



Public Sector Involvement in the Program for the Rural Carolinas

**Chapin Hall Center for Children
at The University of Chicago**

on behalf of The Duke Endowment

March 2006

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From The Duke Endowment

We entered new ground while traversing old trails. The Endowment has been working with rural churches and rural hospitals since its inception and for over 80 years. We take this work very seriously.

Working in concert with our traditional beneficiaries, in August 2001, the Board of Trustees of The Duke Endowment approved the creation of the Program for the Rural Carolinas, an effort to help rural communities in the Carolinas develop their economic assets. The rural program was a three-year initiative and operated on the principle of helping traditional Endowment beneficiaries develop partnerships with other agencies in their communities to work together on a common goal. We believe our beneficiaries and their work will prosper when their communities experience healthy growth and economic stability.

This program was divided into two parts: Option 1, for rural communities demonstrating the ability to undertake large-scale collaborative efforts to energize community development and strengthen economic vitality, and Option 2, for rural communities that choose to undertake innovative smaller-scale projects with fewer partners but still with the potential for economic and community impact. Both groups received direct grants and assistance from the Endowment, as well as coaching, skills training and other assistance from MDC Inc., the Chapel Hill-based economic research and workforce development agency that is the Endowment's partner in managing the program.

Chapin Hall at the University of Chicago was another partner. They worked with participants in the Program – the sites, The Duke Endowment, and MDC – to establish a way to learn systematically from the planning and implementation of Program activities and to assess the successes and challenges the Program encounters. This learning and assessment provided information and analysis useful to participants as they refined and implemented their work and, potentially, to inform people and organizations working in other communities.

The Endowment selected 22 sites that received funding in 2002. Two sites withdrew in 2003 and 2004. Twenty sites participated through 2005, 14 sites are in a second phase with a focus on sustainability. The program will end in 2007. We learned much from this program and want to share this information with those interested in helping rural communities develop their economic assets, how rural churches and hospitals can have a role in this work and lessons we learned about managing a program of this scale.

Sincerely,

Eugene W. Cochrane, Jr.
President

Toni L. Freeman
Director of Project Research and Evaluation

May 2006

Participating Programs

The Endowment received 93 completed applications for the program, 57 from North Carolina and 36 from South Carolina. Staff members from the Endowment and MDC reviewed applications and made site visits to the communities submitting the most promising proposals we compared findings in a series of meetings and conference calls. In June 2002, Trustees of the Endowment selected 22 sites that would receive funding under the program. Two sites withdrew by 2005 and 14 sites are in the final phase of the program that will end in 2007. A complete list of the participating beneficiaries and their programs is in Appendix A.

Beneficiary	Service Area County
Allendale County Hospital	Allendale County, SC
Calvary Memorial United Methodist Church	Greene County, NC
Columbus County Hospital	Columbus County, NC
Duncan Memorial United Methodist Church	Georgetown, SC
Greenville District United Methodist Church	Beaufort County, NC
Hildebran United Methodist Church	Burke County, NC
Hinton Rural Life Center	Cherokee, Clay, Graham & Swain Counties, NC
Hot Springs Health Center	Madison County, NC
Hyde County Cooperative Parish (United Methodist Church)	Hyde County, NC
Isaiah United Methodist Church	Colleton County, SC
Maria Parham Hospital	Vance County, NC
Marion County Medical Center	Marion County, SC
North Wilkesboro District United Methodist Church	Alleghany, Ashe & Wilkes Counties, NC
Onslow Memorial Hospital	Onslow County, NC
Pender Memorial Hospital	Pender County, NC
Pilmoor United Methodist Church	Camden & Currituck Counties, NC
Pinetop United Methodist Church	Edgecombe County, NC
Randolph Hospital	Randolph County, NC
Roanoke Chowan Hospital	Bertie, Gates, Hertford & Northampton Counties, NC
The Rockingham District United Methodist Church	Robeson County, NC
Shady Grove United Methodist Church	Lower Orangeburg & Upper Dorchester Counties, NC
Snow Hill United Methodist Church	Stokes County, NC

Introduction to the Chapin Hall Learning Project Working Memoranda March 2006

One of the products of the Chapin Hall Learning Project is a series of Working Memoranda that serve as a vehicle for dialogue about what the Program for the Rural Carolinas (PRC) is accomplishing, what challenges it is facing, and what strategies might help to address these challenges in order to maximize impact. This Introduction describes the purpose of the Working Memoranda, how they were developed, and what they have focused on.

What is the purpose of the Working Memoranda?

The goal of the Working Memoranda is to provide useful information and analysis designed to stimulate mutual reflection and learning about key questions and issues arising as PRC evolved. As expected, significant variation existed across the original 23 (now 20) PRC sites in their histories and contexts, strengths and challenges, and in the local opportunities on which they had to build. Our analysis was at the cross-site level whereby we aimed to draw from the unique experiences of individual sites to identify larger patterns, themes, and lessons. Our focus on learning rather than on assessment positioned us to be learning partners rather than evaluators, although we hoped that the issues covered in the Memoranda helped to shape each site's own self-evaluation.

The Working Memoranda are conceptualized as a collaborative effort, so we periodically asked all of PRC's stakeholders what questions they wanted the Memoranda to address. When we completed a Memorandum, we issued it in draft form so that everyone had an opportunity to review and provide input before it was finalized. We encouraged the sites to review the draft to see where their experience was consistent or not with the narrative: what was the evidence for their assessment? What other confirming or competing points or lessons on the topic could they contribute? What examples could they provide to help deepen the learning from PRC?

Because our aim was to capture the learning along the way, each Memorandum should be understood in the context of the particular stage of PRC's development in which it was released. Sometimes information was updated in later Memoranda and sometimes the same issue was treated quite differently in Memoranda that came out at different times.

On what data are the Working Memoranda based?

The Working Memoranda are based on a number of sources of data collected over a three-year period starting in April 2003: at least two site visits annually to the Option 1 sites, during which Learning Project staff attended team meetings and community events and interviewed team members, staff, local officials, program participants, and other observers. We also read site materials, communicated with team members and staff by phone and email; attended learning cluster workshops and annual cross-site learning institutes; administered surveys; talked periodically with MDC staff and coaches; and interviewed relevant program staff at The Duke Endowment.

Who is the audience for the Working Memoranda?

PRC teams, staff and other local stakeholders are a primary audience for the Working Memoranda. Other key audiences include The Duke Endowment and MDC. Finally, the memoranda may also be of interest to other practitioners, funders and policymakers concerned with rural economic development, community building, and the role of philanthropy in community change. A list of the working memoranda topics is in Appendix B.

Chapin Hall Center for Children at the University of Chicago

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Public Sector Involvement in the Program for the Rural Carolinas December 2004



Introduction

PRC is conceived as a collaborative process for community change that brings together a full range of interests in the community – public, private, nonprofit, faith-based, and grassroots – in a new structure in order to create deeper, more systemic, and more sustainable results than any one sector could produce alone. The public sector is a key element of this collaborative process. Included in this sector are elected officials and individuals who work for various government departments or offices at the municipal and county level as well as congressional representatives and other players at the regional, state and even federal level.

The devolution of resources and responsibilities from federal to state and local governments in recent decades has underscored the role of local decision-making in budget and other policy arenas. Local government allocates resources that can increase the employment, income and wealth for people left behind by the economy and can potentially sustain PRC projects long after funding from The Duke Endowment ends. Beyond financing, local government has the capacity to affect communities in myriad ways through its public policies, rules and regulations, discretionary decision making authority, purchasing and investment decisions, and relationships with regional authorities.⁴ Local government can facilitate action or obstruct it, especially the latter when government officials feel they have been ignored or marginalized.

It is at the local level that most citizens have the greatest opportunity to affect policy outcomes via economic and political involvement. There they have the greatest access to elected and appointed officials, to public records and information, and to other citizens concerned with the community's different interests. Engaging the public sector, however, presents strategic challenges for PRC teams. Local government may not be interested in new ways of doing business or may have very different priorities than those championed by PRC. Getting embroiled in local politics may derail PRC's energy and resources and undermine future public-private partnerships. But ignoring the public sector also presents downsides, possibly leaving a PRC team marginal and with few opportunities to garner resources or political will toward its goals. As MDC writes, *"Without the support of policymakers – state representatives, local elected officials, agency leaders – the best-laid plans can end up on a shelf, nicely packaged with no*

⁴ The Aspen Institute Roundtable on Community Change, *Local Government and Community Building Project*, see <http://www.aspeninstitute.org/Program1.asp?bid=13030>.

*delivery scheduled. With them, a small idea can grow wings and bring change, not just to one community, but potentially to many.”*⁵

This Working Memorandum explores how the PRC teams think strategically about local government in relation to PRC’s goals, how they have engaged with local government and with what consequences. Because local history and context are so important to strategy, we are not aiming to identify “the best way” for PRC teams to relate to local government but rather to understand better how they have approached this relationship and what lessons can be drawn from their experience to date. Although teams often had different goals and strategies for engaging elected officials versus government agency leaders versus front-line agency workers, we have defined the public sector here as including all these groups for the purposes of this discussion.

Government Representation on the PRC Teams

One way of engaging the public sector in PRC’s work is to include key officials and agency representatives on the team or its committees. The Table on the next page identifies these individuals on Option I teams and the positions they hold (The Table in the Appendix describes team membership from all sectors).

As the Table on the next page indicates, **wide variation exists among teams in their engagement of government representatives as team members.** The two teams from western North Carolina have few government members whereas the two teams from South Carolina have 12 or 13 members each. With the exception of LO/UD-Shady Grove, the church-based teams have less government representation than the hospital-based teams.

Wide variation also exists regarding the degree to which these government representatives have participated actively on the teams and the roles they have played as PRC has evolved. Some rarely come to a team meeting but provide support when needed, while others are very active members. One team, for example, employs a strategy of keeping some folks, such as heads of government departments, on the team “in name.” Some of these government officials designate staff to participate actively on the team for them, but vouch for the team’s work and allow their name to be used when helpful. Finally, some teams have very close relationships with government officials who, for one reason or another, do not sit officially on the team.

Teams have used their connections to government officials in different ways. In some cases, these officials were key to conceptualizing PRC locally and getting it off the ground. For example, County Commissioners in Beaufort and in the Northwest (both of whom were also heads of local community development organizations) and a State Senator in LO/UD-Shady Grove all played key roles in developing the application to The Endowment and in building support for the application from various local constituencies. Elected officials such as these can bring people to the table and encourage them to provide positive public endorsements of the PRC agenda at key junctures. For LO/UD-Shady Grove, the Senator was able to secure from the

⁵ MDC, “Strengthening the Rural Carolinas: A Conceptual Framework for the Program for the Rural Carolinas,” June 2002, p. 19.

community college release time for the PRC-funded project coordinator as well as the involvement of a number of industry representatives who tend not to come to all the meetings but say, *“If you need us, call us.”*

In other cases, leadership of the Duke eligible institutions talked informally with county commissioners and city leaders to get their blessing before writing the proposal. Some then invited representatives to serve on the team, while others preferred to keep these relationships informal or limited to particular aspects of the team’s agenda. Rather than include them on the Board, the Northwest team waited to engage various government representatives until it needed their help on implementation teams. For example, Northwest’s IDA Advisory Boards include Directors of County Social Services Departments and the Employment Security Commission, among others, and the Cluster Development Initiative includes several advisory groups on which key public sector officials are represented.

TABLE 1

Option I Site	Member Name¹	Government Agency/Elected Body	Position
Beaufort	David Moore Ian Phylars Vic Rogers Tim Ware	Beaufort County Commission Division of Community Assistance Job Link Mideast Commission	County Commissioner Community Development Planner Director Executive Director
FWMEP	Debra Sloan Claudie Burchfield	NC Dept of Agriculture and Consumer Services Graham County	Business/Aquaculture Consultant Planner and Director of Ec Development
LO/UD	Paul Connerty Willie Davis Jim Friar Glenda Howard Jackie Jenkins Hal Johnson Julie Kornahrens John Matthews Felicia Montgomery Wendy Smith Bradon Snelgrove Yolanda Thomas Tiffany Reeves	Trident One-Stop Career Center System Dorchester County Dorchester County Economic Development Dorchester County Department of Social Services Dorchester County Department of Social Services Orangeburg County Economic Development Dorchester County Adult Education State Senate District 39 Orangeburg One Stop Career Center Dorchester County Economic Development Orangeburg County Economic Development Orangeburg County Department of Social Services Dorchester One-Stop	Director County Councilman Director Community Resource Officer Director Executive Director Director SC State Senator Job Services Counselor Project Mgr Research / Grants Mgr Community Resource Tech Consultant WIA Program Coordinator
Marion CAN	Victoria Belin James A. Blake Jody Blume Howard Garland Til Freeman Milton Troy Kent Williams Elista Smith Ernesto Rivas Frank Hart Frank Jones Timothy Harper	SC Board of Education Retired Asst Superintendent / Election Committee Department of Social Services City of Mullins Marion County Adult Education Marion County Marion County / Marion County School Board Marion County Adult Education City of Marion Marion County City of Marion	Board Member Marion County Board of Elections / Registration Chair Social worker Director of Planning Coordinator County Councilman Deputy County Admin / School Board Chair County Council Chair ESL coordinator City Councilman Economic Development Director Director of Planning
NAPRC	Patrick Woodie	Alleghany County	County Commissioner
RCPRC	Eddie Causey Mary M. Cooper Keith Crisco Diane Frost Phil D. Kemp Robert R. McRae, Jr. Martha C. Sheriff Robert Ware	City of Archdale Randolph Co. Health Dept. City of Asheboro Asheboro City Schools Randolph County Commissioners Randolph County Schools Randolph Co. Dept. of Social Services Employment Security Commission of NC	City Councilman Director City Councilman Superintendent Member Superintendent Director Manager
Team Vance	Terry Garrison Jane Ball-Groom Rick Seekins Sara Wester Sheri Jones Margaret Ellis Benny Finch Norman Shearin Vincent Gilreath	Vance County Kerr Tar Regional Council of Gov't Kerr Tar Regional Council of Gov't Vance County Job Link Career Center Henderson-Vance Downtown Vance County Vance County Economic Development Vance County Schools Kerr Tar Regional Council of Gov't	County Commissioner Workforce Development Consultant Economic Development Planner ESC Manager Main Street Program Manager School Board Chairperson Executive Director Superintendent Workforce Development Director

¹Team members who hold government positions are listed here. The list is imperfect because some team members hold multiple positions and some positions combine public and private elements. However, the list provides a rough approximation of the government positions held by Option I team members as of August 1, 2004.

An alternative or additional approach to asking government representatives to actually join the team is to **work behind the scenes, employing a strategic, informal partnership-building approach**. One project coordinator found it extremely helpful to form a good working relationship with the local Director of Planning, who was willing to share his technical expertise and knowledge about how local government worked.

A member of another team noted: *“We understand that to build long-term sustainability we need to find partners in the government. What it all comes down to here is who do you know? Who do you have a trusting relationship with? Can you have a conversation that a government person will understand and then be willing to make a risky decision because he knows you and trusts you?”*

Some teams hoped that having government officials actively participating on the team would enable them to obtain first-hand knowledge of PRC goals and to develop an investment in the achievement of these goals. Due to competing loyalties, however, government officials did not always become PRC allies. One interviewee gave the following example:

“The chair of the County Commission is technically on the team, but he hasn’t been as involved. We’ve had to pull his coattails to ask him if he’s still with us . . . He didn’t feel like he could say anything because anything he would say would be taken as a message from the Commission and the issues at hand hadn’t been discussed by the Commission. Even if he was speaking off the record, people still considered him as speaking for the Commission . . . He comes to meetings, but he won’t say what he really thinks. I recognize this dilemma of being in the position where he can’t really say what he wants to say.”

Informing and Engaging the Public Sector

Regardless of the extent to which they invited public sector representatives to serve on the teams or their committees, as an initial step toward building a partnership with the public sector, most of the sites have tried to inform local officials of PRC’s existence and plans. Many have learned through trial and error that **actively engaging local government officials and their agents is not an effortless undertaking** – *“One strategy we found that absolutely didn’t work was to just invite them. After that, we made a concentrated effort to get people on the team with personal relationships to ask elected officials to join.”*

According to one interviewee, one of the challenges results from the nature of PRC itself. *“I think the program content and lack of more specific criteria and demands, has frustrated the city/county governmental people because they are used to more specificity. PRC is bringing a new way of looking at development than they are used to, it’s making things more complex than they are used to them being.”* Further, some local government officials may feel threatened by the notion of change and resist the opportunity to become more engaged. One team member voiced his concern about the feasibility of forging a successful, working partnership with local policymakers, *“Community and elected officials know what’s going on in the county and recognize that there is a need for change; however, there is a real difference of opinion about how to structure that change.”*

Nevertheless, teams have generally risen to the challenge and have implemented varied strategies in their efforts to inform and connect with the public sector. These efforts have taken the form of holding public forums, visiting county commissioner meetings, organizing power point presentations on PRC's goals and strategies, placing ads in the local papers, sponsoring breakfasts or dinners, and so forth. In most cases, the sites have not needed anything specific so the meetings have focused on sharing information and relationship building.

Several respondents talked about the **importance of informal relationships** in building support for PRC's agenda. In rural communities where many people know each other and have overlapping social networks through church, work, and family connections, many opportunities exist—such as a chance meeting at a local restaurant or a church social—to keep people informed, learn about their concerns, and get their support. One county manager commented on how PRC staff had helped to build these informal relationships: *“The team was initially running around on its own without connecting to anyone, including the local government. This was a big problem. [The staff] has been good about connecting [the team] to others and to keeping them on task. This is really good because if there's no collaboration with the public sector, it'll be a three-year project with no future.”*

In some cases, teams found it **useful to work with consultants** to help them shape and communicate their basic mission, ideas and strategies to government officials. For example, a consultant recently facilitated a gathering of city/county council leaders to discuss MCCAN and its role in the community. Following the meeting, city and county officials designated people to represent them on MCCAN subcommittees. A small business incubator manager from North Carolina met with MCCAN and city/county leaders to explain and flesh out the concept of a business incubator and present some of her program's successes. The consultant's presentation and the discussion that followed was so successful that the county council chairperson showed considerable interest in and support for the small business incubator idea and helped to organize further community meetings and trainings on the topic.

Team Vance has also used a consultant to help the team develop an analysis and strategy for economic renewal and to communicate that strategy to various constituencies, most critically

Engaging Local Officials

- *“We went to the county commissioners meetings to allay fears that we were going to tell them what to do. And we tried to show them that we could mutually benefit from FWMEP. We talked about the 15 houses we have built over the years and how we have added \$1.5 million to the area's tax base, how our work will build a stronger and healthier community. We didn't need anything from them at that time so it was fine.”*
- *“We go to the county commissioner's meeting at least once a year because we want them to be informed. This has worked well and hopefully laid the groundwork for next year when we hope to be going to them for funding one of our NAPRC projects.”*
- *“Initially public sector officials perceived that MCCAN was coming in on their domains, they were threatened. Now MCCAN is focusing less on MCCAN as its own entity and more on working with the public sector to enhance their programs. Once you change the perception that it's another organization that is coming in to do for people, officials will buy in when they see it in their interests.”*

various local officials. The team held a successful community forum for local leaders in an effort to formally introduce them to PRC, garner support and to facilitate their active involvement in the process.

Other teams have had **more limited success or particular challenges** in forging productive ties with the public sector:

- *“It has been an ongoing challenge, we really haven’t done it yet although we have talked about hosting a meal or event for the elected and appointed leadership. They really haven’t taken much notice of what we are doing.”*
- *“Our success is staying out of the way of the history of petty politics here—jailed sheriffs, vote-buying, patronage, county commissioners who have been in control forever, etc. We want to be transparent in what we do and show people that there is another way.”*
- *“We met with elected officials in the community engagement piece, it was good effort, but elected officials still don’t have a strong handle on what’s up with this grant. There’s minimal knowledge and understanding . . . Our agenda is really not that important to them.”*

Two key questions emerge from this analysis of the different relationships PRC teams have formed with the public sector: 1) What progress have sites made in garnering concrete public sector support (resources and other forms of support) for the PRC agenda? and 2) Have the PRC teams been able to influence the way the public sector does business so that it is more supportive of the interests of people left behind by the economy?

What Progress Have Teams Made in Garnering Public Sector Support for PRC and its Agenda?

Ultimately PRC aims to redirect public resources and influence public policies to provide more support for local economic renewal and more opportunities for people left behind by the economy. Although this is a long-term goal, several teams have made some initial progress toward this end, in the form of **establishing supportive relationships** that yield benefits for PRC’s work, **leveraging resources** for PRC program work, and/or **forging actual partnerships** with local government.

Establishing Supportive Relationships. Several teams have enlisted their public sector members as key committee chairs, thereby drawing upon their expertise and connections and making PRC’s limited resources go further. For example, an individual who works for the Department of Agriculture and Consumer Services is currently acting staff for the Far West’s Small Scale Agriculture Team. She has put in many hours helping to organize and expand the group by connecting it to various resources, although her long-term plan is to turn over leadership to one of the local farmers. A different example comes from the Vance team where having a Job Link person at the table has leveraged a staff position and other connections to job training funds. Similarly, key team committees in LO/UD-Shady Grove, Marion and Randolph

are chaired by team members who work for government agencies or who are government officials.

Supportive relationships with government officials have contributed in other ways to PRC's agenda. MCCAN is leveraging the grantwriting expertise of the city by working with the Marion City Planner on a proposal for Community Development Block Grant (CDBG) funds to up fit an historical building to use as a small business incubator. Beaufort and Northwest worked with local government to apply for CDBG funds for their IDA programs. The LO/UD-Shady Grove and the Far West teams have worked with a range of government agencies and others to produce proposals for a collaborative YouthBuild program.

Leveraging Public Resources. PRC teams have begun to develop a range of strategies for leveraging resources for their agendas. Sometimes these strategies involve direct public funding for PRC projects (such as CDBG funds for their IDA programs); sometimes they involve the use of public funds for collaborative projects (such as the use of Workforce Investment Act funding in Vance); and sometimes they involve in-kind support (such as coordination services from Adult Education and the Technical Colleges for LO/UD's training programs). In other cases, teams have been able to leverage funds that were available to their constituents but had simply not been accessed before. The following example illustrates this last case:

The Hinton Center's housing program has worked for some time with the USDA's rural development office: Hinton provides volunteer labor and some tools and materials, and USDA provides loans and some grants for both housing repair and new construction. USDA officials report that they advertised the availability of their funds in the paper in Swain and Graham Counties but had rarely been able to identify projects to fund there. Because FWMEP has expanded the housing work into these counties, USDA now has a partner and comes to the table with FWMEP housing action teams on a regular basis to select projects for support. In other words, the existence of FWMEP as a partner in these two counties has leveraged a new ongoing source of public resources for the area. (FWMEP also draws upon HUD funds for site development and Community Action Agency resources for housing repair. Finally, FWMEP housing staff has worked successfully with each of the four county governments for regulatory relief and for waivers of building inspection fees of \$300/site).

Another way in which public sector funds are helping to advance PRC's agenda is through support for VISTA volunteers. Vance and LO/UD-Shady Grove projects have involved VISTA volunteers who are actually working for partner organizations, while the Far West has a VISTA volunteer on its staff.

Forging Partnerships with Government. Developing real partnerships, in which the expertise and resources of both parties are used to mutual advantage, is a long-term process. Several teams have made some initial inroads toward this end, however. In Marion, the team was able to join its interest in business retention with the county's interest in a small business incubator to develop a partnership to support both agendas. The county will supply the space for the incubator and MCCAN will provide the salary for a manager, who will have responsibilities for the incubator and for serving as a bridge to industry. After two years, the county will fund the full costs of the manager's salary, thereby institutionalizing the incubator and hopefully stimulating an improved business climate in Marion County.

Similarly, LO/UD-Shady Grove's workforce training programs are directly aligned with key government programs. With staff actually housed at the Department of Social Services (DSS), PRC has worked closely with DSS, Adult Education, Dorchester One-Stop and other government agencies (as well as the Technical Colleges) to develop an integrated training and service model.

Northwest's Advanced Materials Cluster Development Initiative

This project aims to build the research, education and economic infrastructure of the region in order to support the development of the advanced materials industry and related enterprises. It began as a collaborative effort among NAPRC, Wilkes Community College, and a local "champion," Martin Marietta Composites. But it was clear from the start that the initiative's success required key government officials from each of the three counties in the region to buy into the effort. A NAPRC team member (who is also a county commissioner) and key staff person began to build public sector support by meeting one-on-one with county managers, economic development officials, and other key players. Given historic competition among the counties for economic development opportunities, as well as normal politics, these meetings required the ability to portray the project clearly and persuasively, sensitivity to the concerns of the officials, and shuttle diplomacy as needed. The strategic orchestration of these meetings and the patience called for during this process yielded success. During the next phase of organizing for action NAPRC structured continued public sector involvement into the project through two different committees. The Executive Committee included the three county managers and economic development officials from the three counties, along with PRC, community college and industry representatives. The larger Advisory Board consists of the town managers, Chamber directors, local industries and others who can be ambassadors for the project.

Although the project is quite different, the Northwest team was also able to identify common interests with local (regional) government and build upon these interests to structure an initiative that requires the participation of both the public and private sectors. (See Text Box – page 8).

What Progress Have Teams Made in Changing Public Sector Policies and Practices To Be More Supportive of the Interests of People Left Behind by the Economy?

Working to change public sector policies and practices generally takes a long time and is difficult to evaluate because any change in government practice is likely to be the result of many factors including but not limited to PRC's role. At this stage, PRC teams are focused more on laying the foundation for policy change, rather than expecting such change in the immediate future. Nonetheless, several teams report some progress in this area.

One way in which this progress is demonstrated is through the **networking that takes place among the public sector officials** who are part of the PRC teams or their committees. Although none of these agencies has changed in fundamental ways, they have benefited from the communication and understanding among them. For example, one team's discussions have focused representatives from key public agencies dealing with people left behind by the economy on the need to improve and coordinate services better for this group. A team member reports that "*the Department of Social Services and the Employment Security Commission and all of those other agencies are not working with people left behind as well as they should but because of the dialogues on the team, they've looked at their programs and increased their emphasis on this group.*" Ideas that come up in the group are sometimes implemented

and actions taken, such as the partnership between the Economic Development Commission and the county school system to get teachers better connected with industry so that the needs of employers can be translated into school curricula. *“The partnership is happening outside of RPRC, but the relationships were made inside of RPRC.”*

LO/UD-Shady Grove provides another example: PRC’s partnership with government has not led to systemic change but it has reinforced the value of collaboration among the participating agencies. The partnership with PRC has also helped to change DSS’ reputation in the community from simply providing welfare benefits to being a community resource: *“It’s not just about benefits—it’s also about education and information.”*

One of MCCAN’s goals is to raise the consciousness of city and county officials about the need to deal with the deep racial and cultural divides within the community. As part of a larger State mandate, Marion County started a Human Relations committee a year ago to improve community relations. Members of MCCAN and elected officials interviewed see this committee as having the potential to serve as a healing force and sounding board for the community, particularly around issues related to race. They also see MCCAN as well positioned to help the committee develop community forums and other activities related to race and culture. While the committee has faced staffing challenges and has yet to become an active force in the county, members of MCCAN expressed commitment to trying to make it functional.

One PRC site, Team Vance, has had significant change in the public sector as a central priority on its agenda. With a consultant, the Team developed what many see as a radical but necessary agenda for the county’s economic renewal, including some significant changes in public sector policies and practices. Team Vance is now faced with the challenge of building support for the agenda within all sectors of the community.

Team Vance’s Economic Development Strategy

Team Vance contracted with Atlanta consulting firm Market Street Services and its CEO Mac Holladay to design a broad-based economic development proposal for Vance County. After reviewing and analyzing the proposal’s first four components, the economic and demographic profile, business climate analysis, target business analysis, and the economic development strategy the team realized that their county’s economic development programs were fragmented and spread out among various local agencies and organizations. After much deliberation and with PRC’s governing principles as its guide, Team Vance concluded that it could be advantageous to consolidate the county’s revitalization efforts via the creation of a new public-private partnership entity. The new organization would actually realign existing agencies and officials in an integrated body that would draw from Team Vance’s development strategy as its ‘program of work.’ The team understood that buy-in from community leadership, both formal and informal, was an essential element to the success of such an ambitious effort. Instead of rushing to publicize the implementation plan, two team members were charged with holding one-on-one meetings with some influential community leaders and government officials, explaining the rationale for the proposal, and getting their feedback and support. This low-key strategy has proven to be a complex endeavor given the ambitious nature of the team’s goals.

Looking Forward

As PRC evolves, we see at least one concrete implication for practice and one larger issue to contemplate:

- Teams report that they are not always aware of how various streams of public funds are allocated, what funds communities are entitled to or eligible for, or how to be smart about accessing existing funds to advance the PRC agenda. Further learning about how to access public funds seems like a good investment as teams consider various sustainability strategies. MDC's monthly FundRai\$ing Newsletter could be a valuable tool in this regard.
- The PRC approach uses collaboration and partnership as central vehicles through which to bring about change. As a consequence, it is not surprising that teams have worked collaboratively with local government, rather than use other strategies like organizing and advocacy, to exert influence on public policies and practices. But one of the tensions inherent in a collaborative approach is how to challenge existing public sector policies and practices that adversely affect people left behind by the economy while maintaining collaborative relations with public sector officials. These relationships are further complicated when a site is interested in raising funds from the public sector to support its projects. One team member mused on this potential dilemma: *"It depends on what we intend to do with this. Is it to really change? If we want to make some systemic change, elected officials need to be informed and buy into the need for change. Few elected officials think of this as a vital opportunity. In the beginning we had talked about making significant change in some local systems, but we changed that. I think right now, this is regarded as a tool that can be used by existing agencies. I don't think we're doing different things."*

The experience of the PRC teams so far suggests that each team must shape an approach to the public sector that fits its particular context and needs. There is no one right strategy for doing this. However, some PRC teams are already beginning to find ways to leverage public resources, to insert new ideas and priorities into the discussion with government officials, and to partner with government for specific projects. **Working with local government is full of complexities and risks but the cost of ignoring the public sector is also very high.** The teams appreciate the need for public sector resources and public policy support to enable PRC's agenda to flourish and be sustained over time. The challenge is to connect with government in a way that translates into institutionalized support for this agenda. Additional questions that may arise as teams go forward include:

- As we have seen, PRC teams in some sites have helped to facilitate and streamline communication and collaboration between and among public sector agencies. Are there opportunities in the other sites to promote similar strategies for improving the way government agencies work with each other or coordinate different public funding streams toward common goals?
- With MDC's assistance, some teams have become engaged in national conversations about EITC and in state forums about economic development. Are there any other opportunities for PRC teams to join together to provide information to state and national

policymakers and to advocate for changes that would promote the interests of rural communities in North and South Carolina?

- The public sector in some communities is relatively weak and controlled in many ways by private sector powers. Can PRC teams develop an analysis of the relationship between the public and private sectors that would be helpful in developing a strategic approach to promoting PRC's agenda?

Early advice from the PRC teams:

- *“If we'd known then, what we know now, we would've gotten the full support of city and county officials prior to the application process”*
- *“Check in with local government officials early on to “find out what is already being done so that [the team's] work is not redundant or completely misguided”*
- *“What's critical is to be there, listen and start a dialogue”*
- *“The county has its own agenda that it would like PRC to fund--the challenge for us is to find where the PRC and government agendas overlap enough to warrant our investment”*
- *“Make sure that the government folks get the credit, however much you have to stretch the case”*
- *“Don't get coopted by local officials—you want them to do their work better, not do their work for them”*
- *“Develop relationships with the powers that be before you ask them for money”*

OPTION I TEAM PROFILES¹

	BCPRC	Far West	LO/UD - Shady Grove	MCCAN	NAPRC	RPRC	Team VANCE
Total # of Members	20	14	36	27	18	21	27
RACIAL/ETHNIC COMPOSITION							
White	66.7%	85.7%	41.7%	51.8%	87.5%	80.0%	63%
African-American	28.6%	0.0%	58.3%	44.4%	6.2%	10.0%	37%
American-Indian	0.0%	14.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Hispanic	4.8%	0.0%	0.0%	3.7%	6.2%	10.0%	0.0%
Asian	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EMPLOYMENT SECTOR							
CHURCH OFFICIALS	10.0%	14.3%	8.3%	7.4%	27.8%	9.5%	7.4%
PRIVATE SECTOR	5.0%	28.6%	25.0%	18.5%	11.1%	4.8%	25.9%
Workers/Entrepreneurs	0.0%	14.3%	19.4%	18.5%	11.1%	0.0%	18.5%
Financial Institutions	5.0%	0.0%	5.6%	0.0%	0.0%	4.8%	0.0%
Chambers/Agencies	0.0%	14.3%	0.0%	0.0%	0.0%	0.0%	7.4%
EDUCATION	20.0%	7.1%	13.9%	3.7%	22.2%	14.3%	11.1%
Universities/Community Colleges	15.0%	0.0%	11.1%	3.7%	22.2%	9.5%	7.4%
Student	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.7%
Primary/Secondary Education	5.0%	7.1%	2.8%	0.0%	0.0%	4.8%	0.0%
GOVERNMENT	10.0%	14.3%	36.1%	44.4%	5.6%	33.3%	33.3%
Local, State, Federal Agencies	5.0%	7.1%	33.3%	25.9%	0.0%	14.3%	22.2%
Elected/Appointed Officials	5.0%	7.1%	2.8%	18.5%	5.6%	19.0%	11.1%
NONPROFITS	55.0%	28.6%	16.7%	25.9%	33.3%	38.1%	22.2%
Other	0.0%	14.3%	0.0%	11.1%	0.0%	0.0%	3.7%
Services	25.0%	7.1%	8.3%	3.7%	5.6%	14.3%	3.7%
Arts	0.0%	0.0%	0.0%	0.0%	5.6%	0.0%	0.0%
Economic Development/CDC	20.0%	0.0%	8.3%	3.7%	16.7%	19.0%	3.7%
Youth Development	0.0%	7.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Health ²	10.0%	0.0%	0.0%	7.4%	5.6%	4.8%	11.1%
AGRICULTURE/FARMERS	0.0%	7.1%	0.0%	0.0%	0.0%	0.0%	0.0%

¹ The membership of each team has been analyzed with regards to the sectors in which they are employed. People who are retired have been coded by the sectors from which they retired. It is not a perfect analysis because some people represent more than one sector. However, the table provides a rough approximation of how different teams are constituted as of July 2004.

² Category includes some for-profit health care providers.

**The Duke Endowment
Program for the Rural Carolinas
Participants**

The Duke Endowment Beneficiary	Program Name/Summary	Participating Years
Option 1 Programs		
Greenville District United Methodist Church	Beaufort County Program for the Rural Carolinas Beaufort County, NC Affordable housing, IDAs ¹ and an EITC ² programs; small business development; and raising income levels through education and training.	2002-2006
Hinton Rural Life Center	Far West Mountain Economic Partners Cherokee, Clay, Graham & Swain Counties, NC Heritage tourism, small-scale agriculture, and affordable housing.	2002-2006
Maria Parham Hospital	TEAM VANCE Vance County, NC Reducing disparity between available jobs and unemployed people with skills. Identify key growth sectors. Affordable home-ownership. Connecting unemployed with jobs that have a career path towards a sustainable wage.	2002-2006
Marion County Medical Center	Marion County Collaborative Action Network Marion County, SC Industry retention through improved productivity increasing employment, the expansion of existing and development of new sectors, and increasing income and wealth of the left-behind.	2002-2005
North Wilkesboro District United Methodist Church	Northwest Alliance Program for the Rural Carolinas Alleghany, Ashe & Wilkes Counties, NC Leadership, marketing, program development, and entrepreneurial development.	2002-2006
Randolph Hospital	Randolph Program for the Rural Carolinas Randolph County, NC Goals are directed at increasing employment and wealth.	2002-2006

¹ IDA is an individual development account for savings to purchase a first home, pursue job training or capitalize a small business.

² EITC is an earned individual tax credit that people of low wealth may use to reduce and individual's taxes. The reduction may be returned in the form of a refund.

The Duke Endowment Beneficiary	Program Name/Summary	Participating Years
Shady Grove United Methodist Church	Shady Grove Program for the Rural Carolinas (LO/UD) Lower Orangeburg & Upper Dorchester Counties, SC Increasing the employment income, financial literacy, and wealth of people left-behind.	2002-2006
Option 2 Programs		
Allendale County Hospital	Helping Hands Allendale County, SC Develop viable health care training programs and trustworthy communication links for the left-behind.	2002-2006
Calvary Memorial United Methodist Church	Contentnea Development Partnership Greene County, NC Employment business development, wealth building through EITC and homeownership. Increasing public awareness of economic development issues.	2002-2005
Columbus County Hospital	Discover Columbus Columbus County, NC Eco-tourism / Agri-tourism, Agri-business, and Leadership Development.	2002-2006
Duncan Memorial Untied Methodist Church	“Project Reach ² ” Georgetown, SC Goals are to improve housing conditions while simultaneously providing job skill training for youth.	2002-2004
Hildebran United Methodist Church	East Burke Learning Alliance Burke County, NC Involve existing business and industry in creating employment opportunities; increase the involvement of the left-behind and access to distant markets, people, and educational opportunities through public Internet sites.	2002-2006
Hot Springs Health Center	Madison PRC Madison County, NC Increase the incomes of local farmers and craftsmen/artists and build the leadership and infrastructure that will sustain the increased income.	2002-2006
Hyde County Cooperative Parish (United Methodist Church)	Hyde County Program for the Rural Carolinas Hyde County, NC Supporting development of the Hyde-Davis Business Enterprise Center; developing a plan for the Machapungo Park Project ³ ; and providing a framework for economic development, leadership training, and team building for the team.	2002-2005

³ The Machapungo Park Project showcases the history and cultural heritage of Native American, European settlers and Civil War-era residents.

The Duke Endowment Beneficiary	Program Name/Summary	Participating Years
Isaiah United Methodist Church	<p style="text-align: center;">CAN Program/The Collaborative Colleton County, SC</p> <p>Increasing employment and wealth through IDA program.</p>	2002-2006
Onslow Memorial Hospital	<p style="text-align: center;">Onslow PRC Onslow County, NC</p> <p>Assessing the needs of the left-behind, improving their financial literacy, and building their wealth through the establishment of EITC and IDA programs.</p>	2002-2006
Pender Memorial Hospital	<p style="text-align: center;">Pender Rural Economic Development Task Pender County, NC</p> <p>Complete a comprehensive needs assessment showing key demographic and economic issues, and development of a plan for implementing the new ideas identified by these studies.</p>	2002-2006
Pilmoor United Methodist Church	<p style="text-align: center;">Steps-to-Success Camden & Currituck Counties, NC</p> <p>Develop jobs, provide life skills training and mentor the left-behind. Create sustainable non-seasonal employment opportunities for coastal area citizens.</p>	2002-2005
Pinetop United Methodist Church	<p style="text-align: center;">Pinetops PRC Edgecombe County, NC</p> <p>Creating a new economic environment that provides new opportunities for employment and asset building through business development and growth.</p>	2002-2004
Roanoke Chowan Hospital	<p style="text-align: center;">Roanoke-Chowan PRC Bertie, Gates, Hertford & Northampton Counties, NC</p> <p>Workforce development and increasing employment.</p>	2003-2005
Snow Hill United Methodist Church	<p style="text-align: center;">Stokes PRC Stokes County, NC</p> <p>Support local farmers and foster workforce development.</p>	2002-2006
The Rockingham District United Methodist Church	<p style="text-align: center;">The Robeson County Program for the Rural Carolinas Robeson County, NC</p> <p>Develop a countywide CDC to help team achieve wealth building through home ownership, small farm and agricultural development, small businesses, and create a plan for the long-term sustainability.</p>	2002-2005

**The Duke Endowment
Program for the Rural Carolinas
Working Memoranda Topics**

Constituting Effective Teams for Rural Development in the PRC (November 2003)

This memorandum reviews the rationale for the central role of collaborative teams in PRC's design and then examines the composition and structure of the newly constituted teams. Although teams differ considerably in their composition, most are relatively diverse by race and background but less so by class and age. The memorandum reviews the committee and governance structure each team has put in place to help it make decisions, allocate resources, and carry out the work. Even this early in PRC's implementation, about half of the teams are considering incorporating as a new nonprofit organization as a possible way to institutionalize the change process at the end of PRC. Teams also face the challenge of how to deploy staff effectively so that team members neither burn out nor reduce their much-needed engagement.

Doing Development Differently: Innovation and Learning in the PRC (November 2003)

The focus of this memorandum is on two challenges teams face as they translate new ideas about economic renewal into operational realities. First, how do they innovate without starting a large number of new programs that may neither maximize the use of existing community resources nor generate long-term support for sustainability? The memorandum describes how the teams are catalyzing innovation by creating and brokering partnerships and by strengthening the capacity of existing organizations to implement new programs. Second, how do teams build learning and evaluation into implementation in a way that enables them to reflect upon and refine their strategies as part of ongoing practice? Given implementation challenges, teams often have trouble finding the time to engage in iterative cycles of intentional learning, planning, doing, and evaluation that could improve their work.

The Role of the Duke Endowment's Eligible Institutions in the PRC (November 2003)

The rural Methodist churches and rural nonprofit hospitals that serve as team members and fiscal agents for PRC in each site face a number of challenges in PRC. They are expected to be leaders but not to be in charge, to produce results but to share that responsibility and credit with a range of other community partners, and to institutionalize the change process but not necessarily within their own structures. This memorandum examines what assets these churches and hospitals bring to PRC and how they have addressed the challenges inherent in their new roles. The potential for other rural churches and hospitals to develop increasing interest in playing leadership roles in promoting their community's economic renewal is also addressed.

Managing and Implementing the PRC: The Role of Staff (May 2004)

This memorandum reviews the role of staff in supporting the work of the PRC teams. It describes the central role of the project coordinator in facilitating, coordinating, and communicating; keeping team members engaged; and sustaining the pace and momentum of the work. What the coordinator and project staff actually do depends in part on what tasks the team members are willing and able to take on and what additional vehicles the team can create or

access for carrying out the work—such as using consultants, partnering with other organizations, or involving community members on PRC committees or task forces. The memorandum challenges teams to use staff and other vehicles to implement their agendas in ways that both produce program results and build enduring community capacity and support for a continuing partnership.

Leadership Development in the PRC (December 2004)

This memorandum examines the different ways that teams have tried to identify and cultivate a cadre of people who are committed to working on behalf of PRC's goals. Potential leadership can come from PRC team members, as well as from diverse sectors of the community: ordinary citizens who express an interest in community improvement, traditional power brokers, people who work in organizations and agencies that serve the disadvantaged, and people left behind by the economy. All of these different kinds of citizens are necessary constituents of a long-term partnership to advance and sustain PRC's goals over time. But diverse strategies are needed to identify, engage, and develop these different leaders. The memorandum reviews both the formal and informal ways that the teams have fostered leadership and challenges teams to develop ways of monitoring the success of these efforts.

Public Sector Involvement in the PRC (December 2004)

The focus of this memorandum is on the different ways in which the teams have approached the complexities of engaging the public sector, both elected officials and those who work for various government departments or offices at the municipal and county level. Clearly, teams cannot ignore the public sector and still access the resources and achieve the changes that are required for local economic renewal. But the timing and nature of the relationship involve strategic challenges, which teams have addressed in quite different ways with different results. The memorandum reviews the progress teams have made in garnering public support for their agendas, as well as for changing public sector policies to be more supportive of the interests of people left behind by the economy.

The Role of the Church in the PRC (May 2005)

This memorandum examines the experience of the eleven Endowment-eligible rural United Methodist Churches or church-related entities that are participating in PRC. The focus is on the role church leaders and their UMC institutions have played in PRC and the impact of PRC on these institutions. Overall, the churches—like their rural hospital counterparts—have been successful intermediaries and effective fiscal agents. In turn, PRC has had a positive impact on their reputations in the community and their capacities as community partners. Few of the churches, however, have engaged their membership in PRC in a substantial way. The memorandum outlines why this has been the case and summarizes the emerging tools and strategies that UMC leadership is testing to get the laity involved in order to provide continuity and sustain the long-term commitment of the church to PRC's interests.

The Role of the Hospital in the PRC (September 2005)

This memorandum examines the experience of the nine Endowment-eligible rural hospitals or health entities participating in PRC. The focus is on the role hospital executives and their institutions have played in PRC and the impact of PRC on these institutions. Overall, the rural hospitals—like their United Methodist Church counterparts—have been successful

intermediaries and effective fiscal agents. Despite increasing fiscal constraints, the hospitals have been able to draw upon their long history in the community, their stable leadership, and their close relationships to local business to help facilitate a broad community change agenda. As major employers, they have understood PRC's potential to address local workforce needs. A key question for these hospitals has been how much to engage their boards and embrace PRC as part of their core business. The memorandum ends with a strategic framework for leveraging health institution assets for community economic revitalization.

Managing and Supporting PRC (February 2006)

This memorandum examines the management and provision of support to PRC with an eye toward drawing lessons for other foundations, intermediaries and nonprofits considering similar multi-year, multi-site initiatives. As PRC's intermediary, MDC provided a rich and diverse portfolio of supports, such as coaching, cross-site meetings, and access to a technical assistance pool, that were intended to convey information, inspire, challenge, facilitate and connect sites to additional resources. For the most part, these supports complemented the Endowment's unique relationship with its beneficiaries. Both MDC and the Endowment report that it would have been useful to develop additional clarity at PRC's inception regarding how success in PRC was to be defined, measured and reported. Further, both organizations would have benefited from more structured opportunities for mutual reflection and learning about how the ideas behind PRC were playing out in practice.