Promoting Development in the Black Belt Region: A Plan for the Southeast Crescent Regional Commission

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MAY 2022

SOUTHERN ECONOMIC ADVANCEMENT PROJECT

ABOUT THE SEAP

SEAP is your partner and resource. We amplify the efforts of existing organizations and networks that work towards broadening economic power and building a more equitable future. Broadening economic power brings attention to how race, class and gender intersect social and economic policy in the South. We explore policy ideas designed to directly address these connections. SEAP focuses on 12 Southern states and marginalized/vulnerable populations within the region and is a fiscally sponsored project of the Roosevelt Institute.

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EXECUTIVE SUMMARY

In this white paper, we explore the recent creation of the Southeast Crescent Regional Commission (SCRC), the context in which it must operate, and the lessons it can learn from prior efforts. We then highlight the critical role of defining and identifying distressed communities for the proper functioning of the commission, using Georgia as a critical case study. Finally, we present a series of recommendations for the SCRC, each targeted at maximizing the commission's impact on community and economic development throughout the region.

The SCRC was authorized in the 2008 Farm Bill (P.L. 110-627) to promote community and economic development in the Southeastern United States, specifically in parts of Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, and Virginia. It was originally conceived at Tuskegee University in 1990 to cover the "Black Belt," a region which, as the authors of the first report noted, "held far more of the nation's poor rural people and places than Appalachia." However, the commission was ultimately named and authorized as covering the "Southeast Crescent," sidestepping issues of race and institutional racism. For this reason, the SCRC encompasses not only the Black Belt region but also a number of very affluent counties in the Southeast's major metropolitan areas.

The SCRC is modeled after the Appalachian Regional Commission (ARC), which was established in 1965 to address the economic and social disparities between Appalachia and the rest of the nation. **We argue that, while much can be learned from the ARC's experience, the situation in which the SCRC finds itself is considerably different from what the ARC confronted nearly 60 years ago.** The ARC received considerable presidential support at its founding, focused on the problem of white rural poverty, and emphasized traditional development projects such as infrastructure. By contrast, the SCRC is a bottom-up initiative focusing more on rural Black poverty and is confronted with twenty-first-century issues such as the need to prepare workers for the knowledge economy.

Moreover, the funding streams of the two organizations are dramatically different and unequal. ARC spent $320 million in FY 2021 for the 423 counties it now serves. By contrast, SCRC is authorized to receive $30 million annually for the 434 counties it is expected to serve and has been authorized to receive a mere $5 million for its first year's operations.

In our report, we argue that the SCRC, despite its broader mandate, must focus the bulk

of its attention on the Black Belt, which contains a substantial number of the nation's persistently poor counties. In this context, the commission will have to think creatively about using its funds to catalyze development rather than to implement discrete projects. It will also need to consider the region's exceptional characteristics and challenges, including its underdevelopment; limited local capacity to implement policy; racialized local, state, and regional politics and life; and persistent generational poverty.

The implementing legislation for the SCRC takes the first steps in this regard, setting aside at least 50% of grants to serve the needs of distressed counties and isolated areas of distress within counties. Moreover, SCRC rules dictate that the commission may contribute 80% of project costs in distressed counties, while the maximum SCRC share is 30% for the most prosperous counties. **But the SCRC's leaders must go beyond these minimum requirements.**

As part of its mandate, every year the SCRC is required to classify countries into three categories: distressed, transitional, and attainment. It must also consider isolated areas of distress—areas within attainment counties that experience high rates of poverty, unemployment, and/or population loss. These designations will have a significant impact on the allocation of the commission's resources and, ultimately, on its success. **In this paper, we carefully analyze the available data, using Georgia as a case, and make a series of informed observations to assist the SCRC in defining and designating distressed communities.**

First, we believe that any definition of need must align with the goals and objectives of the SCRC. Further, the indicators selected by the commission should be available nationally at the county and sub-county level (tracts, zip-codes), and they should be credible and updated regularly. Third, there are multiple dimensions of capacity needed to move a community forward, and many distressed areas will require assistance in building and strengthening that capacity. For this reason, grant awards should be sequenced — first planning, then capacity building, and finally implementation — to ensure all distressed communities receive assistance commensurate with their capacity to act.

It is important to note that the commission will need to interact across four tiers: federal, state, sub-state regional (Local Development Districts or LDDs), and community. As a result, **it is critical for the SCRC to encourage the flow of information up and down its four tiers, balancing the voices of elected officials and professional planners with those of community stakeholders.**

Moreover, the SCRC will need to navigate the challenges of fragmentation at each of these tiers. To do so effectively, it must (1) encourage representative arrangements within communities that are collaborative and inclusive of race and ethnicity, and (2) promote collaborative cross-sector initiatives that address the horizontal and vertical fragmentation within the public sector. All of these observations inform our proposals to improve the effectiveness of the SCRC. We develop these proposals in four specific areas: (1) the structure of the commission, (2) the staffing of the commission, (3) state-level structures, with an emphasis on the role of the state program manager, and (4) Local Development Districts and community engagement. We take each of these in turn.

COMMISSION PROPOSAL

We recommend first that the commission broaden the representation on its board to include more community voices, taking care to balance more representation with efficiency and flexibility. The SCRC will need to specify the roles, powers, and responsibilities of these new representatives.

- **Staff Proposal:** Under the ARC, the staff function primarily as gatekeepers, reviewing proposals, managing investment, and conducting research. We propose that the SCRC add a staff division to focus on community capacity and equity to ensure congruence with shifting development priorities, for example, community capacity and racial equity. We also suggest that staff functions should include active solicitation of LDD and community input, especially in areas with weak local institutions. Staff incentives and performance evaluation criteria, of course, should be consistent with these new functions.
- **State Proposal:** Under the ARC, state program managers are generally responsible for guiding investment and policy decisions, and they act as the key intermediaries between LDDs and ARC staff. For the SCRC, we propose the creation of a state-level advisory board along the lines of the legislative guidelines provided to the Department of Labor for the Workforce Innovation and Opportunity Act. These call for state and local boards comprising a broad group of stakeholders.
- **LDD And Community Proposal:** Local Development Districts (LDDs) are the lead organizations at the sub-state, multi-county regional level, yet there is extensive regional variation in their capacity. Moreover, while LLDs are among the most representative bodies with which the SCRC interacts, they have a number of weaknesses.

  First, our review of the composition of Georgia's regional councils and commissions indicates that representation on these bodies is generally dominated by local elected officials and that private representatives generally come from business, banking, and real estate. While these individuals must certainly have a voice in local development, **the relative lack of representatives from community groups, faith-based organizations, higher education, and nonprofit organizations, among others, shuts**

out critical perspectives on community revitalization.

At the local level, there is also potential confusion on the optimal channels for applications to the SCRC, specifically whether LDDs should communicate directly with the SCRC or through state officials. In addition, it is not always clear whether counties and municipalities can (or should) bypass the LDDs and apply directly through their state to the SCRC. More than that, some LDDs encompass counties in different federal regional commissions, and they are often not coterminous with other relevant federal and state programs and institutions, for example, Workforce Development Boards.

We recommend the SCRC consider six reforms at the LDD and community levels: (1) expand and specify the functions of LDDs, inclusive of strategic planning, (2) broaden LDD board representation to include greater representation from community organizations, small businesses, and farms, as well as sources of local expertise, such as agricultural extension agents and faculty from Historically Black Colleges and Universities (HBCUs), (3) specify LDD voting rules more clearly, (4) add local constituency boards to advise LDDs if needed, (5) encourage LDDs to share information and best practices with one another, and (6) strengthen LDD voices vis-a-vis state program managers and commission staff.

In the final analysis, **our paper contains three major takeaways.** First, SCRC leaders should focus closely on aligning the SCRC's organizational structure, goals, priorities, and practices. This will require balancing needs with capacities while learning from the experiences of other commissions. Second, the SCRC must take a broader conception of regional development goals, one which includes but goes well beyond a traditional focus on infrastructure to also consider the role of race and persistent poverty.

Finally, the SCRC should align its governance with its goals. This will require fostering a broader representation of community stakeholders at all levels, incorporating sources of local knowledge, overcoming fragmentation in the system, and navigating the balance between broader representation and efficiency. If the SCRC is able to accomplish all of this, there is every reason to believe that it will contribute significantly to economic development and social progress in one of America's most culturally significant but marginalized regions.

PROMOTING DEVELOPMENT IN THE BLACK BELT REGION:
A PLAN FOR THE SOUTHEAST CRESCENT REGIONAL COMMISSION

In this white paper, we explore the recent creation of the Southeast Crescent Regional Commission (SCRC), the context in which it must operate, and the lessons it can learn from prior efforts. We then highlight the critical role of defining and identifying distressed communities for the proper functioning of the commission, using Georgia as a critical case study. Finally, we present a series of recommendations for the SCRC, each targeted at maximizing the commission's impact on community and economic development throughout the region.

1. CHALLENGES FACED BY THE COMMISSION

The Southeast Crescent Regional Commission (SCRC) was authorized in the 2008 Farm Bill (P.L. 110-627) to promote community and economic development in the Southeastern United States, in parts of Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, and Virginia.[1]

The economic conditions of the Southern region have been a national priority at least since President Franklin D. Roosevelt's 1938 message to the Conference on Economic Conditions of the South. He stated, "It is my conviction that the South presents right now the nation's No. 1 economic problem–the nation's problem, not merely the South's. For we have an economic imbalance in the nation as a whole, due to this very condition of the South."[2] Since this address, the South has been the focus of several economic development strategies that have helped to transition the region from an agriculturally-based economy to a 20th-century industrial one, and now to a 21st century global, knowledge-based economy. Yet the region's development has been markedly uneven.

Current economic development strategies within the region tend to support traditional approaches that focus on industrial recruitment, development, and growth, as well as entrepreneurship. Other efforts are designed to equip the region's students for high-skill, high-wage jobs by strengthening pathways from K-12 to higher education through STEAM (Science, Technology, Engineering, Arts, and Math) curricular and co-curricular experiences. As a result, many communities within the Southern region are taking advantage of the technologically-focused economy by positioning themselves as place-based tech hubs with ample talent to supply new industries with a skilled workforce. Because of these efforts, some areas of the Southern region are now known as business-ready and business-supportive communities, resulting in technology companies

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[1] *Southeast Crescent Regional Commission, Executive Summary*. Available at https://www.nado.org/wp-content/uploads/2011/10/Southeast-Crescent-Regional-Commission.pdf

[2] Franklin D. Roosevelt, "Message to the Conference on Economic Conditions of the South," Available online by Gerhard Peters and John T. Woolley, The American Presidency Project, https://www.presidency.ucsb.edu/node/209037

and start-ups making the region a destination.[3]

While some Southern communities have transitioned to the knowledge-based economy, others lack the capacity and resources to do so. Unfortunately, rural communities continue to be the most underdeveloped areas and rely on the public sector and a few remaining low-skill, low-wage, private sector jobs as their primary economic support. This is particularly true in the historically significant Black Belt region of the South, an area that encompasses a substantial share of the SCRC's geography, and one in which the commission will play an important role in sparking revitalization efforts.

THE SIGNIFICANCE OF PLACE AND RACE

The Black Belt region within the South continues to be a place where geography and race are consequential. The significance of place and race can be found in the history of the Black Belt, which has been defined by both the color of the rich fertile land that made its agricultural and plantation economy thrive and the Black enslaved and subsequently large Black population residing within the region. First identified by Booker T. Washington in 1901, and further examined by W.E.B. Dubois and other scholars such as V.O. Key and Arthur Raper, the Black Belt constitutes over 300 rural counties that form a crescent-shaped expanse that extends from eastern Texas to the eastern shore of Virginia (Figure 1). The region's origins and the governing culture that emerged require special considerations for both economic development planning and implementation by the SCRC. Racial violence, exclusionary decision-making and undemocratic practices, restrictive politics and social policies, and uneven community and economic development outcomes comprise the socio-economic and political conditions of the region and often serve as barriers to advancing the region equitably.[4]

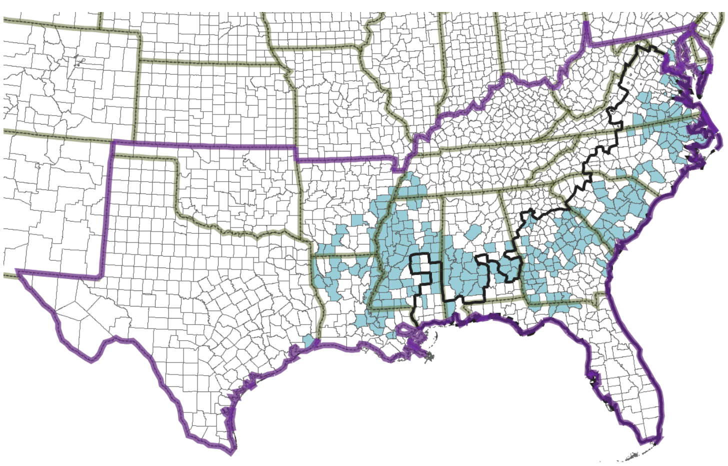

Figure 1. The southeast (purple), the SCRC (black), and the black belt counties (blue).

Previous economic development approaches within the Southern region did not include the Black Belt region on an equitable basis. According to Sumners and Stehouwer (2012), the Black Belt was bypassed by the diversified economic development

[3] Marc Berman, "How the Southeast Has Become a Tech-Hub," *Programming Insider*, March 19, 2020, Available at https://programminginsider.com/how-the-southeast-has-become-a-tech-hub/.

[4] Booker T. Washington, *Up From Slavery: An Autobiography.* (Garden City, New York: Doubleday & Company, Inc., 1901); W.E.B. Du Bois, *The Souls of Black Folk: Essays and Sketches.* (New York: Johnson Reprint Corp.: Chicago, A. G. McClurg, 1903); V.O. Key and Alexander Heard. *Southern Politics: In State and Nation*. (New York: Vintage Books, 1949); Arthur F. Rapier, *Preface to Peasantry A Tale of Two Black Belt Counties,* (Columbia, South Carolina, The University of South Carolina Press, 2015).

approaches achieved in regional 20th-century strategies. It instead used low-skill, low-wage jobs as its primary economic development method in order to accommodate the skills of the workforce and as a means of socio-political control over the area's workers. Many industrial firms that relocated to the South in the past avoided the Black Belt region, producing racially segmented economic development within the South.[5]

These economic development approaches resulted in a low quality of life for residents of the Black Belt region and in high and persistent generational poverty. For example, a 2019 report identified 310 counties with high levels of persistent poverty. Of those counties, 267 were rural counties with a high concentration in the Mississippi Delta, Appalachia, and the Black Belt region. The persistent poverty in these counties, particularly within the Black Belt region, negatively impacted the quality of life for all residents in general but had a particularly damaging generational impact on Black residents. Because half of rural Blacks live in persistent poverty counties in the Southern region, they are inclined to the "double exposure phenomenon," which results in generational poverty.[6]

Therefore, when one considers persistent poverty, the lack of generational wealth, particularly among Black residents, and the stratified socioeconomic and political life of the rural South, it becomes clear that any successful economic development strategy must take account of the region's complexity. Nevertheless, while most lawmakers and social scientists highlight data that reflect the deficits of the region, it is important to also note the region's natural assets and resources and the resilience, inventiveness, and fortitude of its residents as strengths. With intentional policy planning and implementation, these regional attributes can be used to create a Southern economy that is also inclusive of the Black Belt region.

Due to the distinctiveness of the Black Belt, any SCRC regional economic development approach must account for its exceptionality, including its underdevelopment, limited local capacity to implement policy, racialized local, state, and regional politics and life, and persistent generational poverty. A region often equated with its large Black population, its racial and economic stratification, as well as its distinct traditional and political culture, requires close consideration of context, political practices, and the historical factors of de jure and de facto racial segregation when developing and implementing successful economic development efforts. These factors provide a contextual backdrop that greatly influences the success of economic development approaches within the region.

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[5] Joe A. Sumners and Amelia H. Stehower, "Politics and Economic Development," *The Oxford Handbook of Southern Politics*, eds. Charles Bullock II and Mark J. Rozell, (Oxford University Press, New York, 2012) pp. 255-285. Earl Black, "Southern Governors and Political Change: Campaign Stances on Racial Segregation and Economic Development, 1950-69." *The Journal of Politics* Vol. 33, No. 3 (1971): 703–34; and James C. Cobb, *The Selling of the South: The Southern Crusade for Industrial Development, 1936-1980*. (Baton Rouge, La.: Louisiana State University Press, 1982).

[6] Tracey Farrigan, "Rural Poverty Has Distinct Regional and Racial Patterns," Washington, DC: U.S. Department of Agriculture, Economic Research Service, August 09, 2021. Available at https://www.ers.usda.gov/amber-waves/2021/august/rural-poverty-has-distinct-regional-and-racial-patterns/. The double exposure phenomenon combines individual poverty and persistently high poverty rate where the individual resides-with the possible consequence of passing poverty from one generation to the next.

Given the complexity and history of the Southern context, particularly in the rural south, the SCRC will need to provide intentional resources and support to foster inclusive economic development strategies that aid underrepresented and marginalized communities. The magnitude of the systemic issues found in the Black Belt region amplifies the need for not only a targeted SCRC approach but an inclusive one that builds the capacity of local communities and nurtures cooperative approaches. Paarlberg writes, "Existing economic development plans fail marginalized populations in the South because – particularly African Americans, women, and small farmers – have long been denied a seat at the table. What is needed is a vision that aims to empower the most historically underserved populations to take part fully in the economy and to shape a vision for what an inclusive economic development plan would look like." [7]

However, inclusive economic development approaches often encounter barriers such as the lack of trust by underrepresented and marginalized groups due to negative histories with local development planning; the difficulty of addressing topics such as poverty and race in the planning and implementation process; the lack of funding to facilitate, plan, and implement equity strategies; and the traditional, polarized local politics that all serve as barriers to inclusive economic development planning.[8] Overcoming these barriers will require careful consideration in ensuring that planning and implementation processes are reflective of the communities they are targeting and are flexible enough to engage them in meaningful ways. As we support SCRC efforts to address underdevelopment within the region, it is important to acknowledge that many counties within the Southern region, particularly the Black Belt region, have not shared in the amazing transformation taking place within the region and will require original economic development strategies that address the extraordinary conditions and varied circumstances found within the region.

For example, prior regional efforts resulted in legislative efforts and community engagement that called for inclusive decision-making that would allow the targeted community a voice in what projects would be funded.[9]

This region has a distinctive history, culture, and socioeconomic and political make-up, and it will be necessary for the Southeast Crescent Regional Commission (SCRC) to permit varying development strategies and success measures in order to accommodate communities with varying levels of development and growth. It is important that the

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[7] Michael A. Paarlberg, "Shortcomings of Current Economic Development Models," in *Agricultural Cooperatives. Opportunities and Challenges for African American Women in the South.* Washington, DC: Institute for Policy Studies, 2018. Available at https://ips-dc.org/wp-content/uploads/2018/11/Final-SRBWI_gctedit-2-1.pdf.

[8] Elizabeth Mattiuzzi, "Impacts of the Sustainable Communities Initiative on Regional Collaboration, Equity, and Planning: Results of a Survey of Grantee Regions." *Cityscape,* Vol. 19, no. 3 (2017): 39–62. Available at http://www.jstor.org/stable/26328352; Meghan Z. Gough and Jason Reece. "The Impact of the Sustainable Communities Initiative on Engagement and Collaboration in Planning: Experiences from Four U.S. Regions," *Cityscape* Vol. 19, No. 3 (2017): 115–34. Available at http://www.jstor.org/stable/26328355.

[9] The following bills were introduced with information provided by the initiative: HR 678 the Southern Empowerment and Economic Development (SEED) Act of 2003, DBBRA (Delta Black Belt Regional Authority) HR 141 which is a reintroduction of the 107th bill HR 3618 SECA and S. 527 Southern Regional Commission Act. *Persistent Poverty in the South: A Community Based Perspective,* A Report of SOFSEC Southern Food System's Education Consortium Community-based Organization, Community-Based Solutions. 2001. Dismantling Persistent Poverty in the Southeastern U.S. States. 2001.

commission facilitates access to its resources to underserved communities within its territory, with different opportunities for different levels of development. The work of the SCRC must also account for modes of development that drive economic productivity and supply basic capacity-building assistance for local communities that do not have the capacity to deliver strategies, programs, and services unaided. It is also important that SCRC success measures reflect the uneven development within the region, accepting both economic productivity measures and basic development strategies as measures of potential and success.

2. ORIGINS OF THE SOUTHEAST CRESCENT REGIONAL COMMISSION

SCRC is modeled after the Appalachian Regional Commission (ARC), which was established in 1965 to address the economic and social disparities between Appalachia (with a majority poor white population) and the rest of the nation. The SCRC, on the other hand, was originally conceived to address persistent poverty in the "Black Belt" region of the country, where the majority of Black Americans live. However, the commission was ultimately given the name "Southeast Crescent" and expanded to include many non-Black Belt counties in the 2008 Farm Bill. These choices, unfortunately, served to downplay the central role played by race and institutional racism in the development of the region.

While the SCRC is patterned after the ARC, the differences between the two are stark with respect to their origins. The ARC was the result of a top-down effort proposed by the President of the United States, while the SCRC was a bottom-up effort proposed by professional agricultural workers and community-based organizations. The ARC took less than two years to be created after President John F. Kennedy first established the President's Appalachian Regional Commission (PARC), to study it in 1963. On the other hand, it would take 31 years from the time the SCRC was first proposed in 1990 – at Tuskegee University's Professional Agricultural Workers Conference by researchers Wimberley, Morris, and Bachtel who presented a data-driven proposal for a commission for a region which "held far more of the nation's poor rural people and places than Appalachia," – to its activation with the naming of a Federal Co-chair in November 2021.[10] Specifically, it took 18 years after the commission was first proposed, 14 years after the first piece of legislation was introduced by Congressman Earl Hilliard of Alabama, and 11 additional pieces of legislation before the SCRC was finally created in 2008.[11] It then took an additional 13 years to activate it, which only required the naming of a Federal Co-chair.[12]

[10] Carl Vinson Institute of Government, *It's a Matter of Wealth: Dismantling Persistent Poverty in the Southeastern United States*, Athens: University of Georgia, 2003.

[11] R.C. Wimberley, L.V. Morris, and R.H. Harris, "A Federal Commission for the Black Belt South," *Professional Agricultural Workers Journal*, *Vol 2:* (Nos. 1, 6), 2014.

[12] SCRC was activated in December 2021 with the Senate's confirmation of the President's appointee for Federal Co-Chair, Dr. Jennifer Clyburn Reed.

While PARC touted the Appalachian region as "a region apart" from the rest of the country,[13] the Black Belt was considered by many as the "real" region apart, separated from the rest of the country by 200 years of federally sanctioned enslavement of people of African descent and 100 years of Jim Crow and racial apartheid.[14] While the ARC was created during the height of the Civil Rights Movement, with a particular focus on the plight of rural poor whites, the SCRC was created during the height of the Great Recession, an economic crisis that disproportionately impacted Blacks and other people of color. Yet, there was no sense of urgency surrounding its activation.

Finally, the Appalachian Regional Development Act of 1965 authorized a total of $1.1 billion in federal funds (highway and non-highway projects) for the 393 counties then served. The Act was amended in 1967 to increase its authorization to $1.3 billion, with $1.0 billion for highway expenditures over 6 years and $520.5 million for non-highway expenditures over 4 years.[15] Hence, for its first four years of operation, 1965-1969, the ARC was authorized to receive an average of nearly $300 million annually ($2.8 billion in 2022 dollars), $169.2 million in highway funds ($1.6 billion in 2022 dollars), and $130.1 million in non-highway funds ($1.2 billion in 2022 dollars). For the 423 counties it now serves, the ARC has an annual authorization of $200 million for non-highway funds, however, it was appropriated $1.2 billion in 2022, with $1 billion covering the period 2022-2026. By contrast, the SCRC is authorized to receive $30 million annually for the 434 counties it is expected to serve and has been authorized to receive a mere $5 million for its first year's operations. While SCRC and other federal commissions and authorities are said to be modeled after the ARC, the levels of funding committed are nowhere near the level of funding that has been provided to ARC. In fact, ARC receives more funding annually than all of the other commissions combined (see Table A1 in the Appendix).

The ARC of the 1960s is quite different from the ARC of today with respect to focus areas.[16] For the fiscal year 2020, it made non-highway investments that resulted in 26,300 jobs being created, 20,800 workers and students trained, and 474 projects funded.[17] However, the question remains: Are these numbers indicative of significant progress for the region? When it comes to measuring performance, the National Association for Development Organizations (NADO) Research Foundation had the following words of advice for regional development organizations:

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[13] President's Appalachian Regional Commission, *Appalachia: A Report by the President's Appalachian Regional Commission,* 1964. Available at https://files.eric.ed.gov/fulltext/ED076290.pdf.

[14] J.E. Allen-Smith, R.C. Wimberley, and L.V. Morris, "America's Forgotten People and Places: Ending the Legacy of Poverty in the Rural South," *Journal of Agricultural and Applied Economics*, Vol. 32, No. 2 (2000): 319-329.

[15] Appalachian Regional Commission. Annual Report 1969. https://files.eric.ed.gov/fulltext/ED042521.pdf, p. 20.

[16] Congressional Research Service, *Federal Regional Commissions and Authorities: Structural Features and Function,* Washington, DC: Report R45997, 2021. https://crsreports.congress.gov.

[17] Appalachian Regional Commission, *Appalachian Region FY 2020 Investments*, Available at https://www.arc.gov/report/appalachian-region-fy-2020-investments/.

> Most regions tend to measure traditional metrics such as jobs, programmatic activity, businesses created, and clients served. Those measures may have sufficed in the 20th century, but the conditions that set the stage for job growth in 21st-century knowledge-based economies are quite different. In order to attract and retain companies and workers today, regions must put more focus on performance metrics that measure the quality of life, demographic mix, educational attainment, the climate of innovation and entrepreneurship, arts and culture, recreation, healthcare, knowledge, and skill assets. These are the factors that current and future companies and talent increasingly care about.[18]

This advice is particularly cogent given ARC's recent performance and accountability report, which indicated that the typical Appalachian resident's median income is only 83% of the U.S. average.[19] However, the most striking finding is that the people of Appalachia have higher mortality rates than the nation for 7 out of the 10 leading causes of death in the country: heart disease, cancer, chronic obstructive pulmonary disease (COPD), injury, stroke, diabetes, and suicide (see Figure A1 in the Appendix).[20] This finding has prompted ARC to now focus on health issues in the region. In addition, the region experienced a significant decline in competitive and attainment counties, 46% and 53% respectively (see Table A2 in the Appendix) for the period 2003 – 2022. Competitive counties are those that can compete in the national economy but are not in the highest 10 percent of the nation's counties, whereas attainment counties are the economically strongest counties.

These kinds of results beg the question asked and answered in 1979 by Elmer B. Staats, then Comptroller General of the United States, in his report to the Congress, namely, "Should the Appalachian Regional Commission be used as a model for the nation?" The Comptroller General's answer was unequivocal: "The Commission does not have a complete project and program evaluation system identifying project benefits, measuring program effectiveness, and linking the results to ongoing planning and project selection." The report urged Congress that until "the Appalachian Regional Commission addresses these and other issues, its resolution calling for a national system of multistate commissions patterned after it will not be convincing. The Appalachian Regional Commission is not yet a model for the Nation."[21]

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[18] Frank Knott, Jim Haguewood, Matthew Chase, Brian Kelsey, and Carrie Kissel, *Performance Metrics Matter,* Washington, DC: National Association of Development Organizations, August 2012. Available at https://www.nado.org/wp-content/uploads/2021/03/Performance-Metrics-Matter.pdf, p. 5.

[19] https://www.arc.gov/wp-content/uploads/2021/02/FY2020PerformanceAndAccountabilityReport.pdf.

[20] Ibid.

[21] Comptroller General (1979). Report to the Congress of the United States: Should the Appalachian Regional Commission Be Used As A Model For The Nation? Government Accounting Office (GAO), p. v. https://www.gao.gov/assets/ced-79-50.pdf.

Interestingly, a 2021 Urban Institute study commissioned by ARC found that the commission currently has issues similar to those identified in the Comptroller General's 1979 report. The Urban Institute report found five areas where ARC's performance measurement needed major improvement: enhance measurement, strengthen reporting, improve capacity through guidance and training, build shared understanding and improve communications, and lead on equity.[22] The study found that while ARC's mission was clear, it lacked "an organization-wide framework [a theory of change or logic model] for aligning its mission and strategic investment priorities with performance measurement and desired long-term program impacts."[23] With respect to the recommendation to lead on equity, the study asserts that:

> Many ARC staff and grantees were happy to hear that ARC was interested in advancing equity in its grantmaking activities, and recommended that ARC begin by clearly defining equity, equity considerations, and issues in Appalachia, and what its equity goals in Appalachia will be…Another issue they [ARC staff] noted is how criteria for county matching funds can leave out struggling smaller places within counties that are doing well, on average.[24]

In conclusion, while SCRC is structurally modeled after the ARC, the conditions under which they were created, the time it took, and the amount of financial support are starkly different. Additionally, based on the earlier findings of the former Comptroller General and the more recent findings of the Urban Institute report, it is clear that ARC has a lot of work to do with respect to performance evaluation before it can be presented as a model for other federal regional commissions created to spark the revitalization of distressed communities.

SOUTHEAST CRESCENT REGIONAL COMMISSION: A COMMUNITY-BASED PERSPECTIVE

While issues of racial equity and institutional racism were not central in the authorization of SCRC, one of the ways in which the formation of the SCRC attempted to address equity issues was through a companion report led by the Southern Food Systems Education Consortium (SOFSEC). SOFSEC is a consortium of nine of the 1890/Historically Black Land Grant Universities (LGUs) from the seven-state region of SCRC.[25] In the fall of 2001, SOFSEC convened representatives from these seven HBCU land grant universities, community-based organizations, governmental entities, and the private sector to address persistent poverty in the Black Belt region. The University of Georgia invited Tuskegee University to form a

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[22] C.P. Scally, and A.N. Junod, *Strengthening the Appalachian Regional Commission's Grant Performance Measurement*, Washington, DC: The Urban Institute, 2021.

[23] Ibid., p. 17.

[24] Ibid., p. 34.

[25] Southern Organization for Food Systems and Education Consortium (SOFSEC) and Community-Based Organizations (2003). Persistent Poverty in the South: A Community-Based Perspective. *SOFSEC*

partnership to develop a companion report for the proposed Black Belt Commission. By January 2003, SOFSEC and its collaborative partners had produced "Persistent Poverty in the South: A Community-Based Perspective," which forewarned:

> Designing a mechanism to fund priorities that will ensure that fair treatment of input from residents of the census tracts that have the greatest need is of utmost importance as we seek to eliminate systemic persistent poverty and better manage related racial issues. The problems related to poverty in this section of the South are race-related and require a solution that takes racial issues into consideration.[26]

First, with respect to decision-making at the commission level, the report called for a "representative [to be] appointed by the elected congressional legislators from the eligible counties." The stated goal was "to make the commission as representative of the population to be served as possible." In addition, rather than using the local development districts (LDDs) as the lead organization and liaison between the commission and local groups, the report offers a "more inclusive oversight entity to make decisions" at the local level. Referred to as a "Constituency Representation Board," this entity would include LDD, state, and local government leaders as well as representatives from community-based organizations, universities, and other nonprofit organizations.[27]

Second, the report identified six priority areas for funding: a) education, b) health care, c) transportation systems, d) housing, e) economic development, and f) infrastructure (no more than 25% for roads and bridges). As it relates to grantees, the report stressed the importance of allocating resources to "those organizations that interface directly with the persistent poverty population."[28]

Overall, the SOFSEC recommendations were ahead of their time in calling for racial/social equity and inclusion as they relate to the proposed commission's structure, strategies, and priorities. The report called for a commission centered around a community-based approach with representation from a broad group of stakeholders that includes low-income representation to provide input and program direction as well as guidance for targeted resource allocation. Generally speaking, SOFSEC's recommendation called for attention to be paid to the structure of the commission, the strategies to be employed, and the priorities for the equitable distribution of resources. Respecting structure, SOFSEC called for a broad and inclusive structure reflecting the population being served. Furthermore, they stressed that strategies should reflect local best practices for addressing persistent poverty in the South with a focus on comprehensive community planning, education, community

[26] Ibid., p. 13.

[27] Ibid.

[28] Ibid., p. 10.

economic development, and resource [capital] development. Finally, with respect to priorities, they indicated that resources should be equitably distributed to areas of greatest need as defined by census tract data and community strategic planning priorities.[29] Ultimately, the SCRC as enacted via Public Law 110-246 (Farm Bill Act of 2008)[30] did not provide for a comprehensive approach nor the broad representation at all levels called for by the SOFSEC report. Employing the ARC structure, it provided for the following priority areas for investment:

- At least 40% for infrastructure (transportation, basic public, and telecommunications)
- Workforce development and employment-related education
- Entrepreneurship, technology, and business development
- Health care and other public services
- Resource conservation, tourism, recreation, and the preservation of open space
- Renewable and alternative energy sources

Notwithstanding, a 2021 report on what new federal place-based programs, which would include federal commissions, should look like, echoed SOFSEC's recommendations:

> Few federal place-based programs have pursued comprehensive systems change - that is, efforts to identify the root causes of community problems and change policies, practices, relationships, and thinking to address those causal forces. In fact, few programs have examined underlying issues such as structural racism. And the federal government has not provided local organizations or intermediaries with dedicated support that could drive transformative systems change.[31]

Providing local organizations with the support they need for transformative change is now more likely given the execution of President Biden's Executive Order 13985 on Advancing Racial Equity and Support for Underserved Communities through the Federal Government, signed the day he was sworn into office on January 20, 2021. The Executive Order not only charges the Federal Government with providing local support and the tools needed to address equity issues, but it also calls for a study to identify methods to assess equity, which was completed in July 2021. Two out of the five key findings of the study were that "advancing equity requires long-term change management, attention to culture, and a dedicated strategy for sustainability" and that the "scope of initiatives by the Federal Government creates an opportunity to ensure that resources are made available equitably through financial management and procurement functions."[32]

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[29] Ibid.

[30] https://scrc.gov/wp-content/uploads/2022/02/FarmBill2008Text.pdf.

[31] Margery Austin Turner, et al, *A Blueprint for the Next Generation of Federal Place-Based Policy*, Washington, DC: The Urban Institute and PolicyLink, 2021, p. 10.

[32] Office of Management and Budget (2021). Study to Identify Methods to Assess Equity: Report to the President.

With respect to addressing equity, ARC stands apart as the only federal commission listed with the White House Initiative for HBCUs.[33] SCRC might consider following ARC's lead by aggressively engaging with the White House Initiative for Historically Black Colleges and Universities (HBCUs), particularly given that the majority of HBCUs are located within the states that make up its region. HBCUs have been found to be "engines of economic mobility" for their graduates, with the mean economic mobility rate for HBCUs at 3.0 percent compared to only 1.6 percent for non-HBCUs.[34]

In conclusion, the major lessons for SCRC to learn from ARC are that: 1) race and institutional racism matter; 2) equity matters; 3) structure matters; 4) strategies matter; 5) priorities matter; 6) authorizations and appropriations matter; and 7) effective performance measurements matter.

3. TARGETING AID TO DISTRESSED COMMUNITIES

One of the most important decisions designers of federal programs must confront is how the benefits of grant-in-aid programs should be distributed. As the federal aid system evolved, four allocation principles surfaced—equality, cost, program need, and fiscal capacity—although no single philosophy predominated. The notion of targeting federal aid to the neediest jurisdictions developed gradually as the grant-in-aid system evolved. The earliest programs provided aid to the states on a fairly uniform basis. Several developments during the 1960s served to sharpen the policy focus on targeting, particularly the Area Redevelopment Act of 1961 and the Appalachian Regional Development Act of 1965, which created the Appalachian Regional Commission.

Interest in targeting reached a crescendo in the 1970s as President Nixon's New Federalism initiatives yielded several innovative programs—revenue sharing and new block grant programs for job training and community development—that distributed billions of dollars in federal aid directly to local governments on a formula basis. Targeting aid to distressed communities emerged as the central theme of the Carter administration as greater attention was given to the indicators included in the federal formulas that determined grant awards, resulting in new programs and revised formulas for existing programs that gave greater weight to indicators that tapped a community's need and capacity. As one of the early architects of need-based grant allocation programs observed at that time: "it's not hard to design a formula based on need. . . .There are an infinite number of possibilities, but you have to start with an essentially political decision: what dimension of need do you care about."[35]

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[33] https://sites.ed.gov/whhbcu/files/2021/01/Federal-HBCU-Competitiveness-Strategy.pdf.

[34] https://www.mckinsey.com/industries/education/our-insights/how-hbcus-can-accelerate-black-economic-mobility

[35] Rochelle L. Stanfield, "Playing Computer Politics With Local Aid Formulas," *National Journal*, December 9, 1978, p. 1979. Quoted in Michael J. Rich, *Federal Policymaking and the Poor: National Goals, Local Choices, and Distributional Outcomes* (Princeton: Princeton University Press, 1993), p. 67

In creating one of the first need-based federal programs, the legislation on the Appalachian Regional Commission, as amended, requires that at least 50 percent of ARC's grant awards be distributed to distressed communities. Since 2007, the ARC has defined needs on the basis of three indicators: the three-year average unemployment rate, per capita income, and the poverty rate.[36] These three measures are combined into a composite County Economic Status score, and ARC counties are then ranked on the basis of where they fall in the national distribution of county scores. Distressed counties are defined as the most economically depressed counties, which includes those that rank in the worst 10 percent of the nation's counties. At-Risk counties are those that are at risk of becoming economically distressed, which include counties that rank between the worst 10 percent and 25 percent of the nation's counties. The ARC defines transitional counties as those that are transitioning between strong and weak economies and include those that rank between the worst 25 percent and the best 25 percent of the nation's counties. Competitive counties include those that rank between the best 10 percent and 25 percent and attainment counties are those that rank in the best 10 percent of the nation's counties.[37]

The legislative authorization for the Southeast Crescent Regional Commission (and other federal regional commissions) requires each commission to designate annually the following classifications of distressed counties and areas:

- **Distressed Counties.** Those counties in its region that are the most severely and persistently economically distressed and underdeveloped and have high rates of poverty, unemployment, or outmigration; and
- **Transitional Counties.** Those counties in its region that are economically distressed and underdeveloped or have recently suffered high rates of poverty, unemployment, or outmigration; and
- **Attainment Counties.** Those counties in its region that are not designated as distressed or transitional counties under this subsection;
- **Isolated Areas of Distress.** Areas located in counties designated as attainment counties . . . that have high rates of poverty, unemployment or outmigration.[38]

The distress classifications have consequences for both the commissions and the recipient jurisdictions. At the commission level, there are required thresholds that are statutorily set regarding the percentage distribution of commission funds for programs and projects. For example, the SCRC is required to "allocate at least 50 percent of the appropriations made available . . . to serve the needs of distressed counties and isolated areas of distress in the

[36] Appalachian Regional Commission, "Classifying Economic Distress in Appalachian Counties," accessed April 4, 2022.

[37] Appalachian Regional Commission, "County Economic Status Classification System," Accessed April 4, 2022.

[38] Public Law 110-234, The Food, Conservation, and Energy Act of 2008, § 15702, Distressed counties and areas, May 22, 2008.

region."[39] At the county level, the distress classification has important fiscal consequences regarding the required local match. For distressed counties, the SCRC legislation specifies that regional commissions will cover a maximum of 80 percent of project costs. For the ARC, current local match rates are 20 percent for distressed counties, 30 percent for at-risk counties, 50 percent for transitional counties, and 70 percent for competitive counties.[40]

For illustrative purposes, we calculated the economic status of the counties in the SCRC region, applying the same methodology and classification system used by the ARC (Figure 2). We also calculated county economic distress using an alternative index and methodology, though retained ARC's classification criteria for grouping counties into tiers of distress. The alternative needs index we used is the Distressed Communities Index (DCI), created by the Economic Innovation Group.[41] We used the latest edition of the DCI, based on the Census Bureau's County Business Patterns and American Community Survey 5-Year estimates for the 2015-2019 period, to align as closely as possible with the vintage of ARC's FY 2022 County Economic Status. In our view, as shown in Table 1, the DCI is a broader measure of community need as it incorporates several additional indicators that tap into human capital needs (e.g., educational attainment), and adds a measure of the strength of local housing markets (housing vacancy rate), and has more direct measures of county economic status (change in the number of jobs and business establishments).

Table 2 compares the distribution of counties on both measures of community need, and Figure 3 shows the spatial distribution of counties based on their Distressed Communities Index scores.[42] While Table 2 shows a nearly uniform distribution of counties by type, which is to be expected given that the same classification rules were used for both measures, the two community needs measures do differ in terms of which economic status classification applies to specific counties.

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[39] Ibid.

[40] Appalachian Regional Commission, "Match Requirements for ARC Grants," accessed April 4, 2022.

[41] Economic Innovation Group, Introduction to the Distressed Communities Index (CDI), Accessed April 4, 2022. See also, Economic Innovation Group, The Spaces Between Us: The Evolution of American Communities in the New Century, 4th edition, October 2020.

[42] While the Distressed Communities Index has its own classification scheme, we relied on raw DCI scores (expressed in percentiles) to classify counties based on ARC's methodology.

Table 1. Comparison of ARC County Economic Status and EIG Distressed Communities Index.

ARC County Economic Distress	EIG Distressed Communities Index
1. Three-year average unemployment rate, 2017-2019[1]	1. Percent of prime-age adults (age 25-54) not in work[3]
2. Per capita market income, 2019[2]	2. Median income ratio (percent of the state's median household income)[3]
3. Poverty rate, ACS 5-Year estimate, 2015-2019[3]	3. Poverty rate, ACS 5-Year estimate, 2015-2019[3]
	4. Percent of adults without high school diploma[3]
	5. Housing vacancy rate[3]
	6. Percent change in the number of jobs, 2015-2019[4]
	7. Percent change in business establishments, 2015-2019[4]

Sources:

[1] U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics

[2] U.S. Department of Commerce, Bureau of Economic Analysis, Local Area Personal Income

[3] U.S. Bureau of the Census, American Community Survey, 5-Year estimates, 2015-2019

[4] U.S. Bureau of the Census, County Business Patterns, 2015-2019

Table 2. Distribution of SCRC Counties on Two Measures of Community Needs.

	County Economic Status		The Community Distress Index	
	Number	Percent	Number	Percent
Distressed	309	9.96	310	9.99
At-Risk	467	15.05	462	14.89
Transitional	1,552	50.02	1,555	50.11
Competitive	465	14.99	466	15.02
Attainment	310	9.99	310	9.99
Total	3,103	100.0	3,103	100.0

Overall, about six out of ten counties (57%) fall into the same distress category on both indexes. However, 640 counties rank as more distressed on the Distressed Communities Index than their ranking according to ARC's County Economic Status and 687 counties are less distressed on the Distressed Communities Index than their ARC ranking. To illustrate these differences, we examine Georgia and compare the two classifications side by side (Figure 4). Six counties in Southern Georgia rank as at-risk counties on the ARC measure but are classified as distressed counties based on the Distressed Communities Index (red arrows). In East Central Georgia, Warren County moves in the opposite direction, ranking as a distressed county using ARC's County Economic Status and a transitional county using the Distressed Communities Index.

Figure 2. Classifying Distressed Counties in the SCRC Using ARC's Methodology and Classifications, Fiscal 2021.

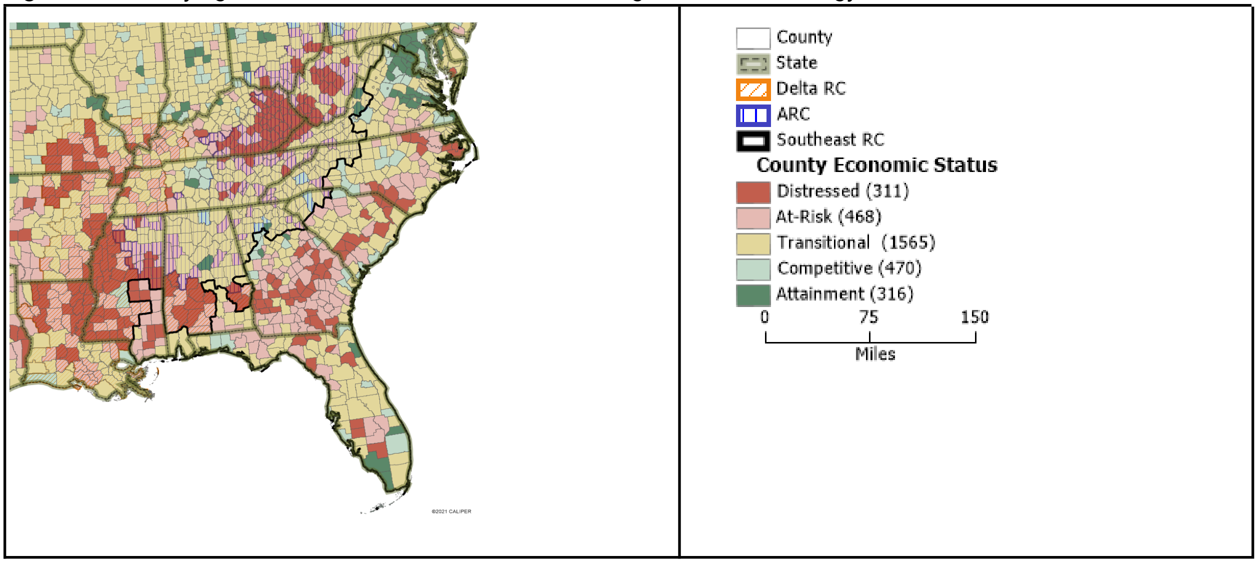


Figure 3. Classifying Distressed Counties in the SCRC Using the Distressed Community Index.

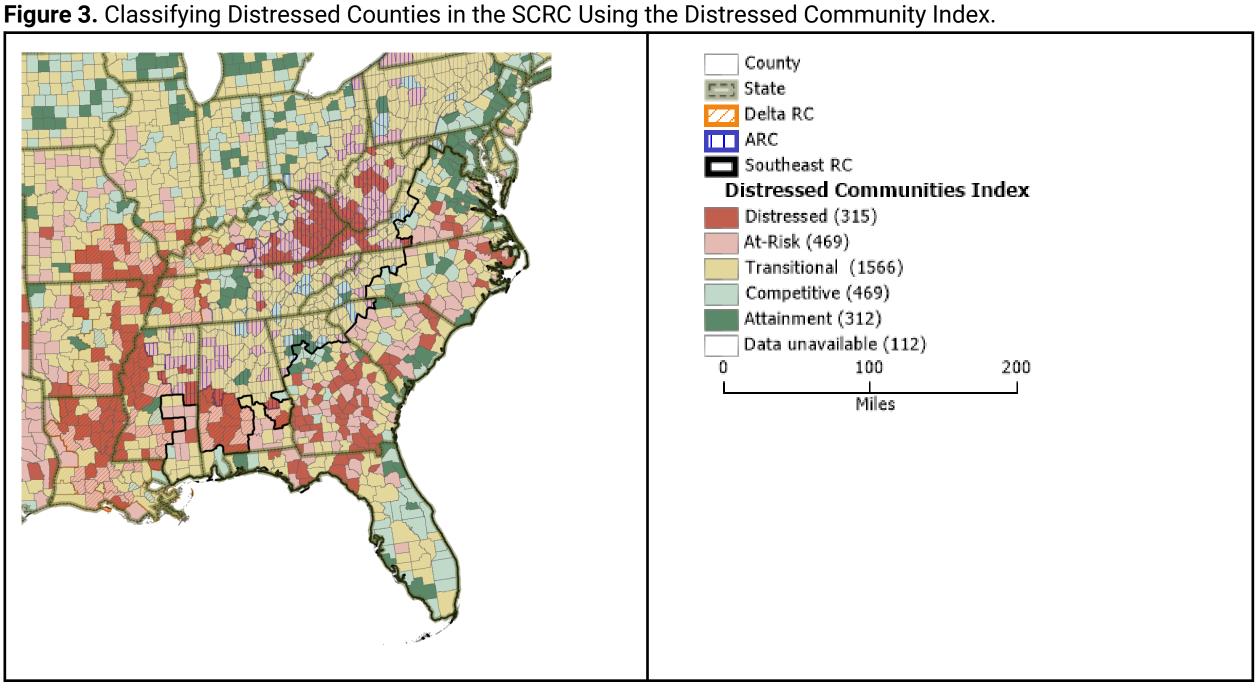
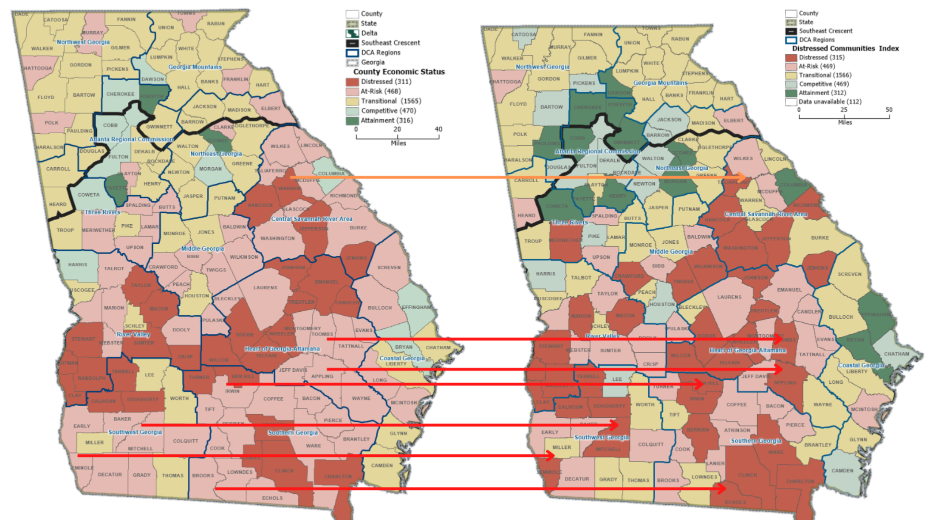


Figure 4. Comparison of County Economic Status Rankings on Two Indices of Community Needs.



Whatever methodology the SCRC uses to measure distressed communities, it will be important to ensure that the measures and methods scale to sub-county areas to capture isolated areas of distress. The Distressed Communities Index is an example of a scalable index that can move from the county level to the sub-county level using the same set of indicators and methodology for calculating relative distress. The DCI's sub-county unit is the zip code. The upper panel of Figure 5 shows Fulton, DeKalb, and Clayton counties are classified as non-distressed counties at the county level, but when we zoom down to the zip code level, all three counties have zip codes that would classify as isolated areas of distress. Similarly, the bottom portion of Figure 5 shows several counties in rural Southwest Georgia (Miller, Grady, Thomas, and Lowndes) that are classified as non-distressed counties but all four have zip codes that would qualify as isolated areas of distress.

We are not advocating one distress measure over the other. Our point is to encourage SCRC policymakers and key stakeholder groups to think seriously about how the SCRC chooses to measure distress and ensure that the SCRC's measures and methodology for defining distressed areas (counties and isolated areas) align with the commission's goals, objectives, and strategies.

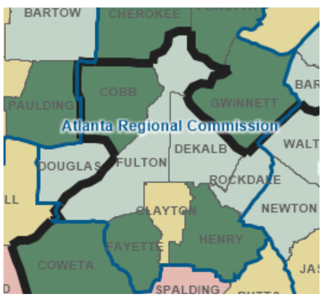
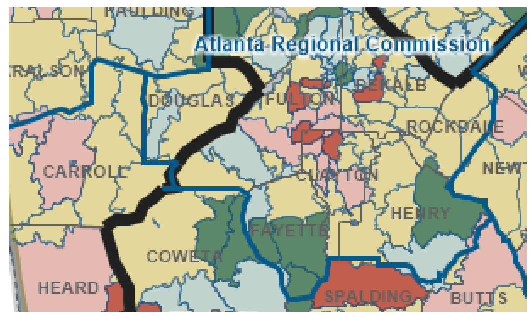
In thinking about measuring community needs, it will be important for the commission and its stakeholders to consider the following:

- What dimensions of community needs are most important?
- What indicators best reflect those dimensions?
- Are data readily and widely available for the chosen indicators? In particular, are data regularly updated (preferably on an annual basis), available for counties and

sub-county areas (e.g., census tracts), and from credible, non-proprietary sources?

While the availability of small area data and the creation of community indicator systems have advanced significantly over the past couple of decades, the SCRC will need to ensure that its indicators are available for all county jurisdictions in its region and preferably scalable to the sub-county level to aid in identifying isolated areas of distress.[43] The conversion of state or local administrative data into distress indicators, on the other hand, can be an important tool local development districts use to craft strategic plans and initiatives to foster community revitalization, though it is likely many of those subregions, particularly in rural areas, will need technical assistance and capacity building support to do so.

Figure 5. Illustration of Isolated Areas of Distress Using the Distressed Communities Index

<table>
<tr><th>County Level</th><th>Zip Code Level</th></tr>
<tr><td>
</td><td>
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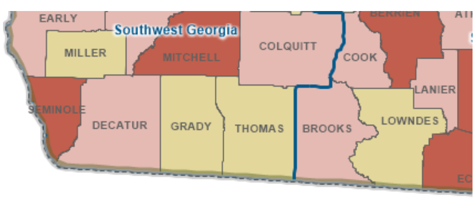
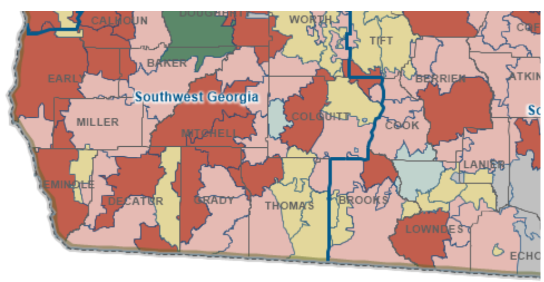
<tr><td>
</td><td>
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MEASURING COMMUNITY CAPACITY

Communities not only vary in their needs, but also in their assets and capacities. Considering only the needs of communities will likely be insufficient to catalyze their revitalization as often the most distressed communities fail to secure needed resources because they lack the capacity to identify and apply for assistance from federal and state governments as well as philanthropic organizations. Furthermore, even when distressed communities are successful in securing grant funds, many communities lack the

[43] For an overview see Naomi Cytron, Kathryn L.S. Pettit, and G. Thomas Kingsley, *What Counts: Harnessing Data for America's Communities* (San Francisco: Federal Reserve Bank of San Francisco and Washington, D.C.: the Urban Institute, 2014) and Mary L. Ohmer, Claudia Coulton, Darcy A. Freedman, Joanne L. Sobeck, and Jamie Booth, *Measures for Community and Neighborhood Research* (Los Angeles: Sage Publications, 2019).

organizational assets to fully transform those resources into successful revitalization strategies, programs, and projects.

Robert Chaskin, Prudence Brown, Sudhir Venkatesh, and Avis Vidal define community capacity in a general sense as "what makes communities 'work.'" They provide the following as a summary definition of community capacity:

> Community capacity is the interaction of human capital, organizational resources, and social capital existing within a given community that can be leveraged to solve collective problems and improve or maintain the well-being of that community. It may operate through informal social processes and/or organized efforts by individuals, organizations, and social networks that exist among them and between them and the larger systems of which the community is a part.[44]

Key elements embedded in this definition, according to Chaskin and colleagues, are a sense of community, commitment, the ability to solve problems, and resources. They add that community capacity is activated through different combinations of social agency—individuals, organizations, and networks. As comprehensive community initiatives, also referred to as place-based initiatives, took hold in the late 1980s and 1990s, national and local foundations began to devote increased attention to building the local capacity needed to carry out their initiatives. Eventually, the federal government joined in that effort and several capacity-building initiatives were launched during the Obama administration, in part to ensure that communities assisted through the initiatives included in the administration's Neighborhood Revitalization Initiative had the capacity to act.

One of the most ambitious efforts during that time was the Building Neighborhood Capacity Program, which provided technical assistance and support to eight neighborhoods in four cities, as well as creating a comprehensive web portal with access to numerous information resources, guides, and tools to assist communities across the nation in building and strengthening community capacity. The framework aligned closely with the definition of capacity building provided by Chaskin and colleagues, focusing its priorities on the individual and organizational levels as well as strengthening the process embedded in collaborative, cross-sector, community-based initiatives. Areas of focus included resident engagement, the establishment of an advisory council, governance and accountability, communication, data systems needed for planning and monitoring implementation, and identifying the financial resources needed to leverage and align projects, programs, and initiatives.[45]

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[44] Robert J. Chaskin, Prudence Brown, Sudhir Venkatesh, and Avis Vidal, *Building Community Capacity* (New York: Aldine de Gruyter, Inc., 2001).

[45] Prudence Brown and Leila Fiester, The Building Neighborhood Capacity Program: Findings from Flint, Fresno, Memphis and Milwaukee (Washington, D.C.: U.S. Department of Justice, Bureau of Justice Assistance, March 2015).

The Appalachian Regional Commission addresses local capacity building through its Appalachian Regional Institute, which is a comprehensive leadership and economic development training program limited to 40 fellows a year drawn from representatives from the public, private, and nonprofit sectors throughout the region, including fellows from each of the ARC's 13 states. The program's curriculum, developed in partnership with the University of Tennessee, focuses on identifying and implementing best practices and strategies for community change, incorporating asset-based and collective impact-inspired strategies for economic development, and building a network of leaders across the region with a greater appreciation for the diversity and common challenges and opportunities faced by communities in the Appalachian region.[46]

As an illustration of how the SCRC might foster capacity building in the region and leverage the assets of local communities, we present some sample mapping exercises that SCRC officials and stakeholders at the regional, state, and local levels might initiate to provide a baseline assessment of local capacity. We use Georgia as our example, though this exercise could be completed in other states within the region as well as for the entire region.

To begin, we searched the Foundation Directory to identify the philanthropic organizations based in Georgia that provided grant assistance for projects and programs in the area of community and economic development. Specific terms we included in our search based on the Foundation Directory's classification were community organizing, community service, neighborhood associations, job creation and workforce development, job retraining or job training, rural development, community development finance, housing development, sustainable development, and capacity building. Figure 6 shows a theme map of the distribution of grant awards by Georgia philanthropic organizations for community and economic development over the last five years (2017-2022) based on the zip code of the recipient organization. Zip codes are color-coded based on the volume of grant receipts, which range from none to one million dollars and above. The circles show the location of the grant-making philanthropies with at least $10,000 of grant-making for community and economic development over the last five years, which are color-coded based on the type of philanthropy, and the size of the circle is scaled to the total amount of grants disbursed for community and economic development. The blue polygons designate the state's 13 regional planning councils, which also serve as the state's local development districts. The small inset map in the upper right corner of Figure 6 shows the county rankings on the Distressed Communities Index to provide some sense of the distribution of need, with counties shaded in dark red classified as distressed communities and those in lighter red as at-risk counties.

[46] Appalachian Regional Commission, Appalachian Leadership Institute, Accessed April 5, 2022.

Figure 6 shows an overwhelming proportion of Georgia philanthropic giving for community and economic development—both in terms of grant-giving foundations and charities as well as recipient organizations of grant awards—is in the greater Atlanta metropolitan area (see also Appendix, Figure A1). Nine of the top ten zip codes that received grant awards for community and economic development over the past five years are located in the greater Atlanta area, five within the city of Atlanta. In contrast, in the past five years, only one zip code in South Georgia received $1 million or more in total grant awards for community and economic development (Sumter County, home of Habitat for Humanity International's operational headquarters); only two zip codes (Glynn and Camden counties, major tourist areas) received community and economic development grant awards between $50,000 and $100,000; and five zip codes (Muscogee, Crisp, Colquitt, Decatur, and Brooks/Lowndes counties) received funding between $50,000 and $100,000.[47] Similarly, the map shows very few philanthropic organizations in South Georgia whose grant-making activities include community and economic development; most of the philanthropies in South Georgia are concentrated in small- to medium-size cities (e.g., Columbus, Valdosta, Brunswick, and Savannah). The more rural areas of South Georgia, particularly those within distressed counties, generally lack both grant-making organizations and receipt of grants for community and economic development.

A similar pattern is found with total federal investment in rural communities in Georgia. Figure A2 in the Appendix shows that the vast majority of rural counties in South Georgia rank in the lowest category of total federal aid per capita received in 2018 and 2019 ($3.4 million or less) based on data made available by the Urban Institute through its Reenvisioning Rural America website.[48] Most of these counties also lack any philanthropic organizations with active grant-making in community and economic development. These findings regarding underinvestment in rural counties, particularly rural distressed counties, is consistent with a recent GAO report that reviewed federal funding by seven different agencies and found that about eight percent of their $87 billion in funding during fiscal years 2017-2019 was spent in persistent-poverty counties. According to the analysis, "agencies used less than 10 percent of funding in persistent-poverty counties in 68 programs (60 percent of the total), including 27 programs that did not have any funds used in these areas."[49] The highest percentage (53%) was found in the regional commissions though it was a relatively small amount ($30 million) awarded through one program managed by the Delta Regional Authority.

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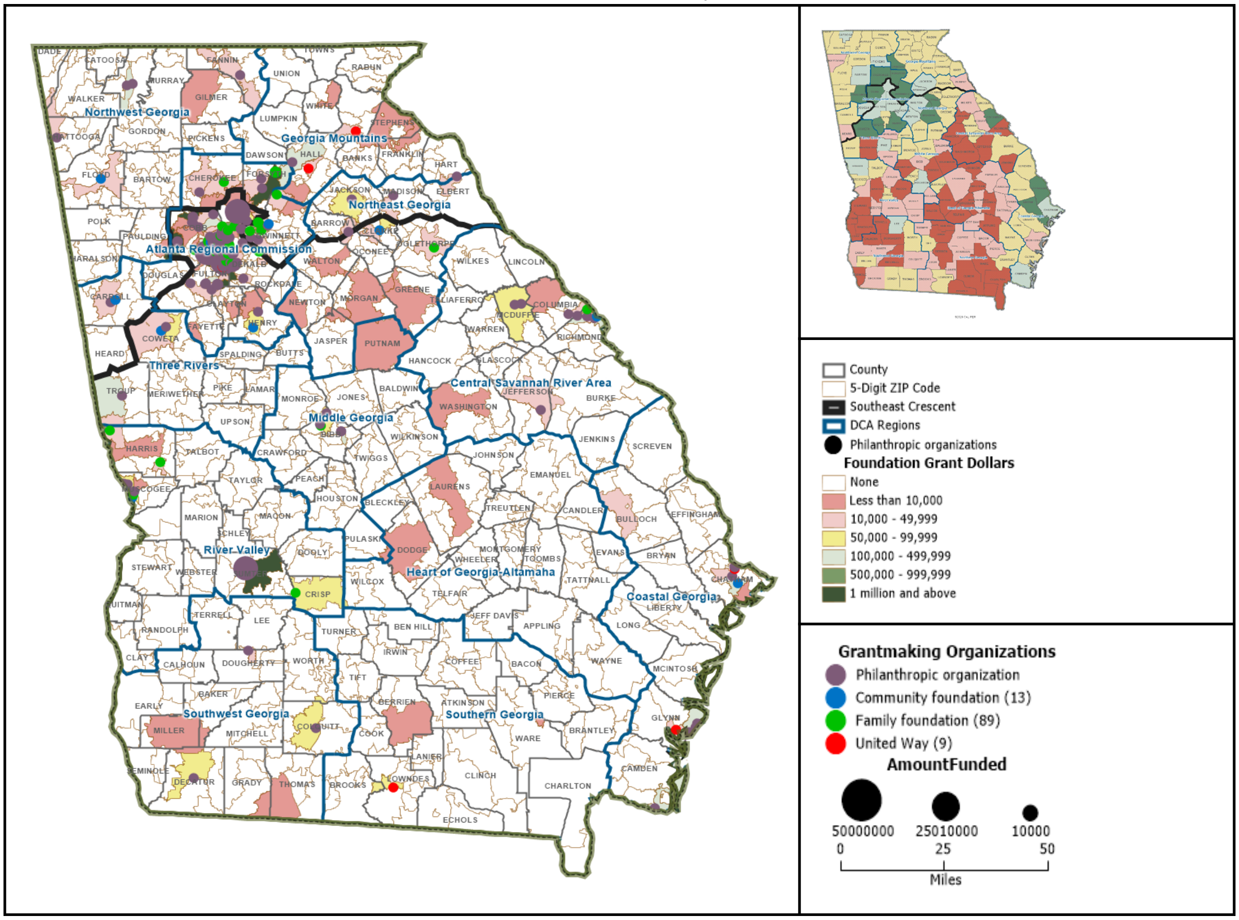
[47] This list excludes Chatham County (Savannah), which had two zip codes with grant awards for community and economic development between $100,000 and $1 million.

[48] Amanda Gold, Eric Burnstein, Corianne Payton Scally, and Yipeng Su, *Reenvisioning Rural America: How to Invest in the Strengths and Potential of Rural Communities,"* Washington, D.C.: The Urban Institute, September 2021. Data downloaded February 8, 2022.

[49] U.S. Government Accountability Office, *Targeting Federal Funds: Information on Funding to Areas with High Persistent or High Poverty*, Washington, D.C.: GAO-20-518, July 2020, p. 21. Persistent poverty counties were statutorily defined by the American Recovery and Reinvestment Act of 2009 as counties with poverty rates of 20 percent or higher over the past 30 years. Persistently-poor counties are predominantly rural and mostly in the South.

Figure 6. Georgia-Based Philanthropic Grantmaking for Community and Economic Development, 2017-2022



We next added to the Georgia base map of philanthropic grant-making and receipt for community and economic development the location of community-based community development and economic development organizations with at least $50,000 in annual revenues (Figure 7). This group includes community development corporations and community-based organizations whose primary purpose is community development, economic development, or neighborhood development/improvement.[50]

[50] Data were downloaded from CauseIQ, a web-based data portal on nonprofit organizations. Data download on February 12, 2022.

Figure 7. Georgia Community and Economic Development Assets: Philanthropic Organizations and Community-Based Community Development and Economic Development Organizations

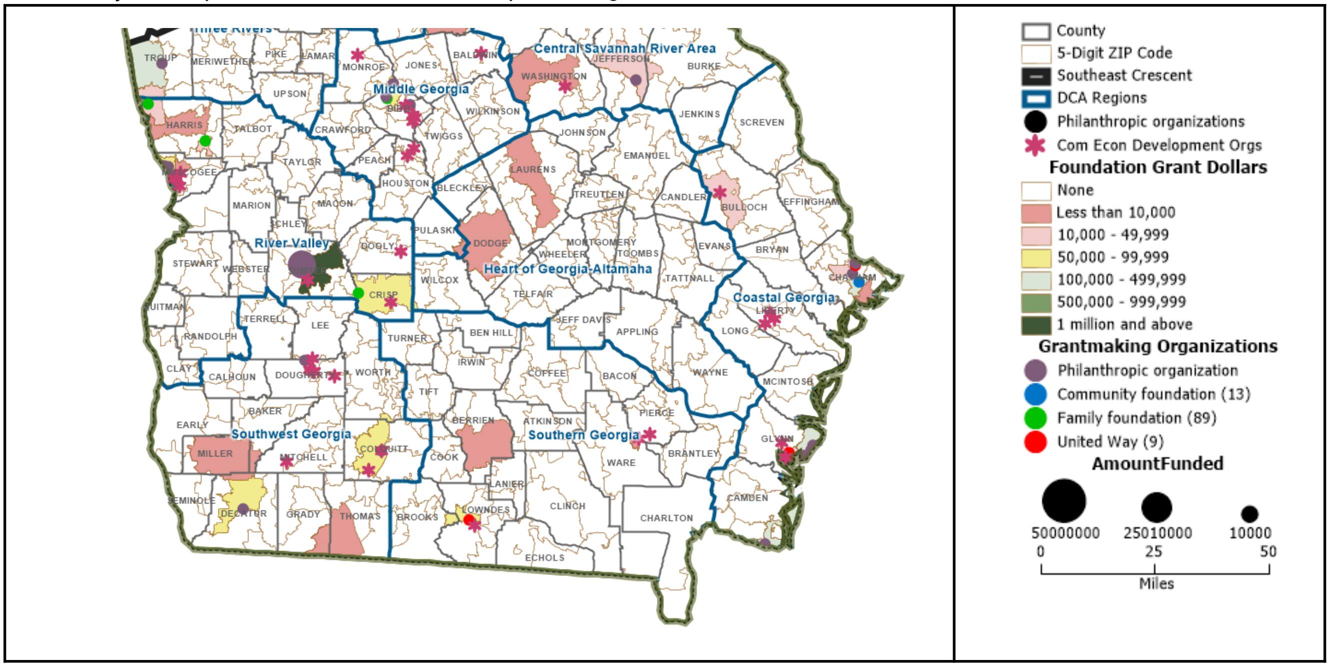
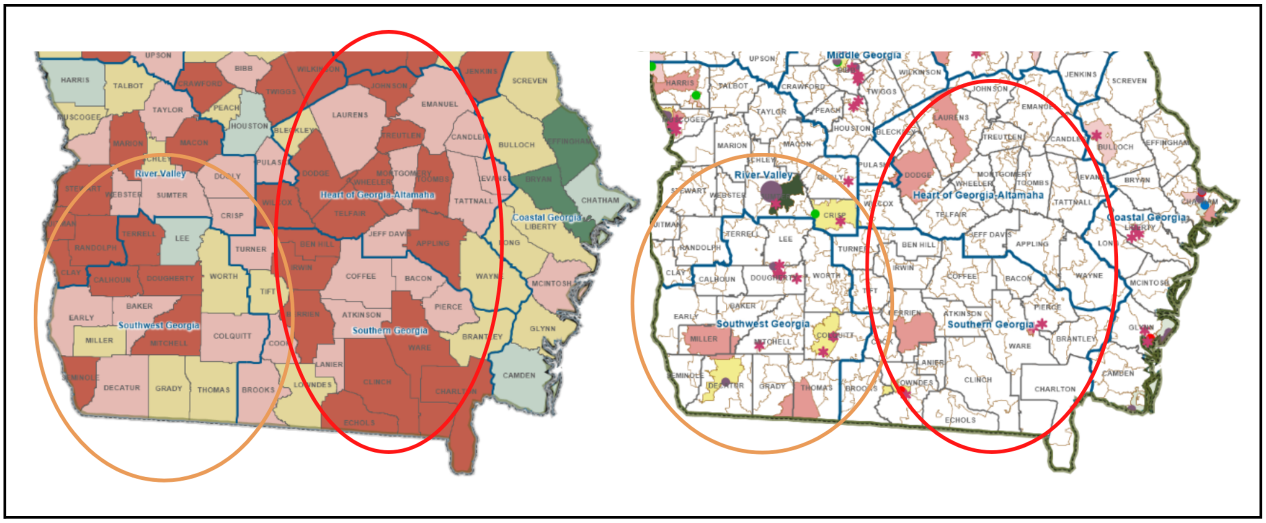


Figure 8 shows again a lack of capacity in most rural areas of South Georgia. Most areas lack philanthropic organizations and community-based nonprofits that work in the areas of community and economic development, agencies and organizations that are critical partners for collaborative, cross-sector, community-based initiatives.

Finally, to illustrate how mapping community needs and community capacity can help inform SCRC policymakers and key stakeholders, Figure 8 compares our previous map of South Georgia counties based on the Distressed Communities Index (distressed counties in dark red) with our previous map of South Georgia counties based on their assets and resources (grant-making philanthropies, grant recipients, and community-based organizations working on issues related to community and economic development). The figure shows the cluster of counties in Southwestern Georgia (Southwest Georgia and River Valley LDDs) could generally be classified as high-need, high-capacity counties (green circles in Figure 6) whereas counties in Southeast Georgia (Southeast and Heart of Georgia-Altamaha LDDs) could be classified as high-need, low-capacity counties.

Figure 8. Comparing Needs with Assets and Resources in South Georgia Counties



These classifications suggest that Southwest Georgia may be ready for an infusion of SCRC investment and likely has the capacity to leverage that investment with additional projects, programs, and strategies focused on community revitalization, whereas the counties in Southeast Georgia will likely need early investments in building community capacity, particularly at the organizational level, to be in a position to effectively utilize SCRC investments designed to foster comprehensive revitalization strategies. While these top-level mapping exercises provide some insights into how the local context for revitalization likely varies across the state (and SCRC region), complimentary, more qualitative assessments of local capacity at the community level should also be undertaken.

Research in community development has shown that aligning and activating the capacity to act with community readiness are essential ingredients for moving communities forward.[51] As Richard Harwood recently noted:

> The problem is that so many of the ways in which we go about our work in communities undermine our ability to take effective action. Far too many community efforts overpromise and underdeliver, thus deepening people's sense of frustration, even cynicism, and leading to further loss of hope. Comprehensive plans are created that are too big for a community to take on and fail to realistically take into account the capacities and real needs of a community. . . . There are large sums of money sometimes spent long before anyone has a clear view of where investments are most needed and what it takes for those investments to succeed."[52]

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[51] See, for example, Michael J. Rich and Robert P. Stoker, *Collaborative Governance for Urban Revitalization: Lessons from Empowerment Zones* (Ithaca: Cornell University Press, 2014); Ronald F. Ferguson and William T. Dickens, eds., Urban Problems and Community Development, (Washington, D.C.: The Brookings Institution, 1999); Norman J. Glickman and Lisa J. Servon, "More than Bricks and Sticks: Five Components of Community Development Corporation Capacity," Housing Policy Debate, Vol. 9, No. 3: 497-539; Christopher Walker, Community Development Corporations and their Changing Support Systems, Washington, D.C.: The Urban Institute, 2002.

[52] Richard C. Harwood, *Unleashed: A Proven Way Communities Can Spread Change and Make Hope Real for All* (Dayton, OH: Kettering Foundation Press, 2021), pp. 11-12.

Harwood adds that in order for communities to marshal their shared resources, work better together in a collaborative fashion, and move toward a more "just, equitable, fair, and hopeful society . . . communities must have a strong, robust, and resilient civic culture."[53] Harwood points out that a community's civic culture consists of "shared norms, leaders at different layers of the community, informal spaces for people to gather and work together, networks for civic learning and innovation, a shared sense of purpose, and can-do narratives."[54] Encouraging the development of such a robust civic community, which emphatically includes voting and other forms of political engagement, should be an important part of the mission of the SCRC. Only strong and engaged communities can use external resources to their best effect.

In her review of what makes comprehensive initiatives work, based on a review of several of the first-generation community initiatives that launched in the late 1980s and early 1990s, Lisbeth Schorr noted that the "missing supports needed" include "new forms of 'nontechnical' technical assistance," which she defines as "enhance[ing] the capacity of a local organization to choose and build its own programs."[55] She added that "it is easy to obtain technical assistance to solve a specific, categorical problem, but it is almost impossible to obtain the assistance that takes into account the importance (and messiness) of building local capacity in a particular setting, and that can deal with the issues that cross disciplines and helping systems. . . . Most outside experts are able to help only with discrete pieces of a comprehensive agenda."

Similar conclusions on the importance of a new type of capacity building were reached by The Aspen Institute in their review of two decades of community change efforts through comprehensive community initiatives. One of their overarching lessons from this body of work was that "community change efforts are complex and require significant capacity to implement. . . The challenge is that the resulting design requires different capacities from those for traditional programs—capacities that under-resourced organizations in distressed neighborhoods rarely have."[56]

In addition, one of the major themes that emerged from a joint study on concentrated poverty in America conducted by the Federal Reserve System and the Brookings Institution that examined the connections between poverty, people, and place through 16 in-depth case studies was that "capacity issues were apparent in three related areas: expertise,

[53] Ibid., p 14.

[54] Ibid., p. 15.

[55] Lisbeth B. Schorr, Common Purpose: Strengthening Families and Neighborhoods to Rebuild America (New York: Anchor Doubleday, 1997), p. 370.

[56] Anne C. Kubisch, Patricia Auspos, Prudence Brown, and Tom Dewar, *Voices from the Field III: Lessons and Challenges from Two Decades of Community Change Efforts* (Washington, D.C.: The Aspen Institute, Roundtable on Community Change, 2010), pp. 126-127.

governance, and trust."[57] The report noted that "leaders expressed unilateral frustration at the lack of local organizational capacity and experience to address the scale and scope of problems their communities face. . . .interviewees pointed to problems both in promoting collaboration among the county's municipalities as well as in doing the actual work necessary to stimulate effective change."[58]

More recently, Andrés Rodríguez-Pose and Callum Wilkie, argued that while "place-based development strategies are off to a promising start . . . further actions could be taken to maximize their returns." At the top of their list is "capacity-building exercises and initiatives [which] are therefore essential to ensure that localities are able to translate greater empowerment into economic growth, development, and increases in the well-being of its residents."[59]

Schorr called for the creation of new structures at the national and local level to support comprehensive initiatives for community transformation. According to Schorr's analysis, "there is no venue now operating on a sufficiently large scale and with a clear enough focus to capture the lessons of experience with [community] transformation, and systematically assemble, distill, analyze, and disseminate them for the express purpose of being built upon."[60]

While there have been intermittent efforts toward this end since Schorr's call 25 years ago, the call remains just as urgent today as when it was first issued, particularly in rural communities. The SCRC could play the role of a national intermediary, or partner directly with an existing organization, to strengthen the capacity of SCRC communities to undertake comprehensive revitalization initiatives.[61] The SCRC could also provide support to the states and the local development districts to help foster locally-based intermediaries that would work directly with the LDDs and local communities to strengthen individual and organizational capacity as well as the collaborative processes and practices needed for effective comprehensive community initiatives. The SCRC's ability to fulfill these functions will depend in part on its governance structure.

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[57] David Erickson, Carolina Reid, Lisa Nelson, Anne O'Shaughnessy, and Alan Berube, *The Enduring Challenge of Concentrated Poverty in America: Case Studies from Communities Across the U.S.* (Washington, D.C.: The Federal Reserve System and the Brookings Institution, 2008), p. 184.

[58] Ibid.

[59] Andrés Rodríguez-Pose and Callum Wilkie, "Revamping Local and Regional Development Through Place-Based Strategies," *Cityscape: A Journal of Policy Development and Research*, Vol. 19, No. 1 (2017): 151-170.

[60] Schorr, p. 377.

[61] Intermediaries in community and economic development came into prominence in the 1990s as organizations such as the Local Initiatives Support Corporation (LISC), the Enterprise Foundation, and the Neighborhood Reinvestment Corporation provided access to capital and technical assistance to community development corporations. As the field shifted from an almost exclusive focus on finance, real estate, and production to comprehensive community initiatives, intermediaries emerged as key assets in helping initiatives design, organize, and manage a strategic planning process; support the alignment of activities carried out by initiative partners; establish data and monitoring systems to track progress; build public will; advocate for policy change; and mobilize funding, among others. See Y. Thomas Liou and Robert C. Stroh, "Community Development Intermediary Systems in the United States: Origins, Evolution, and Functions," *Housing Policy Debate*, Vol. 9, No. 3: 575-594 and Shiloh Turner, Kathy Merchant, John Kania and Ellen Martin, "Understanding the Value of Backbone Organizations in Collective Impact," *Stanford Social Innovation Review*, July 2012.

4. SCRC GOVERNANCE AND APPROACH: RECOMMENDATIONS

Governance refers to the processes and structures that determine how decisions are made, implemented, and monitored and who has responsibility for these functions. An organization's governance structure—its representation and authority—should facilitate its mission and reflect the context in which it operates. These conditions apply to federally mandated regional commissions, including the Southeast Crescent Regional Commission. The SCRC will inevitably resemble some of its predecessors (indeed, it is designed to resemble the Appalachian Regional Commission), but its particular context and mission, as reviewed above, suggest the need for somewhat different governance arrangements.

The particularities of the SCRC's context are important. The realities of the Black Belt (see above), a significant part of which is covered by the SCRC, mean that racial equity should be an explicit criterion for the Commission's performance and, therefore, its structure of representation and authority. The SCRC's mission is also somewhat different from those of other federal regional commissions, including the ARC.[62]

Its emphasis is closer to what has been called "community-centered economic inclusion"[63] or "economic opportunity through inclusive development" than to the more traditional focus on creating conditions attractive to external investment. There is, to be sure, plenty of overlap on, for example, the need to improve human resources and economic development more broadly. But as noted earlier, the focus on inclusion and community engagement privileges more immediate benefits to strengthen local communities.[64] For this reason, we believe that strengthening healthcare, education, housing, local infrastructure, and support for community-based organizations should be at the center of the SCRC's commitment to under-resourced communities.

CHALLENGE – FRAGMENTED, COMPLEX ENVIRONMENTS

Governance with effective community engagement is not easy, owing in part to multiple levels of fragmentation. First, as noted above, rural communities themselves are frequently divided, including by race, resulting in both coordination problems and the related challenge of balancing representation with efficiency.[65] As discussed below, mitigating this problem might involve more "corporatist-like" arrangements in which community members speak through a small number of organizations that facilitate information exchange and bargaining.

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[62] The ARC's goals include business development, workforce development, infrastructure, culture-tourism, and leadership and capacity. https://www.arc.gov/strategicplan/

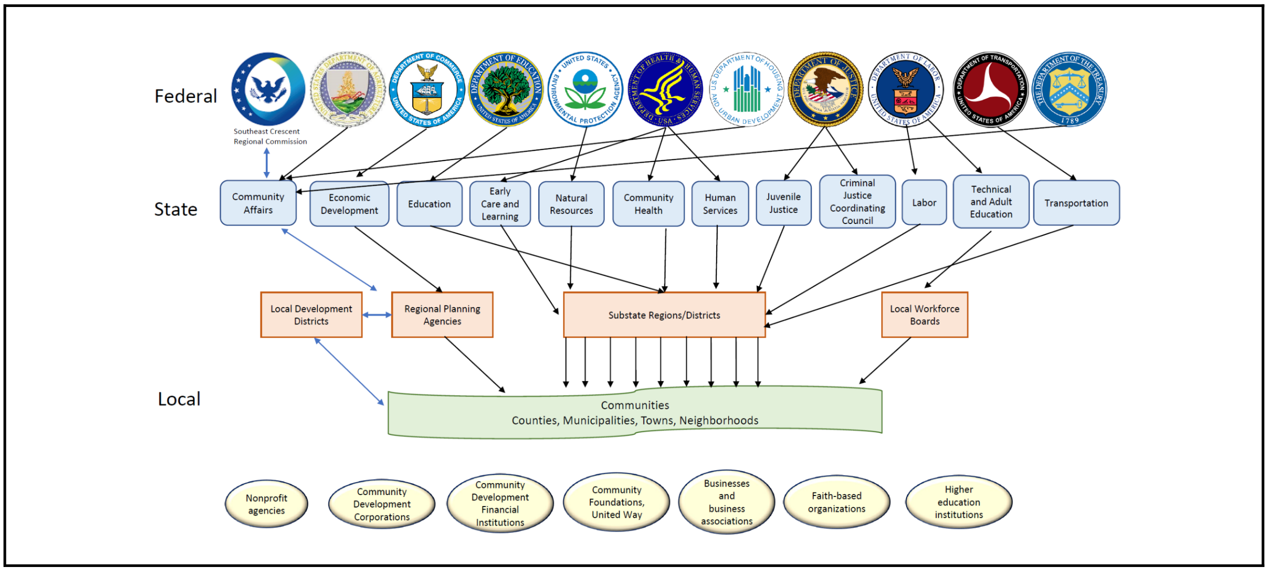
[63] Hannah Love and Teresa Garcia, "*Centering neighborhood priorities for economic inclusion: early outcomes from five cities.* Brookings, https://www.brookings.edu/essay/centering-neighborhood-priorities-for-economic-inclusion-early-outcomes-from-five-cities/ accessed April 11, 2022.

[64] An additional potential goal is the creation of "good jobs," i.e. that provide a sufficiently high wage, good benefits, adequate economic security and career ladders, as distinct from investment incentives that are largely subsidies to capital. Dani Rodrik and Stefanie Stantcheva, 2021. "Fixing capitalism's good jobs problem." *Oxford Review of Economic Policy,* 37:4, pp 824-837.

[65] Local organizations sometimes compete "not only against the region's established elite…but also…amongst themselves" as they seek to obtain funding and support for their neighborhood's development" (Larsen 2009: 29).

Fragmentation also characterizes the institutional and political ecologies within which the SCRC will operate (Figure 9). At the federal level, there are multiple departments and agencies that provide assistance for community and economic development and related functional components that would likely comprise a holistic approach to community revitalization (e.g., HUD, Labor, Health and Human Services, EPA, Agriculture, and Treasury). Ideally, the SCRC's governance structure will facilitate braiding these sources into comprehensive local revitalization strategies.

Figure 9. The Complexity of the Community Development System

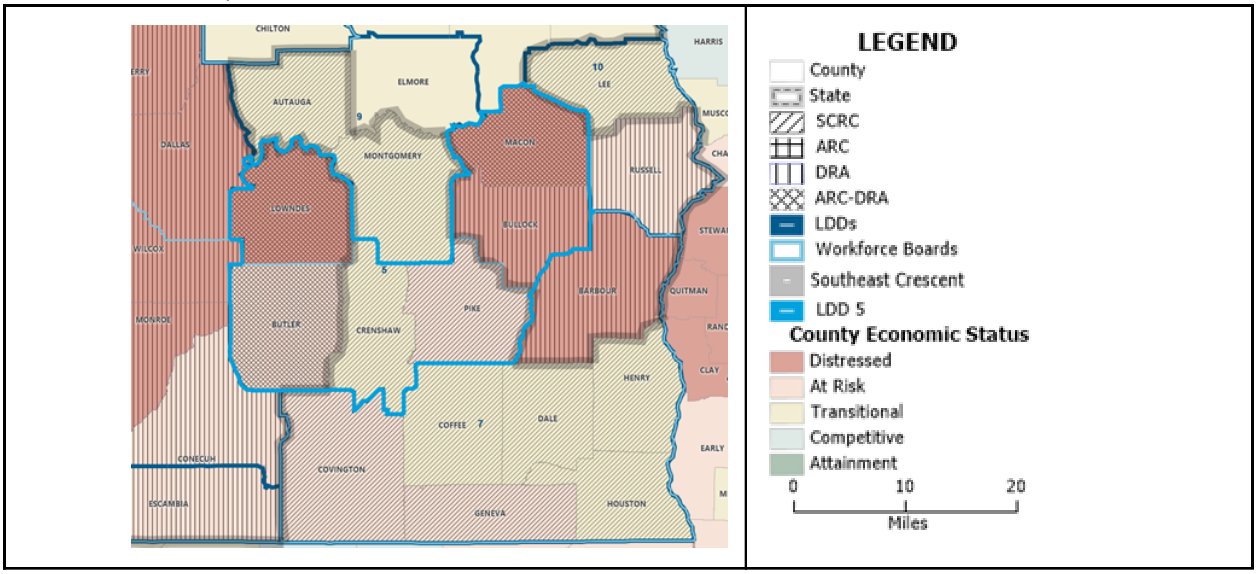


This complexity also characterizes the regional Commission units closest to local populations, i.e. the Local Development Districts or LDDs. These units are also known as "regional planning commissions," "development commissions" or "economic development districts."[66] Making things even more confusing, many LDDs are regional councils or commissions, but not all regional commissions or councils are LDDs. Furthermore, LDDs are often not coterminous with other relevant jurisdictions. In principle, the LDDs are multi-county planning organizations.[67] However, constituent counties may themselves operate under different federal regional commissions. Thus, the South-Central Alabama Development Commission includes six counties operating under three different federal commissions (ARC, Delta Regional Authority, SCRC). It also operates with two Workforce Development Boards (Figure 10).

[66] In the ARC, local development districts or LDDs are also known as local Council of Governments, Regional Planning and Development Commissions, or Area Development Districts https://www.arc.gov/local-development-districts/ . In Georgia, under the ARC, the LDDs are often known as regional planning commissions and comprise 7-12 counties.

[67] The ARC includes 74 LDDs https://www.arc.gov/local-development-districts/#:~:text=Local%20Development%20Districts%20(LDDs)%20%E2%80%94,%2C%20regionally%20driven%2C%20economic%20development.

Figure 10. Complexity and Overlapping Jurisdictions in Alabama



These different kinds of complexity can undermine the efficient operation of these important units:

- Application channels may be confusing as an LDD can apply either to the state or directly to, say, the ARC, while counties and municipalities can apply directly to the state or the LDD.
- The goals of "economic development districts" may not be the same as the LDDs.
- LDDs might not be clear as to which Workforce Development Board is the appropriate partner.

CHALLENGE – SKEWED REPRESENTATION

The SCRC's goal of community-centered inclusive growth requires that communities have "seats at the table." Put differently, "descriptive representation" (i.e. people from similar backgrounds, race, class) is necessary if not sufficient for "substantive representation" (i.e. effective representation of a group's interests and values). In light of these assumptions, what seems to be a lack of diversity on local regional council/commission boards is of concern. As seen in Table 3, which shows the demographic composition of Georgia's regional council/commission boards,[68] public officials dominate the boards, whereas minority representation is fairly weak. Although the boards also include a few seats for private citizens, these generally tend to be attorneys, real estate agents, or others connected to the development industry, as opposed to small firms and farms or community-based organizations. Restructuring LDD representation may be difficult, as they are largely driven by state authorizing legislation that varies from state to state.[69] And

[68] See previous discussion on complex labels of local commission units.

[69] Interview with Joe McKinney, National Association of Development Organizations (NADO),

it is certainly the case that expanding the number of board seats may come at the expense of efficient decision-making. The SCRC should strive to develop a governance structure that addresses these challenges of fragmentation and representation.

RECOMMENDATIONS – GOVERNANCE STRUCTURE

Like the Appalachian Regional Commission, the SCRC is a quasi-governmental partnership between the federal government and the constituent states, with assumed substantial input from the sub-state level.[70] Based on the ARC model, the SCRC would have a three-tiered governance structure consisting of 1) the SCRC itself, (i.e., a regional body and staff); 2) the state-level, consisting of the governors and their designees, and state program managers; and 3) the Local Development Districts (LDDs). This paper proposes that the SCRC consider adopting a modified version of this structure that reflects the mission, context and challenges reviewed above.

Table 3. Board Representation on Georgia's Regional Councils/Commissions, 2022

Regional Commission	No. of Seats	Percent of Seats						Percent of filled Seats			
		County	City	Other local governments	Private*	Vacant	Data not available	White	Nonwhite	Male	Female
A	38	29	34	0	34	0	3	49	51	68	32
B	39	26	26	0	38	3	8	72	28	86	14
C	40	33	25	0	28	15	0	97	3	74	26
D	55	31	31	5	25	0	7	65	35	87	13
E	60	27	33	15	13	2	10	68	32	91	9
F	43	30	33	9	12	0	16	86	14	81	19
G	50	34	28	2	26	6	4	89	11	90	10
H	44	32	27	0	25	0	16	64	36	91	9
I	49	29	29	4	29	2	8	56	44	88	13
J	57	32	32	2	26	4	5	80	20	77	23
K	35	29	29	0	29	11	3	78	22	68	32
Average	**46**	**30**	**30**	**3**	**26**	**4**	**7**	**73**	**27**	**82**	**18**

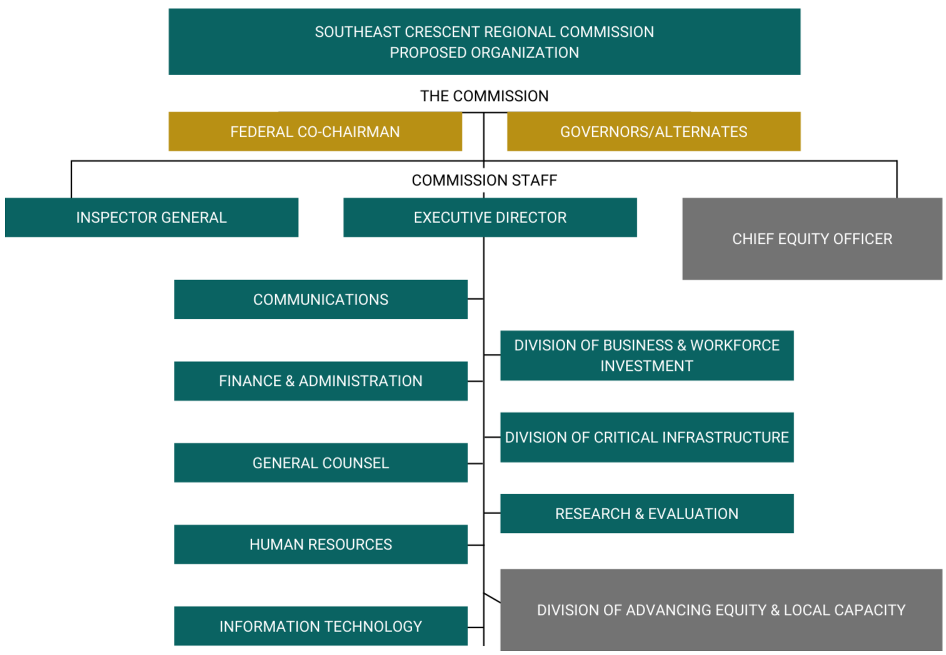
REGIONAL LEVEL. To facilitate the turn toward a more community-inclusive strategy as discussed above, we propose broadening representation at the top (regional) level to include

[70] See the 2021 Congressional Research Service , Federal Regional Commissions and Authorities: Structural Features and Function. https://crsreports.congress.gov/product/pdf/R/R45997 . At the top (regional) level, SCRC decisions are made by a Federal Co-Chair, who is appointed by the President and confirmed by the United States Senate, along with the Governors of each state in the region (affirmative vote of the Federal Co-Chair and a majority of seven governors, or their representatives).

the voices of key stakeholders in fostering the revitalization of distressed communities, particularly those representing the interests of low-income and minority communities. How might this occur given that the boards' compositions are determined by authorizing legislation that can vary by state? How can more extensive, yet clearer representation be reconciled with the legally mandated composition of the board? One possibility is the creation of a Community Empowerment Board to advise the SCRC.[71] A second, and perhaps politically more feasible set of measures, would focus on the Commission Staff, as below.

1. **Based on its website, the arc staff is composed largely of budget, legal and programmatic personnel.**[72] The SCRC central staff could be expanded to include 1) a "chief equity officer" to operate along with the inspector general and executive director as part of the team leading the Commission Staff, and 2) a new division of the Commission Staff could be created to include a Division of Equity and Local Capacity (Figure 11). This division could include those with community-oriented technical expertise, such as faculty from HBCUs and local technical colleges.

Figure 11. Suggested Revisions to SCRC Organizational Structure



2. **The staff functions and incentives could also be revised.** Under the ARC, the staff addresses areas such as communications, finance, legal, human resources, and information technology as part of what seems to be its core functions - namely, to "review proposals, manage investments, and conduct research in cooperation with the states." These might be expanded to include active solicitation of community

[71] Further research on oversight bodies of federal commission would be a useful extension of this white paper.

[72] See https://www.arc.gov/staff/

input from state and local levels, including the LDDs.[73] Staff performance evaluation would include criteria consistent with these responsibilities.

STATE LEVEL. At the state level, the key, at least in the case of the ARC, is the state program manager who functions as the state-level contact for the ARC, helps the state to develop its own strategic plan consistent with the ARC's overall goals, and, working with the ARC Staff, facilitates ARC investments.[74] We need further information on the state manager's role, but one question involves the degree of coordination among state agencies, such as between departments of community affairs, economic development, labor, and technical and adult education, among others, all of whose work is relevant to the goals of the SCRC.[75]

LOCAL (SUB-STATE) LEVEL. The third tier of the SCRC governance structure will presumably resemble the ARC's LDDs, the units charged with leading and leveraging local partnerships.[76] This requires that the LDDs become more than a conduit for connecting local communities to the state and the commission. LDDs need to take on functions comparable to what a local intermediary or backbone support organization takes in a collaborative or collective impact initiative, all with the goal of developing and advancing a more holistic development agenda.[77] The following measures, involving community cohesion and representation, and inter-LDD cooperation, can support such LDD effectiveness.

1. **Overcome fragmentation and complexity.** As noted above, communities in which LDDs operate are often, themselves, fragmented. Such divisions can weaken community voices while undermining community-wide project development and effective monitoring and evaluation. One way to address this problem is, following the Workforce Investment and Opportunity Act, to require a specific representational mix, ensuring that all voices are at the table.[78] A complementary strategy, one that aims to balance broad representation with the efficiency of small (er) numbers, is a requirement that community organizations, firms, and farms with

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[73] Or if this is already a function, make it more explicit and more of a priority.

[74] One example of a project facilitated by ARC state program managers: https://www.northwestgeorgianews.com/dca-representatives-tour-one-door-polk-facility/article_a9c02231-4a18-5af2-942c-fa6a17c96c9b.html

[75] This question is motivated by the fact that both of Georgia's ARC state program managers work in the Department of Community Affairs as opposed to the Dept. of Economic Development.

[76] Indeed, the ARC states that it relies on LDDs "to lead and leverage local partnerships."

[77] These functions include: 1) supporting relationships among community stakeholders and organizations; 2) promoting their capacity; 3) steering strategic investments to communities; 4) identifying key agencies, organizations, and groups that can contribute to the execution of a strategic plan; and 5) ensure project completion. See, for example, David M. Greenberg, Sonya Williams, Mikael Karlstrom, M. Victoria Quiroz Becerra and Marcia Festen, The Promise of Comprehensive Community Development: Ten Years of Chicago's New Communities Program (New York: MDRC, August 2014) and the Stanford Social Innovation Review, "Understanding the Value of Backbone Organizations in Collective Impact," July 2012.

[78] See U.S. Code of Federal Regulations, "Who are the required members of the Local Workforce Development Board?" 20 CFR § 679.320. A majority of members of the Local WDB must be representatives of businesses in the local area. At least 20 percent of the members must be workforce representatives including two or more representatives of labor organizations, one or more representatives of a registered apprenticeship program, one or more representatives of community-based organizations addressing adult education and training and one or more representatives of local organizations addressing youth education and training. The Local WDB must also include at least one representative of a training provider, one representative from a higher education institution providing workforce investment activities, and three representatives from governmental and economic and community development entities. Local WDBs may also include representatives of other appropriate entities in the local area such as local educational agencies, community-based organizations, governmental and economic and community development entities, and philanthropic organizations, among others.

similar goals, concerns, and resources coordinate their efforts. This “corporatist” strategy would ideally take the form of a smaller number of more encompassing (“peak”) organizations that could speak with fewer, but stronger voices. Finally, LDDs should designate an individual or committee responsible for expanding community engagement and participation in the development and oversight of strategic plans, projects, and programs. A prosaic but effective incentive for increasing turnout in planning meetings, for example, is making food available at meetings. Since federal dollars do not permit the purchase of food/refreshments at meetings, the LDDs need to develop creative organizational measures to finance such incentives, perhaps through corporate and philanthropic partnerships.

2. **Strengthen representation of low-income and minority voices.** The SCRC needs to balance the dominance of elected officials and private sector voices to reflect the community's actual composition. The above-noted limits on LDD board membership imposed by state legislation make restructuring LDD boards a difficult proposition. An alternative would be to focus efforts on broader and more inclusive representation on the economic development committees operating within many LDDs.[79] An important source of encouragement for the creation and strengthening of such committees would be the drafting of Comprehensive Economic Development plans (CEDs). Promoted by NADO and currently being developed by several LDDs, these are designed to foster “a locally-based, regionally-driven economic development planning process…that successfully engages a range of partners, including community leaders and residents, Economic Development Districts (EDDs), tribes, the private sector, educational institutions, and other stakeholders…”[80]

3. **Strengthen LDD capacities and voices.** A third institutional strategy to strengthen LDDs is inter-LDD cooperation. This effort has two objectives. One is to operate as a peer learning network, which promotes the sharing of data, initiatives, good practices, requests for resources, etc. The second is to enhance the voices of LDDs and their constituents vis a vis the state and SCRC. For example, such an association of LDDs—the Development District Association of Appalachia (DDOA)—actually operates within the ARC. With a special focus on rural broadband, the DDOA can constitute a model for the SCRC.[81]

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[79] We are grateful to Joe McKinney of NADO for this suggestion.

[80] https://www.cedscentral.com/ The only example of a CED in the South seems to be developed by the Land of Sky Regional Council in Asheville, NC. This involves a commitment to eliminating racial disparities and supporting disadvantaged individuals and communities. The document currently involves “an online Story Map to share data based on racial disparities within the region to promote a conversation to help more effectively understand these challenges.” https://storymaps.arcgis.com/stories/4378eb31075b4732ab90c28d0cf538cb

[81] https://www.appalachiandevelopment.org/rural-broadband/

RECOMMENDATIONS – FUNDING PROCESS

Our final set of proposals concerns the funding process adopted by the SCRC. Whereas the ARC and other commissions have devoted significant resources to traditional areas such as large-scale infrastructure and business development, we suggest an elevated financial emphasis on local "bread-and-butter" issues, including healthcare, education, social services, workforce development, and the like. Improvement in these areas will reinforce civic capacity and strengthen community engagement, which in turn will contribute to improved economic outcomes as well.

We also propose that the commission's funding programs incorporate a sequencing component so that high need - low capacity communities are not left behind. More specifically, grant awards might be partitioned into three funding pots: planning, capacity building, and implementation. Planning grants could be used to support community-based strategic planning processes in local development districts to foster collaborative, cross-sector, initiatives to promote revitalization. Capacity building grants could be awarded to help communities with low capacity to extend their strategic planning process into the implementation phase by developing capable local organizations that can carry out the tasks of revitalization. Implementation grants would be multi-year investments that would help the LDD execute its strategic plan or a portion thereof. A similar strategy that included planning and implementation grants was featured in the Neighborhood Revitalization Initiative launched by the Obama administration in 2011. That effort also included the Building Neighborhood Capacity Program, an interagency effort across five federal departments, which provided assistance to help low-income communities develop "the knowledge, skills, relationships, interactions, and organizational resources that enable residents, civic leaders, the public and private sectors, and local organizations to create comprehensive neighborhood revitalization plans." [82]

Moreover, we propose that the SCRC establish performance criteria linked to monitoring the outcomes and impacts of its investments. Drawing on the above discussion of sequencing, this could be done through iterative funding streams – planning grants, capacity building grants, and implementation grants that ensure that communities have strategic plans in place and have developed broad-based, multi-sector partnerships with meaningful community participation and the local capacity to execute its plans before committing major investments. In addition, the Commission should draw on the recommendations of a recent Urban Institute report that reviewed the ARC's grant-making process and performance measurement. Among its findings, the Urban Institute noted that the "ARC lacks an organization-wide framework for aligning its mission and strategic investment priorities with performance measurement and desired long-term program

[82] U.S. Department of Justice, Bureau of Justice Assistance, *Building Neighborhood Capacity Program (BNCP)*, 2011.

impacts."[83] Their report provided several example outputs and outcome indicators derived from a scan of comparison organizations that could strengthen the agency's alignment between its mission/strategies and performance measurement.[84]

The third dimension of importance is a community's civic capacity, which captures its ability to engage in collective efforts to address important public problems through collaborative, equitable, and democratic means. Several tools are relevant for this analysis. These include the National Civic League's Civic Index, which provides a framework for discussing and assessing a community's civic capacity;[85] the Harwood Institute's Community Rhythms Index, which gauges a community's readiness for change and ability to move forward based on the breadth and depth of its public capital; and several studies that measure a community's social capital and/or four key components of social capital—networks, relationships, and connections; trust; civic engagement and voluntary activities (e.g., voting, volunteerism, associational memberships, etc.); and civic norms, shared norms and values.[86]

CONCLUSIONS

The creation of the SCRC constitutes an opportunity to build on and extend the work of prior commissions. To that end, the SCRC should aim to foster a more community-centered, inclusive type of development. It should recognize the particular conditions – both challenges and opportunities -- of the Black Belt. It should embrace the importance of more effective strategies for measuring community needs, and for incorporating race and civic engagement in such measurements. And it should aim to design governance structures through which those needs and voices get heard.

In the final analysis, our paper contains three **major takeaways.** First, the SCRC must learn from its predecessors while also recognizing the ways in which its core mandate is distinct. This will require balancing needs with capacities while learning from the experiences of other commissions. Second, the SCRC must take a broader conception of regional development and revitalizing distressed communities, one which includes but goes well beyond a traditional focus on infrastructure and also considers the role of race and persistent poverty.

Finally, SCRC leaders should focus closely on aligning the SCRC's initial organizational structure, goals, priorities, and practices. This will require fostering broader representation

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[83] Corianne Payton Scally and Anne N. Junod, Strengthening the Appalachian Regional Commission's Grant Performance Measurement, (Washington, DC: The Urban Institute, June 2021), p. 17

[84] These include public health; household assets and wealth; social cohesion, social capital, and relationships; civic life and government; leadership development; capacity; crisis management; and population retention. See Ibid, Table 3, p. 20.

[85] The Civic Index assesses seven components of civic capital: engaged residents, inclusive community leadership, collaborative institutions, embracing diversity and equity, authentic communication, culture of engagement, and shared vision and values. See National Civic League, Civic Index, 4th ed., 2019.

[86] See Social Capital Research, "How to Measure Social Capital," for a summary of these studies and measurement strategies.

of community stakeholders at all levels, incorporating sources of local knowledge, overcoming fragmentation in the system, and navigating the balance between broader representation and efficiency. If the SCRC is able to accomplish all of this, there is every reason to believe that it will contribute significantly to economic development and social progress in one of America's most culturally significant but marginalized regions.

APPENDIX

Table A1: Federal Regional Commissions and Authorities: Authorized and Appropriated Funding, FY 1965 - 2022[87]

	ARC	DENALI	DRA	NGPRA	NBRC	SBRC	SRC
Authorized Funding (FY 21-22)	$200 million	$15 million	$30 million	N/A	$33 million	$33 million	$33 million
Appropriated Funding							
1965-1998*	$4.1 billion	N/A	N/A	N/A	N/A	N/A	N/A
1999-2021	$2.1 billion	$573.6 million	$329 million	$3 million	$124 million	$250 thousand	$3.75 million
2022	$1.2 billion	$75 million	$150 million	-	$150 million	$1.25 million	$5 million
TOTAL	$7.4 billion	$649 million	$479 million	$3 million	$274 million	$1.5 million	$8.75 million

***Source.** Appropriated Nonhighway Investment as reported by ARC: Center for Regional Economic Competitiveness and West Virginia University (2015). "Appalachia Then and Now: Examining Changes to the Appalachian Region since 1965."

Table A2: ARC Competitive and Attainment Counties, 2003 - 2022[88]

County Design	2003	2022	Percentage Change
Competitive	21	12	-43%
Attainment	9	4	-56%
Total	30	16	

[87] Congressional Research Service, *Federal Regional Commissions and Authorities: Structural Features and Functions*, Washington, DC: Report R45997, Updated March 25, 2022. Available at https://crsreports.congress.gov/product/pdf/R/R45997. Note: ARC (Appalachian Regional Commission), DRA (Delta Regional Authority), SCRC (Southeast Crescent Regional Commission), SBRC (Southwest Border Regional Commission), and NGPRA (Northern Great Plains Regional Authority), which is defunct.

[88] Ibid.

Figure A1: Mortality Rates in Appalachia (Deaths per 100,000 People), Relative to the U.S. (% of the U.S. Average)[89]

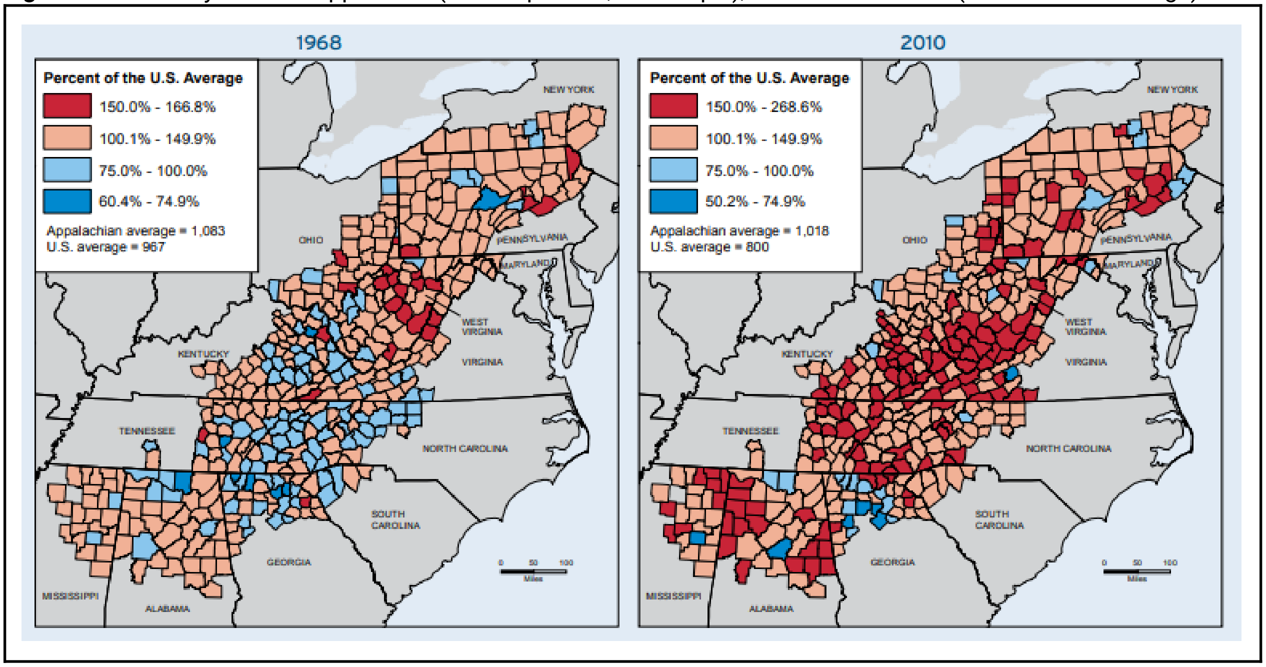
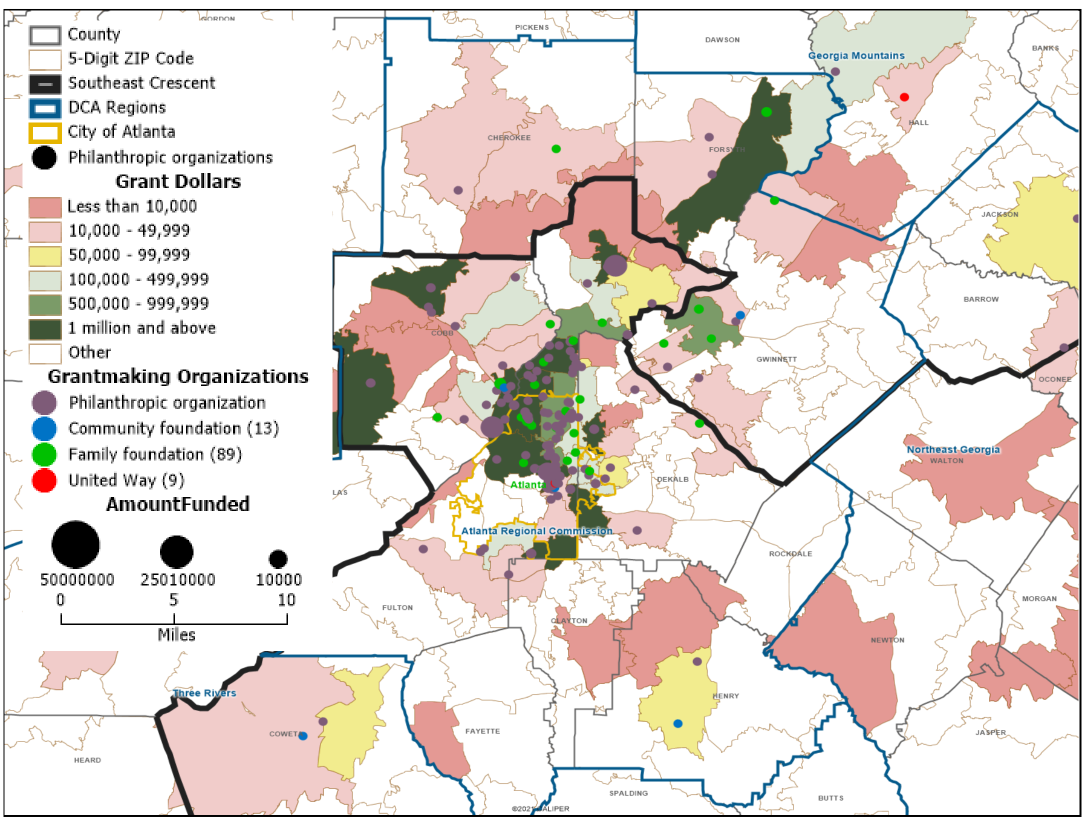
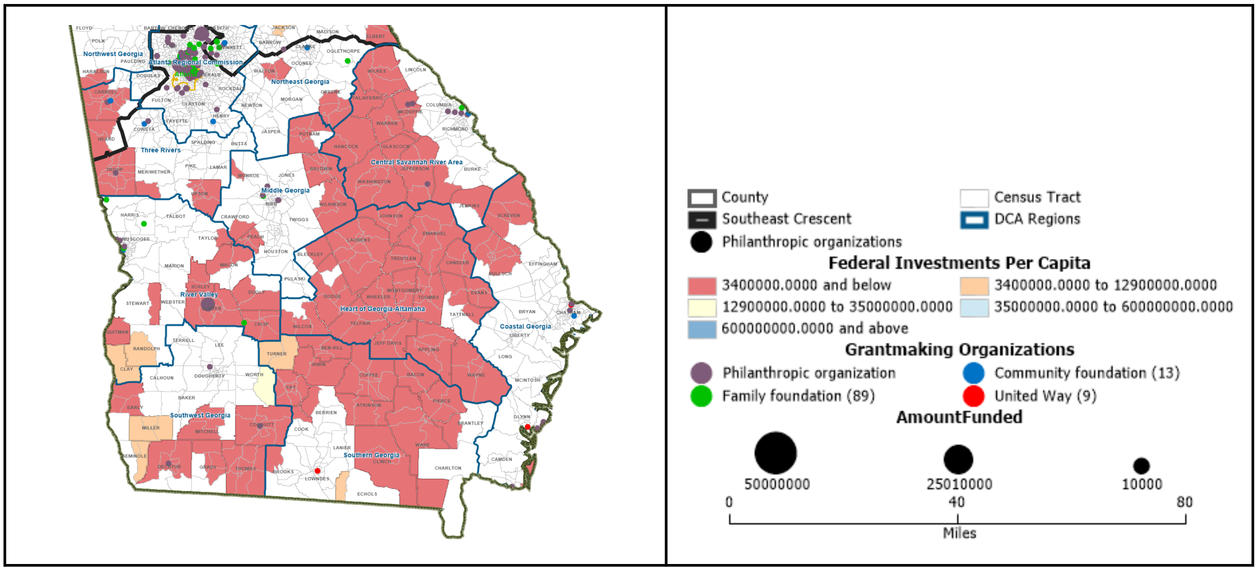


Figure A2. Georgia-Based Philanthropic Grantmaking for Community and Economic Development, Greater Atlanta Metropolitan Area, 2017-2022



89 Appalachian Regional Commission, *Performance & Accountability Report, Fiscal Year 2020*, Washington, DC: September 30, 2020. Available at https://www.arc.gov/wp-content/uploads/2021/02/FY2020PerformanceAndAccountabilityReport.pdf

Figure A3. Total Federal Investment Per Capita, 2018-2019: Rural Georgia Census Tracts



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