
P.O. Box 963
Martin, TN 38237-0963
(713) 587-4213

Southwest Tennessee Development District
27 Conrad Dr., Suite 150
Jackson, TN 38305-2850
(731) 668-7112

Memphis Area Association of Governments
1420 Union Ave., Suite 410
Memphis, TN 38104-3695
(901) 729-2871

Table 1
2000 -2006
Per Capita Income
(PCI)

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---------------|----------|----------|----------|----------|----------|----------|----------|
| United States | \$29,845 | \$30,574 | \$30,821 | \$31,504 | \$33,123 | \$34,757 | \$36,714 |
| Tennessee | \$26,095 | \$26,833 | \$27,435 | \$28,257 | \$29,539 | \$30,827 | \$32,134 |
| Benton | \$19,793 | \$19,565 | \$20,035 | \$20,420 | \$20,730 | \$22,017 | \$23,049 |
| Carroll | \$20,931 | \$21,234 | \$21,639 | \$22,610 | \$22,511 | \$24,487 | \$25,466 |
| Chester | \$19,882 | \$20,751 | \$20,253 | \$21,703 | \$21,794 | \$22,868 | \$23,700 |
| Crockett | \$22,684 | \$21,723 | \$21,938 | \$24,139 | \$23,243 | \$24,671 | \$25,727 |
| Decatur | \$20,191 | \$21,292 | \$21,041 | \$22,308 | \$23,946 | \$25,460 | \$27,195 |
| Dyer | \$22,376 | \$23,525 | \$23,561 | \$24,901 | \$26,095 | \$26,859 | \$27,778 |
| Fayette | \$25,309 | \$26,181 | \$27,003 | \$27,911 | \$27,969 | \$29,855 | \$31,193 |
| Gibson | \$22,341 | \$22,492 | \$22,823 | \$24,609 | \$24,697 | \$25,299 | \$25,833 |
| Hardeman | \$16,628 | \$17,445 | \$17,808 | \$18,940 | \$19,467 | \$20,476 | \$21,538 |
| Hardin | \$20,978 | \$21,924 | \$21,801 | \$22,852 | \$23,901 | \$24,930 | \$25,733 |
| Haywood | \$20,151 | \$19,777 | \$19,867 | \$21,735 | \$21,706 | \$23,197 | \$24,694 |
| Henderson | \$21,603 | \$21,355 | \$21,345 | \$22,362 | \$23,541 | \$23,893 | \$24,350 |
| Henry | \$22,060 | \$22,472 | \$22,023 | \$22,750 | \$24,317 | \$25,221 | \$25,880 |
| Lake | \$12,957 | \$13,256 | \$13,197 | \$14,653 | \$15,556 | \$16,558 | \$17,085 |
| Lauderdale | \$17,479 | \$17,664 | \$17,397 | \$18,636 | \$18,395 | \$19,243 | \$20,248 |
| Madison | \$25,585 | \$25,276 | \$25,854 | \$26,859 | \$28,101 | \$29,162 | \$29,959 |
| McNairy | \$21,217 | \$21,972 | \$22,944 | \$23,632 | \$24,802 | \$25,583 | \$26,033 |
| Obion | \$24,344 | \$24,242 | \$24,136 | \$25,040 | \$26,107 | \$27,772 | \$28,316 |
| Shelby | \$30,496 | \$31,942 | \$32,829 | \$33,540 | \$35,430 | \$36,597 | \$38,204 |
| Tipton | \$22,955 | \$22,949 | \$23,203 | \$24,103 | \$25,333 | \$26,572 | \$28,062 |
| Weakley | \$20,528 | \$21,195 | \$21,289 | \$21,955 | \$23,415 | \$24,752 | \$25,558 |

Source: Bureau of Economic Analysis

Table 2
1997 - 2007
Annual Average Unemployment Rates

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|----------------------|------|------|------|------|------|------|------|------|------|------|------|
| United States | 4.9 | 4.5 | 4.2 | 4.0 | 4.7 | 5.8 | 6.0 | 5.5 | 5.1 | 4.6 | 4.6 |
| Tennessee | 5.3 | 4.5 | 4.1 | 4.0 | 4.7 | 5.3 | 5.7 | 5.4 | 5.6 | 5.1 | 4.7 |
| Benton | 8.3 | 8.2 | 8.3 | 7.5 | 7.3 | 7.4 | 9.7 | 8.5 | 8.3 | 7.1 | 6.2 |
| Carroll | 8.6 | 9.1 | 9.5 | 8.0 | 7.5 | 9.3 | 9.4 | 8.3 | 7.6 | 6.3 | 6.4 |
| Chester | 5.4 | 4.3 | 4.0 | 4.2 | 4.6 | 6.4 | 6.1 | 5.7 | 6.0 | 5.4 | 5.3 |
| Crockett | 7.6 | 6.8 | 5.5 | 4.8 | 5.8 | 7.2 | 9.1 | 7.9 | 7.8 | 6.8 | 6.2 |
| Decatur | 8.6 | 9.1 | 7.3 | 5.4 | 7.2 | 8.2 | 8.3 | 7.3 | 7.8 | 6.5 | 5.7 |
| Dyer | 5.9 | 4.6 | 4.9 | 5.2 | 6.7 | 7.0 | 7.0 | 6.0 | 6.1 | 5.7 | 5.0 |
| Fayette | 5.7 | 4.2 | 3.7 | 4.6 | 5.5 | 6.2 | 6.2 | 6.4 | 6.8 | 6.2 | 6.3 |
| Gibson | 7.5 | 6.3 | 6.5 | 5.4 | 7.8 | 7.9 | 8.7 | 8.2 | 8.5 | 7.6 | 7.0 |
| Hardeman | 11.4 | 12.6 | 9.5 | 5.2 | 7.2 | 7.6 | 8.1 | 8.2 | 8.6 | 7.1 | 6.6 |
| Hardin | 9.1 | 7.6 | 7.1 | 5.5 | 6.4 | 7.6 | 9.3 | 7.6 | 7.3 | 6.1 | 5.5 |
| Haywood | 12.4 | 10.7 | 9.1 | 5.7 | 7.4 | 8.2 | 9.4 | 8.6 | 8.3 | 7.5 | 7.1 |
| Henderson | 8.7 | 8.2 | 6.2 | 5.1 | 7.0 | 8.2 | 8.1 | 6.9 | 7.4 | 6.6 | 6.6 |
| Henry | 7.3 | 7.4 | 6.7 | 5.0 | 6.2 | 6.7 | 8.5 | 8.1 | 7.5 | 7.1 | 7.1 |
| Lake | 8.8 | 10.2 | 6.4 | 6.3 | 6.7 | 6.9 | 7.2 | 6.8 | 8.2 | 6.8 | 5.9 |
| Lauderdale | 8.7 | 8.8 | 8.5 | 5.2 | 8.0 | 8.4 | 10.8 | 10.0 | 8.7 | 7.9 | 6.7 |
| Madison | 4.5 | 3.6 | 3.4 | 3.8 | 5.1 | 6.0 | 6.0 | 5.6 | 5.6 | 5.3 | 5.0 |
| McNairy | 8.0 | 6.6 | 5.1 | 4.5 | 6.0 | 6.5 | 7.0 | 6.1 | 6.0 | 6.1 | 6.1 |
| Obion | 7.7 | 5.6 | 6.2 | 4.4 | 4.7 | 5.0 | 7.1 | 6.5 | 6.0 | 5.5 | 5.6 |
| Shelby | 4.6 | 4.0 | 3.8 | 3.9 | 4.5 | 5.4 | 6.0 | 6.1 | 6.2 | 5.7 | 5.1 |
| Tipton | 5.3 | 4.8 | 3.4 | 3.8 | 4.7 | 5.6 | 6.5 | 6.3 | 6.4 | 5.5 | 5.2 |
| Weakley | 5.9 | 5.9 | 6.2 | 5.1 | 6.0 | 6.3 | 8.3 | 7.4 | 7.0 | 6.7 | 6.6 |

Source: Bureau of Labor Statistics

Table 3
1990,1995, & 2000
Percent in Poverty

| | 1990 | 1995 | 2000 |
|----------------------|--------------|--------------|--------------|
| United States | 13.1% | 13.8% | 12.4% |
| Tennessee | 15.7% | 14.7% | 13.5% |
| Benton | 17.2% | 15.9% | 15.6% |
| Carroll | 15.9% | 13.7% | 13.9% |
| Chester | 18.9% | 15.5% | 14.4% |
| Crockett | 17.6% | 15.8% | 16.9% |
| Decatur | 19.9% | 15.3% | 16.0% |
| Dyer | 17.6% | 15.7% | 15.9% |
| Fayette | 24.1% | 17.4% | 14.3% |
| Gibson | 16.2% | 14.5% | 12.8% |
| Hardeman | 23.3% | 20.7% | 19.7% |
| Hardin | 20.1% | 19.3% | 18.8% |
| Haywood | 27.5% | 23.0% | 19.5% |
| Henderson | 15.8% | 13.7% | 12.4% |
| Henry | 18.9% | 15.3% | 14.3% |
| Lake | 27.5% | 30.1% | 23.6% |
| Lauderdale | 22.4% | 21.1% | 19.2% |
| Madison | 17.0% | 15.9% | 14.0% |
| McNairy | 20.3% | 17.9% | 15.9% |
| Obion | 15.2% | 13.9% | 13.3% |
| Shelby | 18.3% | 18.7% | 16.0% |
| Tipton | 20.0% | 15.3% | 12.1% |
| Weakley | 15.5% | 13.3% | 16.0% |

Source: U.S. Bureau of the Census