

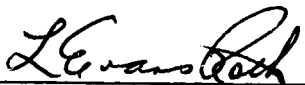
To the Graduate Council:

I am submitting herewith a thesis written by Thelma Bush entitled "The Impact of Reagan Budget Cuts on Development Districts in the State of Tennessee, Appalachian Region." I have examined the final copy of this thesis for form and content and recommend that it be accepted in partial fulfillment of the requirements for the degree of Master of Science in Planning.

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recommend its acceptance:

Accepted for the Council:



Vice Chancellor
Graduate Studies and Research

THE IMPACT OF REAGAN BUDGET CUTS ON DEVELOPMENT DISTRICTS
IN THE STATE OF TENNESSEE, APPALACHIAN REGION

A Thesis

Presented for the

Master of Science in Planning

Degree

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ABSTRACT

This study was conducted to determine the effects of budget cuts brought about by the Reagan administration on Development Districts in the Appalachian region of Tennessee. The end result of these cuts in federal funding is a serious one for the Development Districts and the functions that were previously served are now in jeopardy. The research addresses how the Development Districts responded to the reduction in funding and their plans for continuing future operations.

The investigation is conducted in a case study approach by interviewing the Directors and Assistant Directors of the various Development Districts in an attempt to find out how each agency views their financial situation. The second component is a budget/staff analysis and a literature review that was utilized to collect data on previous and existing programs in the development of a framework for this research.

The major findings of the research were that the Development Districts lacked a well-defined role that hindered them from carrying out their functions adequately. This was partly true because the planning activities of the Development Districts were duplicative in nature and supplanted the functions of similar agencies. Also, a lack of coordinative efforts has made the communities suffer because of less efficient services. The recipients of the Development Districts' services are also being hindered by the fact that some of their on-going functions

have been eliminated. Furthermore, a major problem for the Development Districts has been their dependency upon federal funding.

This study identifies the beginning signs of the organizations' responses to decline and cutbacks. Future research should be directed towards seeing how the Development Districts solve their funding dilemma and what functions they are serving as well as conducting an analysis, as viewed by the direct benefactors of the Development Districts' services (communities and local governments), of the overall worth of the Districts.

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CHAPTER I

INTRODUCTION

Planning is essential in an organized society. Planning, as a necessary element in the development process, is a proposition put forth by persons who believe that out of disorder an organized arrangement of activities and uses can emerge. Planning institutions evolved from this belief and some state, regional and local agencies were created to perform specific planning related functions. Agencies concerned with regional planning began to emerge as this awareness took hold. In Tennessee these agencies were designated Development Districts. Development Districts were responsible for stimulating economic growth in their specified region. The economic growth was to be accomplished through the development of plans and programs aimed at bringing more favorable economic conditions. The importance of the Development District as a planning entity is now being challenged by the Reagan administration and support for such agencies under the Reagan administration is at an all time low.

To plan or not to plan/ Everyone believes in plans; many believe that governments should develop plans for economic growth. To plan or not to plan is not the question; the more pertinent question revolves around the more specific issues. Who shall plan, for what purposes, under what conditions, and by what devices?¹

¹Dahl, Robert A. and Lindblom, Charles E. Politics, Economics and Welfare. The University of Chicago Press, 1976, p. 5.

Need for the Study

The State of Tennessee, as well as the remainder of the United States, is in the midst of a recession. On February 18, 1981, President Ronald Reagan spoke to a Joint Session of Congress about the economic crisis facing America. He pledged then to "take the action necessary to alleviate the grievous economic plight of our people . . ."² In order that inflation and unemployment be curtailed, President Reagan set into motion the following actions:

- cut the growth of Government spending
- cut tax rates so that once again work will be rewarded and savings encouraged
- remove the tentacles of excessive Government regulations which is perceived by many to be strangling our economy
- while recognizing the independence of the Institution, work with the Federal Reserve Board to develop a monetary policy that will rationally control the money supply, and:
- move surely and predictably toward a balanced budget.³

The budget reform plan announced on February 18, 1981, included 83 major cuts resulting in \$34.8 billion savings for 1982, with greater future savings. Over 200 additional reductions have been proposed with an additional \$13.8 billion in savings planned.

President Reagan proposes the elimination of \$67 billion in 1982 and over \$475 billion in the period 1981 to 1986.

²Ronald Reagan, Congressional Quarterly "Text of Reagan FY '82 Budget Revisions," March 10, 1981, p. 485.

³Ibid.

Since President Reagan's inauguration into office, one of the greatest employment declines in the federal government has occurred. On the local level in Tennessee, "Federal job losses are undoubtedly the result of cutbacks in Tennessee Valley Authority (TVA) power plant construction and reductions in federal programs that utilize field staff."⁴ Constant dollar revenue declines coupled with the elimination or reduction of federal programs are considered the primary reasons for state and local government job losses. Included in the organizations that have experienced drastic cuts in federal program funding in the State of Tennessee are the Development Districts. The end result of these cuts in federal funding is a serious one for the Development Districts; in essence, the functions they have previously served may now be in jeopardy. The question this research addresses is how have Development Districts responded to this reduced level of funding and what are their plans to continue operations in the future.

Purpose

Many segments of society are now facing the prospect of scarce rather than abundant resources. Those organizations previously supported to a great extent by federal funding have been especially hard hit and, as a result, a need for information about how organizations are responding to decline and cutbacks has emerged.

⁴Tennessee State Planning Office, An Economic Report to the Governor of the State of Tennessee on the State's Economic Outlook. Nashville, Tennessee, February, 1982, p. 11.

Agencies previously supported to a great extent by federal programs are awakening to the realization that the substantiation of the overall worth of their agency is necessary for continuation of their existence. The Development Districts of the State of Tennessee are an example of such agencies.

In 1965, the State of Tennessee passed the Development District Act which authorized the formation of substate districts and directed the State Planning Commission to propose appropriate boundaries. After studies of the state's population and economy had been completed by the Tennessee State Planning Office (TSPO), the Governor of Tennessee proposed the boundaries for what would eventually become nine Development Districts in Tennessee. Included in these delineations were the East Tennessee Development District consisting of sixteen counties, the First Tennessee-Virginia Development District consisting of eight counties, the Upper Cumberland Development District consisting of thirteen counties and the Southeast Tennessee Development District consisting of ten counties. Funding for the Development Districts was authorized by the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965.

Under the direction of the various governing boards, composed of elected officials of member governments and their representatives, the Development Districts set out to create conditions for more favorable economic growth in their regions. To accomplish this task, the staff worked with member governments to develop plans and programs identifying goals and objectives necessary to improve the economy of each particular

locality. Assistance from state and federal agencies, in the form of grants-in-aid, were solicited to implement the plans and programs.

Under the assumption that the efforts undertaken by the Development Districts in the years since their inception have done much to improve the economy of the region; the focus of the study will be on the primary programs that the Development Districts were involved in and the presence or lack of financial support for these programs. In order to accomplish this study, work programs of the various Development Districts were studied and the impacts of budget cuts on programs and personnel of the Development Districts were examined. (See Appendix A.)

The following is the list of Federal programs reviewed and analyzed; Environmental Protection Agency (EPA) Program; HUD 701 Programs; Economic Development Administration Planning Programs; Appalachian Regional Commission Programs; 211 Rural Development Program; Urban Mass Transit Administration Planning; Tennessee Statewide Comprehensive Outdoor Recreation Plan; Law Enforcement Assistance Administration Planning and Capital Grant Programs; and the Department of Energy Conservation Programs.

The conditions under which the Development Districts operated have been constantly changing. Sources of State and Federal financial support for the Development Districts is different from those sources originally available when the "Economic Development District" concept was first initiated. Since that time,

The organizations have been able to receive funding from more than twenty external sources, and even those

which have provided continuous support are dramatically different in guidelines, procedures and philosophies.⁵

East Tennessee Development District, for example, has undergone some important changes in local attitudes, levels of awareness and expectations. At the beginning, the District was viewed by many of its participants as little more than a "funnel" for Federal and State financial assistance. A general attitude that seemed to be prevalent in 1967 and 1968 was reflected in the Development District's "low-profile" approach of that period. Development District staff members were often thought of as grantsmen with planning and regional coordination as tools to good grantsmanship. Meetings of Development District Board's Executive Committee were held quarterly and agendas were brief. The staff was usually trusted with what seemed a fairly simple responsibility—"do whatever is necessary to get grants approved."

This attitude was probably prevalent not only at ETDD but was present at other Development Districts as well. The realization that plans evolved into operating projects and that grant money was only to be available where State and Federal priorities could be coupled with local efforts marked a significant turning point for the Development Districts and their functions.

The policies of the Reagan administration have caused the Development Districts to take another look at their functions and reassess their roles. Along with this reassessment may come further

⁵East Tennessee Development District, "Special Report Assessing Economic Development Programs," 1981, p. 6.

changes in local attitudes, levels of awareness and expectations. These changes derive not only from the clients the Development Districts have served but also from internal forces which have developed in their staffs. This study examines the internal rather than the external forces.

The research examines the history of and redirection taken by the Development Districts in response to changes in federal funding.

Specific areas researched included:

- Examining the programs the Development Districts have been involved in from their inception to present;
- Examining the effect of the Reagan administration's budget cuts on these programs and staffing allocations;
- Reviewing and comparing the programs currently being given primary attention by the Development Districts;
- Comparing the direction the Development Districts are now taking due to cuts in federal funding;
- Gathering the opinions of the Directors and/or Department Heads in regard to staff plans, morale and overall feelings about job security.

Methodology

Study Area Selection

The State of Tennessee is divided into nine Development Districts. Four of these Development Districts were chosen as study sites for this particular research. These Development Districts are: Upper Cumberland

Development District, First Tennessee-Virginia Development District, Southeast Tennessee Development District and East Tennessee Development District (see map on following page). These particular Development Districts were selected because they were all heavily dependent on funding by the Appalachian Regional Commission (ARC) and the Economic Development Administration (EDA) and should be drastically affected by the Reagan budget cuts (see Figure 1).

The Appalachian Regional Commission (ARC) Program began in 1965 as a joint effort by the Federal Government and the Appalachian States "to promote the economic and social development of the Appalachian Region, the greatest concentration of deprivation and underdevelopment in the United States."⁶ In comparison to all other regional programs, the program was the largest and most comprehensive regional development effort ever undertaken in the United States, uniting the Federal and State governments in a unique partnership that has served as a model for other regions in the nation.

"The Economic Development Administration was established in September 1965 to help stimulate industrial and commercial growth in communities plagued by high unemployment and low family incomes."⁷ Under the Public Works and Economic Development Act of 1974, EDA conducted a wide variety of flexible programs tailored to meet the

⁶Appalachian Regional Commission, Annual Report, 1967, p. 1. U. S. Dept. of Commerce, Washington, D.C.

⁷Jobs for America, EDA Annual Report. U. S. Government Printing Office, Washington, D.C., 1969.

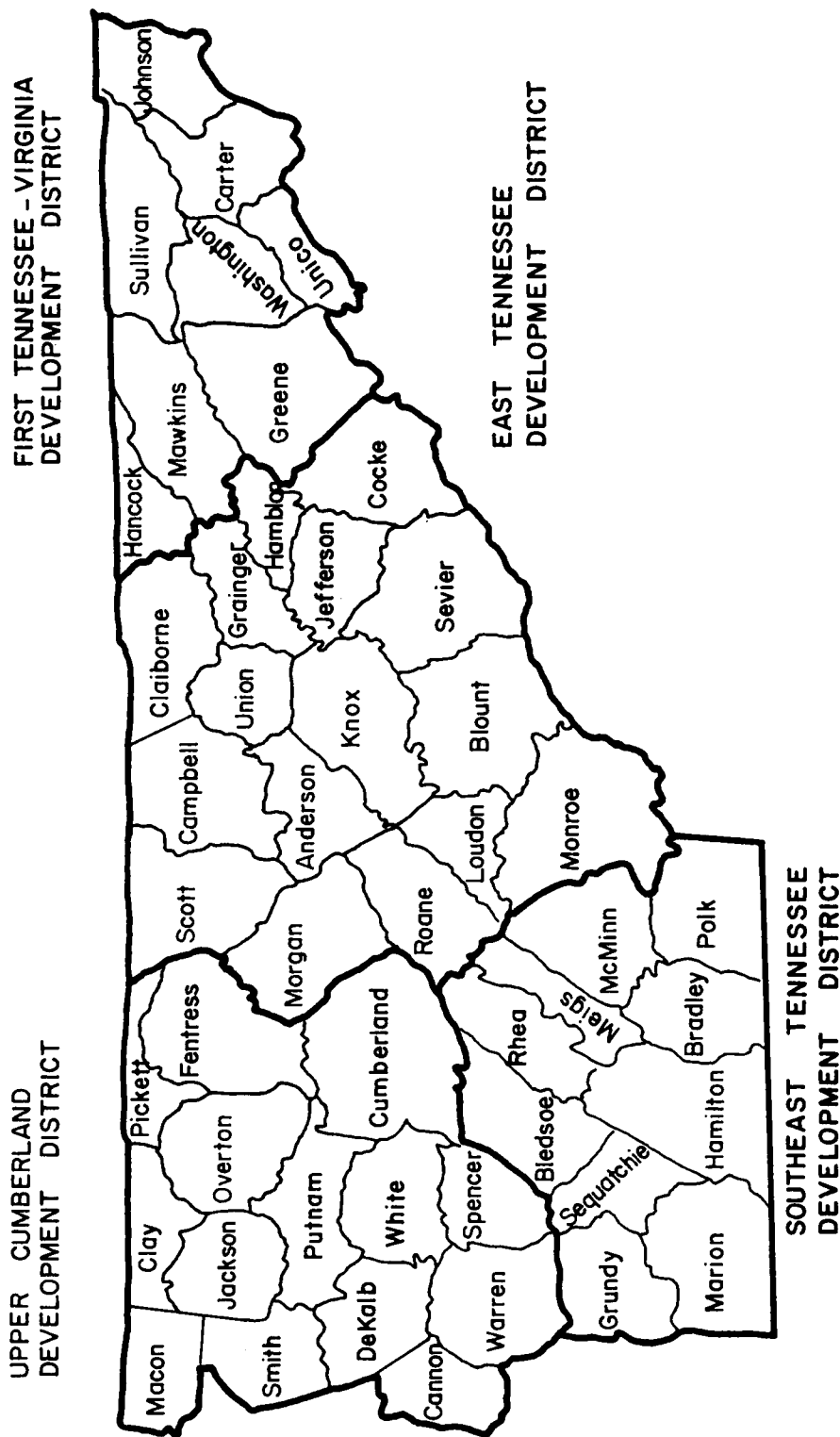


Figure 1

Map of Development Districts Chosen As Study Sites

Source: East Tennessee Development District, Graphics Department

complex range of economic problems experienced around the country.

Today, EDA's mission is to:

Help protect existing jobs and generate new jobs in distressed areas of the United States; increase personal incomes by providing the support necessary to create good, long-term jobs in the private sector; and foster local and State capacity to plan and conduct economic development programs at the community, county, and multi-county level.⁸

The reductions in federally funded programs has effects on all types of government agencies. This particular research, however, focused on agencies that provide services on a regional level. The next chapter deals with the concept of regional planning as it relates to Development Districts. Chapters III, IV, V, and VI are case studies of each of the Development Districts. These chapters include a discussion of the agencies' Background, Geography, Organization, Socioeconomic Characteristics, Past Programs, Current Programs, Future Focus, Budget and Staff. A comparison of these case studies is in Chapter VII. The comparisons evaluate the size of the region each Development District serves, the federal programs previously providing funding for each Development District, the direction each Development District has taken as a result of the budget cuts and opinions regarding the prospective future for each District. The final chapter addresses conclusions and recommendations.

⁸ Creating Jobs—EDA Annual Report, U.S. Department of Commerce, Washington, D.C., 1980.

CHAPTER II

REGIONAL PLANNING

Regional Planning: An Historical Perspective

The concept of planning for an entire region originated in the early twenties with the work of such pioneers as Benton MacKaye¹ and Patrick Geddes.² These men, as did others, viewed regional planning from a landscape-ecological perspective. The notion of what regional planning is has been debated for decades to no avail, for a consensus has still not been reached. It has been agreed, however, that regional planning has undergone a series of transformations since the outset and with these changes have come a deeper realization that a complete understanding of regionalism is yet to be achieved.

According to the original doctrine, regional planning was to develop a set of conditions that would establish a harmonious relationship between humans and nature, grounded in a bioethics that would show a deep respect for the limits of human intervention in "natural" processes and limit the cancerous growth of cities.³ Lewis Mumford

¹Benton MacKaye, The New Exploration: A Philosophy of Regional Planning (Urbana: The University of Illinois Press, 1962).

²Patrick Geddes, Cities in Evolution, rev. ed. (London: Williams and Norgate, Ltd., 1949).

³Maynard M. Hufschmidt, "A New Look at Regional Planning," Regional Planning: Challenge and Prospects, Maynard M. Hufschmidt, editor (New York: Frederick A. Praeger, 1969).

was the principal spokesman for this philosophy, which can be clearly seen in his critique of the Regional Plan of New York whose ten volumes were developed between 1921 and 1931. Mumford envisioned a territorial civilization that was scaled to human needs and constrained by humans' finite capabilities to control their social evolution. In contrast, Thomas Adams argued for the need to adapt regional structures to the requirements of an industrial civilization that was reaching maturity. More so than Mumford, he was conscious of planners' very limited capacity for controlling the physical outcomes of capitalistic development.⁴ From these differing lines of reasoning stemmed the Regional Planning Association of America. Formed in 1933, it was to survive for only ten years.

The practical implementation of regional planning and development can be primarily identified with the Great Depression of the thirties.

In these years, and on into the early 1940's the Tennessee Valley Authority (TVA) and the National Resources Planning Board (NRPB) were engaged in implementing programs designed to achieve regional development. Both agencies viewed regionalism as an approach to the development and conservation of natural resources.⁵

The mid 1950's, however, marked the critical breakthrough in theoretical studies contributing to regional planning. The old paradigm of regional resource development was changed to one of economic

⁴John Fredmann and Clyde Weaver, Territory and Function (London: Edward Arnold Publishers, Ltd., 1979).

⁵James J. Glass, Regional Planning and Politics (North Texas State University, 1973), p. 3.

growth. The earlier ideology towards regional planning had been oriented towards specific physical needs. The new mode of thinking was unbounded and tied to an ever-expanding demand for goods and services in the market. Terms such as "spatial structure" and "functional integration" became prevalent in the literature. The findings of urban geographers and urban economists would be used to underpin the more generalized and unfounded assertions of regional planners. However, another decade was to pass before the implications of the new paradigm would become known.⁶

A scientific base was formulated for regionalism and, as a result, regional planning became an established field of professional competence, teaching and research. As a subject for professional study, regional planning stood apart in its newness. John Friedmann was appointed to teach regional planning in the Department of City and Regional Planning at MIT in 1951. When he began, he realized there were no textbooks and no clearly defined doctrines. More recent literature of the sixties and seventies still echoes the uncertainties of regional planning.

Regional planners have set to work openly confessing that although they knew more about their profession than others, they still have not mastered their trade, if only because no adequate theory of regional development exists.⁷

⁶ John Friedmann and Clyde Weaver, Territory and Function (London: Edward Arnold Publishers, Ltd., 1979).

⁷ J. G. M. Hilhorst, Regional Planning, Rotterdam University Press (1971).

Its role in the planning framework is not very clearly defined, nor are its aims fully worked out or generally agreed. Comprehension is further complicated by the very flexibility of the actual concept of the region.⁸

The expectations of planners and regional scientists prior to the sixties had not been fulfilled. Growth centers had not developed, backward regions had not flourished and poverty continued to accumulate in the cities. Previously accepted doctrines of economic growth were questioned, and new concepts advanced to take their place.

Employment and income distribution were added to economic growth as valid social objectives for planning. But beyond this limited change loomed altogether different approaches resting on the twin concepts of basic needs and self-reliance.⁹

For planners and regional scientists today, the region is perceived as merely "a taxonomic category, a functional subunit of national space." The region is primarily a technical concern which, depending on the criteria employed, can result in a variety of abstract divisions. For Mumford and his colleagues, a region was a real place, created by a particular group of people in interaction with their environment.¹⁰

The Theory of Regional Planning

Regional planning became directly connected with an expanding demand for goods and services in the market and came to be supported

⁸ John Glasson, An Introduction to Regional Planning (London: Hutchinson Educational, Ltd., 1974).

⁹ John Friedmann and Clyde Weaver, Territory and Function (London: Edward Arnold Publishers, Ltd., 1979), p. 7.

¹⁰ Ibid.

by a new theory called regional science. Regional science offered an impressive array of analytical methods including economic base analysis, input-output analysis, cost-benefit analysis, factor analysis, spatial interaction models, industrial complex analysis, social accounting and locational analysis. Isard staked out his claim for a regional science on the strength of these methods of scientific study. Regional accounting turned out to be one of the more abiding concerns, as witnessed by the large number of studies which were generated over the decade (Stone, 1961; Hoover and Chinitz, 1961; Perloff and Levin, 1964; Leven, Legler and Shaplor, 1970).¹¹ Unfortunately, implementation often lagged behind theory and hampered its further development, which could be significantly advanced only through practice.¹²

Further attempts at giving some insight into regional planning came when John Friedmann raised those conjectures.

Regional planning is concerned with the process of formulating and clarifying social objectives in the ordering of activities in supra-urban space. The basic question is: how are activities to be distributed in space so as to meet social objectives? Alternatively, what are the proper social objectives in accordance with which activities are to be allocated in space?¹³

Although this formulation linked regional planning to its basis in the theory of location, it did not achieve an identity for regional planning.

¹¹Ibid., p. 119.

¹²W. W. Leontiev and A. A. Strout, Multi-regional Input-Output Analysis (In Barna, T., editor, 1963).

¹³Friedmann and Weaver, op. cit., p. 119.

It did succeed, however, in bringing about the realization that a new academic subject was underway. A year later, the Journal of American Institute of Planners published a special issue on regional planning and development (Friedmann, Ed., 1964). This particular publication made the link to the "pure theory of location" even more pronounced with a contribution by Edwin von Boverter (1964) entitled "Spatial Organization Theory as a Basis of Regional Planning." Three areas of knowledge were believed to comprise the intellectual foundations of the new discipline: spatial organization, urbanization, and regional growth theory.¹⁴

Theories of long run regional growth must take into consideration those factors which are held constant in short run analysis. These factors include population, wages, prices, resources, technology and the distribution of income. The mobility of factors, especially labour and capital, is a particularly important consideration. As yet, there is still no generally accepted definition of regional development. It is doubtful whether a comprehensive theory is possible, although recent attempts at synthesis have been made by Hilhorst¹⁵ and Siebert.¹⁶ A number of partial theories and concepts are currently

¹⁴W. Alonso, Industrial Location and Regional Policy in Developing Countries, University of California, Institute of Urban and Regional Development, Working Paper No. 74, Berkeley: University of California. Reprinted in Friedmann, J. and Alonson, W., editors, 1975.

¹⁵J. Hilhorst, Regional Development Theory: An Attempt to Synthesize, Institute of Social Studies, The Hague, 1967.

¹⁶H. Siebert, Regional Economic Growth: Theory and Policy, International Textbook Company, Pennsylvania, 1969.

in existence which between them focus on the major determinants of regional growth and planning.

It is generally accepted among professionals involved in regionalism that the growth of a region may result from either endogenous or exogenous determinants or a combination of the two. Internal determinants encompass the distribution of factors of production such as land, labor and capital. An example of a major external determinant is the level of demand for the region's commodities from other areas. The split between endogenous and exogenous determinants are reflected in the theories. Some theories such as the sector theory suggest that regional development is essentially an internal evolutionary process, others such as the export base theory emphasize demand for the region's exports. Still other prevalent theories include industrial structure analysis and the center-periphery theory.¹⁷ A vast amount of research has been conducted in the formulation of these theories. An attempt to delve into the theoretical undertakings of each type of theory is beyond the scope of this thesis. However, an elaboration upon each theory can be achieved by referring to suggested readings.

Why is it necessary to conduct regional planning? It has been demonstrated over time that the normal interplay of private action and market forces often results in situations which the nation is not willing to tolerate and which can only be improved upon by means of a control mechanism such as planning. Many view regional planning as

¹⁷H. O. Hirschman, The Strategy of Economic Development, Yale, 1958.

a response to certain functional problems—the problems of urban regions arising from rapid population growth, increasing urbanization and increasing standards of living and personal mobility as well as the problems of depressed industrial and rural regions suffering from "economic malaise." Regional planning is also viewed as an intermediate level between local and national planning. Particular problems characteristic of growing urban regions and depressed industrial and rural regions has established the need for this intermediary level of planning.¹⁸

Regional Planning Defined

There is currently no generally accepted definition of regional planning in existence. As a result, regional planning is usually defined in accordance with the context in which it is being used and its particular application. For some, regional planning has an economic bias and is primarily concerned with the centrally directed allocation of resources between regions to achieve certain regional and national objectives. For others, regional planning involves the physical, economic, and social planning of development within regions and subregions and has more of a land use context.¹⁹

In 1929, it was written, "Regional planning involves the development of cities and countrysides; industries and natural resources, as part

¹⁸ John Glasson, An Introduction to Regional Planning (London: Hutchinson Educational, Ltd., 1974).

¹⁹ Ibid.

of a regional whole."²⁰ It is the conscious direction and collective integration of all those activities which rest upon the use of the earth as site, as resource, as structure, as theatre. To the extent that such activities are focused within definite regions, consciously delimited and utilized, the opportunities for effective coordination are increased. Hence, regional planning is a further stage in the more specialized or isolated processes of agricultural planning, industrial planning or city planning²¹ and yet regional planning is distinct from other types of planning in that it is planning for a region. Generally, a region is a flexible concept, referring to a continuous and localized area intermediate between national and urban levels.

For purposes of this thesis regional planning will be considered to involve both physical planning and economic planning which can be distinguished as follows: economic planning is concerned more with the economic structure of an area and its overall level of prosperity. It works more through the market mechanism than physical planning which relies heavily on direct controls.

The combination and conflicts inherent in these two distinct types of planning brought a cry for more coordination and management. In answer to this call, substate districts were formed which were known as regional agencies or Development Districts.

²⁰ Friedmann and Weaver, op. cit., p. 32.

²¹ Ibid., p. 33.

Regional Planning and Development Districts

In 1965 the establishment of Development Districts by four states marked the beginnings of state involvement in regionalism. This involvement was initiated prior to the proliferation of multicounty agencies that resulted from federal actions. At the outset the states did not have the foresight to develop a strategy for coping with regional fragmentation and the problems that went along with it. Although this line of reasoning is an accurate assessment, the substate districting model is still viewed by many today as the appropriate approach to regionalism. Initially, state response was more pragmatic than innovative in nature. As time passed the national government passed numerous federal programs that required administration through a regional agency. A majority of the states saw this as a federal funding opportunity that could greatly benefit them if they had multicounty organizations in place.

"In Charlie B. Tyler's opinion, the states' original interest in regionalism then was motivated by a desire to increase their share of federal grant money."²² As the federal government's interest in regional programs continued to increase the states' pragmatic position was supplemented by a "rational" plea that all federal programs connected with regionalism be administered by Development Districts. This plea

²²Charlie B. Tyler, Substate Regionalism in the United States—Perspectives and Issues, University of South Carolina: Bureau of Governmental Research and Service, 1977, p. 15.

has been ignored, however. Regionally oriented programs have the choice of being administered through a district or through a multi-county single purpose agency, resulting in continued regional fragmentation.

The driving force behind the Development Districts has been, undoubtedly, the federal government. Financial backing assumed by the federal government has enabled many regional programs involving planning and coordination to survive, even though that planning and coordination has, more times than not, been achieved by numerous regional agencies serving the same area. This was further noted by the significant increase in Development Districts during the seventies. "Forty-five states have officially delineated districts. The percentage of operating districts rose from fifty-six percent in 1973 to ninety-five percent in 1976."²³

Another factor greatly affecting the Development Districts is their status as umbrella organizations. This concept refers to the location of diverse programs under one organizational roof.²⁴ It is reflected by the federal government's efforts to standardize the boundaries of federal programs by using regional organizations in areas such as planning and service delivery. This is particularly meaningful when one considers the federal government's encouragement of statewide uniform substate districts.

²³ Advisory Commission, Regionalism Revisited, p. 9.

²⁴ Tyler, op. cit.

Development Districts' Functions

Development Districts were primarily created as planning and coordinative agencies for the multicounty areas located within their jurisdictions. Ideally, a Development District was required to prepare an areawide plan and coordinate local activities in accordance with that plan. Special purpose federal programs were also encompassed within the district. These included areas involving aging, law enforcement planning, manpower planning, etc. The special purpose programs were required to have functional plans which were to be incorporated in the comprehensive areawide plan.

In addition to planning and coordinative activities, Development Districts perform various functions that are not included in their enabling legislation or executive order. These activities have come to include grantsmanship, technical assistance and the fostering of interlocal communication and cooperation. One hypothesis that has been formulated is that Development Districts, particularly newly created ones, will be forced to engage in such activities as technical assistance and grantsmanship in order to build support among member governments.²⁵

This type of support enabled the districts to perform their intended activities of planning and coordination. A pertinent question that continues to arise is whether a Development District can

²⁵Ibid., p. 17.

ever remove support building activities from their programs even if their performance detracts from the district's planning function.

Thus, Development Districts primarily perform functions in the areas of planning, coordination, and support building or maintenance.

As to the effectiveness of the performance of the various functions, little need be said about those in the support building area, for success there depends primarily upon the strategies developed by and the abilities of the staff. Success in the areas of planning and coordination, of course, also depend upon staff strategies and abilities, but in this case an additional variable must be considered—implementation authority. Is it possible for an organization that possesses, in most instances, advisory power only, to be successful in either planning or coordination? Although the answer need not always be no, it must be admitted that implementation that rests on the voluntary compliance of member governments will always be less than certain. Success in the areas of planning and coordination, while not precluded, will be difficult for most sub-state districts. The existence of factors that act as barriers to effective planning and coordination is one of the primary reasons that the ACIR continues to call for the restructuring and strengthening of sub-state districts.²⁶

Tennessee Development Districts: A Case Study

Nine Development Districts were formed in Tennessee between the years of 1966 and 1973. Just as many districts in other states, the Development Districts of Tennessee fell under the umbrella concept in that they included programs in aging, law enforcement, economic development, child development, highway safety, water quality and solid waste management, and nonmetropolitan area planning. The districts are involved and affiliated with these programs by means of coordination,

²⁶ Advisory Commission, Regionalism Revisited, op. cit., pp. 1, 2, 34, 35.

planning and the development of strategies for implementation by others in order that program objectives can be accomplished. Staff time is also used to provide assistance to local government officials doing research and collecting statistics needed for state and federal programs, as well as aiding in the coordination of activities of various organizations who are also involved in similar programs on a regional scale.

It is obvious that the Development District's role has been more than just planning in nature.

Perhaps one of the most difficult things to grasp about sub-state districts is their basic program character. In part, this is because the districts differ from each other concerning particular programs and the environment within which they operate. Four Tennessee districts have a large metropolitan core and four are essentially rural. Some are better funded than others and have large staffs capable of providing considerable specialized knowledge in narrow areas of public concern. Each also has an executive director who brings his own style of management and planning to his district. In spite of extensive differences, however, there are many basic similarities among the districts which can be described and which can provide a basic understanding of the involvement of districts in their programs.²⁷

In Tennessee, Development Districts engage in four activities: planning, coordination, technical assistance, and communication. Planning is considered as a primary way of thinking about social and economic problems. It is deeply concerned with the relation of goals to collective decisions and strives for comprehensiveness in policy and programs.

The Development Districts' major tool for coordination is the A-95 review and comment process. It is an effort to coordinate planning

²⁷Tyler, op. cit., p. 110.

and development programs among the federal, state and local levels of government.

All Tennessee districts are designated by the state as regional clearinghouses, meaning that applications for specified federal funds must be routed through a district and be reviewed for consistency with regional plans or policies.²⁸

Technical assistance consists of giving aid and advice to local governments and local organizations in the forms of grantsmanship, the provision of supportive services and coordination for industrial development efforts as well as the promotion of state and federal programs within districts to increase local participation in programs.

The communications function is an effort to encourage communication between local governments and establishes a forum for cooperation and the exchange of ideas.

This thesis will be devoted to an analysis of the Development Districts located in the Appalachian region of Tennessee. Due to cuts in funding, these functions have been altered to some degree in all of the Development Districts studied.

²⁸Ibid.

CHAPTER III

EAST TENNESSEE DEVELOPMENT DISTRICT

Background

The East Tennessee Development District was formed on September 20, 1966, following an Act adopted by the General Assembly of the State of Tennessee as Chapter 241, Public Acts of 1965, as amended, Sections 13-1401 to 13-1414, T.C.A.

The District was organized by the cities and counties within the region delineated by the State of Tennessee to provide an effective and efficient means of carrying on general and comprehensive planning and development activities; to assist in the coordinated, efficient and orderly development of the state and region; and to make the maximum use of federal, state, and local programs designed to stimulate economic development and utilization of resources.¹

Geography

The East Tennessee Development District represents a large region in the eastern part of Tennessee. The District, which is centrally located in the eastern United States, includes sixteen counties, with Knox County and the Knoxville metropolitan area serving as the focal point of the District. Approximately one-sixth of the total area of Tennessee, 6,716 square miles, is included in the District. ETDD is

¹By Laws, East Tennessee Development District, Adopted April 8, 1980.

bounded on the north by the State of Kentucky and by the southwestern tip of Virginia. The southeastern counties in the District border on North Carolina.²

As part of the greater Appalachian Region, ETDD is characterized by northeastward tending mountain ridges separated by wider intervening valleys. The primary mountain ridges are represented by the Smoky Mountains in the south, the Clinch Mountains in the northeast, and the Cumberland Mountains in the northwest. Clingman's Dome, the highest elevation in Tennessee (6,642 feet above sea level), lies within the District in the Great Smoky Mountains National Park. The terrain of the valleys, with elevations ranging from 600 to 1,500 feet, is generally rugged, and as such, has been an important influence on the development of the District.³

Organization

The ETDD is the largest District in the State followed by the Upper Cumberland Development District with fourteen counties. Knoxville's SMSA is made up of three counties, Knox, Anderson, and Blount. Knoxville, the third largest city in the State of Tennessee, Oak Ridge, Alcoa and Maryville make up the urban core of the District.

The fact that the East Tennessee Development District has an urban base should be, in theory, of immense benefit to

²Special Report Assessing Economic Development Programs, Past-Present-Future, December 1981. (East Tennessee Development District).

³Ibid.

the development of the region. Knoxville and Oak Ridge are in close proximity and almost in the center of the region. Due to the size of the District, the geographical location of the two major cities may prevent them from having a major effect on the District's fringe counties.⁴

As of 1981, the East Tennessee Board of Directors was composed of eighty-three members and an Executive Committee consisting of four officers, two State, Senate and House representatives and a representative of each county. From the outset in 1966, the Board Members realized that the region's problems would not have any quick or complete solutions. This resulted in a lot of time being spent in quantifying and qualifying the region's deficiencies during the early years. The actual tasks of developing and implementing regional strategies and programs necessarily had to follow some general agreement by local officials on problems, priorities, and methods.

Participants in the District have been constantly reminded that the problems of the East Tennessee region are not separate and apart from those faced by the rest of the State of Tennessee or by the rest of the nation. Regardless of what is done within this region, local officials have not been able to ignore the impact and effect of social, economic, and political decisions from the outside.⁵

Concurrent with the realization of outside influence, the expectations of local officials increased. Mayors and county judges, most already "sold" on the original benefits of District participation,

⁴James J. Glass, Regional Planning and Politics, North Texas State University, 1973.

⁵Special Report Assessing Economic Development Programs, op. cit., p. 6.

began to realize the potential of the organization they had created. The District came to be viewed as an important vehicle for cooperation. Many of the municipalities and county governments began to realize that some functions of government are too complex (or too expensive) to be undertaken with small population bases. They realized that the District could serve as a catalyst in helping large units of governments share resources with smaller jurisdictions. They saw the ways in which several local officials could meet together to share ideas, information, and opinions.⁶

Perhaps the most important function of the District organization has been to provide a setting in which people from all parts of the region, from cities and counties, from urban and rural areas, are able to come together, discuss their difficulties and differences, and attempt to agree on alternative solutions to general and specific problems. ETDD's objective became: "Bring people together to get things done."

Another question to consider is a fairly simple one: Has the District Organization been effective? On July 1, 1973, the East Tennessee Development District had been in operation nearly seven years and staffed for nearly six years. Numerous changes had occurred both locally and nationally since the organization of the District. These changes included: (1) consolidation of the East Tennessee Development District and the Knoxville Area Council of Governments, (2) a major

⁶Ibid., p. 7.

increase in the number of programs, (3) a large increase in staff, (4) new procedures for assuring nondiscrimination against minority groups, (5) the addition of project and environmental review process, and (6) introductions of revenue sharing, community development, and rural development bills in Congress.⁷

Many of the objectives set out years ago have been achieved, but some have not. Other objectives have been added, and the mission of the organization in the coming years is a matter for serious current discussion. The methods used in the past, obviously, will not be adequate for the future.⁸

Socioeconomic Analysis

An analysis of the socioeconomic characteristics of East Tennessee Development District is pertinent to the overall assessment and comparison of all the Districts studied. Each Development District is distinct in that all of them tend to serve different regional compositions. The socioeconomic characteristics which will be discussed include:

(1) population trends, (2) income, and (3) employment.

Population Trends

Population growth from 1950 to 1960 was lower than the State of Tennessee and the United States. The District's population increased

⁷Ibid., p. 7.

⁸Ibid., pp. 8-9.

by 5.4 percent compared with increases of 8.4 percent in the State and 18.5 percent in the nation. By 1965, however, the District had managed to narrow the margin of growth between the District, the State of Tennessee, and the nation. Estimated at 696,653 persons, the population increased by 6.5 percent in the five year period. Growth rates for the State and the nation were 7.8 percent and 8.1 percent respectively.

Population growth for the District during the 1970's was phenomenal. In 1970 the population was 700,985; by 1980, it had risen to 845,039 persons, indicative of a 20.5 percent change in population in ten years. The percent change in population for the State was 16.9 percent for the same period.

Income

Per capita income is an economic measure of the amount of the wealth located in an area. As of 1960, Morgan County possessed the lowest per capita income with \$726 and Anderson County the highest per capita income with \$2,007. In comparison, the State of Tennessee had a per capita income of \$1,543 while the United States' per capita income was \$2,226. In 1965, per capita income in Claiborne and Morgan Counties fell below \$1,000. The highest per capita income for that period was found in Anderson and Knox Counties, where per capita income was \$2,449 and \$2,448, respectively. Between the years of 1970 and 1980, per capita income for the East Tennessee Development District increased at a lower rate than that of the State and the nation. Morgan County continued to have the lowest per capita income with \$1,707 dollars for 1970 and \$4,225 for 1980. Again, the highest per capita

income was found to occur in Anderson and Knox Counties, where per capita income was \$3,358 and \$3,245, respectively.

As of 1980, the District continued the same pattern, with Anderson and Knox Counties leading in per capita income. The State of Tennessee had a per capita income of \$3,119 for 1970 and a per capita income of \$7,702 for 1980.

Employment

Industry has been an important factor since the early history of eastern Tennessee. The cities of Knoxville, Alcoa and Oak Ridge have the largest manufacturing firms, as well as the majority of wholesale and retail establishments. Since the early seventies, the distribution of manufacturing in ETDD has shown diversification, however. Manufacturing jobs are primarily concentrated in the furniture, textiles and apparel industries. The greatest industrial employment, however, is located in two firms: the Aluminum Company of America in Blount County and the Oak Ridge Nuclear Complex under the supervision of Union Carbide Corporation and the Department of Energy. These two firms represent more than one-fourth of the manufacturing employment in the District and over 8.0 percent of total employment.

The economic structure of the District is also greatly dependent on the service industry. The Tennessee Valley Authority (TVA) as well as the University of Tennessee comprise the largest sources of non-manufacturing employment and income also. In recent years counties in ETDD's area are becoming increasingly aware of the opportunities

available in the development of the vast recreational resources, which has resulted in an increase in the tourist industry.

Between 1962 and 1965, unemployment rates averaged between 7.0 and 8.0 percent of the total work force. The highest annual unemployment rate for the United States during the same time frame was 5.7 percent in 1963. The State had a 6.3 percent unemployment rate for 1960. By 1970, unemployment for the State and nation stood at 4.4 percent. As of 1977, 22,530 persons were unemployed in ETDD and by 1980, the number had risen to 27,630 persons. This was indicative of a 22.7 percent change between 1977 and 1980. The unemployment rate for 1980 was 8.1 percent. This figure was higher than both the State and national rates which were 7.2 and 7.1 percent, respectively. Unemployment for 1982 was not to follow the escalating trends of the remainder of the State and the nation, however. This was primarily attributed to the city of Knoxville hosting the 1982 World's Fair, employing over 6,000 persons over a majority of 1982. Unemployment for the nation and the state surged over the 10.0 percent mark for the same period.

Past Programs

It is the researcher's opinion that it has been the intent of ETDD in the past to aid communities in the implementation of various projects in accordance with their priorities. Solutions to many of the problems were sought early in the development of the District. These efforts included participation in developmental organizations, applications for grants, and initiation of several types of projects to encourage future

growth. Some projects have been accomplished through District-wide cooperation, while other projects have been a result of local community action. Still other efforts have been made by two or three towns or counties joining forces. In order to make an objective and realistic evaluation of the progress ETDD has made, it is necessary to identify previous efforts in economic development activity and other focal areas.

The year 1966 was a year that was primarily focused on organizational procedure for ETDD, then known as East Tennessee Economic Development District. During that year, ETEDD officers were elected, the Knoxville Area Council of Local Governments was created, the first work program and budget was adopted, and the District made its first contractual agreement with Memphis State University for the preparation of an Overall Economic Development Program.

Organization efforts continued into 1967 with the hiring of ETEDD's first executive director, John W. Anderson, Jr. Approvals were made for the first Economic Development Administration grant for planning and for the organization of technical advisory committees whose responsibilities were to include recommendations to the ETEDD Board. Also, the ETEDD constitution and by-laws were adopted.

The coming of March 1968 marked the beginnings of ETEDD's Annual Board Meetings. Approval came for the Overall Economic Development Program that had been prepared with Memphis State University's guidance and the District joined the National Service to Regional Councils. During this time, ETEDD assisted in the development of the Forks-of-the-River Industrial Park and was designated as a State Planning and Development Region.

The name, East Tennessee Economic Development District changed to East Tennessee Development District the following year, ETDD's youth leadership development program was approved, and the first district-wide comprehensive study was funded by specific enabling legislation (Appalachian Regional Commission), a study of health facilities and services in ETDD. The year 1969 was also the period when ETDD became designated as clearinghouse for A-95 review.

The seventies brought an influx of major projects to the District. During 1970, a Transportation Technical Advisory Committee was appointed, a Land Use Development Policy was adopted as well as a Law Enforcement Advisory Committee, a Public Services Career Program was launched and ETDD was designated as a health facilities review agency.

The year 1971 began with the establishment of a Solid Waste Advisory Committee and an Airport Services Planning Committee. The adoption of a Major Road Plan was given priority and shortly thereafter, ETDD accepted sponsorship for a Public Employment Program. A large percentage of staff time was spent initiating work on WASTEPLEX, an Appalachian Regional Commission demonstration project concerning long range waste recycling. Other activities included the establishment of a tourism study committee, organization of the ETDD Health Planning Council, the beginnings of the District Law Enforcement planning effort, the holding of ETDD's first Law Enforcement In-Service Training Program, and the assistance by ETDD in the formation of the Tellico Area Services System.

Social services planning began to play a larger role in District activities when in 1972, an aging grant was awarded to ETDD. Other

highlights during that year included: ETDD joining the Tennessee Development Districts Association, formation of the East Tennessee Child Development Council, organization of the East Tennessee Council on Aging, and the adoption of Metro and Regional Solid Waste Plans.

The efforts of the tourism study committee established in 1971, was rewarded in 1973 with the appointment of a Tourism Advisory Committee. ETDD became designated as a Water Quality Planning Area and the year marked the spin-off of several agencies in which ETDD was to play a role. These included: an Emergency Medical Services Committee, the East Tennessee Human Resources Agency, and the East Tennessee Crafts Council.

The upcoming year placed a great deal of emphasis on RIDE, a rural transportation project in Anderson County that was funded by the Appalachian Regional Commission. ETDD was to participate in the Great Smoky Mountains regional planning effort during 1974. Also in 1974 a Social Services Inventory was conducted, the appointment of ETDD Fire Safety Council, the adoption of a Regional Trails Policy Statement, and the completion of Knox County Regional Juvenile Diagnostic and Treatment Center through the assistance of ETDD all were considered priority items.

An agreement was signed in 1975 with the Department of Human Services to provide information and referral services in ETDD utilizing ETDD's Social Service Inventory. Also, through ETDD's assistance, Loudon was able to bring to completion the Loudon County Criminal Justice Center. The year 1975 also brought the appointment of a State Senator and Representative to the ETDD Board and Executive Committee.

In 1976 East Tennessee Community Design Center, assisted partly by ETDD, was recognized by the Department of Housing and Urban Development as a "Horizons on Display" organization, while spotlighting the center's achievements during the Bicentennial celebration. East Tennessee Health Planning Council was reincorporated with a new Board under the name of East Tennessee Health Improvement Council and was to serve as a Health Services Agency. Also during 1976, goals and policies were adopted for transportation, as well as the approval of policy statements on historic sites, natural areas, and scenic routes.

ETDD's 1977-78 Annual Report reflected a very optimistic future for the District.

The East Tennessee Development District is enjoying balanced growth in the region, with prospects for the future looking very promising, especially in the area of energy availability (compared to the rest of the nation) and in industrial development. Factors contributing to ETDD's balanced growth include major economic growth coupled with balanced conservation measures. This past year has seen growth in industrial parks in the region. expansion of water and wastewater systems, and the completion of major highways including the near completion of the interstate system (with construction of the last leg of I-640 scheduled to begin soon). Major conservation measures in the District include the beginning of land acquisition for the Obed National River and Recreation Area.⁹

Major activities and projects carried out during the year included the areas of physical planning, public safety, economic development and human resources.

The initiation of several new needed programs, in conjunction with already established programs of the District were brought about in 1978. These new programs included: Rural Development—a community

⁹1977-78 Report to the Region, East Tennessee Development District.

planning effort where local meetings were set up in each ETDD county for local citizens and officials to identify and discuss local problems and alternative solutions; Big South Fork National River and Recreation Area planning project—a program involving the studying of affected Tennessee Counties leading to the preparation of an action plan to accomodate local needs; Rural Transit Services—a project involving the inventory of rural transit resources to provide a foundation for a planning effort which would explore opportunities for developing a coordinated transportation system in rural areas; Traffic Engineering—a program aimed at identifying and improving high hazard traffic locations in the highway network of the region; and Energy Resource Management—a project which assisted local governments in developing energy conservation programs.

The year 1979 presented further expansion opportunities for the District such as energy-related economic development, local capacity, programs for industrial development, and historic preservation. The ETDD Chairman for Fiscal Year 1979-80 stated: "An organization like ours can never remain the same; we must change as the region changes, as the need for development changes . . ."¹⁰

These sentiments were echoed more strongly the following year.

We are living in a time of change in the nature of government and in the relationship of different levels of government to one another. As an association of local governments, the East Tennessee Development District reflects this change and will continue to do so in the coming years. More decision

¹⁰Annual Report to the Region, East Tennessee Development District, 1979-80.

making will be placed on local officials as the categorical grants we have grown accustomed to are gradually reduced and replaced with block grant programs. We must examine our priorities ever more closely as we decide in what areas we will place our emphasis, what areas we can support locally, and what areas we must do without.¹¹

Although ETDD's approach during the 1970's was successful in fulfilling many of its objectives, the continued decline in federal dollars, which were relied upon for both local and regional projects and programs, made it evident that the agency's strategies and mission statement needed to be rewritten and possibly redirected. With reduced levels of funding for the Development District and local project development, the question becomes: 'Where should ETDD focus its resources for maximum effectiveness in the 1980's.'¹²

In view of previous goals—to improve the regional economy; to improve its physical features; and to augment the region's social well-being and in view of previous actions that were necessary to meet those goals such as regional planning, technical assistance, programs of research, grantsmanship, and project development, it was determined by the Development District ". . . that to influence regional improvements significantly, the cornerstone of the agency's focus for the future should be economic development."¹³

Current and Future Focus

The decision to concentrate the Development District's efforts in the confines of economic development was rendered for two reasons.

¹¹Annual Report to the Region, East Tennessee Development District, 1980-81.

¹²Focus of the 80's, East Tennessee Development District, 1981-82.

¹³Ibid.

First, the local governments within the District recognized the need for more assistance and attention in the area of economic development. Second, the lack of financial support for other programs and a change in priorities by the supporting agencies necessitated such a change.¹⁴

The area of economic development comprises several related programs. ETDD's program direction was narrowed to Community Development, Economic and Tourism Development, and Business Development.

It was (further) recognized that to be an effective organization and have a positive impact on economic growth, a formal partnership between the public and private sector had to be established. The partnership's primary thrust would be to address the needs of both the local governments and private enterprise. Local governments, through ETDD's assistance, would have the responsibility of being prepared both organizationally and physically to accomodate development. The private sector would provide the appropriate expertise and share in the capital necessary to stimulate and guide sound investments.¹⁵

As a result of this reassessment, ETDD redirected its efforts in the establishment of a formal public-private partnership. The formation of the Areawide Development Corporation (ADC) as well as METUS, Middle East Tennessee United Sixteen, Inc., signify initial efforts to stimulate local economies through public/private partnership. As East Tennessee Development District looks ahead into the eighties decade, a new motto has arisen: "A public-private partnership is the key to making the pieces of the puzzle fit together for a better

¹⁴Focus of the 80's, East Tennessee Development District, 1981-82.

¹⁵Ibid.

economy in East Tennessee.¹⁶ To fully appreciate the scope of ETDD's new program direction, a description of each component follows.

Community Development

The area of community development covers three areas: Community Preparedness for economic development; Regional Planning, including community facilities planning; and Technical Assistance/Grantsmanship.

The program of Community Preparedness for economic development is a guidance mechanism sought to lead localities to a comprehensive approach to economic development while, at the same time, coordinating and focusing effort on the development of local capability, project development and business development. The ability of a locale to develop their area is largely dependent upon citizen participation. By ETDD offering assistance in the organization of effective civic bodies and assisting them in the development of sound guidelines for the pursuit of economic activity and job creation, the staff is striving to aid various working groups in the identification of economic development needs in their counties as well as in the formation of a strategy to meet those needs.¹⁷ The underlying rationale being that a community's economic development strategy, if formulated by competent data analysis and derived from public and civic leaders, will be the cornerstone for further development and for future development. This one particular

¹⁶Ibid.

¹⁷Ibid.

program is said to be comprehensive in that it involves all of the other assistance programs which the Development District offers.

Five major elements are included in ETDD's Community Preparedness Program. First, is the identification and formation of an organization capable of carrying out the necessary tasks and projects. Next, core projects which will most effectively and efficiently contribute to the economic development program are identified. Alternative funding programs capable of aiding in the completion of the core projects are then examined by the staff. The fourth element is the development of a multiyear strategy, outlining the key tasks to be accomplished during a five-year time frame. Formulation of a one-year action plan, which establishes a set of tasks which should be accomplished during that year, is the fifth element of the Community Preparedness Program. Upon completion of these five elements, a community will be eligible to compete for the Governor's Three Star award. This award recognizes the efforts made by a community to organize and promote its economic development.¹⁸

In an interview with the Assistant Director, it was found that due to reduction in staffing and funding, regional planning efforts performed by ETDD that aided local governments in the identification of facilities necessary to promote the orderly development of the community are being deemphasized. However, the ETDD staff expects to continue assisting local governments in identifying their needs and meeting requisites in an orderly manner through the planning of community facilities.

Grantsmanship assistance to local governments will also play a less significant role in the Development Districts activities because of a decline in the grant programs that were traditionally used to fund such activities. ETDD is now gearing its efforts towards an

¹⁸ Ibid.

emphasis on traditional and innovative financial techniques that will aid communities in helping themselves.

Economic and Tourism Development

Tourism has recently become one of the fastest growing industries in Tennessee. East Tennessee Development District has recognized the potential for the Smoky Mountain Region in tourist trade and has decided to capitalize upon it as a lucrative part of regional economic growth.¹⁹ The Great Smoky Mountains National Park, Gatlinburg, Pigeon Forge, and the 1982 World's Fair have all been a positive stimulus to an influx of tourists and an increase in tourist trade. It is ETDD's opinion that "this concentration of tourism activity and opportunity has fostered the growing need for a regional presence in tourism promotion."²⁰

During 1981, ETDD and METUS combined their efforts and commitments towards tourist development. METUS is a state-sanctioned regional tourism organization that was founded to promote tourism within the sixteen-county region by bringing together businesses with the public sector to intensify the tourist trade within East Tennessee.

Business Development

Approximately 70 percent of all new jobs created in Tennessee are the result of the expansion of small businesses already located within the state. For this

¹⁹ Ibid.

²⁰ Ibid.

reason the goal of the District's business development program is to create public/private partnerships that can assist small businesses in locating and expanding in East Tennessee. To accomplish this, ETDD's Board of Directors created a non-profit regional development corporation to implement this approach: the Areawide Development Corporation (ADC).²¹

Technical assistance is given to the Areawide Development Corporation by the staff of ETDD. The ADC's Board of Directors includes leading figures from both the community and business sectors and include bank presidents, county executives, CPA's, attorneys, etc.

The ADC's first step was the attainment of certification by the Small Business Administration in order that it might administer the SBA 503 program. By accomplishing this certification, ADC could make available long-term fixed asset financing to small businesses desiring expansion. Interest rates on these type of loans are 1 to 2 percent below prime for a period of twenty-five years. Under contract to ADC, ETDD's services include loan packaging, loan packaging, loan servicing, and program marketing. Thus far, three loans have been contracted.

Budget Analysis

The budget of East Tennessee Development District, as well as the remaining Districts studied, was analyzed for fiscal years 1976-77 through 1982-83 in order to obtain an accurate account of expenditures on a year-to-year basis.

As of fiscal year 1976-77, ETDD's total budget amounted to \$660,900. By fiscal year 1982-83, however, ETDD had experienced a

²¹ Ibid.

41.8 percent decrease in total funding. Funding for the District reached its peak during 1980-81 when the total budget was \$799,658. In comparing the peak year with 1982-83, a 51.8 percent decrease in the budget is noted.

ETDD's primary sources of funding include programs headed by the Appalachian Regional Commission (ARC), Economic Development Administration (EDA), and the Department of Housing and Urban Development (HUD). These funding sources were steady all seven years studied.

In analyzing Table 1, it would appear that monies appropriated by ARC are increasing if only the fiscal years 1976-77 and 1982-83 are compared because a 24.6 percent increase is noted. If the budgets for the years falling between 1976-77 and 1982-83 are assessed it is noted that between 1976-77 and 1980-81 the appropriations derived from ARC are either fairly steady or rising. By fiscal year 1982-83, however, they declined from a high of \$190,470 in fiscal year 1980-81 to a low of \$129,767, a decrease of 31.9 percent in less than a two-year time span.

The Economic Development Administration's peak funding occurred in 1979-80 with \$171,200 appropriated to the District. The greatest decline occurred during fiscal year 1981-82 when funding was reduced by nearly two-thirds of the total budget based on the peak year. Fiscal year 1982-83 revealed a surge in dollars appropriated by EDA. In fact, when compared to fiscal year 1976-77, a 73.1 percent increase is noted.

Money allocated to ETDD from HUD is currently at an all time low with only \$35,435 being appropriated for fiscal year 1982-83. Again,

TABLE 1
EAST TENNESSEE DEVELOPMENT DISTRICT BUDGET

	% OF TOTAL	1976-1977	%	1977-78	%	1978-79	%	1979-80	%	1980-81	%	1981-82	%	1982-83
TOTAL		660,900		530,000		624,800		745,559		799,658		481,467		385,000
ARC	15.8	104,100	16.6	88,000	19.6	122,500	23.7	177,000	23.8	190,470	33.8	162,867	33.7	129,767
EDA	10.8	71,500	10.6	56,000	14.2	89,000	23.0	171,200	18.4	147,001	14.3	68,727	33.2	123,798
HUD	15.1	100,000	17.5	93,000	17.2	107,400	20.7	154,193	15.9	126,897	15.2	73,158	9.2	35,435
EPA	15.1	100,000												
LEAA	7.6	50,000	9.6	51,000	4.5	28,000	5.8	43,335	2.4	19,040	.6	2,850		
DOT (GHSP)	3.0	20,000	4.2	22,000	5.3	33,000	4.2	31,500	4.6	36,431				
AsA	5.4	35,700	7.5	40,000										
TDHS	4.5	29,500												
THDA	3.0	20,000	4.2	20,000	3.5	22,000	3.1	23,000	2.9	23,000	3.1	15,000	3.9	15,000
TOCD		X		X	.7	4,200	.6	4,800						
TRAFFIC ENGINEERING		X		X	5.1	32,000	4.2	31,000	1.6	12,500				
FMEA		X		X	1.7	10,350	6.6	49,333	6.1	48,802	6.0	29,000		
TDOT (TRANSPOR- TATION) SURVEY		X		X	4.2	26,000	3.5	26,000	3.7	29,476	4.7	22,500		
HISTORIC PRESERVATION		X		X		X	2.5	19,000	3.2	25,351				
RECREATION STUDY		X		X		X	2.5	19,000						
HAZARDOUS LOCATION STUDY		X		X		X		X	13.2	105,690	11.2	53,900		
TN DEPT. OF CONSERVATION		X		X		X		X	4.4	35,000	1.8	37,500		
CETA		X		X		X		X		X	1.5	7,425		
HOUSING CONTRACT		X		X		X		X		X	1.8	8,500		
AREAWIDE DEVELOP- MENT CORP.		X		X		X		X		X		X	11.9	46,000
METUS		X		X		X		X		X		X	.8	3,000
LOCAL GOVERN- MENT SERVICES		X		X		X		X		X		X	8.3	32,000

similar patterns are evident. The budget was at its peak in fiscal year 1979-80. A decrease of over 77.0 percent is noted in comparing the high and low years.

The seven year period also reveals a multitude of other programs that ETDD has been involved in that differ in both levels of funding and longevity. The most prominent programs include the Law Enforcement Program (LEAA), the Farmer's Home Program (FmHA), and the Tennessee Housing Development Program (THDA). The LEAA and FmHA experienced a continuous cut in funding and were gradually phased out. Appropriations from THDA have dwindled but the program can still be considered as a minor but significant source of funding.

The attempt to develop new programs has primarily taken the form of METUS, a council dedicated to the promotion of tourism in the sixteen-county region, and the Areawide Development Corporation. Thus far, the funding for these programs have met with marginal success, METUS comprising \$3,000 of the total budget and ADC \$46,000 for fiscal year 1982-83. Local government services constitutes \$32,000 of the budget for fiscal year 1982-83.

Another program is focused to save local money through the consolidation of activities in the counties. This effort includes insurance pooling and joint purchasing. ETDD is pursuing the idea of providing technical assistance for those counties that would like to become involved in a statewide pool for the provision of insurance needs which, in turn, would provide lower rates. Joint purchasing involves grouping needs together of like items of smaller local

governments to purchase in bulk and save money. ETDD also anticipates developing special contracted studies such as the Loudon County Central Garage Study and the Loudon Water-Sewer Rate Study. Table 1, page 46, is a yearly summary of programs funded from fiscal year 1976-77 to fiscal year 1982-83.

Figure 2 is a representation of ETDD's major funding sources, its miscellaneous programs (those programs that are sporadic means of funding) and its pass-through programs. Aging is the only pass-through program that ETDD has been involved in. Funding for the Aging Program ended in fiscal year 77-78. All other monies accumulated by the Development District were regionally oriented studies and programs. The largest source of operational money was derived from ARC, followed by the HUD and EDA programs, respectively. Over the years, miscellaneous programs increased in number, i.e. until fiscal year 82-83. All programs, regardless of type, have steadily decreased.

East Tennessee Development District Staff

In conducting the research necessary for evaluation of ETDD, the researcher asked a staff member the question: Are there any explicit costs and benefits that came about from the Reagan decision to limit federally funded programs for your Development District? The reply was: "Yes, costs include a substantial reduction in the ability to undertake regional planning, statistics gathering, maintenance of data, and service to localities. There are no known benefits!"

These "costs" were directly brought about by a reduction in the ETDD staff, resulting in the lack of manpower needed to carry on

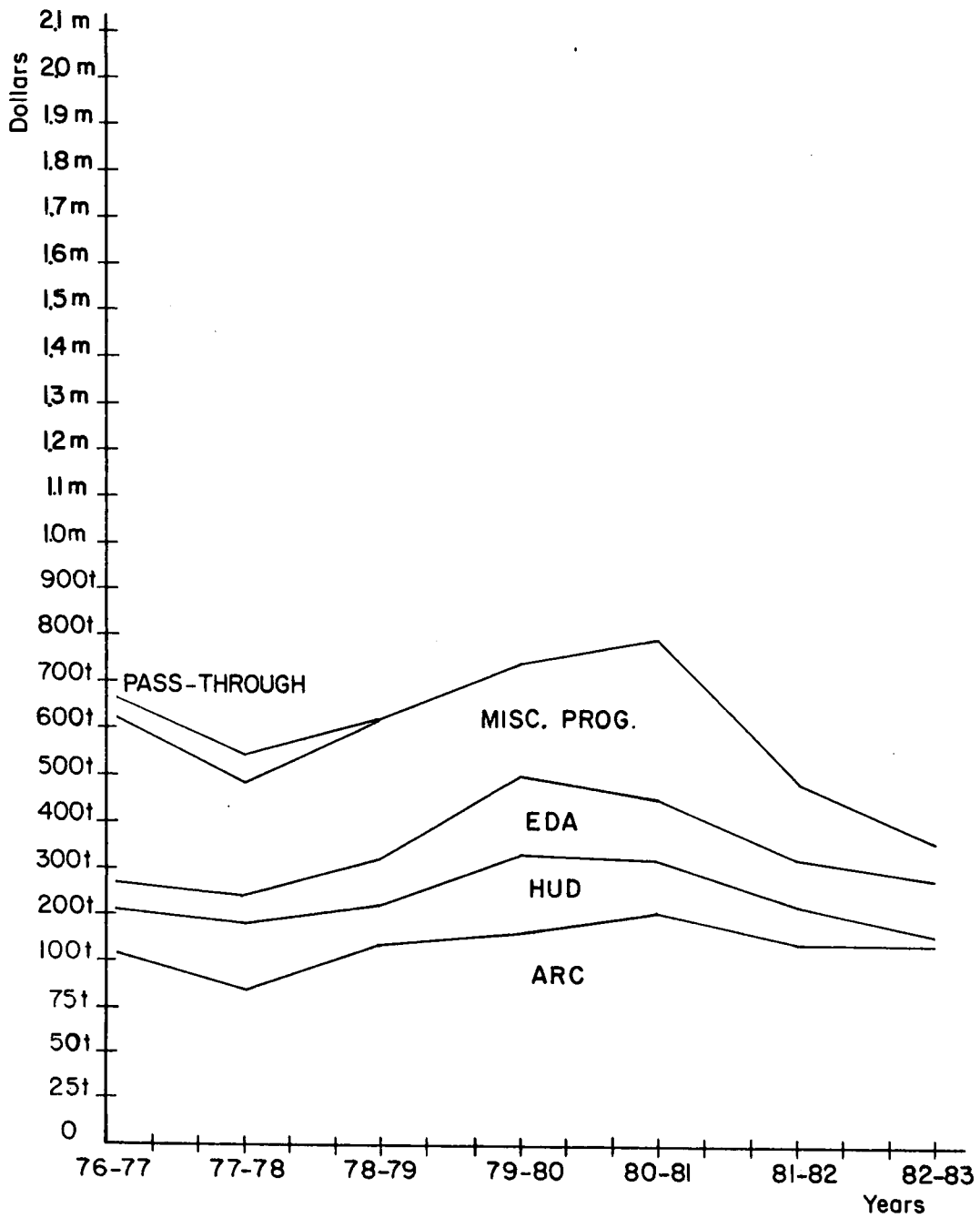


Figure 2

ETDD Cumulative Budget

Development District activities. Whenever possible, actual reductions were determined in accordance with the expertise necessary to continue other programs. For example, when funds that had been appropriated for Highway Safety and Historic Preservation programs were eliminated, those particular staff positions were terminated. Attempts were made to make reductions through resignations and reassignments. Despite this effort, a total of thirty-two positions have been lost. The thirty-two positions eliminated included eight clerical, eleven interns/data collectors, ten planners, and three administrative positions. Actual lay-offs added up to seven positions and one time reduction for three years with the period ending December 31, 1982. Types of positions eliminated included: Historic Preservation, Housing, Public Relations, Research Analyst, Secretary, Transportation Planner and Graphic Artist. The employee that was previously responsible for the Law Enforcement and Highway Safety Programs has been reduced to part-time. Although the employee has experienced a time reduction, responsibilities have increased and the person is now being primarily utilized as a consultant.

Nevertheless, the staff's feelings on job security is currently uncertain. Their positions are not assured because funding for the programs that are still in existence are in jeopardy. In the opinion of the Assistant Director of ETDD, the morale of the staff is good. No employees are known to be searching for other employment. Thus, they are dedicated to the on-going functions of the Development District.

CHAPTER IV

UPPER CUMBERLAND DEVELOPMENT DISTRICT

Background

Persons interested in and dedicated to a better way of life for the people of the Upper Cumberland region met in 1968 to discuss the possibilities of forming a region-oriented organization. By January 1, 1969, the Upper Cumberland Development District had been organized. The District's purpose was to bring about new development in the Upper Cumberland region. This desire was expressed in the By-Laws adopted by the Board of Directors:

To plan and implement a comprehensive program of development of the region.

To maximize the development of the economic, industrial, social, physical and cultural resources of the region.

To promote and coordinate the plans and activities of individuals, agencies and other organizations for the improvement of the area.

To develop and maintain effective working relationships with other Development Districts, agencies and organizations for the betterment of the region.

To provide a regional environment conducive to economic growth, the expansion of employment opportunities, the broadening of the industrial base and the upgrading of the labor force.

To bring regional resources together as a single, unified, economic entity.

To promote the development of scientific and technological progress and the growth of financial, social, and cultural resources for the benefit of the Development District's citizens.¹

¹Annual Report, Upper Cumberland Development District, 1974.

Geography

The Upper Cumberland Development District is composed of fourteen counties containing thirty-one incorporated cities which are located in the northeastern portion of central Tennessee. The district encompasses an area of 5,093 square miles. "All fourteen counties in the District have been officially designated Appalachian by the Appalachian Regional Act of 1965 and subsequent amendments."² The counties included in the District are: Cannon, Clay, Cumberland, DeKalb, Fentress, Jackson, Macon, Overton, Pickett, Putnam, Smith, Van Buren, Warren and White.

Within the District are three different physiographic regions with three general elevations. The western portion is made up of the Central Basin. The Central Basin comprises 29 percent of the total land area and has an average elevation of approximately 500 feet. Directly above the basin lies the Highland Rim. This area constitutes about 31 percent of the District and has an average elevation of 1,200 feet. Situated to the east of the rim is the Cumberland Plateau. The region varies in elevation, ranging from 2,000 to 3,000 feet and contains approximately 40 percent of the District land area.³

²Regional Capital Improvements Program, UCDD, 1977.

³Ibid.

Organization

The Upper Cumberland Development District is composed of two decision making bodies which are a sixty-two member Board of Directors and a twenty-four member Executive Committee. The Board consists of the fourteen county judges (manager or administrator in some instances), the mayors of the thirty-one incorporated towns; one individual from each of the fourteen counties who is appointed by the judge of the respective county as industrial representative; a minority member; and a state senator and state representative from the area. It is the responsibility of the Board of Directors to elect a chairperson, vice chairperson, secretary and treasurer. These four officers, the immediate past chairperson, the legislative members, the minority member, one member chosen from among each county's total representation, and two mayors from smaller towns comprise the Executive Committee.

The Executive Committee meets every other month in order to guide the staff of the Upper Cumberland Development District in fulfilling the District policies as established by the Board of Directors during the annual meeting.⁴

Through the years, these policies have grown, expanded, and changed direction. The mission of the District, however, has remained fairly constant. "Toward a better life . . . by, working together

⁴Fiscal Year '80 Annual Report, UCDD, 1980.

for the best use of the region's economic, human and environmental resources."⁵

The attainment of a better life was to be accomplished through the development of a regional community concept within the Upper Cumberlands. The Board of Directors and UCDD staff recognized this early in the District's development and at the outset, entered a period of intentional institution building. Today,

Older provincial barriers have been replaced by a widespread recognition and acceptance of the concept of multi-city/multi-county response to common problems and their solutions. The jealousies and rivalries which long impeded inter-city and inter-county cooperation have given way to joint ventures and region-wide approaches to the solution of common problems that fit locally within the local-state-federal partnership approach to problem solving.⁶

The Board also felt that it was important to develop channels of communication and interaction with various local, state, and federal government. This effort they felt would, in turn, create objectives that were the product of a free flow of information among the various government agencies. The Board also considered the Development District's function as a coordinated approach to both planning and programming.

Socioeconomic Analysis

In the evaluation of the social characteristics of the economy of UCDD, it is not as important to understand the types of changes that

⁵Toward a Better Life, Upper Cumberland Development District, Annual Report, 1976.

⁶Overall Program Design, UCDD, 1978-80.

have taken place in the past than the fact that there will be changes in the future. The socioeconomic traits that are of primary importance include (1) population trends, (2) income, and (3) employment.

Population Trends

The fourteen counties that lie within the Upper Cumberland region are considered one of the most rural areas in Tennessee. The term Appalachian was coined to describe the rural character of the population and the mountain people who are more accustomed to rural than city life. The district is composed of over 241,605 people sparsely dispersed throughout the region. The largest county within the UCDD is Putnam with a 1980 population of 47,690 people. This includes the several thousands of students that are in attendance at Tennessee Technological University at Cookeville.

Earlier decades, namely 1940, 1950 and 1960, revealed large population losses. The total population of UCDD for 1950 was 198,382 persons. By 1960, this figure had declined to 183,190 persons. The 1970 decade showed a reversal in the pattern of out-migration and the population increased by 10,529 persons.

The change may be attributed primarily to three factors. First, the massive out-migration of the 1940's and 1950's left fewer people in the age groups that tend to leave the area. Secondly, the Upper Cumberland area has undergone significant expansion and diversification of job opportunities during the past ten to twenty years. Counties are now in a much better position to hold their youth. Finally, there is a nationwide trend toward population growth in rural and small urban areas.⁷

⁷Regional Capital Improvements Program, UCDD, p. 8, 1977.

The eighties continue to show an increase in population with a population over 241,600 persons.

The reversal in migration patterns and a positive population growth has been offset somewhat by the decline in natural increase.

A sizeable reduction comes in spite of increased life expectancy and is, therefore, quite significant. The out-migration of women of childbearing age has, of course, had some effect, but not enough to explain the continuing and sizeable decline.⁸

Although the UCDD is primarily rural, a trend toward urbanization is evident. The pattern of urbanization coincides with the nationwide trend in population growth in both rural and small urban centers. Cities that are expected to gain substantial increases in population are Cookeville, Crossville and McMinnville. The growth of these cities will in turn, affect the increased urbanization in the region. The new growth of these cities acts as a reminder to UCDD that the activities in which the District is involved must constantly change to meet the changing needs of the region.

Per Capita Income

Per capita income for UCDD was below the income level for the State of Tennessee in 1960, 1970 and 1978. Ten of the fourteen counties comprising the UCDD had income levels below \$1,000 for 1960. The highest per capita income for 1960 occurred in Warren County where income was \$1,223. The trend continued in 1970 and 1978, with Warren

⁸ Ibid.

County again showing the highest income level in the region—\$2,828 and \$6,162, respectively. The lowest income level for 1970 occurred in Van Buren County with \$1,656. Pickett, Fentress and Smith counties shared the lowest income level positions in 1978 with \$3,185, \$3,287 and \$3,588.

Employment

As of 1969, the largest number of employed persons in the UCDD region was in Putnam County where the number of employed persons was 9,817. In contrast, only 1,041 persons were employed in Van Buren County. By 1978, the total civilian labor force of the region totalled 91,420 persons. Of this figure, 85,160 persons were employed with an unemployment rate of 7.4 percent. This rate was above the unemployment rate for the State of Tennessee (6.0 percent) for the same period. The highest unemployment rate for 1978 occurred in Fentress County with 10.3 percent while the lowest rate was in Warren County (5.7 percent).

Major employment opportunities for the region are concentrated in three counties. These are: Cumberland, Putnam and Warren Counties. Major employers in Cumberland County are: Stone and Quarry companies, Carter Ink Company, Catoosa Knitting Mills, Crossland Homes, Inc., Crossville Rubber Products, General Processing Corporation, and Roselon Southern. Cumberland County is considered a trade center for surrounding areas. The county has a higher than average trade and service employment in the district and is currently being extensively developed as a recreation and retirement area.

Putnam County has the greatest concentration of service and manufacturing employment. The county is considered to be a favorable location because of its proximity to I-40 and the fact that Tennessee Technological University is located in Cookeville. The county's central position in the District has enhanced it as a natural growth area. The industrial base of Putnam County is the most diverse in the District. Major areas of employment include: leather shoes, furniture, apparel, auto parts, ball bearings, brushes, heating elements, machine tool and dye, and metal works. Putnam County is also a major service center for the District, employing more people in trade and service than any other county. Putnam County, primarily Cookeville, is also the center of government activities including the Tennessee Technological University, state and federal agencies.

Past Programs

The Annual Report for Upper Cumberland Development District was not produced for widespread distribution until June 1974. Therefore, the assessment of past programs for the first five and one-half years the District was in operation is somewhat limited.

Major functions of the Development District since its inception have included planning, coordination, technical assistance and A-95 review. Planning was initiated in 1969 with the adoption of the Overall Economic Development Program by the Economic Development Administration. This model was a standard for all of the subsequent planning that followed for UCDD. Regional plans completed during

fiscal year 1974 include: Land Use Survey (phase III), Future Land Use Plan; Agricultural Waste Survey; Socioeconomic Impact of Speculative Land Development; and an Industrial Site Survey and Plan.

The coordination function for 1974 included three major activities. The WIC program was a supplemental nutrition program for Women, Infants and Children aimed at diminishing the high occurrence of anemia in the Upper Cumberland. A Junk Car Removal Program was designed to rid the region of hundreds of abandoned junk cars. The Tri-County Vocational School was a cooperative effort between various resources whose ultimate goal was the provision of a new and modern vocational school.

Technical assistance varied in scope for the District during 1974. Technical assistance activities were performed in the areas of human resources, public facilities, grant assistance, economic development and management.

Clearinghouse review served several purposes for the region. It served both as an early warning system for local governments in the Development District and as a coordination mechanism. Projects reviewed by UCDD for fiscal year 1974 totalled 69,601,960 dollars.

Accomplishments of the UCDD for 1975 are manifold. They include the adoption of uniform health and safety plans under the Occupational Safety and Health Act-OSHA; a series of projects funded under the HUD-701 program; Housing; Highway Safety; Law Enforcement; Aging; and Child Development. Also, the Upper Cumberland Educational Cooperative was instrumental in obtaining funds from ARC and the Tennessee Department of Education for the Tri-County Vocational School.

The following year saw a continuation of the Educational Cooperative, Child Development, and Law Enforcement activities. Further accomplishments were noted in the planning of programs for the aging. The formation of a Homemaker Aid Program to provide services for homebound and elderly persons, the operation of a geriatric counseling and referral program, and a study assessing the needs of minority elderly are major activities added to fiscal year 1976.

The years 1977 and 1978 saw the completion of three new regional plans: The Future Land Use Plan, The Regional Housing Element and The Regional Capital Improvement Plan. Also, preliminary approval for block grants totalled \$1,624,300, including land purchases, housing rehabilitation and water line extensions. Planning, coordination and technical assistance during the year included airport improvements, industrial parks, solid waste collection and disposal and recreation.

Four major regional plans were completed using funds provided under the HUD-701 program for fiscal year 1978-79. These projects were Regional Planning and Development Program; Regional Fire Protection Plan; Regional Housing Rehabilitation Plan and a Regional Energy Management Assistance Plan/Program. Technical Assistance during the year was extensive. Some of the projects which the UCDD assisted agencies, governmental units and organizations with were: solid waste management plans, landfills, land acquisition applications, industrial park loans, survey of newly constructed homes, water line additions, city parks, fire protection plans, and many others. A total of twenty-nine grants equalling \$401,957 were implemented by the staff responsible

for law enforcement and encompassed the same type of programs from the previous year.

Current Focus

The 1980's presented new perils for the Development Districts and demanded a change in outlook and orientation toward the future. It was no different for Upper Cumberland Development District.

In order to provide better service to our member governments, we have reorganized the Development District staff into four departments. The Department of Human Services planning is responsible for all people-oriented programs. The Economic Development Department is responsible for all economic and industrial or job-oriented programs. The Regional Planning Department is responsible for all physical improvement-oriented programs. The administrative Department is responsible for all operational support functions. Innovative changes of this type are needed if we are to meet the challenge of the decade of the 80's. Worsening economic conditions along with a decrease in Federal and State grant programs will provide us all with many opportunities to be resourceful. I firmly believe that our spirit of cooperation and ability to make changes will allow progress to continue within the UCDD.⁹

The Human Resource (Services) Department was comprised of Aging, Child Development and Public Safety for 1979-80. Overall staff responsibilities included identifying needs, developing goals and objectives, surveying available resources, and formulating an implementation process for derivation of needs, the end product being the "linkage of the people in need with available resources to meet the needs of the people."¹⁰

⁹ Fiscal Year 80 Annual Report, UCDD, 1980.

¹⁰ Ibid.

Specific highlights in the aging department for 1979-80 includes the renovation of Senior Citizens Centers on a region-wide scale; an expansion of the nutrition program; the coordination of an annual Southeastern Aging Network Training Conference; provision of an annual health screening fair and the achievement of a multipurpose senior citizens center in each county.

In the area of crime control in fiscal year 1980, the Law Enforcement and Highway Safety planning units were joined together to form the Public Safety Planning Program. Basic functions of the program were to remain the same—i.e.,

To act in a planning and advisory capacity to aid law enforcement agencies and street and road departments in identifying specific problems and needs and to develop public safety programs to correct the problems and fulfill the needs.¹¹

In an effort to serve children in the areas of education, mental health, child care, health, juvenile corrections, human services, etc., the Regional Child Development Council met monthly to exchange information and promote coordination of services. Technical assistance and coordination were provided to both regional and county councils in child development. In addition, activities included the preparation of statistics and narrative for several publications, preparation of a Parent Handbook, collection of information and referral services, served as a regional health grant steering committee, and provided written testimony to the mental retardation planning commission for the preparation of a five-year plan.

¹¹ Ibid.

The Regional Planning Department prepared several comprehensive planning documents during 1979-80; "Regional Solid Waste Management Plan"; "CDBG and UDAG Program Management System"; and the "Area-Wide Housing Opportunity Plan." Technical assistance focused on community development block grants, urban development action grants, energy and regional energy emergency contingency plans.

It was the intent of the UCDD staff to create more and better jobs through Economic Development Planning, Coordination and Technical Assistance. Responsibilities involve the planning and preparation of grant and loan packages for industrial park development; industrial speculative buildings; solid waste disposal services, water and sewer facilities and marketing expertise of farm products. Another recent milestone has been the designation of the UCDD as the Regional Affiliate of the State Data Center for the purpose of analyzing and disseminating economic and human resource data.

Significant accomplishments in industrial development include the reception of a 1.5 million dollar grant by a four county area for the development of 315 acres of industrial land, which created 3,150 additional industrial jobs in the Upper Cumberland. Grants were also received for assistance in attaining a sanitary landfill, collection equipment, roof repairs on an industrial building, the construction and expansion of water treatment plants to accomodate area industrial and residential needs, the expansion of sewer services to commercial and industrial facilities through ARC funding and an industrial access road.

Seven counties received assistance for the collection and disposal of solid waste. A region-wide grant of over \$400,000 was allocated for the same purpose and was distributed throughout all counties, cities and towns.

Water and wastewater projects and improvements have also been given prime consideration. Technical assistance has included grant applications, local workshops, and engineering recommendations. A total of twenty-six water and sewerage systems received some type of assistance for fiscal year 1979-80.

During 1979-80, a grant was also received from the Farmers Home Administration Section III for a Demonstration Agricultural Marketing Project. The program encompassed three towns in the region while providing a means for the rural residents to establish a location to sell their farm products.

The first Economic Development Conference was held in June 1980, in Cookeville, Tennessee, bringing together those in the public and private sector that were interested in economic development.

A total of 402 projects were reviewed for fiscal year 1979-80 under the A-95 process. Cost amounted to \$854,262,434.

Currently, UCDD's primary funding comes from the Tennessee Commission on Aging, EDA, and ARC. The EDA and ARC programs are not considered secure sources of funding, however, and may be eliminated. This would result in a further reduction in dollars that are available for the counties' infrastructures. These monies the District believes are needed if industries are to be attracted to the region.

Future Focus

The future role of UCDD is currently to bring new and innovative funding opportunities into the District while at the same time utilizing the staff's expertise to build upon existing programs. UCDD will continue to seek funding for projects such as water, sewer and industrial parks. Other Development District activities for the future will be developed by a consensus of local officials.

Sources of alternative funding include the SBA 503 Program; 205(J) Water Quality Control; Jobs Training Partnership Act; computer programming; administration of CDBG and joint purchasing.

The SBA Section 503 Certified Development Company (CDC) Loan Program evolved from the Section 502 Local Development Company (LDC) Program. Section 503 varies from Section 502 in two distinct ways. First, loan activity funding has greater reliability due to the Federal Financing Bank; secondly, the CDC is a major partner of SBA—thereby sharing responsibility for loan origination, packaging, closing, monitoring and servicing.

As it relates to UCDD, the purpose of the program is to provide small businesses within the fourteen county service area with financing up to twenty-five years for the acquisition of land and building, machinery and equipment, construction, renovation and restoration needed to create or retain jobs.

The essence of the program is to make available long-term, low down payment, reasonably priced financing by providing 503 second mortgages subordinated to conventional first mortgages. The 503 mortgage will carry a maturity which matches the term of the loan to the life of the assets purchased with the loan. The rate of interest is set

near long-term Treasury Bond rates and is structured in such a way that the borrower provides a down payment of ten percent or less. By overcoming the long-term financing gap faced by small and medium-sized businesses, the 503 program permits the small business community to better realize its full growth potential.¹²

The Cumberland Area Investment Corporation was certified in October 1982. The UCDD agreed to provision of the following services:

1. Provide office space, telephone reception, and secretarial services for Cumberland Area Investment Corporation business;
2. Provide accounting services for the Cumberland Area Investment Corporation;
3. Receive inquiries from small businesses concerning management and financial problems;
4. Provide assistance and referrals to the above inquiries;
5. Conduct marketing and outreach programs for the 503 Company activities, and
6. Provide loan evaluating, packaging, and closing (excluding legal services) for the 503 Company activities.

Services are to be provided on a cost reimbursement basis not to exceed 1 percent of all SBA 503 loans closed by the Cumberland Area Investment Corporation. The UCDD, in turn, will service the loans on a cost reimbursement basis not to exceed one-half of 1 percent per annum of the outstanding balance of all 503 loans.

Thus far, the Section 503 loan program has not been effective for Upper Cumberland Development District. Since certification in

¹²SBA's 503 Program, UCDD.

October 1982, only one loan has been processed. Front end costs greatly exceed monies brought back into the District. However, hopes are high that the program will gain momentum.

In order to receive assistance under section 205(J) of the Water Quality Control Program a State must meet the following criteria: (1) report annually on the nature, extent and cause of water quality programs in various areas of the State and interstate region; (2) develop its work program jointly with local, regional and interstate agencies and give funding priority to such agencies and designated and undesignated public comprehensive planning organizations to implement portions of that work program.¹³

On December 8, 1982, a proposal was submitted by UCDD for a 205(J) Groundwater Protection Project. Within the UCDD are two major lakes, Dale Hollow and Center Hill, as well as several major streams and rivers. If the proposal is granted funding, an inventory will be conducted of waste disposal sites, feed lots, and other contaminating sources of groundwater during the first year. The extent of present contamination will be determined and recommendations will be developed. Model ordinances will also be developed to implement the recommendations.

The second year will include an inventory and analysis of all wastewater facilities. A determination of immediate and short range problems will also be made. Regionwide priorities will be formulated by local officials and the Groundwater Protection Strategy Committee. The establishment of possible methods of funding as well as a complete assessment of each counties capital needs necessary to meet Tennessee Water Quality Control Standards will also be conducted.

¹³ 205(J) File, Upper Cumberland Development District.

The project will coordinate with Extension Service and other agencies and involve them in the development of the reports and plans. Also, the Tennessee Technological University Civil Engineering Department will be active in the two phases of the project, providing expertise and manpower. The proposed project will develop valuable data, identify problem areas, and present alternatives including model ordinances, which can relieve the problems. The project will also bring together the county executives, mayors, other governmental agencies and TTU Civil Engineering Department, and the UCDD staff in an effort to solve the present and potential groundwater problems in the Upper Cumberland area.¹⁴

The UCDD has also applied for funds for handling the organization and planning of the new "Job Training Partnership Act." The funds are to be used for the training of potential employees for a variety of industries and businesses. Seventy percent of the grant money is to be used for training. There is a fear, however, that community colleges in the area will be designated to administrate the program.

UCDD has traditionally aided local officials, consultants, businesses, chambers of commerce, students, librarians, government personnel and others in analyzing and obtaining data on a wide variety of subjects. In 1980, the District expanded its data resources by joining the Census Bureau's Data Center affiliate program. Further expansion of the District's data base has been made possible by incorporating computers in this operation. The District has intentions of charging a fee to private enterprise for the use of the District's substate data center and engineering services.

UCDD is also interested in becoming involved in the joint purchasing program. The concept is that money can be saved by purchasing like items for the localities in large quantities.

¹⁴205(J) File; UCDD.

Budget Analysis

The total budget for UCDD decreased by 49 percent when fiscal year 1976-77 is compared to the fiscal year 1982-83 budget. During this time, funding dropped from \$661,220 to an all-time low of \$335,954. The budget remained at \$726,206 dollars during fiscal year 1979-80, the year that the Reagan administration first entered office. When comparing that year to the current fiscal year, a 54 percent decline in the total budget is noted. The largest budget allocation for the seven-year time span occurred in fiscal year 1977-78, which amounted to \$737,106.

One factor contributing to the drastic decrease in UCDD's budget is the decline in funding from the ARC program. ARC funds allocated to UCDD have dropped by approximately 26 percent since fiscal year 1976-77 and are expected to decline even further. HUD program funds are an even greater factor. In fiscal year 1976-77, \$99,449 dollars was funded by HUD. By fiscal year 1982-83, it declined to \$19,309 for a decrease of almost 81 percent. Similar problems were involved with EDA funding. Funding remained relatively constant for fiscal year 1976-77 through fiscal year 1981-82; however, for fiscal year 1982-83 a 62 percent decline occurred when compared to the previous fiscal year. Table 2 is an analysis of UCDD's budget between fiscal years 1976-77 and 1982-83.

Funds administered by the Tennessee Commission on Aging, although declining in comparison to earlier years, still constitutes the largest portion of UCDD's budget. It is currently being proposed by the Governor to place the aging program under the jurisdiction of the

Table 2
UPPER CUMBERLAND DEVELOPMENT DISTRICT BUDGET

	% OF	1976-1977	%	1977-1978	%	1978-1979	%	1979-1980	%	1980-1981	%	1981-1982	%	1982-1983
TOTAL		175,722	20.2	148,882	29.0	146,932	20.2	146,932	30.1	156,932	32.0	142,600	38.6	129,500
ARC	26.6	175,722	20.2	148,882	29.0	146,932	20.2	146,932	30.1	156,932	32.0	142,600	38.6	129,500
Tenn. Depart. Econ. & Comm. Development	.6	4,154	---	---	---	---	---	---	---	---	---	---	---	---
HUD	15.0	99,449	11.8	86,801	16.4	89,130	10.5	76,002	13.1	68,141	12.4	55,568	5.8	19,309
EDA	9.3	61,664	8.4	61,877	13.2	71,667	10.1	73,334	14.1	73,334	16.4	73,333	8.2	27,500
LEPA	6.2	40,900	4.5	33,358	6.0	32,282	3.5	25,596	3.2	16,667	---	---	---	---
Highway Safety Planning	5.4	35,534	15.5	113,976	4.5	24,268	5.4	38,970	---	---	---	---	---	---
Tenn. Comm. Aging	30.4	200,732	24.6	181,589	16.5	89,864	17.1	124,333	29.5	153,522	34.2	152,539	41.6	139,685
THDA	6.3	41,758	7.4	54,682	4.0	22,000	3.2	23,000	4.4	23,000	33.6	15,000	4.7	15,000
Tenn. Office of Child Develop.	.2	1,307	.5	3,618	.7	3,749	.6	4,200	.9	4,600	1.0	4,600	1.5	4,960
Area Wide Action Program	---	---	1.1	8,281	2.2	12,000	---	---	---	---	---	---	---	---
CETA Title VI	---	---	6.0	44,042	9.1	52,665	21.4	155,505	4.8	25,014	---	---	---	---
EDA Energy	---	---	---	---	---	---	3.7	26,667	---	---	---	---	---	---
FuHA	---	---	---	---	---	---	4.4	31,667	---	---	---	---	---	---
Tenn. Energy Authority	---	---	---	---	---	---	---	---	---	---	---	3,000	---	---
TOTAL		661,220		737,106		554,557		726,206		521,210		446,640		335,954

Department of Human Services. Severe cuts in funding have also been experienced in the THDA program. The budget currently comprises only 36 percent of the budget allocation they had five years ago.

Although the UCDD's ARC program has steadily declined since fiscal year 1976-77, it still comprises 38.6 percent of the budget for 1982-83. EDA and HUD comprise small proportions of the fiscal year 1982-83 budget, 8.2 percent and 5.8 percent, respectively. The Area on Aging Program makes up the largest portion of UCDD's budget. This money, however, is pass-through funding. All other programs funded through UCDD were for Regional Studies and Programs. By fiscal year 1982-83, miscellaneous programs showed a substantial decline in funding. The same held true for the major funding programs (ARC, EDA and HUD). Pass-through monies have not declined substantially. Figure 3 shows the UCDD Budget.

Upper Cumberland Development District Staff

Drastic reductions in funding has been the reason for several positions at UCDD to be abolished. Programs and corresponding personnel that have been eliminated since fiscal year 1980-81 include: EDA Energy advisor—EDA Professional Services Grant; Agricultural Market Specialist—Section III FMJA; Law Enforcement Planner—LEAA; Public Relations Officer—ARC; and one secretary—HUD 701 program. In determining what staff was to be released, persons were terminated based on noncontinuation of grants. When possible, staff reductions were accomplished through attrition.

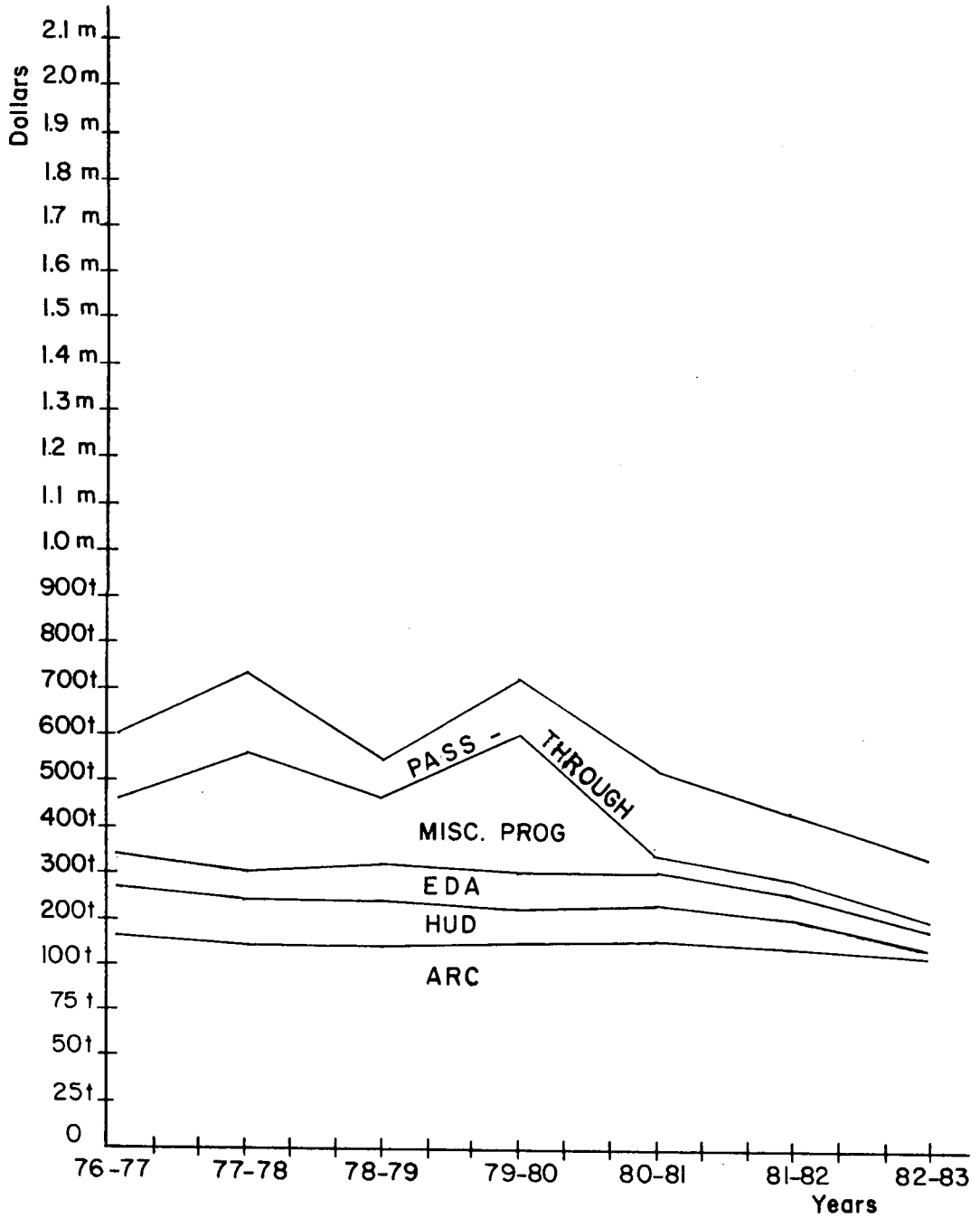


Figure 3

UCDD Cumulative Budget

The Director of UCDD is currently using cash reserves to supplement personnel in an effort to avoid further staff reductions. The length of time that this procedure can be effective is dependent upon future budget reductions. Decisions regarding future termination of employees will be based upon the importance of the person's function. Such decisions are made by the Board of Directors.

UCDD has maintained the same staff for the past twelve months by keeping the District's budget at its current level. However, \$12,000 in ARC funds is being lost for the next fiscal year. It is hoped that an Historic Preservation Grant for \$14,000 will be obtained in place of the last ARC funds. This would prevent any additional staff terminations. The workload for the staff has increased but the available monies have remained the same. Stable funding sources are needed to give employment guarantees. There are no known employees considering leaving the District, however. The employees seem to be somewhat concerned about the security of their positions. Various employees have inquired about the possibility of termination in individual conferences with the Director. If the Historic Preservation Grant is not received, the staff has been told to expect at least one reduction. The attitude taken by the staff is still a confident one, however. The District has always managed to survive. They do not view these circumstances any differently.

CHAPTER V

FIRST TENNESSEE-VIRGINIA DEVELOPMENT DISTRICT

Background

It was early in 1966 that Linzy D. Albert, then Director of State Planning, began an effort to stimulate interest among upper East Tennessee county judges, mayors, and other interested groups involved in economic development in the formation of an economic development district based on state and federal legislation passed the previous year. The Appalachian Act and the Public Works and Economic Development Act of 1965 were intended to promote regionalism and this presented an opportunity for upper East Tennessee to take advantage of potential Federal funding. The First Tennessee-Virginia (Economic) Development District was created as a result of these efforts and new state and federal enabling legislation. The District was the first to be formed in Tennessee and stands alone in the State in that it bridges state lines in implementing its programs. "Formed in 1966, the organization was created to coordinate economic development of the region."¹

Geography

The First Tennessee-Virginia Development District, a regional association of local governments, comprise eight Upper East Tennessee

¹First Tennessee-Virginia Development Brochure.

Counties, nineteen Tennessee municipalities, and the independent city of Bristol, Virginia. The counties of FT-VDD include: Carter, Greene, Hancock, Hawkins, Johnson, Sullivan, Unicoi, and Washington.

Basically, there are three principal centers of economic influence in Upper East Tennessee, (Tri-Cities), Bristol, Johnson City, and Kingsport. In the tri-cities area, the three municipalities extend a few miles toward each other; however, economic development is primarily concentrated in the centers themselves. Elizabethton and Greeneville exhibit a lesser degree of economic force in the region.

For many years communications in the area tended to solidify and containerize these spheres of economic influence, generally within the town involved. Thus, there was in the early days, little to hold the area together as a region, despite the fact that the problems faced by the various cities (economic development centers as later defined by the development district concept) had great similarity.²

Organization

The sixties was a period of economic prosperity for many parts of the nation. However, the Upper East Tennessee area did not capitalize on development opportunities during this time because this particular portion of the Appalachians was not directly involved in economic development. The interstate highway system came to an abrupt halt at Bristol. Residents shopped in outdated stores, noncharacteristic of the modern enclosed shopping malls utilized in other parts of the country.

²A Decade of Regional Cooperation, FT-VDD, September 1978.

On April 26, 1966, at 1:30 p.m., the late James Hardin, then mayor of Greeneville, presided at a gathering of upper East Tennessee county judges, mayors, and municipal officials who were seeking a new approach to solving the problems they faced in providing the needed services for their areas This gathering became the organizational meeting of the First Tennessee-Virginia (Economic) Development District, which was to become the First Tennessee-Virginia Development District."³

The District was created as an umbrella organization for planning and development which evolved into a forum for cooperation that had not previously existed. Regional efforts were lax, partly because of the nature of communications in the area where daily newspapers had little regional concentration, the telephone company established policies such as "local long distance," and television stations carried advertising contracts that catered only to businesses in a local area.

Thus, there existed a set of circumstances that not only discouraged regional cooperation, but to some extent fostered unhealthy municipal competition. It was not too many years before the formation of the FT-VDD, that mayors of the three principal cities were circumspect about being seen with the leaders of other towns, fearing real or imagined local political retaliation The lack of cooperation in the region was not especially due to hostility, but could be attributed to apathy, as well as to the fact that at that point in time there was no agency to foster such moves which would inevitably encounter some economic opposition.⁴

Inflation, coupled with the distribution of federal funds to countries and municipalities, started forces which eventually dissipated this out-moded manner of thinking. At the same time, it laid a foundation that led to a better form of cooperation.

³ Ibid.

⁴ Ibid.

The organizational meeting of FT-VDD on April 26, uncovered an interest on the parts of the mayors and judges of the region regarding the formation of a development district. That day a resolution creating an economic development district for the eight-county area was adopted.

The concept of the organization is based on the recognition that the area constitutes a single physical, economic and social unit, regardless of artificial boundaries such as corporate limits and state and county lines. Therefore, planning for the area is conducted on a regional as well as a local approach to problem solving. In essence, the First Tennessee-Virginia Development District brings the individual parts of the region together with unity of purpose.⁵

The Board of Directors of the FT-VDD is composed of the counties chief elected officials and industrial representatives. The purpose of the District is to aid communities with the development of infrastructure projects such as water sewer improvements and industrial parks in an effort to accomodate the demands of increased economic growth and industrial development. Coordination with other agencies that provide services, assistance, and information to the region is necessary in order to maximize benefits in the region.

Socioeconomic Analysis

Trends in population growth, income and employment are primary indications of the overall well-being of the area. In order to maintain a uniform comparison with the other Development Districts studied, each of these characteristics will be discussed.

⁵FT-VDD Brochure.

Population Trends

Population growth for the FT-VDD region increased by 10.2 percent between 1960 and 1970. In comparing the United States and Tennessee, population change was 13.3 percent and 9.9 percent, respectively. The fastest growing city in the region (Bristol, Virginia) had a population increase of 14.6 percent. Hancock County, however, suffered a 13.3 percent loss in population for the decade. By 1980, the population of FT-VDD was 437,137 persons. This was an increase of 15.3 percent which was above the United States increase of 11.4 percent but below that of Tennessee's 16.9 percent. For this period Hawkin's County's population grew by 29.6 percent. A reverse in population trends was shown in Bristol, Virginia, which had a decline in population of 3.1 percent.

Per Capita Income

A primary means of determining the amount of income generated in an area is per capita income. In reviewing county trends within FT-VDD, the lowest per capita income was in Hancock County where income was \$620 for 1960. By 1965, per capita income in Hancock County had reached \$891 but was still far below any other county in the region. Hancock County followed the same pattern for both 1970 and 1980 with \$1,915 and \$4,108, respectively.

On the other hand, the highest per capita income in the region was in Sullivan County where per capita income was \$1,950 for 1960. In comparison, Tennessee's and the United States' per capita income was \$1,543 and \$2,226 dollars respectively for the same period. In 1970, Sullivan County again led the region in per capita income with \$3,787.

This was above the State of Tennessee's per capita income of \$3,119 but below the nation's per capita income of \$3,966. In comparing the eight counties within the District for 1980, Sullivan County again had the highest per capita income with \$8,397. The independent city of Bristol had \$8,534 per capita for the same period. Per capita income for Tennessee and the United States was \$7,702 and \$9,511, respectively.

Employment

Providing industrial jobs in Upper East Tennessee probably was the most important factor that led to the creation of (FT-VDD). The problem of how to increase employment was being faced by every governmental unit in the region as agricultural employment was rapidly declining.⁶

The need to provide jobs for the area led to the creation of the Piney Flats Industrial Park located in Sullivan County. Having a central location enabled the park to attract workers from throughout the District. Funding for the industrial park was derived from Sullivan County, Carter County, Elizabethton and Johnson City. Shortly afterwards, additional interunit cooperation occurred through the building of the Washington County Industrial Park. These initial efforts played an important part in the current and future development of the region as well as in the employment trends of the area.

For 1960, the largest number of employed persons was 40,286 in Sullivan County. The county also had one of the lowest unemployment rates of the region. In 1960 the area had an unemployment rate of 4.7 percent. The highest number of unemployed persons occurred in Carter

⁶ A Decade of Regional Cooperation, FT-VDD, 1978.

County during 1960. With 1,518 persons being out of work, unemployment rose to 11.0 percent. Unemployment for the State of Tennessee and for the United was 6.3 percent and 5.8 percent, respectively.

During 1970, Hancock County maintained a low unemployment rate of 3.8 percent followed by Sullivan County with 4.6 percent. The highest unemployment was in Greene County. The county suffered a 12.2 percent unemployment rate in 1970. In comparison, the unemployment rate for both Tennessee and the United States was 4.4 percent.

By 1981, the number of employed persons in the District was 170,198 persons which accounted for an 8.8 percent unemployment rate. Unemployment rates in Hancock County reached 17.4 percent in that year. Again, the lowest unemployment figure was Sullivan County with 7.6 percent. The rate of unemployment for the United States was the same as that for Sullivan County. The State of Tennessee, however, was experiencing a 9.1 percent rate of unemployment for the period.

Past Programs

An initial work program, which outlined the more pressing needs of the District, was begun in the fiscal year beginning July 1, 1966. The work program, funded by EDA, reflected technical assistance to the local communities for federal-state developmental projects. An analysis of resources and district deficiencies in terms of facilities or services, as well as setting priorities for public investment and determining various opportunities for investment and employment were factors covered in the overall economic development program. Through cooperation with

the State, an analysis was also conducted of the district economy to better determine markets and economic centers. Specific projects submitted to EDA for funding for the fiscal year were an eight-county industrial site survey and a feasibility study for a Poor Valley Creek Embayment in Hawkins County. The latter project provided a regional recreation-tourism program in addition to improving the economy.

Early in the year of 1967, the District contracted with Memphis State University for preparation of the Overall Economic Development Plan. Washington County, Virginia County and the City of Bristol, Virginia, petitioned to become part of the FT-VDD also during this year. East Tennessee State University expressed interest in participating in the activities of the Development District and a regional health study was begun, several industrial parks were developed including Piney Flats Industrial Park in Sullivan County, and the Washington County Industrial Park. During the same year, funding was received for the regional health study and Memphis State University completed the District's Overall Economic Development Program. In addition, a study of industrial parks encompassing the entire District was started by the Arthur D. Little Company. Finally, formal requests were made for the Hancock County Industrial Park, a hospital addition and necessary road improvements.

Problems arose in 1968 when governmental units found themselves ineligible for federal grants because of statistical and technical formulas developed at the federal level. To alleviate this obstacle in attaining grants, federal agencies were petitioned in 1968 to consider the Tri-cities and Elizabethton as a single center. A major change was

that the word "Economic" was dropped from the name and the title of the agency became First Tennessee-Virginia Development District.

Cooperative efforts were begun during this period including district-wide meetings of specific groups including city and county officials with state legislators, ad-hoc industry groups, bankers and planning commissions. These meetings were a means of stimulating interest in problems of region-wide concerns and were not necessarily directed towards obtaining grants

It was pointed out concerning grants and grantsmanship that this is not the whole aim of the District . . . it even creates some dissension . . . and it must be balanced with other forces.⁷

In 1969, the idea was developed to establish a medical school in the Upper Tennessee region. It was also in 1969 that the Development District became designated as the A-95 review agency for all federally assisted programs. FT-VDD was one of only ten Development Districts that was chosen for participation in an innovative housing survey that would assess low and medium cost housing. The objective was the promotion of nonprofit organizations to provide areas of substandard housing with federal assistance.

Although the original concept of FT-VDD had an underlying theme of planning, it was not prevalent in early years. The primary attraction to become a member of the Development District was the technical assistance given to obtain federal funds. In late 1970, one person commenting upon the District's development stated that,

⁷A Decade of Regional Cooperation, FT-VDD.

There could have been a temptation to jump into nothing more than planning Instead, the activities of getting local projects to a successful conclusion laid a groundwork that made a natural emphasis on planning, which is more effective than if the Development District had been formed just for that function.⁸

Shortly thereafter a major thrust toward regional planning was implemented. Emphasis was placed upon planning for projected growth so that it could be directed in an orderly manner thereby avoiding congestion, disorderly and unplanned commercial, business and industrial growth; pollution resulting from population increases; lack of open recreational space; blighted neighborhoods and commercial areas; and destruction of natural amenities.

The four points of the 1970 work program were: development of projects for cities and counties, human resources development, the improvement of physical and environmental conditions, and the extension of cooperation in the region.

By 1972, planning for the region had become a greater part of the annual work program. The work program for the year varied significantly from the previous year because of two region-wide programs: (1) an analysis of the economy of the Tri-Cities and remaining parts of the District and (2) the preparation of a regional land use map detailing potential uses.

The year 1973 marked a great change in that priorities for public facility needs were to be established for all counties in the region.

⁸A Decade of Regional Cooperation, FT-VDD.

Afterwards, investigations were conducted by the Development District staff for funding availability.

Goals of the 1974 work program were to continue strengthening regional cooperation and coordination for planning and development activities aimed toward solving common problems; seek improvement in economic and social opportunities for all citizens; provide orderly physical growth and environmental improvement; and provide and support cultural and historical development activities within the region.

During 1975, the FT-VDD budget grew to over one million dollars because the District administered several programs and controlled the flow of dollars for several programs. The regional land use plan was adopted during that year and the health planning function of the District was abolished as a result of the formation of the Health Systems Agency which received authorization from the National Health Planning and Resources Development Act of 1974.

As FT-VDD made plans for the future of the region during the seventies, things began to change. An interstate highway was constructed through the area providing easier access, the Appalachian Highway connected Johnson City and Kingsport and a four-lane bypass facility was built in Bluff City, Surgoinsville, Tusculum and Greenville, Tennessee. Johnson City, Bristol, and Kingsport became the owners of large air-conditioned shopping malls; Johnson City built a seven thousand seat coliseum and East Tennessee State University constructed an enclosed football stadium.

In 1976, the area was experiencing notable water pollution problems. Concern over the situation caused local officials to apply for a grant

from the Environmental Protection Agency under Section 208 of the Federal Water Pollution Control Act Amendment. The study, completed in 1978, identified the major problematic areas and also formulated alternative plans for solution to the problems. In 1979, the continual planning and implementation phase of the program was begun. Storm water management plans were prepared for Johnson City, Kingsport, Elizabethton, and Bristol. The plans were primarily prepared in an effort to control flooding and water pollution that resulted from run-off. The year 1981 saw additional storm water plans prepared for Bluff City, Watauga, Jonesboro, Mount Carmel and Church Hill.

During 1977, FT-VDD was involved in historic preservation activities and recreation needs. Housing needs were determined through studies conducted in 1971, 1977, 1978, and 1979. In 1970, multifamily housing comprised only 9.8 percent of the housing stock. Ten years later, approximately 15 percent of the regional housing stock was multifamily. Condominiums and solar energy homes were slowly beginning to take hold in the area. At this point, housing demand was expanding faster than the growth of the population. Other District activities related to housing that were carried on throughout the years include: preparation of Housing Assistance Plans and Area-wide Housing Opportunity Plan; workshop on "Fair Housing"; data collection on new housing starts; an apartment survey; and a survey of area builders and real-estate firms to keep track of new housing activity.

The District's planning program was responsible for assessing the needs of the region as it grew, developed, and changed. Water system

studies, industrial land needs and tourism potential studies were conducted in 1978 to address these needs.

In 1979, several studies were published. The District prepared the Regional Development Program which evaluated the potential for economic development in each county; a Multifamily Housing Survey which inventoried all apartments in the area; a Transportation Plans Summary which provided a listing of proposed transportation improvements; and a Recycling Inventory which listed all businesses in the region involved in purchasing recyclable materials. There were approximately twenty-nine Economic and Community Development projects in 1979-80.

Since 1973, Federal Highway Safety Projects have been funded for over two million dollars which included fourteen specific concerns. In 1979-80, ten highway safety projects were successfully applied for and obtained.

FT-VDD was designated an Area Agency on Aging (AAA) in 1972 under the Older Americans Act of 1965. Over the years, programs and services have included on-going programs of specialized transportation, homemaker, home nursing, legal aid, speech and hearing, information-referral-outreach, and senior citizen centers. During 1979-1980, region-wide improvements were made upon the system and available services by doubling the number of home-delivered meals in the nutrition program; increasing the senior citizens multipurpose centers to encompass the entire region's elderly population; and the initiating of dental services for the elderly. A five-year grant was awarded to FT-VDD from the Robert Wood Johnson Foundation in Princeton, New Jersey. The grant

was one of only eight that was distributed in the nation. The foundation grant, dedicated to upgrading the service system itself, provided \$200,000 a year for program operations.

Current Focus

As development in the region has expanded since the Development District's inception, so has the Development District's functions. The goals of the agency have, however, remained constant. The constant goals are to improve the regional economy, improve physical features and environmental conditions and improve the region's human resources.⁹

Programs and activities currently being conducted by FT-VDD are:

Community and Economic Development; Economic Development Financing; Housing Assistance; Research and Data Analysis; Project Review; Planning; Public Transportation Program; 208 Water Quality Management Program; Human Resource Coordination; Area Agency on Aging; and Child Development.

Community and Economic Development

Through the Community and Economic Development Program, member governments are provided with technical assistance services in an effort to obtain financial assistance for the development and improvement of their infrastructures. It is FT-VDD's duty to keep local officials informed of available resources as well as existing and potential programs for economic development. Communications are kept open with area industrial promotion personnel and aid is given to direct industrial promotion strategies toward industries best suited to the area.¹⁰

⁹ FT-VDD, An Association of Local Governments Brochure.

¹⁰ Ibid.

Economic Development Financing

The purpose of Economic Development Financing is to stimulate private investment and create jobs for the areas industries and businesses. Small businesses looking for alternate types of financing are also given assistance.

Housing Assistance

Staff functions of FT-VDD in regard to Housing Assistance are: the determination of present and future housing demands by monitoring housing starts, vacancy rates, and maintaining an awareness of the current housing market; the provision of technical assistance to persons interested in housing construction and development of housing for low and moderate income families and the elderly; and the provision of aid to private developers and businessmen in the selection of sites for future housing developments.

Research and Data Analysis

FT-VDD maintains an array of services in the Research and Data Analysis Program. Statistical data is gathered and maintained for all area communities; the District is utilized as an Affiliate State Data Center for 1980 Census Data and as a central repository for the SMSA for housing loan activity statements submitted by the region's lenders under the Home Mortgage Disclosure Act. Data research services are also provided when necessary to assist communities and agencies in the development of grant proposals.

A-95 Review

Currently, the District is still considered the regional "clearing house" for review and comment on federally assisted projects, a process that aids in preventing duplication of efforts and eliminates a great many of the conflicts that might occur between agencies or jurisdictions performing similar functions.

Planning

A multitude of reports and studies regarding the region's social, economic and physical conditions have been prepared by FT-VDD. These include the Regional Land Use Plan, Recreation Studies, Water System Surveys, Solid Waste Surveys, Housing Surveys, and the Regional Industrial Economic Analysis. These reports act as a data source and means for regional development and coordination. Guiding District activities, as well as analyzing problems, within the region are also provided through the preparation of specific types of studies needed to address certain regional needs.

Public Transportation

FT-VDD has engaged in a joint effort with the Tennessee Department of Transportation in the development of a regional transportation program, thus providing a close relationship with transportation providers throughout the region. The program provides: assistance to private nonprofit service agencies that transport clients; assistance to local and state planning departments for transportation planning; and development of a data base to assess regional transportation needs.

Ride-sharing programs have been formulated in several companies in the region. The Regional Ride-sharing Program provides training, support materials and on-site assistance to companies expressing a desire to begin such a program. Ride-sharing is promoted through manual matching techniques, informal group meetings, posters, brochures, etc.

208 Water Quality Management

The purpose of the 208 Water Quality Management Program is to provide answers to problems dealing with local water quantity and quality. These goals are accomplished by conducting studies essential for cost-effective, environmentally sound protection of the region's water resources. Recent studies include storm water management plans, model ordinances for storm water control, a groundwater protection plan, and a septage treatment and disposal plan.

Human Resource Coordination

A multitude of public and private agencies are involved in the provision of human resource services within the region. The District serves as a liaison between the various agencies in order that development and expansion of various programs is possible. As information on new or pending legislation is released, the District reviews the provisions in order to determine its effect on human resource programs throughout the region.

Aging

The Area Agency on Aging is funded by the Tennessee Commission on Aging and the Robert Wood Johnson Foundation. Planning, coordination and the provision of limited funding for projects is available for persons sixty years of age or older.

Emphasis is placed on increasing service agencies abilities to meet the increasing needs of support for the older population through cooperative agreements, centralized in-take and case management, and increasing financial resources. The philosophy in service delivery has been to designate multipurpose senior citizen centers as community focal points, whereby local services can be delivered better, coordinated and made more accessible to the older population. Computerization of reports necessary to account for grants released to service agencies and the implementations of a computerized tracking system of changes in a client's status has increased the Area Agency on Aging's capability to best serve the older persons of Upper East Tennessee.¹¹

Child Development

The primary activity of the Child Development Program is to provide for the coordination of projects for children prenatal through eighteen years of age. The program coordinator aids agencies involved in the program in identifying services gaps and in solving service problems. Technical assistance is offered in program planning, management, and evaluation.

Future Focus

The First Tennessee-Virginia Development District has decided to maintain a "steady course" in regard to future Development District

¹¹ FT-VDD, An Association of Local Governments Brochure.

activities. It is the Director's opinion that the responsibilities of the FT-VDD are unchanged. Although regional planning is being deemphasized, technical assistance is still to play a primary role. "Because the federal government is reducing or eliminating programs has not made the problems and needs vanish."¹² The District shall continue to investigate all federal and state funding opportunities. A stronger emphasis will now be placed on local funding sources because local communities will be required to match a larger share of project costs.

A major emphasis will now be placed on economic development and job creation. Currently, however, FT-VDD is carrying out activities that have not been drastically reduced in funding. A questionnaire is now being formulated to be sent out to the local elected officials that will be used in the determination of specific problem areas where assistance is needed. After the results have been obtained, a proposed work program will be drafted. As of yet, no plans have been formulated for any new activities and/or programs.

Budget Analysis

As of fiscal year 1976-1977, First Tennessee-Virginia Development District's budget stood at \$1,440,301. However, by 1982-83 it had dropped to \$850,564, a decline of 40.9 percent. At the beginning of 1979-80 the District's budget was \$647,797. When comparing this year with fiscal year 1982-1983, a 31.3 percent increase is evident. The largest budget that the District operated with for the seven year

¹²Director, FT-VDD.

time span studied occurred in fiscal year 1976-1977. The lowest budget allocated was \$564,060 in fiscal year 1978-1979.

Funding received for the EDA program increased by 23 percent between 1976-1977 and 1982-1983. When comparing fiscal year 1979-1980 with 1982-1983, a slight decline of 1.2 percent is detected. Funding for the EDA program has remained relatively consistent for all seven years reviewed. The budget totalled \$77,666 for 1982-1983.

The budget for the ARC program changed by a negligible amount between 1976-1977 and 1982-1983. In 1976-1977 the budget was \$88,517 and in 1982-1983 the budget was \$88,834. During fiscal year 1979-1980 the budget was \$106,207. Compared to 1982-1983, the budget had declined by 16.4 percent. An increase of \$10,070 occurred between 1979-1980 and 1980-1981. Comparing the latter date with 1982-1983 again a decline of 24 percent in the budget is apparent.

Cuts in funding for the HUD program were significant between 1976-1977 and 1982-1983. The HUD budget was \$86,286 for 1976-1977. However, by 1982-1983 the budget had dropped to \$16,500. Until fiscal year 1980-1981, funding for the program had been relatively constant.

A large portion of FT-VDD's budget is comprised of funding granted through the EPA program. EPA funding was \$891,300 for 1976-1977. Although funding for the program had substantially declined by 1982-1983, EPA still constituted \$150,420 of the total budget, and was the second largest source of funding.

The Aging Program makes up the largest portion of FT-VDD's budget. The program has increased in funding from \$56,058 in 1976-1977 to

\$437,844 in 1982-1983. This is an increase of 681 percent. Sources of funding for the program are the state agency and private funds.

Another significant program of FT-VDD's is the TDOT program. Budgeting for the program in 1976-1977 was \$55,976. No loss was experienced this year compared to 1982-1983. The program actually increased its funding by \$39,000 between 1979-1980 and 1982-1983.

Programs most drastically affecting the District are the HUD-701 Program and the LEPA Program. The HUD-701 (Housing) Program will be placed under another program so that activities may still be carried out. However, funding for housing activities will be substantially lower. The LEPA and Highway Safety Programs were both phased out at the end of fiscal year 1980-1981. These are the only programs that have affected the agency in terms of staff reductions. The District's programmatic funding between fiscal years 1976-1977 and 1982-1983 is shown on Table 3.

A review of the cumulative total of major programs comprising the FT-VDD budget revealed several facts. First, the Area on Aging Program which constitutes pass-through money over the seven year period has steadily increased in funding and comprises over 50 percent of the budget for fiscal year 1982-83. EPA constitutes the largest proportion of operational money in fiscal year 1982-83, followed by the ARC and EDA programs. Over time, the Regional Studies and Program funding has steadily declined; miscellaneous programs, although fewer in number, have increased especially because of the TDOT program, although at a declining rate. Again, the largest proportion of the budget is

Table 3

FIRST TENNESSEE-VIRGINIA DEVELOPMENT DISTRICT BUDGET

	% OF		1976-1977		1977-1978		1978-1979		1979-1980		1980-1981		1981-1982		1982-1983	
	TOTAL	%	TOTAL	%	TOTAL	%	TOTAL	%	TOTAL	%	TOTAL	%	TOTAL	%	TOTAL	%
EDA	4.4	63,067	7.2	64,735	14.4	80,977	12.1	78,645	9.2	77,135	8.4	69,368	9.1	77,666		
ARC	6.1	88,517	11.1	100,016	21.0	118,267	16.4	106,207	13.9	116,267	12.3	101,935	10.4	88,834		
HUD	6.0	86,286	10.8	94,368	17.0	96,000	13.6	88,023	9.7	81,449	8.3	68,517	1.9	16,500		
EPA	61.9	891,300	54.0	486,000	18.3	103,000	23.6	152,602	27.8	232,263	18.4	152,264	17.7	150,420		
THDA	1.4	20,000	2.4	22,000	4.0	22,000	3.4	22,000	2.8	23,000	2.8	23,000	1.8	15,000		
Aging	3.9	56,058	6.0	54,033	14.1	79,737	15.0	96,916	26.4	220,676	39.1	323,573	51.5	437,844		
TDOT-Transportation	3.9	55,976	---	---	---	---	3.1	20,000	2.6	22,000	7.1	58,967	6.9	59,000		
Legal Aid	2.0	28,086	---	---	---	---	---	---	---	---	---	---	---	---		
SEND	4.7	67,031	---	---	---	---	---	---	---	---	---	---	---	---		
Ombudsman	.8	12,000	---	---	---	---	---	---	---	---	---	---	---	---		
LEPA	3.6	51,985	5.7	50,925	4.7	31,843	---	42,319	3.6	29,670	---	---	---	---		
Highway Safety	1.4	19,995	3.2	28,609	5.7	32,236	---	36,693	4.1	34,122	---	---	---	---		
Child Development	---	X	---	X	---	X	---	4,392	---	---	.6	5,300	.6	5,300		
CETA	---	X	---	X	---	X	---	X	---	X	3.0	24,985	---	---		
TOTAL		1,440,301		900,686		564,060		647,797		836,582		827,908		850,564		

the pass-through money which has begun to steadily increase as other types of programming decline. However, the agency has experienced an overall decline of over 30 percent even with the rise in pass-through sources. These proportions can be assessed by reviewing Figure 4.

First Tennessee-Virginia Development District Staff

Only one staff position has been terminated that has been related to the Reagan administration's budget cuts. The person was funded under the LEAA program. This reduction has caused the Development District to narrow its focus to economic development. There is a potential for staff to become disheartened because of insecure feelings about their positions. The District is becoming less able to respond to a variety of local government needs at a time when local governments critically need assistance.

One drafts person and one secretary left FT-VDD through attrition. No one was hired to fill these positions. Presently, the morale of the staff is good. The employees feel that the budget situation has stabilized and that there is no urgent sense of job security. In regard to long term plans, two persons have voiced that they are seriously considering other opportunities. The remaining staff members are steadfast in their decision to stay with the agency. Those employees that are thinking about leaving serve in a professional capacity.

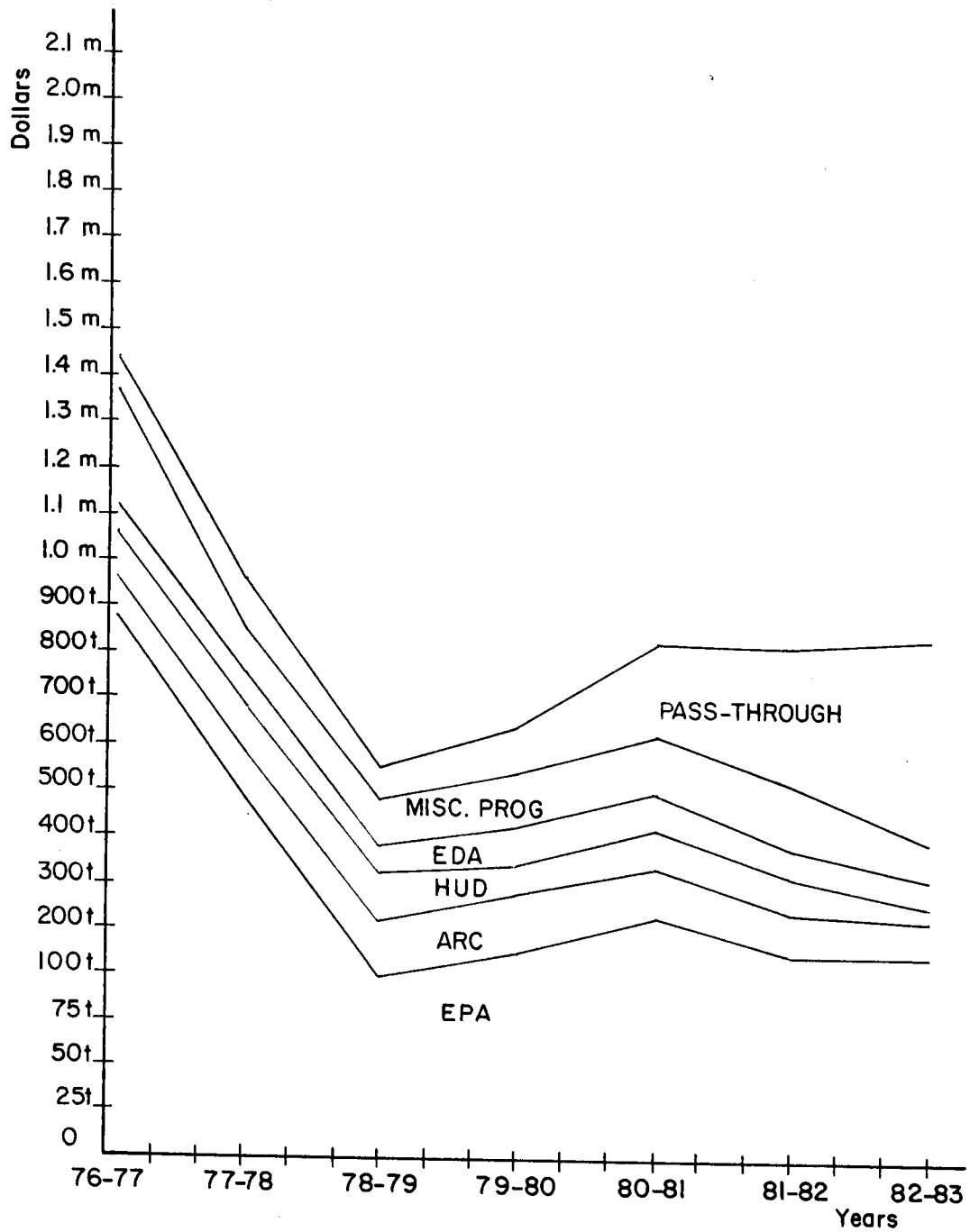


Figure 4

FT-VDD Cumulative Budget

CHAPTER VI

SOUTHEAST TENNESSEE DEVELOPMENT DISTRICT

Background

The Chattanooga Area Regional Council of Governments/Southeast Tennessee Development District (CARCOG/SETDD) organizations began in 1967. CARCOG was established to meet the requirements stated in the Housing and Urban Development Act of 1965 and Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966.

Incorporated under the laws of the State of Tennessee, CARCOG's purpose was to assure planning and development coordination among the local governments within the two-county, interstate Chattanooga Standard Metropolitan Statistical Area (SMSA).¹

In 1967 the SMSA was composed of Hamilton County, Tennessee; Walker County, Georgia; and all of the municipalities located within the two counties.

In 1969 and 1970, Catoosa and Dade Counties in the State of Georgia became members of the CARCOG. Four years later, the SMSA was expanded to six counties which added Catoosa and Dade Counties in Georgia as well as Marion and Sequatchie Counties in Tennessee.

Certified by the Department of Housing and Urban Development as the areawide planning agency for the Chattanooga Metropolitan area, CARCOG, in September 1967 was designated by the Bureau of the Budget (now the Office of Management and Budget) as the Metropolitan Clearinghouse for the SMSA to

¹Overall Program Design CARCOG/SETDD, 1980-82, p. 1.

review and coordinate certain applications for federal financial assistance and assure that planning and development proposals were coordinated on an areawide basis.²

In 1968, an overall program design entitled, A Program of Work for the Chattanooga Area Regional Council of Governments was published. The resulting work plan was a guide for the institutionalization of CARCOG.

In April 1969, the chief elected officials from the ten counties of Bledsoe, Bradley, Grundy, Hamilton, McMinn, Marion, Meigs, Polk, Rhea, and Sequatchie officially created the Southeast Tennessee Development District (SETDD) in accordance with the Tennessee Development District Act of 1965 and Executive Order No. 17 issued by the Governor of Tennessee in October 1968. The Executive Order officially delineated the boundaries of eight substate districts (now nine) and directed all state agencies to take the regional alignment into consideration in the establishment and revision of all applicable state programs.³

Geography

The CARCOG/SETDD is geographically located in Southeast Tennessee and Northwest Georgia. The area of the region covers 4,687.5 square miles and is made up of the ten Tennessee counties: Bledsoe, Bradley, Grundy, Hamilton, Marion, McMinn, Meigs, Polk, Rhea, Sequatchie and the three Georgia counties: Catoosa, Walker and Dade. The State of North Carolina lies to the east of the region and the State of Alabama lies to the southwest. The city of Chattanooga is the most densely populated area in the region. Atlanta and Knoxville are located

²Overall Program Design, CARCOG/SETDD 1980-82.

³Overall Program Design, CARCOG/SETDD 1980-82.

approximately 110 miles from Chattanooga, while Nashville is 135 miles away and Birmingham is 150 miles away.

"The CARCOG/SETDD region is spread over three major physiographic provinces of the eastern United States; the Blue Ridge Mountains, the Appalachian Ridge and Valley, and the Cumberland Plateau."⁴ Factors in which many regions vary include climate, topography, drainage, transportation, natural resources, soils, population, economy, and land use development characteristics. "Although not a natural feature, existing land use is probably the major physical factor of the region affecting future development and use of land."⁵

Organization

Directly after formation of the Southeast Tennessee Development District in April 1969, the already existing areawide planning agencies (Chattanooga-Hamilton County Planning Commission, Coosa Valley APDC, Southeast Section Tennessee State Planning Commission, CARCOG) decided that an additional planning agency staff would serve to complicate the planning process as well as add substantial costs to the local governments. To alleviate the potential problem, a resolution was reached between the Executive Director of CARCOG, the CARCOG Board of Directors and the SETDD Executive Committee to allow a single staff to serve both the CARCOG and the SETDD organizations. This arrangement was implemented in July 1969.

⁴Regional Development Plan 2000, CARCOG/SETDD, p. 8.

⁵Ibid.

In August of 1973, a Joint By-laws Committee was established at a joint meeting of the two agencies to develop a set of by-laws for consolidation of the CARCOG and SETDD boards into a single organizational structure. On November 19, 1973, the two Boards passed a resolution adopting the by-laws and creating the CARCOG/SETDD. CARCOG and SETDD were created to provide the vehicle for coordinated areawide planning and development for both the metropolitan bi-state area and the Tennessee substate district. The single staff arrangement of CARCOG/SETDD, which jointly have the areawide planning responsibility, assures adequate planning capabilities.⁶

The basic goals of CARCOG/SETDD are as follows:

- To encourage development and coordination of adequate land use policies and practices within the Region;
- To provide adequate housing to all segments of the Region's citizens;
- To develop and maintain an adequate inter- and intra-regional transportation network;
- To maintain and stimulate the economic growth and development of the Region;
- To encourage continued expansion and adequate coordination of social and human resource development services within the Region;
- To preserve and appropriately develop the Region's natural resources and recreational areas; and
- To encourage coordination and cooperation between the public and private sectors of the Region.⁷

Board representation of CARCOG is presently composed of eighty-one members. Minority representation is ten individuals or 12 percent.

The Executive Committee is comprised of twenty-one members. Minority representation is three individuals or 14 percent.

⁶Regional Development Plan—2000 Volume II: Part D, CARCOG/SETDD, p. 3.

⁷Regional Development Plan—2000 Volume II: Part A; Land Use Development Policies Plan, CARCOG/SETDD, p. 61.

Socioeconomic Characteristics

An important element to be considered in understanding an area is the needs of the residents and whether or not the future development of the area will adequately meet those needs. The following is a review of the population, income, and employment characteristics of the region.

Population Trends

Population growth in the CARCOG/SETDD region was slower than the growth of the United States from 1950 to 1970. The population of the United States increased by 18.9 percent between 1950-1960 and by 13.3 percent between 1960-1970. CARCOG/SETDD had population increases of 11.4 percent between 1950-1960 and 9.7 percent between 1960-1970. As of 1970, total population for the region was 509,369 persons. In comparing the population growth of the State of Tennessee with the region, the State fell below CARCOG/SETDD between 1950-1960 with a population increase of 8.4 percent. Population increases between 1960-1970 was 9.9 percent for Tennessee.

A great range of growth occurred between the SETDD counties between 1950-1970.

Between 1950 and 1960, the primary growth areas were the Chattanooga Urban Area (Hamilton, Catoosa, Dade and Walker Counties) and Bradley County. Most of the smaller rural counties were actually decreasing in population. This was similar to the national pattern of rapid movement of population into urban areas. However, the urban areas in the region were not sufficiently large to attract people resulting in a large number of people moving out of the region.⁸

⁸ Regional Development Plan—2000, op. cit., p. 11.

Similar growth patterns occurred between 1960 and 1970; however, out-migration from the rural areas was less pronounced.

The growth pattern for the region was altered significantly between 1970 and 1980. Total population for the region was 604,498 persons by 1980.

(Changes in the growth pattern) probably began in the late 1960's, due to fewer persons moving out of the rural areas, but lack of data for years between 1960 and 1970 made it difficult to identify this trend until the 1970-1980 period.⁹

The region's growth rate was 18.6 percent for the decade, compared to an 11.4 percent increase for the United States and a 16.9 percent increase for Tennessee. Increases in growth were substantially larger in the rural counties than in the urban areas. Hamilton and Walker Counties experienced the lowest growth rates with 12.8 percent and 11.4 percent, respectively. The rate of growth for Bradley County was relatively high (33.3 percent) but was still below the growth rate of Meigs and Rhea Counties.

Per Capita Income

Hamilton County had the highest per capita income in 1960 with \$2,020. The lowest per capita income occurred in Bledsoe County with \$669. Per capita income for Tennessee and the United States was \$1,543 and \$2,226 respectively for the same period. The same trend held for 1970. Hamilton County had the highest per capita income of \$3,709 and Bledsoe County had the lowest per capita income of \$1,846. The

⁹Ibid.

State of Tennessee had a per capita income of \$3,119 and the United States per capita income was \$3,966 for 1970. Hamilton County again recorded the highest per capita income in 1978 with \$7,988. The low, however, occurred in Grundy County with a per capita income of \$3,964. In comparison, the State of Tennessee and the United States was \$6,489 and \$7,810, respectively.

The regional income is lower because of the lower costs of living in the region and also because many of the jobs are lower skilled. One goal of (SETDD's) Economic Development Policies Plan is to identify those types of jobs that the region lacks that are high paying so that increasing efforts can be made to attract them.¹⁰

Employment

According to 1970 fourth count population data, there were 192,731 employed residents in the region. With the exception of Hamilton County, one out of every three workers in the region works in a different county than their place of residence. Thus, it is apparent that there is a very strong binding link within the region based on commuting patterns. The prosperity and resources of one county directly affects the residents in other counties based on the jobs and opportunities provided.¹¹

Between 1974 and 1978, overall employment for the region increased by 3.9 percent. The growth of employment was slower than that of Tennessee and the United States for the same time period. Tennessee employment increased by 7.6 percent and the United States by 9.3 percent.

¹⁰ Ibid., Part C, p. 20.

¹¹ Ibid., Part F, p. 27.

Past Programs

CARCOG/SETDD does not publish an annual summary of District highlights and activities. All information derived from CARCOG/SETDD regarding past, present and future programs came from the overall Annual Completion Reports. Because of this and a variation in format, all past programs and activities are not categorized according to year. Instead, they are grouped by program type, followed by an analysis of specific achievements in that particular program from the inception of the organization to the current time.

In 1978, the SETDD was designated and funded as a Local Development District by the Appalachian Regional Commission. SETDD was also designated but not funded as an Economic District by the Economic Development Administration of the Department of Commerce. EDA planning funds were made available in fiscal year '77.¹²

Land Use Development

The land use and development problems of the Chattanooga urbanizing area are very different compared to the same problems of the less populated portion of the thirteen county area. The urban problems of controlled growth, no growth, rational growth, and coordinated growth are often contradicted by the more rural areas desire for new industries and new jobs to solve their higher unemployment problem.¹³

Contractual arrangements were made with other planning agencies for the preparation of previous areawide or regional land use plans. Plans compiled by other agencies include: the Metropolitan area Regional

¹²Overall Program Design, 1980-1982, CARCOG/SETDD, p. 1.

¹³Regional Development Plan—2000, Volume I: Summary, CARCOG/SETDD, p. 22.

Plan for 1990 and the Regional Land Use Plan for the 10 county SETDD area, funded under the HUD 701 program. By the end of fiscal year 1977, an update of the Land Use Plans combining the past CARCOG and SETDD plans into one singular CARCOG/SETDD Land Use Plan—2000 was accomplished by the CARCOG/SETDD staff.

Housing Development

In 1969, major problems identified regarding the housing stock of the region were inadequate housing supply and choice. This problem was noted in the initial Overall Economic Development Plan which ranked housing as the third most serious problem in the region. Since that time, a series of housing studies have been conducted which included some seventeen separate reports. These reports dealt with such issues as housing conditions, low and moderate income housing, and housing markets.

During 1977, the CARCOG/SETDD staff sponsored a Regional Housing Conference on the utilization of housing resources provided by Federal and State assisted programs. Initial efforts also began in that year to establish a Uniform Building Permit Application Form. Assistance was given by the staff in coordinating efforts and providing technical assistance to nonprofit housing corporations. Technical assistance was given to the Community Development program by providing advisory and development assistance to local government participants. The promotion of housing programs available through the Georgia Residential Finance Authority were also promoted.

Housing activities carried out during 1978 include such diverse activities as sponsorship of a Regional Housing Seminar and Regional Housing Conference; assistance in the organizational efforts of non-profit housing rehabilitation corporations; assistance in the formation of a new local housing authority; assistance with "Section 8" programs; establishment of contacts and development of low interest long-term home improvement and rehabilitation programs, etc.

Program activity in housing in 1979 began with the development of an Areawide Housing Opportunity Plan. Data was collected to produce a report entitled Housing Market Place in Dollars and Sense. Technical and advisory assistance was also given in the development of private sector and public sector housing.

Transportation Development

Execution of the urban area transportation planning program for the region has taken place through the Chattanooga Continuing Urban Transportation Planning Organization created in 1964 and adopted as CARCOG's Transportation Planning Committee in 1968. Representation on the committee were drawn from local, state, and federal agencies in order to provide adequate input into the transportation planning process.¹⁴

Major comprehensive plans which have acted as guidelines for the development of transportation improvements include: The 1962 Chattanooga Transportation Study; The CARCOG Regional Plan 1970-1990; The Chattanooga Urban Area Mass Transit Study—1971; Transportation Operation to Increase Capacity and Safety (TOPICS)—1972 and The Tennessee Airport System Plan—1973.

¹⁴Regional Development Plan—2000, Volume I: Summary, CARCOG/SETDD, p. 25.

The provision of transportation planning services was continued during fiscal year 1978. A review was made of the State of Tennessee highway construction program of 1978 and the CARCOG/SETDD staff assisted local government officials in the identification of needed transportation projects and were included in the CARCOG/SETDD Regional Capital Improvements Program 1978 through 1982.

The Overall Program Design 1978 through 1980 was prepared during a period of confusion in 1977 as to the status of the metropolitan planning organization (MPO) designation for the Chattanooga Urban Area. With redesignation of an MPO, the responsibility of transportation coordination was shifted from the CARCOG/SETDD staff to the Chattanooga-Hamilton County Planning Commission.¹⁵

Economic Development

In 1969, the preparation of An Overall Economic Development Program (OEDP) was initiated as an ongoing continuing process which provided an analysis of past and present conditions. In 1975, the study "Regional Goals and Major Development Forces Influencing Economic Growth and Development of CARCOG/SETDD 1975-1985" was prepared in order to identify growth areas in metropolitan, urban and rural centers.

During 1978, an Economic Development Policy Plan was drafted to examine major employment activities by economic sector within the region and to examine potentially significant sectors. In addition, the CARCOG/SETDD staff worked with local officials in the promotion of industrial development opportunities for the region. Assistance was also provided to Walker County in the preparation of an environmental

¹⁵Tenth Annual Completion Report, June 1978, CARCOG/SETDD, p. 22.

assessment study that was to accompany an application for funding of an industrial park. During 1978, the economic development policy framework was expanded to include the promotion of tourism and commercial services in the region.

Human Resources Development

Primarily as a result of legislative actions Human Resource Planning responsibilities for the region fall into broad functional program categories of Aging, Childhood Development, Education, Health, and Manpower. Highlights of District activities as they relate to each of these programs will be discussed in turn.

Aging

In 1974, CARCOG/SETDD expanded its human resource planning program to include aging. An aging program coordinator was added to the staff in 1975. The aging program includes development of a yearly comprehensive areawide plan for the coordination, development and expansion of service programs for the elderly. In 1976, the ten counties of SETDD established County Committees on Aging to determine the needs of the elderly, set goals and objectives, and provide a central planning and advocacy body in each county. Activities conducted by agency staff regarding planning and service delivery for the elderly encompassed five broad areas: (1) data collection and plan preparation; (2) technical assistance and/or coordination with other agencies; (3) advocacy in behalf of the elderly; (4) implementation of the Annual Plan for Aging Programs and Services; and (5) monitoring and evaluation of area services, programs and activities for the elderly.

Child Development

A Regional Coordinator was brought to the agency in June 1974, as a result of a grant from the Tennessee Appalachian Technical Assistance Grant for Child Development. Responsibilities have included organization of advisory councils; technical assistance and coordination, and planning for initiation and/or expansion of child delivery systems. An inventory of all licensed day care centers in the area was carried out in compliance with a state-wide day care inventory. Technical assistance and workshops were also conducted and a document assessing the needs of children and youth in the region was produced.

Education

CARCOG/SETDD has traditionally served in an advisory capacity to the local boards and States Departments of Education by making available background information and professional expertise in regard to regional growth and future employment demands. In 1978, technical assistance was given to local governments for the improvement of educational facilities. This assistance was expanded in 1979 to include information on population age profiles that was supplied to school districts upon request.

Health

The Georgia-Tennessee Regional Health Commission (G-TRHC) has the responsibility of all health planning development in the thirteen county region. Funding of G-TRHC as a Health Systems Agency (HSA) was approved in 1976. In 1977, a formal agreement was entered into between

G-TRHC and CARCOG/SETDD for coordinated plans development, mutual review of health and health related matters, exchange of technical assistance, and sharing of data and information for planning activities.

Manpower

In 1974, the single manpower planning and training program for the ten county Southeast Tennessee region that had been housed within CARCOG/SETDD was dismantled.

Criminal Justice Planning

The major problems involving criminal justice services

All revolve around the need for sufficient manpower which cannot be obtained due to lack of available funds to provide adequate compensation, good working conditions and job security. . . . There are also needs to upgrade equipment, provide operating and administrative funding and to constantly secure additional training. The Criminal Justice Planning activities of SETDD address the components of law enforcement courts, corrections and juvenile justice system, however, the major emphasis has in the past dealt with the improvement of law enforcement capabilities in the region.

Highway Safety Planning and Development

"Under the Highway Safety Act of 1966, federal funds were made available to assist states and local communities in developing highway safety programs."¹⁷ In 1973, SETDD contracted with the State to formulate a plan for implementation of the Governor's Highway Safety Program. Priorities included: driver education; traffic engineering

¹⁶ Regional Development Plan—2000, Volume I: Summary, CARCOG/SETDD, p. 44.

¹⁷ Ibid.

services, police traffic services, codes and laws traffic courts, and pedestrian safety. In 1978, the planning programs involving law enforcement and highway safety were consolidated into Public Safety Planning as a category which was to also encompass Fire Services and Emergency Services. In 1979, a Regional Public Safety Plan was completed. It was also in 1979 that the Public Safety Policies Plan provided the first uniform data regarding fire protection services across the region.

Recreation and Cultural Development

CARCOG/SETDD made contractual arrangements in 1970 with private consultants to prepare the Park, Recreation and Open Space Plan for the CARCOG area. CARCOG/SETDD in cooperation with the Tennessee State Planning Office prepared a plan for the SETDD counties entitled Parks, Recreation and Open Space Plan Southeast Tennessee Development District in 1972.

CARCOG/SETDD staff has provided technical assistance to member local governments over the years in preparing applications, securing funding and implementing local and regional park plans throughout the area. In 1979, a regional level comprehensive recreation plan was initiated.

Natural Resource Management

Prior to 1975 CARCOG/SETDD primarily provided technical assistance and agency coordination of activities related to natural resource planning.

During fiscal year 1975, CARCOG/SETDD was designated as the agency having responsibility for developing the areawide water quality management plan as established by Section 208 of the Federal Water Pollution Control Act amendments of 1972 for an area that is essentially the Chattanooga SMSA.¹⁸

After designation, work was begun on development of a comprehensive program that would provide a management planning process that would "meet the 1983 goals of the Act which require that all bodies of water be of sufficient quality to support fish, wildlife and recreation."¹⁹ During 1977, the development of nonpoint source strategies, identification of management system alternatives and land use planning needs, establishment of a public participation program and initiation of a project feedback system were major activities that the staff was involved in.

The basic objective for fiscal years 78-80 (was the establishment and maintenance of a policy plan concerning the proper development and management of natural resources compatible with the established goal of balanced rural and urban development).²⁰

Services to Property

CARCOG/SETDD in cooperation with agencies, local governments, and multijurisdictional utility commissions, has developed a comprehensive water/sewer plan for every county in the region.

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ Tenth Annual Completion Report, June 1978 CARCOG/SETDD, p. 47.

Governmental Management

The CARCOG/SETDD organization brings an effective way of intergovernmental cooperation and coordination through a series of processes. These are: common data base and forecasts; coordination of agency programs; mass media communication; executive orders; and a project notification and review system. In 1978, technical assistance was given through the establishment of a regional capital improvements program. Upon completion of the capital improvements program (CIP), technical assistance has been based upon the regional priorities established.

Current Focus

The Regional work program goals for fiscal years 1980-82 included:

- Providing a platform for recognition and discussion of regionwide problems—both present and future—with a view toward coordinated and united efforts for their solution;
- Enriching the general quality of life within the region by fostering multijurisdictional arrangements and agreements; and
- Affording full and fair representation of all social, economic, and racial sectors of the population of the region in the planning process to insure that the benefits of progress are extended to all groups and localities throughout the thirteen-county region.²¹

Land Use

The overall objective regarding land use for fiscal years 1980-82 was the maintenance and implementation of a single regional land use

²¹Overall Program Design 1980-82, CARCOG/SETDD, p. 6.

plan to be used in the coordination of land use policies between different levels of government and in the development of the CARCOG/SETDD region to 2000 A.D. During 1980, the document Regional Development Plan—2000, Volume II, Part A Land Use Development Policies Plan was finalized. Work elements for 1982 included: a review of land use strategies regarding citizen participation and an update of the regional land use comprehensive plan.

Housing Development

The primary objective related to housing in the region during 1980-1982 was implementation of the Housing Development Policies Plan. During 1980, approval of the Areawide Housing Opportunity Plan was negotiated with member governments, meetings were sponsored regarding barriers to assisting housing and development, and the reporting of the CARCOG/SETDD Housing Development Planning Process was expanded and revised. Work activities for the year of 1981 included the collection of current information on housing development activities in the region, sponsorship of workshops on Community Development Block Grant Applications, and an update of housing data for input into the Regional Development Plan 2005. Work elements for 1982 included the collection and maintenance of data on public and private funding sources and the sponsorship of workshop strategies for attracting housing funds to the region.

Transportation

The establishment and maintenance of a policy plan for the overall transportation network of the region was the agency's primary focus

during 1980-1982. The Regional Development Plan 200 Volume II Part G Transportation Development Policy Plan was adopted in 1981. In 1982 a continuation of the provision of technical assistance; a review of transportation related development proposals; and the assistance and coordination of state, regional and local transportation planning were the major tasks accomplished.

Economic Development

During 1980-1982, the primary objective of CARCOG/SETDD was the maintenance of a diversified economic base. Adoption of the Regional Development Plan 2000, Volume II, Part C, Economic Development Policy Plan took place in 1980. The review of economic development programs as well as technical assistance in the implementation of major economic development projects for the region was carried out during 1980, 1981, and 1982. These projects were related to industrial, agriculture and silviculture, and commercial and tourism development.

Human Resource Development

As stated in CARCOG/SETDD's Overall Program Design 1980-1982, Human Resource Training is an effort to "coordinate and integrate development and expansion of all human resource programs and services in order to effectively and efficiently meet the total needs of the family within the region." The major study of Human Resources need was completed in 1981. The study is entitled Regional Development Plan 2000—Volume II, Part I, Human Resource Development Policies Plan.

Aging

Work elements of the aging program include collection of information for elderly services and programs, provision of technical assistance in planning and developing activities, advocacy, monitoring and evaluation of area services, programs, and activities and preparation of the SETDD Annual Area Plan for Implementation of Aging Programs and Services for Submission to the Tennessee Commission on Aging.

Child Development

Work elements carried out during fiscal year 1980-1982 were: provision of technical assistance to existing public and private child development programs in the area; coordination related to on-going activities; support of community organizations on a regional basis; initiation and expansion in planning delivery systems to children and youth of the region and implementation of the Child Passenger Safety Act.

Education

During fiscal years 1980-1982, CARCOG/SETDD, in response to the educational needs of the region, provided educational manpower data to various agencies, served as a liaison and coordinator between all agencies concerned with education and training and provided technical assistance as necessary.

Health

CARCOG/SETDD continued its role as liaison and coordinator with G-TRHC. Functions of the agency included coordination of all

health-related planning needs, provision of information exchange, consultant and planning assistance, continuation of joint participation between CARCOG/SETDD and G-TRHC in health-related activities and continued coordination of all plan development and implementation activities.

Criminal Justice

The criminal justice sector of CARCOG/SETDD provided a comprehensive approach to criminal justice planning. This approach included giving technical assistance to local law enforcement, judicial, correction and juvenile justice agencies.

Highway Safety

The highway safety and planning program in the SETDD region included provision of technical assistance in the preparation of grant applications, project reviews, collection of data, and preparation of the SETDD Highway Safety Plan.

Recreation and Cultural Development

Related to recreation for 1980-1982 were the coordination of state, regional and local recreation development programs and the provision of assistance to local governments on application processes. The year 1980 differed from 1981 and 1982 in regard to cultural development. The District updated the inventory of significant historical and cultural areas and objects. Technical assistance and the review of development plans and proposals was a part of the organization's activities for all three years.

Natural Resources

The primary objective for 1980-1982 as it related to natural resources planning was the proper development and management of natural resources in compliance with the goal of balanced rural and urban development. In 1980, the regional Natural Resources Management Plan was finalized and adopted. Other activities included the provision of technical assistance on projects concerning natural resource management, A-95 review of proposed developments and coordination of activities with area environmental groups.

Services to Property

The primary focus for fiscal year 1980 as related to Services to Property activities was the development of a regional policy plan. Work in 1981 and 1982 was focused on the implementation of the plan.

Governmental Management

Effective intergovernmental cooperation and coordination was maintained and emphasis was placed on regional data analysis, clearing-house function, and information services.

Future Focus

In responding to a question regarding plans for alternative funding CARCOG/SETDD stated:

This office is carefully monitoring changes in legislation and program activities under which this agency would be eligible to receive funding to carry out specific programs

or activities. Appropriate applications will be submitted as funding availability occurs.²²

Regardless of what particular future programs and activities that the agency is involved in, however, the Assistant Director of CARCOG/SETDD expressed that the organization would always be responsible for the provision of technical assistance. Member governments, especially the smaller counties, depend upon CARCOG/SETDD for guidance and interpretation of legislature activities and grant applications.

One possibility for obtaining future monies for CARCOG/SETDD is the approval of a proposal for funding under the 205(J) Water Quality Control Program. Specific criteria that the State must meet in order to receive this type of assistance are: (1) report annually on the nature, extent and cause of water quality programs in various areas of the State and interstate region and (2) develop its work program jointly with local, regional and interstate agencies and give funding priority to such designated agencies and public comprehensive planning organizations to implement portions of that work program.²³ The specifics regarding the exact nature of the proposal submitted by CARCOG/SETDD are unknown and were not available for inspection.

Another possibility of future funding is the administration by CARCOG/SETDD of the Jobs Partnership Training Program. Monies are to be utilized towards the training of potential employees for various

²²Interview Schedule Questionnaire, CARCOG/SETDD, December 1982.

²³205(J) File, Upper Cumberland Development District.

firms. Seventy percent of the money is allocated for training purposes. Approximately 15 percent of the money is to be used for administrative purposes. It is currently being proposed by the State that the area-wide community colleges be designated as the service delivery areas of the program. However, a final decision has not been made.

Finally, CARCOG/SETDD is in the process of submitting a proposal for approval of a Health Planning Block Grant. Currently there is no health planning being conducted in the region.

No other alternative means of funding are being considered at the present time with the exception of exploration of means by which contracts could be executed with individual member governments for the provision of special services. These resulting services would not be considered a part of the Overall Annual Work program. Current services under consideration are: data processing for local governments and contracting with member governments to place on microfilm any records that are now in hard book form. No concrete decisions have been made.

Budget Analysis

The total budget for CARCOG/SETDD in fiscal year 1982-1983 is \$1,421,164. This constitutes a 17.3 percent increase over fiscal year 1976-1977. This figure, however, can be primarily attributed to the large amount of monies received for the aging program which is State funded. Even so, the 1979-1980 budget for aging decreased from \$1,134,329 to \$1,128,896 in 1982-1983, indicative of a 12.5 percent

decline. All other programs comprising the budget have shown substantial declines in funding including ARC, HUD, and EDA.

The ARC program, as of 1976-1977, had funding of \$126,445. By 1982-1983, the budget was \$97,925, a decrease of 22.5 percent. In comparing fiscal year 1982-1983 with fiscal year 1979-1980, the beginning of Reagan's term in office, the budget has declined by 12.2 percent. Declines in funding for the HUD program have been more dramatic. Between 1976-1977 and 1981-1982, the HUD budget had dropped by 66.3 percent. CARCOG/SETDD did not receive any funding whatsoever for fiscal year 1982-1983 for HUD programs.

EDA funding accounted for \$60,000 of the budget for 1976-1977. As in similar cases, however, funding declined to \$49,500 by 1982-1983, a drop of 17.5 percent.

Programs that have been entirely eliminated since the Reagan administration took office are: Law Enforcement Planning and Program Development—LEAA funding; Highway Safety Planning and Program Development—NHISA funding; Comprehensive Planning and Community Development Assistance—HUD-701 funding; Areawide Manpower Planning—CETA funding; and Outdoor Recreation Planning and Program Development—HCRS funding. For a complete overview of the programs in which CARCOG/SETDD received funding for the fiscal years of 1976-1977 through 1982-1983, see Table 4.

Pass-through programs for SETDD include the Area on Aging Program, the Highway Safety Program and funding received for a nursing home in the area. All other programs were for Regional Studies and Programs. Major operational programs over the years have included ARC, EPA, HUD, and EDA. All of these have steadily declined. Miscellaneous programs

Table 4
CARCOG/SETDD BUDGET

[illegible]

now constitute a larger proportion of the budget than in past years and pass-through programs are the major source of support for the District. Figure 5 illustrates these various programs.

Southeast Tennessee Development District Staff

Since the Reagan administration came into office, several staff members of CARCOG/SETDD have been released from their positions because of reductions in funding. Criteria used in the determination of what particular staff was to be released were: (1) qualifications of personnel required to carry out the work program activities that were vital to the on-going of the agency; (2) criteria established by funding agencies; and (3) seniority.

Since 1979, the number of positions eliminated by mandatory terminations has been five. Of this total, the positions held included 1 Law Enforcement Planner funded under the LEAA program; 1 Highway Safety Planner funded under the NHTSA program; 1 Research Specialist funded under the HUD 701 and THDA programs; and 2 staff members in the Community Development Department that were funded under the HUD-701, EDA-301, and ARC-302 programs.

Additionally, since 1979, there have been at least seven voluntary resignations and no replacements filled these position vacancies. The result of these terminations and voluntary resignations has been to place a feeling of job insecurity on the remaining staff. The Assistant Director of SETDD has informed his staff that there is no guarantee or assurance of a job from year to year. The attitude of

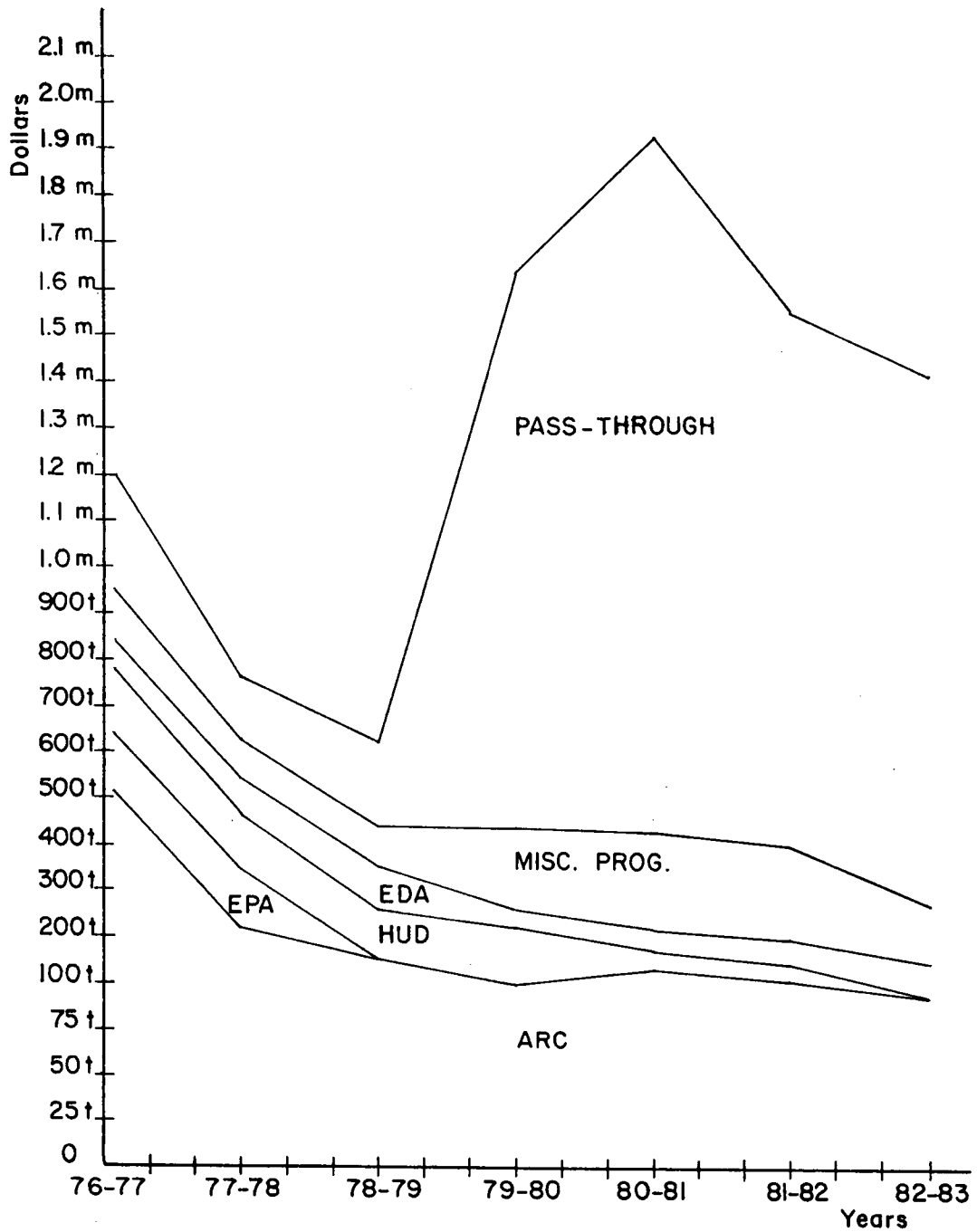


Figure 5

SETDD Cumulative Budget

the staff has been to look at the situation in total perspective.

In view of the current economic picture on the national scale, the employees of SETDD are thankful to have a job at all. The staff does not expect any salary increases in the near future. Again, the long term plans of all those presently employed at the District are thought to be with the Development District.

CHAPTER VII

COMPARISON OF DEVELOPMENT DISTRICTS

The purpose of this chapter is to compare and contrast certain aspects of each Development District studied. Included in this comparison is an examination of the programs that the Development Districts have been involved in, an examination of the impact of the Reagan administration's budget cuts on these programs and staffing allocations, a review of the programs currently being given primary attention by the Development Districts, a comparison of the direction (future) the Development Districts have under consideration due to the severe cuts in federal funding, and an assessment of the opinions of the Directors and/or Department Heads regarding staff plans, morale, and overall feelings on job security.

Background

The formation of Development Districts in the State of Tennessee occurred at various points. First Tennessee-Virginia Development District was formed first in June 1966 and East Tennessee Development District came shortly thereafter. These were followed by Upper Cumberland Development District in January 1969 and later that year, by Southeast Tennessee Development District. Although the Districts' inception period varied, their reason for coming into being was a

common one. The Development Districts provided a means by which local member governments could come together to discuss and solve areawide problems.¹

The Development Districts were concerned, however, with individual regions that varied in geographic location, population composition, income distribution and employment characteristics. These differences dictated a divergent set of programs based on the Districts' needs and what they considered priority issues.

Geographic Location

East Tennessee Development District is the largest of the four regional planning agencies that were studied. The planning region is composed of sixteen counties and has a larger urban base than UCDD, FT-VDD, or CARCOG/SETDD. ETDD's urban core includes the cities of Knoxville, Oak Ridge, Alcoa and Maryville.

Although Upper Cumberland Development District consists of fourteen counties and is the second largest Development District reviewed; the entire planning area is rural in nature. Cookeville, located in Putnam County, is the largest growth center in the region. A large portion of the population growth in the area can be attributed to the student population at the Tennessee Technological University.

¹Local Planning Agency Relationships with Councils of Governments and Development Districts: A General Investigation with a Specific Emphasis on Chattanooga, Tennessee, John Mayes, March 1971.

The Chattanooga Area Regional Council of Governments in combination with Southeast Tennessee Development District conducts planning for an area comprising ten counties. In talking with Mr. Ronald Saylor, Assistant Director of CARCOG/SETDD, it was learned that the planning region of CARCOG/SETDD was considered as an "urban-rural mix." Chattanooga and Cleveland are conceived as the primary urban concentrations followed to a lesser degree by the city of Athens and the Etowah Corridor.

Finally, First Tennessee-Virginia Development District, encompassing eight counties in the Upper East Tennessee region, is a rural planning area. Bristol, Johnson City, and Kingsport are major areas of economic influence in the area and are followed to a lesser degree by Elizabethton and Greeneville.

Socioeconomic Characteristics

Each Development District is distinct in that each of them tend to serve different regional compositions. The following is an analysis and comparison of the population, income, and employment of ETDD, UCDD, FT-VDD, and CARCOG/SETDD areas.

Population

In comparing the rate of increase in population between 1960 and 1970, UCDD experienced only a 5.7 percent rise in population growth for the ten years. CARCOG/SETDD followed with an increase of 9.7 percent. Next was FT-VDD and ETDD, which had a 10.2 percent and 10.8 percent

increase respectively. The rate of increase for Tennessee and the United States was 13.3 percent and 9.9 percent, respectively.

The largest growth rate for the period 1970-1980 occurred in UCDD. The region increased in population by 24.7 percent. ETDD also experienced a large rate of growth with 20.5 percent. ETDD was followed closely by CARCOG/SETDD with an 18.6 percent increase. The lowest growth rate took place in the FT-VDD area where the population increase was 15.3 percent. Population growth was substantially higher in all four Development Districts than the United States growth rate of 11.4 percent for the decade but was relatively comparable to the 16.9 percent increase for the State of Tennessee.

Per Capita Income

In comparing the high and low figures of per capita income for the various regions in 1960, the lowest per capita income occurred in FT-VDD with \$620 in Hancock County. This was followed by SETDD with \$669 in Bledsoe County, and ETDD with \$726 in Morgan County. Over ten counties in UCDD has per capita incomes below \$1,000 for the period. The high per capita income for 1960 were as follows: SETDD's Hamilton County with \$2,020, ETDD's Anderson County with \$2,007, FT-VDD's Sullivan County with \$1,950 and UCDD's Warren County with \$1,223. Per capita income for Tennessee and the United States was \$1,543 and \$2,226, respectively.

The lowest per capita income for 1970 was in UCDD where Van Buren County's per capita income was only \$1,656. This figure was followed by ETDD with \$1,707, SETDD with \$1,846 and FT-VDD with \$1,915. FT-VDD's

Sullivan County experienced the highest per capita income for the period with \$3,787 in Sullivan County. The State of Tennessee's per capita income was only \$3,119 for the period. Per capita income for the United States, however, was \$3,966. By 1978, SETDD's Hamilton County led all the regions in per capita income with \$7,988. The lowest per capita income was UCDD's Pickett County with \$3,185.

Anderson and Knox County in ETDD experienced the highest per capita incomes for 1980 with \$7,488 and \$6,908, respectively. In contrast, the State of Tennessee was \$7,702. The United States' figure was \$9,511. Table 5 gives the comparison of per capita income for all Districts studied.

Past Programs

The four Development Districts are agencies that have functioned as umbrella organizations since their creation. A multitude of various types of program involvement has been pursued. Although the grantors of the Development Districts have been fairly steadfast, especially major funding sources such as HUD, ARC, EDA, THDA, AoA and EPA, the monies allocated to the Development Districts for the implementation of these programs has varied in magnitude of dollar. In part, this can be attributed to the fact that each Development District is a distinct entity with its own specific needs which require differing levels of assistance. Over the past years, the Development Districts have been involved in specific programs that have fallen under the jurisdiction or administration of these large categorical grants that

Table 5
COMPARISON OF PER CAPITA INCOME

Year	High	Low	State	U.S.
1960	\$2,020 SETDD/Hamilton County	\$600 FT-VDD/Hancock County	\$1,543	\$2,226
1970	\$3,787 FT-VDD/Sullivan County	\$1,656 UCDD/Van Buren County	\$3,119	\$3,966
1978	\$7,988 SETDD/Hamilton County	\$3,185 UCDD/Pickett County	\$6,489	\$7,810
1980	\$7,438 ETDD/Anderson County	N/A	\$7,702	\$9,511

Sources: Tennessee Statistical Abstract
U.S. Statistical Abstract
Supplementary Report—Advanced Estimates of Social,
Economic and Housing Characteristics—Tennessee Selected
Counties

were focused to meet their individual needs. For the most part, all of the organizations have been involved in these programs at some point in time but to different degrees and at various scales. Thus, past program involvement has encompassed the areas of land use, agriculture, speculative land development, industry, aging, law enforcement, transportation, highway safety, rural development, human resources, labor force composition, grantsmanship, technical assistance, A-95 review, planning and coordination, economic development, water/sewer/solid waste studies, recreation, housing, child development, fire protection, conservation, energy management assistance, as well as a multitude of other activities.

Past programs unique to ETDD includes staff time contributed to the Forks of the River Industrial Park, WASTEPLEX—a long range waste recycling project sponsored by ARC, and the Big South Fork National River and Recreation Project. UCDD was responsible for the implementation of an Educational Cooperative. The District was strong in the areas of Human Resources, especially aging, Law Enforcement, land development, and housing rehabilitation. FT-VDD's focus was primarily in the areas of health, transportation, housing, environmental studies and aging. SETDD focused upon housing, human resources, and transportation. ETDD is the only District that was not extensively involved in the Aging Program. Programs that the Districts were involved in were sought after because they were programs that were conducive to the needs of the individual areas and because of available funding.

Current Focus

In the course of conducting interviews with the Development Districts, affirmation was given to the fact that as long as any amount of federal monies existed, programs already in place would be continued. In analyzing the Development Districts' current thrust, it appears that the agencies are in varying stages of development regarding the future direction of the agency. Different agencies, however, have taken different stands on both their current and future roles.

ETDD and UCDD are similar in that their budget allocations for fiscal year 1982-1983 are of comparable amounts. In comparison to FT-VDD and CARCOG/SETDD, however, total budgets were reduced by more than 50 percent. In terms of total funding capability, ETDD and UCDD are currently in more serious jeopardy than are either FT-VDD or CARCOG/SETDD. As a result, these two Development Districts have taken definitive steps towards redefining their current focus. FT-VDD and CARCOG SETDD, on the other hand, are being less innovative. These two Development Districts are primarily concerned with monitoring legislation that affects the agencies' programs. This stance seems to apply to both the current and future roles of these particular Development Districts.

Both UCDD and ETDD have narrowed their broad scope of program activities into several key departments. For UCDD, these include the departments of: Human Services, Economic Development, Regional Planning

and Administration. ETDD has currently organized all of its activities into the departments of Community Development, Economic and Tourism Development, and Business Development. The roles currently played by FT-VDD and CARCOG/SETDD are much broader in scope. FT-VDD is involved in Community and Economic Development, Economic Development Financing, Housing Assistance, Research and Data Analysis, Project Review, Planning, Public Transportation, Planning and Coordination, Regional Ridesharing, 208 Water Quality Management Program, Human Resources, Area Agency on Aging and Child Development. CARCOG/SETDD's current program thrust, as described in their latest annual report includes activities related to: Land Use, Housing Development, Transportation, Economic Development, Human Resources Development, Child Development, Education, Health, Criminal Justice, Recreation and Cultural Development, Services to Property and Governmental Management.

Future Focus

The Development Districts' primary sources of funding, i.e., EDA, ARC, HUD and the Tennessee Commission on Aging Programs are currently unstable funding sources. HUD has been totally eliminated from the budget of at least one of the Development Districts and has been reduced to minimal funding in the others for fiscal year 1982-1983. The EDA and ARC programs have been substantially reduced in funding. This reduction, when coupled with the fact that the Development Districts have no degree of certainty as to the future funding for programs, eliminates any concrete long range planning. Finally, the Tennessee

Commission on Aging Program may be placed under the Department of Human Services, a move that would be disastrous for UCDD, FT-VDD, and CARCOG/SETDD.

Prior to the initiation of reductions in funding allocations and personnel, ETDD was the largest agency in terms of staffing. Now with only ten staff persons to conduct and carry on their activities, the agency has resorted to more innovative means of obtaining funding rather than the hit-or-miss approach. ETDD was the first agency of the Development Districts studied to be certified as an Areawide Development Corporation. Thus far for fiscal year 1982-1983 this public/private partnership has increased ETDD's budget by \$46,000. ETDD's involvement with METUS, a regional tourism organization, has only increased the agency's budget by \$3,000, but it is a start on which the agency can build and grow towards a more stable funding source. ETDD is also exploring the possibility of becoming involved in insurance pooling, joint purchasing, and special contracted studies.

UCDD is the only other agency besides ETDD that has made any progress in receiving funding from the SBA 503 Program. The District was not certified until October 1982, and therefore, has not accumulated any resources for services. UCDD is also exploring the possibilities of receiving funding from sources such as the 205(J) Water Quality Control Program; Jobs Training Partnership Act; computer programming; administration of the CDBG and joint purchasing. These are all tentative sources of funding.

FT-VDD, unlike ETDD and UCDD, has not embarked upon any new or innovative means of bringing additional sources of funding to the

organization. The agency has chosen, instead, to continue to investigate available federal and state funding opportunities. Major emphasis is placed upon local funding sources, economic development and job creation. A proposed work program is still in the draft stage and no specific alternatives have been formulated for future programs that are not already in existence. It is the researcher's opinion that the Development District is not in a hurry to venture into other funding areas because it has not felt the impacts of the budget cuts as much as the other Development Districts. Currently, FT-VDD is carrying out activities that have not been drastically reduced in funding. It is also the only Development District that has received substantial funding opportunities from the EPA Program.

CARCOG/SETDD has taken a similar course to that of ETDD and UCDD. In conjunction with monitoring changes in legislation for funding availability, CARCOG/SETDD is pursuing the possibility of obtaining additional funding from the 205(J) Water Quality Control Program, the Jobs Partnership Training Program, and a Health Planning Block Grant from special contracted services with the local governments.

In gathering the opinions of the future outlook for the Development Districts, the following assessments were derived from personal interviews: According to Mr. Freeman (ETDD),

When the country wakes up and realizes what is happening to the economy and its public facilities, new programs will supplement and/or replace the older programs that previously used the Development District concept. The concept will never again be as large but the idea has been utilized for twenty years. New programs will, undoubtedly, allow funding to continue.

Mr. Brooks (UCDD) sees it somewhat differently:

The Development Districts shall suffer more reductions. There has not been a big move towards linking local planning functions of the various agencies. The Human Resources Agency and the Development District, for example, could be combined under one roof. This won't occur, however, because of turf protection. Agencies are going to survive by pulling their functions together; otherwise, some of them will inevitably go down the tubes. In other words, identity must be partially lost for survival. The northwestern part of the country is an example that it can be done. As of now, it is roughly two years until the next election and the securing of stable funding sources.

Mr. Harwood (FT-VDD) feels that:

The Development District is a strong one backed by many concerned elected officials. If necessary, the activities and programs that the locals want to see accomplished in their area that requires aid will be funded by the localities if the State and Federal levels phase them out.

Mr. Saylor (SETDD) is also optimistic.

The overall function of the Development District will continue. The agency has demonstrated the need for regional cooperation as it relates to common problems. Locals have learned that they have benefited from participation in the Development District. The District will be an advocate at the State and local level. The District will attempt to be reorganized if abolished. We are going to find the occurrence of more joint agreements for financial survival.

Budget Analysis

In analyzing the Development Districts' budgets between the years 1976-1977 through 1982-1983, a number of programs were found to be common to all four of the agencies. These programs were: Appalachian Regional Commission (ARC); Economic Development Administration (EDA); Housing and Urban Development (HUD); Highway Safety Planning; Area on Aging; Tennessee Housing and Development Administration (THDA); and CETA.

Funding for the ARC program was available for all years studied. In comparing the fiscal year 1976-1977 with 1982-1983, UCDD experienced the largest decline in funding with a decrease of 26 percent. UCDD was followed closely by ETDD and CARCOG/SETDD. These agencies declined 24.7 percent and 22.5 percent, respectively. FT-VDD did not adhere to this trend, however. The budget for 1982-1983 increased by a negligible amount of .35 percent; however, when comparing the 1982-1983 budget with that of 1979-1980, a 16.4 percent decline is noted.

Budget allocations for the EDA program are substantially higher for ETDD. The budget for fiscal year 1982-1983 was \$123,798 and was indicative of a 73.1 percent increase over 1976-1977. UCDD, on the other hand, declined 55.4 percent in the same time period. The budget for FT-VDD was increased by 23 percent while CARCOG/SETDD declined by 17.5 percent. In assessing the fiscal year 1979-1980 with 1982-1983 all Development Districts have experienced decreased funding. UCDD declined by 62.5 percent from \$73,334 in 1979-1980 to \$27,500 in 1982-1983. ETDD showed a 27.7 percent decline and CARCOG/SETDD a 17.5 percent decline. FT-VDD experienced a minimal decline of 1.2 percent.

All Development District funding for the Highway Safety Planning Program ended by the latter part of fiscal year 1980. This particular program was already being phased out before the Reagan administration took office. The Highway Safety Program is one of several programs that has been entirely eliminated from the Development Districts' budget as was the Law Enforcement Program.

The Area on Aging Program constitutes a substantial portion of the budget of UCDD, FT-VDD, and SETDD. The program was removed from the

ETDD office in fiscal year 1977-1978. Funding for the program increased measurably for both FT-VDD and CARCOG/SETDD between 1976 and 1983. Budget allocations for fiscal year 1982-1983 for FT-VDD and CARCOG/SETDD stood at \$437,844 and \$1,128,896, respectively. The total figure for CARCOG/SETDD is all inclusive in that it encompasses subcontracts for service delivery. UCDD experienced a 30.4 percent decline when 1982-1983 is compared to 1976-1977. An increase of 12.3 percent is noted, however, when 1982-1983 is compared to 1979-1980. As of 1982-1983, the budget of UCDD remained as a significant portion of the budget, constituting \$139,685 of the total. Administration of the program is derived from State and private sources.

The THDA program reveals similar budget allocations for all Development Districts for 1982-1983. Each District currently has a \$15,000 budget. In comparing the current year with fiscal year 1979-1980, all Districts experienced a 34.8 percent decline. ETDD, FT-VDD, and CARCOG/SETDD had funding reductions of 25 percent when comparing the current year with 1976-1977. UCDD, however, experienced a 64 percent decline for the same period.

A major source of funding for FT-VDD has been the Environmental Protection Agency Program (EPA). As of 1976-1977, the EPA budget was \$891,300. By 1982-1983, the budget for the program had dropped to \$150,420. Funding for the program ended in 1977-1978 for CARCOG/SETDD and in 1976-1977 for ETDD. UCDD was not funded under the EPA program for the seven year period studied.

A comparison of total budgets for the Development Districts reveals several interesting facts. ETDD and UCDD had similar budgets of \$600,900

and \$661,200, respectively for 1976-1977. The budgets for FT-VDD and CARCOG/SETDD were \$1,440,301 and \$1,211,502, respectively. By fiscal year 1979-1980, the budget for FT-VDD had declined by 55.0 percent. This decrease can be primarily attributed to the substantial decline in funding for the EPA Program. All other Development Districts experienced an increase in funding for the period. The largest increase was CARCOG/SETDD with 34.1 percent. ETDD and UCDD followed suit with smaller increases of 12.8 percent and 9.8 percent, respectively. A reversal of the pattern is revealed in comparing fiscal years 1979-1980 and 1982-1983. The budget for FT-VDD increased by 31.3 percent while all other Development Districts experienced declines in their total budgets. The greatest loss has occurred for UCDD where the agency's budget declined by 53.7 percent since fiscal year 1979-1980. ETDD has also suffered a substantial loss of 48.4 percent for the period. The budget for CARCOG/SETDD was reduced by 12.5 percent in these two fiscal years.

FT-VDD and CARCOG/SETDD appear to be in a better financial position than either ETDD or UCDD because of their involvement in the Area on Aging Program. The program constituted \$437,844 of FT-VDD's total budget and \$1,128,896 of CARCOG/SETDD's budget for 1982-1983. However, it is currently being proposed that the Aging Program be placed under the administration of the Department of Human Services. If, indeed, a decision is made to move the program, the aftermath might very well be devastating for the two Development Districts. UCDD's involvement in the Area on Aging Program comprises \$139,685 of its budget for 1982-1983 or over one-third of the agency's total budget.

ARC, EDA, and HUD Programs have always been major constituents of the Development Districts. The HUD Program is currently being completely phased out and the ARC and EDA Programs are only being funded based on yearly allocations with no permanent federal commitment. Therefore, any type of long range planning for the Development Districts is different in many issue areas. Table 6 reveals the variations in programs that the Districts are involved in.

In a comparison of all Development Districts (Figures 6, 7, 8, and 9), further analysis reveals that major operational programs constituted approximately the same proportion of the total budget for all Districts. The number of miscellaneous programs still in existence varies somewhat. For example, UCDD has experienced very substantial declines in the number of miscellaneous programs. Miscellaneous programs constitute a significant proportion of SETDD's budget, however. ETDD currently has no pass-through programs. All other Development Districts show a greater proportion of pass-through monies in comparison to other regional agency operational monies. Both operational and pass-through programs are declining for each Development District. The one exception is the Area on Aging Program at FT-VDD. This program, however, represents pass-through monies and does not support nonaging staff.

Staff

ETDD, the largest Development District studied, had the greatest number of position reductions. A total of thirty-two positions were eliminated, however, only seven of these slots were actual lay-offs.

Table 6

PROGRAMS THE DEVELOPMENT DISTRICTS ARE CURRENTLY INVOLVED
IN AS OF FY 82-83

Programs	ETDD	UCDD	FT-VDD	SETDD
ARC	X	X	X	X
EDA	X	X	X	X
HUD	X	X	X	
EPA			X	
LEAA				
DOT				
AoA		X	X	X
THDA	X	X	X	X
TOCD		X	X	
FmHA				
TDOT			X	
Historic Preservation				
CETA				
SBA-503	X	X		
METUS	X			
Highway Safety Planning				
EDA Energy				
FHWA				X

It should be noted that some of these programs are nearing completion or have minimal funding in comparison to previous years.

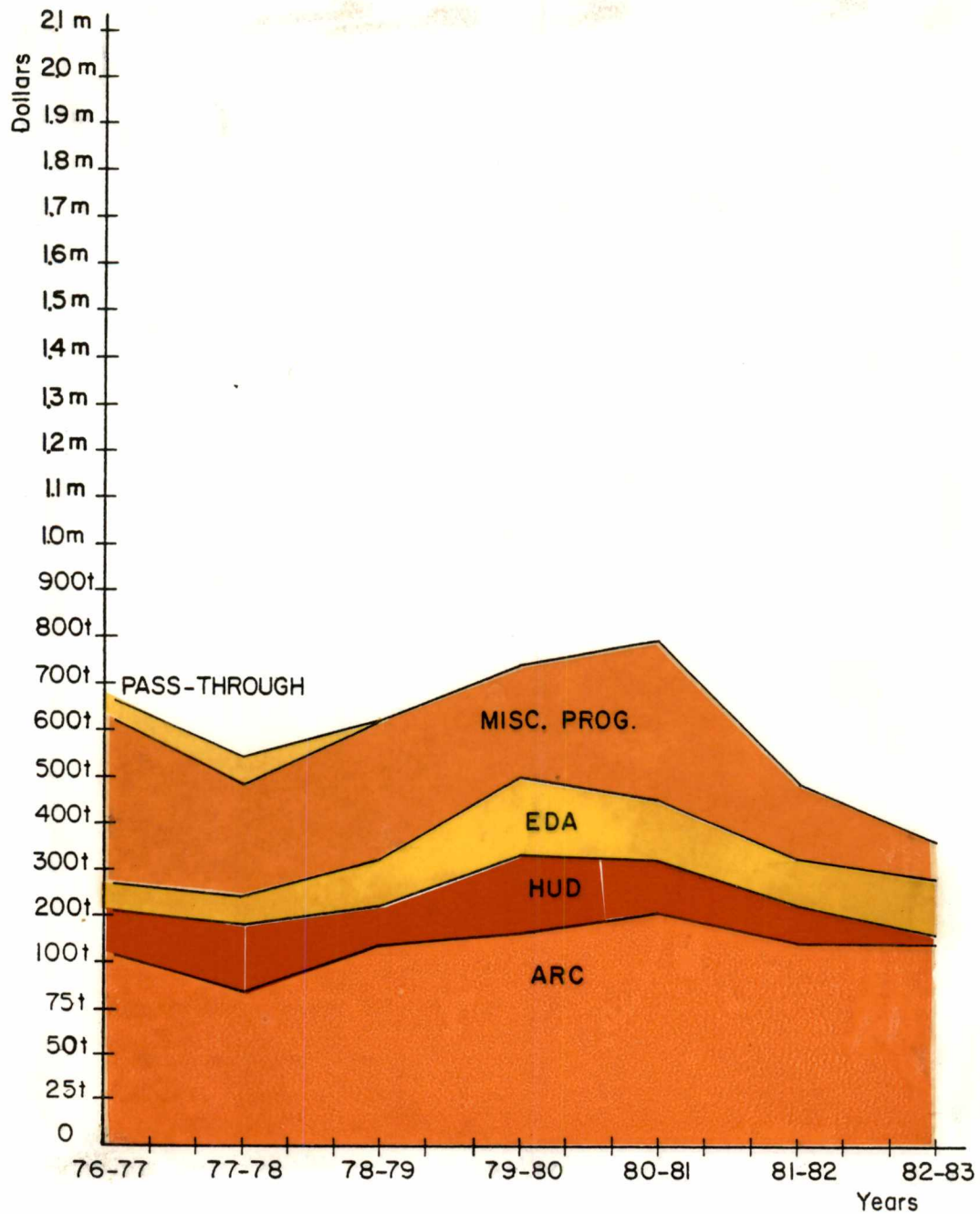


Figure 6

Comparison—ETDD Cumulative Budget

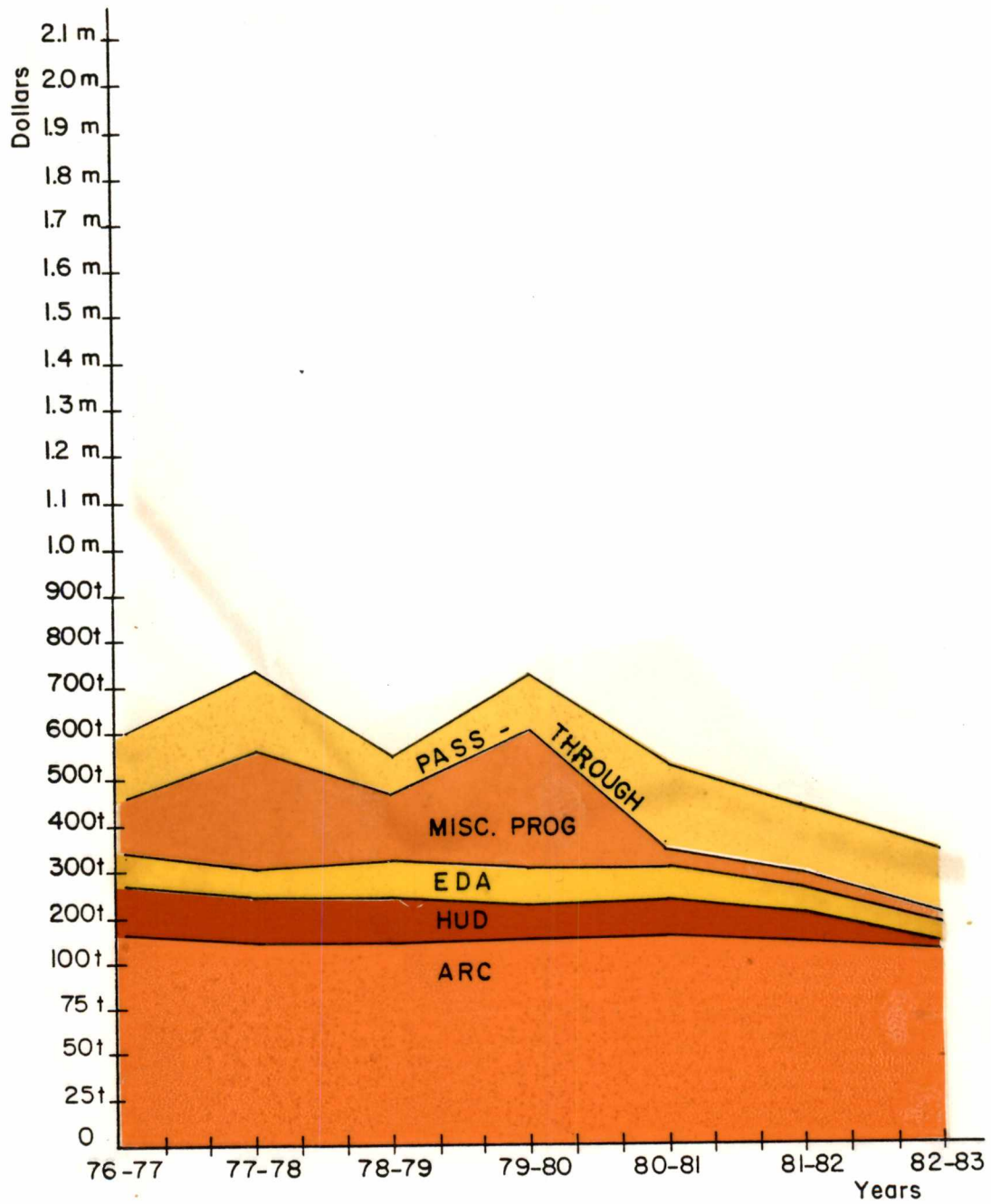


Figure 7

Comparison—UCDD Cumulative Budget

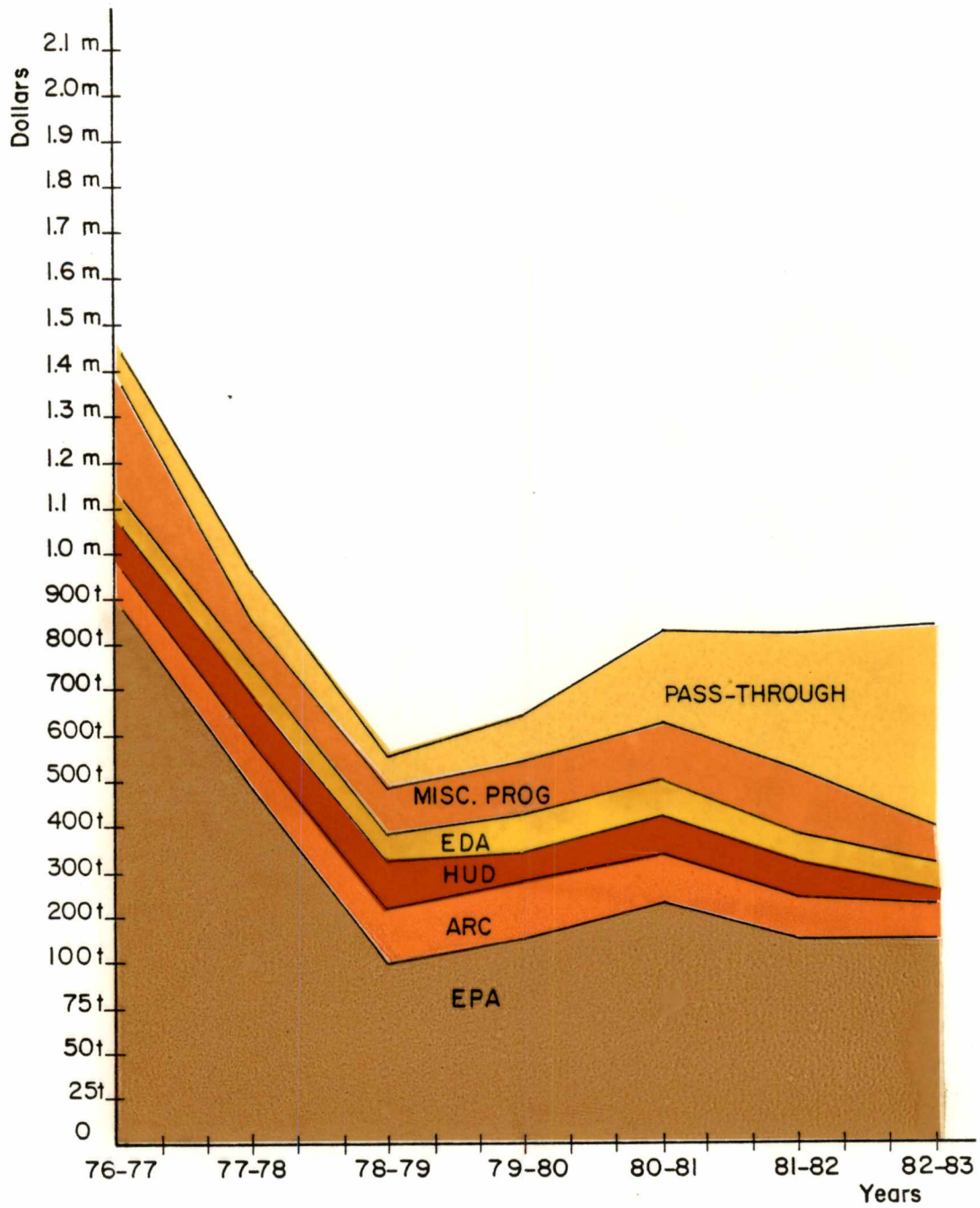


Figure 8

Comparison—FT-VDD Cumulative Budget

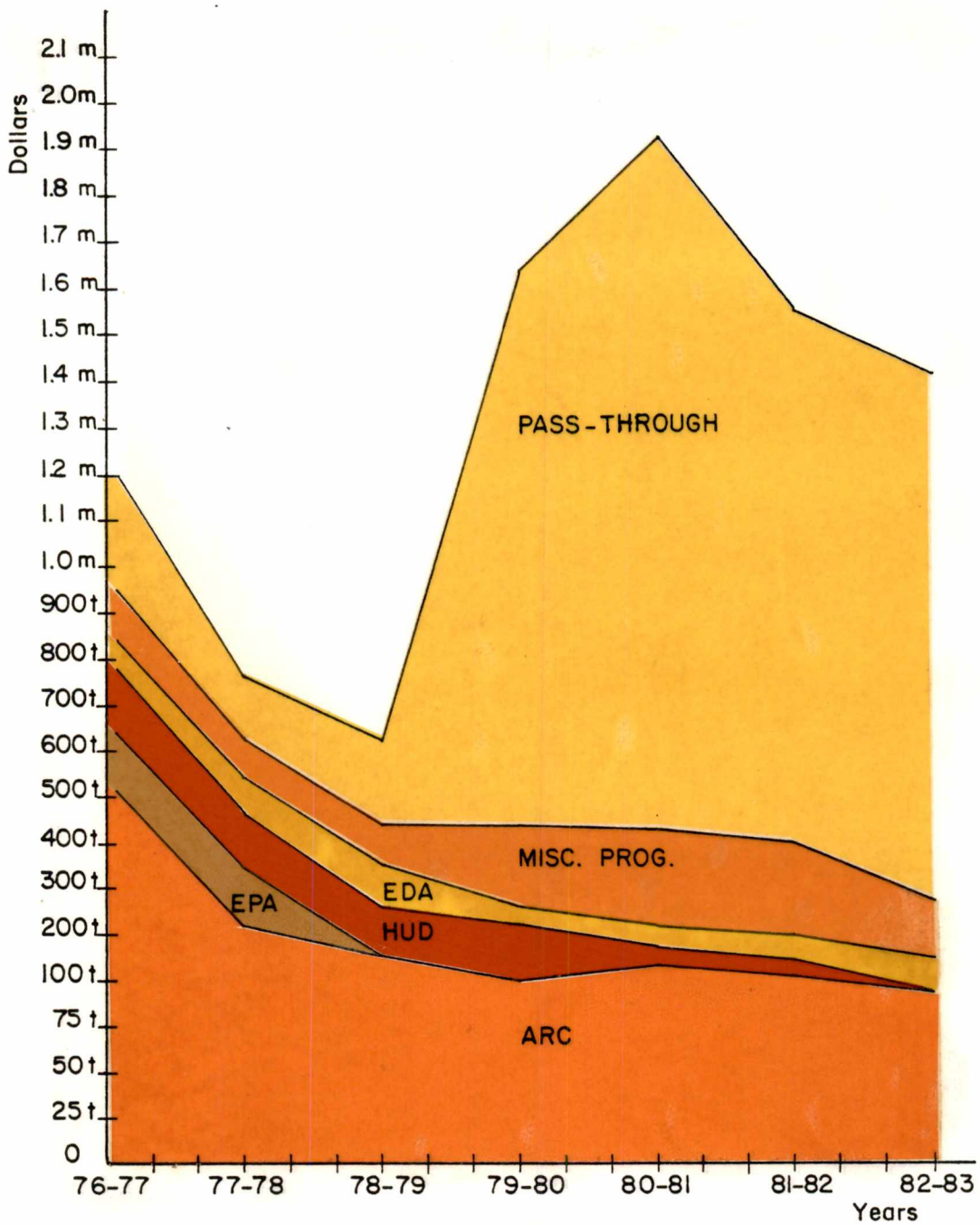


Figure 9

Comparison—SETDD Cumulative Budget

UCDD had a total of five lay-offs. Of this total, one position was eliminated through attrition. CARCOG/SETDD had a total of twelve position reductions. Of this twelve, seven were voluntary resignations. FT-VDD has fared better than the other three Development Districts in terms of required personnel reductions. Only one position was eliminated due to a lay-off. Two positions were reduced through voluntary resignations.

Although the Development Districts vary in their current financial condition; all persons interviewed were in agreement that the morale of their staffs is low. Those persons that are presently employed at the Districts are concerned about job security. This sense of instability, in the opinions of those interviewed, might possibly lead to a decline in the quality of job performance. Those persons that are able to relocate into another job market will, in all probability, do so. A comparison of District staffs is given in Table 7.

As of December 30, 1982, the staff composition for the Development Districts as determined by the Department of Economic and Community Development showed that FT-VDD had the largest staff with 17 persons, followed by UCDD with 15 persons, SETDD with 11 persons and ETDD with 10 persons. (See Appendix B.)

Table 7
COMPARISON OF STAFFS

Factors	ETDD	UCDD	SETDD	FT-VDD
Total Employed Prior to Reagan Administration	42	21	23	20
Total Voluntary Resignations	25	1	7	2
Actual Lay-offs	7	5 1/2	5	1
Total Currently Employed	10	14 1/2	11	17

Sources: Interviews with Development Districts Directors/Assistant Directors, Department of Economic and Community Development, Nashville, Tennessee.

CHAPTER VIII

RECOMMENDATIONS AND CONCLUSIONS

Recommendations

The Development Districts have been studied in an attempt to gain insight into their responses to funding reductions. The value of the functions that the Development Districts have provided has been questioned by the Reagan administration's decision to reduce federal support. Have the Development Districts been effective in their provision of services? How do the reduced funding levels affect those persons previously receiving these services? Finally, what means will the Development Districts employ to continue future planning operations?

Effectiveness of Services

In order for any agency to be effective in its services, it must have a fairly organized structure. It is the author's opinion that the Development Districts lacked the organization needed to carry out their functions adequately. This is partly because of their abstractly defined role. A point standing in the Development Districts' favor is that the agencies created a structure through which the local governments of their various regions could come together to solve areawide problems. In this respect, the Districts acted as a forum for continued cooperation among the governing bodies, and it is difficult to define a reason for existence beyond this. The planning activities of the Development Districts are duplicative in nature and also supplant the functions of

other agencies which are responsible for service functions of the same area. Programmatic funding supporting the operations of the Districts have been sporadic; evidence of this is apparent in reviewing the agency budgets. In comparing the budgets for all programs between 1976-1977 and 1982-1983, either a substantial decline is noted or the program has already been phased out. The fact is the financial backing of the Development Districts is dwindling at a progressive rate. FT-VDD is the only Development District studied that maintained "a steady course" of funding for the seven-year time span. Although monies for this particular Development District showed no substantial declines, when the inflation factor is considered, the District had less money for the provision of regional programs and services. The other three Development Districts, because of drastic decreases in funding, are experiencing an even greater decline in their service capabilities.

The Districts have had a tendency to seek out any programs from which they could receive funding without first having an organizational structure in place to respond to programmatic needs. The major funding programs that the Development Districts have received; primarily EPA, ARC, HUD, and EDA have declined and continue to decline. Miscellaneous programs have been large in number and diverse in nature. Funding for these programs have also declined to a great extent. Pass-through programs that the Development Districts are responsible for have accounted for 50 percent of the Development Districts' budgets in some instances. When these monies are subtracted, declines in operational money makes the Districts' situations look even more bleak.

In the author's opinion, reorganization of the Development Districts is necessary. Such a reorganization should provide a hierarchial structure in which a clear system of priorities is evident. The Districts must actively seek a system of identifying community priorities. The funding sources should be made aware of the true needs of the communities and should be asked to assist on that basis instead of on a funding availability basis.

One option for carrying out existing services is that the Development Districts could be administratively located within the Tennessee State Planning Office, thereby providing a strong basis for planning and coordination. TSPO only provides services for areas on a contract basis. There is no such stipulation with the Development Districts. By reorganizing the Development Districts within TSPO, the role of the Districts could be more clearly defined while maximizing services to the regions served.

Another problem which is evident is that no agency, with the exception of the Development Districts, is looking at problems on a regionwide basis. Therefore, the provision of services on a regional level is jeopardized by the reductions in funding for the Development Districts. The real impact and repercussions of the reductions in funding will not be seen for two to three years.

Effect on Recipients of Services

East Tennessee Development District has eliminated any social services planning. While the program was in existence, primary responsibility of the District was the coordination of activities of

nonprofit organizations. The elimination of this responsibility has placed a strain on the nonprofits who directly aid communities. The lack of coordinative efforts has made the communities suffer because of less efficient services. Utilities Planning was conducted on an annual basis; the District is no longer able to fulfill this function, which could result in outdated utility plans for the communities served. Communities are especially hindered by the fact that ETDD cannot aid them in the preparation of grant applications. For example, no housing proposals are being compiled for the low and moderate income residents. Although the District is hindered by the fact that one of its on-going functions has been eliminated, the people who bear the real burden are those persons who cannot find decent housing.

There is also evidence of prominent impacts of program cuts in the UCDD. The Development District was responsible for the provision of technical assistance for schools and hospitals. Since the elimination of this program, energy conservation measures are nonexistent, which will result in substantial monetary increases for the institutions. The staff person at UCDD responsible for housing activities has been reduced to half-time. This reduction means a curtailment of the housing activities in which the District was involved. Instead of being able to promote housing activity for low/moderate income individuals who need assistance in the housing market, only data is collected on housing starts and rentals. The collection of data does not meet the immediate needs of those persons living in dilapidated housing conditions. In the past, the agency was responsible for providing assistance to farmers

in the region in setting up Farmer's Markets in order to sell their products. Since the elimination of this agricultural program, no other market has been established, resulting in many farmers being unable to participate and sell their products in the local areas.

In an interview with the Assistant Director of SETDD, he emphasized that the reduction of staff has limited the District's overall ability to aid local governments. Basic capital improvements are needed for the creation of jobs. The elimination of programs essential to the physical development of communities hinders job creation. The inability of communities in the SETDD region to expand and improve their water and sewer systems is detrimental to continued growth in this community.

FT-VDD, as well as the other three Development Districts studied, experienced a decline in funding for the Economic Development and ARC programs. The loss of resources has made it more difficult to respond to community requests for assistance. Also, with the elimination of the HUD 701 Program, the resources available for regional planning and technical assistance ceased. FT-VDD is now less able to provide technical assistance for housing projects for low and moderate income families.

One way for communities to maintain planning functions is for them to solicit the services of a private consultant firm or TSPO. The localities are hindered in this regard because of the lack of funds. Some rural areas have considered hiring their own local planners; however, a great many communities do not have the tax base to support permanent staff.

Future Planning Operations

A major problem for the Development Districts has been their dependency upon federal funding. It is the researcher's opinion and recommendation that if the Development concept is to remain valid, the agencies are going to have to find sources of funding other than the federal government. Both ETDD and UCDD have taken action by initiating public/private partnerships that will aid in stimulating investment opportunities that are not dependent upon federal funding. FT-VDD and CARCOG/SETDD while carefully monitoring legislation that might provide funding should take heed of the direction that ETDD and UCDD are pursuing.

Conclusion

In conducting the research necessary for the completion of this thesis and in studying the predicament that the Development Districts are in, two major causes are evident. The first is the Development Districts' total dependence upon the federal government for financial support. The second reason is that the Development Districts lack a well-defined role. Although it is true that every region is distinct and caters to its own individual needs, the Development Districts had a tendency to house a conglomeration of programs under one roof. As a result, the Development Districts failed to establish a system of priorities.

Because the Development Districts failed to establish a system of priorities, the Districts had a tendency to serve overlapping functions with other agencies conducting similar or related activities.

The Development Districts need to begin thinking in terms of combining functions and eliminating duplication. For example, SETDD and TSPO are coordinating and dividing their efforts in an attempt to better serve the communities in their region.

ETDD and UCDD have taken steps toward narrowing the scope of past activities into a well-defined set of programs. The Development Districts must establish an identity for themselves other than that of an umbrella organization which houses a multitude of programs.

The concept of a Development District is an important one. The agencies performed a service to the local member governments that would go unserved if the Development Districts ceased to exist. However, the fact that the Development Districts act as a focal point for local governments to convene and discuss areawide problems is not enough. The Development Districts must develop a well-defined purpose.

This research has been conducted at a time when each day is a new learning experience for the Development Districts. The financial situation they face is one to which they are not accustomed. Securing a more stable funding base is a trial-and-error process and therefore in two or three years they would provide the opportunity for additional research.

In addition to the need for research in the future to see how the Districts solved their funding dilemma and what functions they are serving their future research might also be directed to conducting an analysis as viewed by the direct benefactors of the Development Districts' services (community and local governments), of the overall worth of the Districts.

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Upper Cumberland Development District, Ed Brooks, Director.

First Tennessee-Virginia Development District, Charles L. Harwood, Director.

South East Tennessee Development District, Ronald Saylor, Assistant Director.

APPENDIXES

APPENDIX A

INTERVIEW SCHEDULE

Agency _____

1. Has your Development District encountered cuts in funding of programs since President Reagan came into office?

_____ yes
_____ no

2. Please list the budget and source of funding for all programs during the following years:

FY 79-80

<u>Programs</u>	<u>Budget</u>	<u>Source</u>
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FY 80-81

<u>Programs</u>	<u>Budget</u>	<u>Source</u>
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FY 81-82

<u>Programs</u>	<u>Budget</u>	<u>Source</u>
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FY 82-83

<u>Programs</u>	<u>Budget</u>	<u>Source</u>
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3. Please list the amount of each program cut which your agency has experienced since 1979.

<u>FY</u>	<u>Program</u>	<u>Amount of Cut</u>
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4. Are there any explicit costs and benefits that came about from the Reagan decision to limit federally funded programs for your Development District?

_____ yes
_____ no

- 4a. If so, please list:

<u>Costs</u>	<u>Benefits</u>
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5. If your Development District has experienced budget cuts, do you have any plans to obtain other funds to restore these programs?

_____ yes
_____ no

- 5a. If the answer is yes, how do you anticipate setting new funds?
6. How do you perceive the "role" of the Development District has changed with regard to the implementation and distribution of federally funded programs since the Reagan administration took office?
7. What "role" do you perceive the Development District playing in the future?
8. Do you perceive the changes now occurring in the Development Districts as being best for the counties which they serve?
- _____yes _____no
9. How will the counties being served by your Development District be affected by these changes?
10. What specific program(s), if any, that are being cutback will most drastically affect the counties you serve?

Program(s)

- 10a. How will they be affected?
11. In what other ways, if any, have the Development Districts been affected by Reagonomics?
12. Are there effects which are likely in the future which your Development District has not yet experienced?
13. Have any programs been entirely eliminated since FY 80-81?
- _____yes _____no

- 13a. If yes, please list.

Program(s)

Personnel:

14. Since the Reagan administration's cutback, has any of your staff been released?
- _____yes _____no
- 14a. If yes, what criteria was used in the determination of what staff was to be released?

15. If staff has been released, please list the number of people, their position and the program under which they were funded.

Number of People

Position Held

Program

APPENDIX B

EAST TENNESSEE DEVELOPMENT DISTRICT

CURRENT STAFF

<u>NAME</u>	<u>TITLE</u>
BEST, Louis Morris	Planner
BONE, Susan A.	Executive Secretary
CODY, Teresa C.	Bookkeeper
DEBUSK, Robert E.	Economic and Community Development Director
FREEMAN, Robert E.	Deputy Director
GARRETT, Trudy S.	Project Review Coordinator/Secretary
GORHAM, Agnes P.	Program Planner I - Tourism (METUS)
MAPLES, Brenda K.	Secretary/Data Collector
NEEL, Allen W.	Executive Director
WOODS, Donald R.	Administration Director

Source: Department of Economic and Community Development, Nashville, Tennessee.

UPPER CUMBERLAND DEVELOPMENT DISTRICT

CURRENT STAFF

<u>NAME</u>	<u>TITLE</u>
BILBREY, Gail	Aging Grants Management Coordinator
BOWMAN, Henry	Regional Economist
BROOKS, Ava E.	Executive Director
CAMPBELL, Leo	Community Development Specialist
CLOUSE, Barry	Director of Regional Planning
CUNNINGHAM, James	Cartographer
CUMMINGS, Eugene	Financial Officer
DANIELS, Kathy	Aging Systems Development Manager
FLETCHER, Dianne	Administrative Assistant
LEONARD, Fay	Secretary
PEACE, Nancy	Director of Human Services Planning
RECTOR, Mona	Special Programs Assistant 20 hrs./wk.
SPIVEY, Wendy	Secretary
WAKEFIELD, Freda	Director of Economic Development
WALKER, Shirley	Receptionist

Source: Department of Economic and Community Development, Nashville, Tennessee.

FIRST TENNESSEE-VIRGINIA DEVELOPMENT DISTRICT

CURRENT STAFF

<u>NAME</u>	<u>TITLE</u>
BALDWIN, Steve	Economic Development Specialist
BROWN, Pat	Program Monitor/Area Agency on Aging
CARDEN, Jane	Finance Assistant
CRAWFORD, Lowell	Research Coordinator
DELUCIA, Deborah	Human Resource Coordinator/Public Information Officer
DIAL, Roberta	Senior Data Analyst
FILLERS, Jane	Senior Planner
FINDELL, Don	Water Quality Management Program Director
HARWOOD, Charles	Executive Director
HAUSLE, Alice	Program Developer/Area Agency on Aging
HUNDLEY, Barbara	Office Manager
LAWSON, Jack	Director of Planning and Research
REECE, Thomas	Director of Area Agency on Aging
ROBERTS, Susan	Finance Officer/Administrative Assistant
SPARKS, Ralph "Butch"	Ridesharing Coordinator
TRUE, Bob	Economic Development Specialist
WHITAKER, Kathy	Program Coordinator/Area Agency on Aging

Source: Department of Economic and Community Development,
Nashville, Tennessee.

SOUTHEAST TENNESSEE DEVELOPMENT DISTRICT

CURRENT STAFF

<u>NAME</u>	<u>TITLE</u>
BOOTH, Hale	Regional Planner
CHITKO, Ed	Graphics Specialist
DAVIS, Marsha	Aging Services Coordinator
GUTHRIE, Joe	Planning Director
LAYNE, Rick	Regional Economist
ERWIN, Lynda	Aging Program Monitor
ROSE, Margaret	Children's Services District Coordinator
SAYLOR, Ron	Assistant Director
TAYLOR, Viston	Aging Planner
THIGPEN, Jim	Fiscal Officer
THRAILKILL, Charles	Executive Director

Source: Department of Economic and Community Development, Nashville, Tennessee.

VITA

The authoress, Thelma Bush, was born in Memphis, Tennessee, on November 29, 1958. Her elementary and high school education was completed upon graduation from Central High School in May 1976.

After high school graduation she attended The University of Tennessee, Knoxville, for four years. She graduated in June 1980 with a Bachelor of Arts degree in Biology and Botany.

Immediately after graduation, she entered The University of Tennessee's Graduate School of Planning. During her graduate education, she interned with East Tennessee Development District and Knoxville Neighborhood Housing Services.

Miss Bush was initiated into Delta Sigma Theta sorority during 1978. She was chosen as a member of Outstanding Young Women of America in 1982.

She will receive the Master of Science in Planning degree in June 1983.