
INTEROFFICE MEMORANDUM

TO: GOVERNOR RONNIE MUSGROVE
FROM: ARMERITA TELL
SUBJECT: DRA
DATE: 5/27/2003
CC: BILL RENICK

As you know, the DRA rolled out their “2003 Federal Grant Program” on May 5th despite loud objections by at least five of the eight member state Governors. Hayes Dent has made it clear that the grant program is a federal program that does not require approval, input, or assistance of the states. According to Dent, the Federal Co-Chairman has full discretion over the setting of the federal process by which grants will be made for projects within the region. Dent has also stressed that Johnson believes that the grant program is only a small part of what the DRA was established to do. As you recall, Johnson refused to consider a motion to discuss the grant process at the last DRA Board meeting in April (maintaining his position that approval or disapproval by the states was irrelevant under federal code and in the eyes of Congress). Another factor may have been Governor Huckabee’s seemingly less than enthusiastic iteration to Johnson of the majority of states’ concerns over the proposed process.

Needless to say, these sentiments do not sit well with Governors who are familiar with a highly successful ARC grant-making model and who feel the best way to promote development in the region is to get previously unavailable federal grant money into the hands of small communities.

However, the grant process has already been announced, posted on the DRA website, and promoted by PDDs throughout the region. The Mississippi PDDs hosted a “public meeting” to discuss this year’s application and grant-making process (see attached program and DRA prepared timeline). The new process is designed to create a bigger role for the PDDs (and more funding) and a more controlled, in-house process from the DRA’s standpoint – disguised with terms like “uniform” and “streamlined.” All applications will be received by the DRA first for determination of “eligibility” before they are forwarded to the appropriate Governor. Also, there will be no scoring system used by the DRA this year (something that was implemented as absolutely necessary from a federal audit standpoint by Pete Johnson last year).

Pete Johnson has yet to approve all of Mississippi’s outstanding projects from 2002. He has recently exercised his veto over two projects (we subsequently informed them in writing of the reason that their project was not funded). It is my belief, based on the list of funded projects in other states that projects in MS were denied while very similar projects in other states were approved.

The DRA has also taken steps to “clarify” the intent of Congress and the job that the DRA was established to do according to Johnson. Clarification Notes (1-10) on the Grant Pre-Application considerably narrow the type of “eligible” project. Specifically, Note 9 eliminates types of projects that were approved for funding last year by Chairman Johnson.

The DRA Board Meeting scheduled for June 3rd has been cancelled by the DRA due to the fact that they could not confirm enough Governors. They have indicated that another full board meeting may not be convened until September (when, in theory, grant applications would be given final approval). However, Rex Nelson has contacted me to let us know that Governor Huckabee is still interested in meeting with you to discuss your concerns regarding the DRA during the SGPB meeting in Biloxi. Governor Huckabee will be in attendance at SGPB from Sunday-Tuesday (June 1st-3rd).

Please let me know if you would like to try and work out a meeting time with Governor Huckabee while you are both in Biloxi. Thank You.