
INTEROFFICE MEMORANDUM

TO: GOVERNOR RONNIE MUSGROVE
FROM: ARMERITA TELL
SUBJECT: DRA MEETING SUMMARY (FEBRUARY 2003)
DATE: 2/6/2003
CC: BILL RENICK

In our most recent meeting of the Delta Regional Authority (Feb. 3-4), Pete Johnson devoted the majority of time to a discussion of programs, policy, and administrative efforts that he would like to see centralized and operated by the Authority. Before that, however, Hayes Dent brought up several of Mississippi's still pending proposals.

Project Applications:

There was a brief discussion of grants that were still "unapproved" and a sheet was passed out detailing that amount of unexpended funds for each state (attached). Mississippi has the most unexpended funds by over \$1 million. One Mississippi project (**Delta State Business Retention Center**, \$255,000 DRA) was recommended by Hayes "and the DRA staff" for approval and was approved by the Authority by voice vote (no opposition). There were no apparent changes to the application and the DRA amount was the same as that originally suggested by us in August of last year. Hayes also indicated that the **Bolivar County CAA** proposal and the **Town of Anguilla** proposal were now fundable. There was no vote taken but Hayes indicated that approval ballots would be mailed to Alternates very soon.

This type of action (especially when you consider the DRA's own information regarding unallocated funds) only serves to support the notion that Pete and Hayes had unsupportable reasons for delaying and threatening these projects with disapproval.

The **Town of Moorhead**, **Quitman County Rural Transportation**, and **Seminary Public Library** projects were not brought up for discussion by Hayes at this meeting. However, based on the Authority's approval of similar projects in other states (see attached list of approved projects – prepared by DRA), I plan to resubmit these projects and request that they be approved.

Pete Johnson's Agenda:

During the meeting it became more and more apparent that Pete Johnson is attempting to consolidate power within the DRA itself and specifically within the Federal Co-Chairman's office of the DRA. There were several proposals/procedural changes suggested that gave me (and a number of other Alternates) cause for concern:

1) Next Year's Application Process

- a. Johnson suggested that "Congress" is demanding a "more uniform" grant application process, and his recommendation was that there be one application form (created by DRA) and that all applications come into DRA first for review and scoring and then are returned to the States for Governor's recommendations
- b. Johnson suggested that the DRA wants to limit the amount of funds that are distributed in the form of grants to states by "creating very strict categories of eligible projects" – he claims this is what ARC does, and declare up front that DRA funds can account for only as much as 25% of a total project, he also suggested that the state's need to find a way to "limit the number of applications that are accepted"
- c. Johnson claims that these changes are necessary (and wanted by Congress) due to the fact that some states did not forward all project applications to the DRA (only those recommended by the Governor), and that some Governor's were "hand picking projects – causing big problems" in the eyes of Congress

2) Johnson's Vision of DRA in the future:

- a. Johnson basically said that the DRA needs to move away from the role of a "grant-making Authority" to a more centralized, coordinated agency that is able to affect change in the Delta – "we all know that \$15, \$50, or even \$100 million will not make a real difference in the region" (Hayes Dent), DRA must take the initiative and take on/create some programs that can not be done by simply distributing funds for various, unconnected projects
- b. Education – Johnson gave a 15 soliloquy on the need for early childhood education programs in this area of the nation, he has had several meetings with Dr. Michael Porter (Harvard, Early Childhood Expert) and mentioned a number of early childhood initiatives (from early language and literacy to school-based health care) that the DRA would like to pursue, through the funding and implementation of pilot programs (operated or overseen by DRA) throughout the region

- c. Pew Leadership Plenty – DRA will apply for a grant from Pew and hopes to become an “active partner” in this initiative, will train DRA staff and then allow DRA staff to pass their “leadership” skills on to citizens of the Delta
- d. Teacher Retention – wants to seek out good teacher retention models from around U.S. and implement the components of the these models in the DRA region
- e. J-1 Visa Waiver Program – have received participant status from federal government and intend to apply for an receive the maximum amount of waivers for foreign doctors (30 per state), allow them to practice for 2 years after their residency somewhere within the DRA region
- f. Washington Office – Johnson announced that DRA has established a D.C. office and hired Bill Simpson III to head the office (note – Simpson was hired as a “federal employee” not a DRA employee which means he essentially answers to Pete Johnson instead of the states)

Summary:

Pete indicated that the DRA hopes to receive \$15 million in this year’s appropriation bill (the President has recommended \$2 million to go toward administrative costs). Regardless of the amount of the appropriation, he seems to be heading towards more in-house operation of DRA programs and less grant making. He believes this is the only way to really create change in the Delta and essentially wants to operate the DRA as another federal government agency (he even told the Alternates in the meeting that Sen. Blanche Lincoln of Arkansas would like to see it operated solely by the Federal Government).

I have attached a letter encouraging Pete to fund our remaining projects. Based on my discussions with DRA staff and looking at projects funded in other states, I believe these are all fundable projects.

Please let me know your thoughts. Thank You.