



Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, DC 20515

Sam Graves
Chairman

Rick Larsen
Ranking Member

Jack Ruddy, Staff Director

October 13, 2023

Katherine W. Dedrick, Democratic Staff Director

SUMMARY OF SUBJECT MATTER

TO: Members, Subcommittee on Economic Development, Public Buildings, and
Emergency Management
FROM: Staff, Subcommittee on Economic Development, Public Buildings, and
Emergency Management
RE: Subcommittee Hearing on “*Regional Commissions: A Review of Federal
Economic Development Program Effectiveness*”

I. PURPOSE

The Subcommittee on Economic Development, Public Buildings, and Emergency Management of the Committee on Transportation and Infrastructure will meet on Thursday, October 19, 2023, at 10:00 a.m. ET in 2167 of the Rayburn House Office Building to receive testimony on a hearing entitled, “*Regional Commissions: A Review of Federal Economic Development Program Effectiveness.*” The hearing will analyze the role the different economic development regional commissions play in distressed communities across the country. At the hearing, Members will receive testimony from various regional commissions including: the Appalachian Regional Commission (ARC), Delta Regional Authority (DRA), Denali Commission, Northern Border Regional Commission (NBRC), and the Southeast Crescent Regional Commission (SCRC).

II. BACKGROUND

Currently, there are eight statutorily authorized regional economic development commissions; however, only five are active: ARC, DRA, Denali Commission, NBRC, and SCRC.¹ Each Commission, with the exception of Denali, is composed of a Federal co-chair, who is appointed by the President and confirmed by the Senate, and the governors of the states in which the commission operates.² The Federal regional commissions operate as partnerships with state governments with programming focused on infrastructure, energy, environment, workforce, and business development.³

III. APPALACHIAN REGIONAL COMMISSION (ARC)

¹ CONG. RSCH. SERVICE, FEDERAL REGIONAL COMMISSIONS AND AUTHORITIES: STRUCTURAL FEATURES AND FUNCTION (April 7, 2023), available at <https://sgp.fas.org/crs/misc/R45997.pdf> [hereinafter CRS REPORT].

² *Id.*

³ *Id.*

ARC's membership consists of all of West Virginia and parts of Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, and Virginia.⁴ ARC uses an index-based system to classify county's levels of economic distress (distressed, at-risk, competitive, and attainment) to direct funds to the most vulnerable communities.⁵ To date, ARC has invested nearly \$5.3 billion over 33,000 different projects to help improve the region's economic position.⁶ ARC focuses their grant programs on investing in building Appalachian businesses, community infrastructure, and community capacity. The Partnerships for Opportunity and Workforce and Economic Revitalization (POWER) program focuses on the 360 counties in the region who are experiencing job loss due to a declining coal industry by preparing workers for opportunities in entrepreneurship, broadband development, tourism, and other industry sectors.⁷

ARC was reauthorized under the *Infrastructure Investment and Jobs Act (IIJA)* and was given a budget authority of \$200 million a year for fiscal year (FY) 2022 through FY 2026.⁸ This is a 31 percent increase from FY 2017 funding levels.⁹

IV. DELTA REGIONAL AUTHORITY (DRA)

DRA's membership consists of 252 counties in Alabama, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee, along the Mississippi River.¹⁰ DRA's mission is to help create jobs, attract industrial development, and grow local economies by improving public and transportation infrastructure, training the workforce, and building local leadership.¹¹ DRA utilizes their States' Economic Development Assistance Program (SEDAP) to fund programs for basic public infrastructure, transportation infrastructure, business development, and workforce development.¹² Additionally, DRA provides funding through their Community Infrastructure FUND (CIF) to provide direct investment into community infrastructure needs for flood control.¹³

DRA is up for reauthorization this year, and, in the past, has been included in the *Farm* bill.¹⁴ The DRA was appropriated \$30.1 million in FY 2023.¹⁵ Further, DRA received \$150 million in supplemental appropriations through *IIJA*, a 400 percent increase from its FY 2021 appropriation level.¹⁶

⁴ ARC, *About the Appalachian Region*, (last accessed Oct. 3, 2023), available at <https://www.arc.gov/about-the-appalachian-region/> [hereinafter About ARC].

⁵ ARC, *Classifying Economic Distress in Appalachian Counties*, (last accessed Oct. 3, 2023), available at <https://www.arc.gov/classifying-economic-distress-in-appalachian-counties/>.

⁶ About ARC, *supra* note 4.

⁷ ARC, *POWER Initiative*, (last accessed Oct. 3, 2023), available at <https://www.arc.gov/power/>.

⁸ Pub. L. No. 117-58, Div. J, Title III.

⁹ CRS REPORT, *supra* note 1.

¹⁰ DRA, *States*, (last accessed Oct. 3, 2023), available at <https://dra.gov/states/>.

¹¹ DRA, *Mission*, (last accessed Oct. 3, 2023), available at <https://dra.gov/about/mission/>.

¹² DRA, *SEDAP*, (last accessed Oct. 3, 2023), available at <https://dra.gov/programs/critical-infrastructure/sedap/>.

¹³ DRA, *CIF*, (last accessed Oct. 3, 2023), available at <https://dra.gov/programs/critical-infrastructure/community-infrastructure-fund/>.

¹⁴ CRS REPORT *supra*, note 1.

¹⁵ Pub. L. No. 117-103, Div. D, Title IV.

¹⁶ Pub. L. No. 117-58, Division J, Title III.

V. DENALI COMMISSION

The Denali Commission was established to promote rural development and provide critical infrastructure investments such as power generation, transition facilities, communication systems, water and sewer systems, health care facilities, and transportation infrastructure throughout rural Alaska.¹⁷ As the Denali Commission only represents one state, the rest of the board is comprised of the Alaskan governor, the University of Alaska president, the Alaska Municipal League president, the Alaska Foundation of Natives president, the Alaska State AFL-CIO president, and the Associated General Contractors of Alaska president.¹⁸ A notable project for the Denali Commission is the Trans-Alaska Pipeline Liability (TAPL) which funds bulk fuel safety and security programs.¹⁹

The Denali Commission's authorization is currently expired, and it is also a potential item for reauthorization consideration in the FY 2024 *Farm* bill.²⁰ The Commission was last reauthorized under the Water Infrastructure Improvements for the Nation Act in 2016.²¹ The Commission was appropriated \$17 million in FY 2023.²² The Commission also received \$75 million in supplemental funding through *IJA*, which was a 400 percent increase from their FY 2021 appropriation level.²³

VI. NORTHERN BORDER REGIONAL COMMISSION (NBRC)

NBRC's membership consists of distressed counties in Maine, New Hampshire, New York, and Vermont.²⁴ The Commission offers four key grant programs: the Catalyst Program, Forest Economy Program, Workforce Opportunity for Rural Communities, and State Capacity Grants.²⁵ These focus on modernizing infrastructure to support businesses, support the forest-based economy, support workforce development, and help states develop comprehensive economic and infrastructure development plans for the distressed communities.²⁶

NRBC is currently up for reauthorization this year, and in the past has been included in the *Farm* bill.²⁷ The Commission received \$150 million in supplemental appropriations through *IJA*, which was a 400 percent increase from FY 2021 appropriation levels.²⁸

VII. SOUTHEAST CRESCENT REGIONAL COMMISSION (SCRC)

SCRC's membership consists of all distressed counties in the states of Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, and Florida that are not already

¹⁷ Denali Commission, *About Us*, (last accessed Oct. 3, 2023), available at <https://www.denali.gov/about/>.

¹⁸ Pub. L. No. 105-277.

¹⁹ Denali Commission, *Funding*, (Oct. 3, 2023), available at <https://www.denali.gov/about/funding-2/>.

²⁰ CRS REPORT, *supra* note 1.

²¹ Pub. L. No. 114-322.

²² Pub. L. No. 117-103, Div. D, Title IV.

²³ Pub. L. No. 117-58, Div. J, Title III.

²⁴ NRBC, *Northern Border Region*, (last accessed Oct. 3, 2023), available at <https://www.nbrc.gov/content/northern-border-region>.

²⁵ *Id.*

²⁶ NRBC, *Program Areas*, (Oct. 3, 2023), available at <https://www.nbrc.gov/content/program-areas>.

²⁷ CRS REPORT, *supra* note 1 at 1.

²⁸ Pub. L. No. 117-58, Div. J, Title III.

serviced by the Appalachian Regional Commission (ARC) or the Delta Regional Authority (DRA).²⁹ SCRC is designed to issue grants to develop infrastructure, assist in worker training, improve basic health care, and promote resource conservation and the development of renewable and alternative energy sources through their State Economic and Infrastructure Development (SEID) Grant Program.³⁰ SCRC also operates a J-1 Visa Program by working with states to provide waivers for physicians, so long as the physician seeking a waiver meets certain requirements.³¹

SCRC is currently up for reauthorization this year, and in the past has been included in the *Farm* bill.³² The Commission was first appropriated in FY 2021 at \$250,000 and received \$1.15 million in *IJA*.³³ In FY 2023, SCRC received \$5 million.³⁴

VIII. CONCLUSION

The hearing will examine the role the regional commissions play in economic development throughout the country. As many of the regional commissions' authorizations are expiring, the hearing will hear from the commissions on their priorities.

IX. WITNESS

The Honorable Gayle Manchin
Federal Co-Chair
Appalachian Regional Commission

The Honorable Corey Wiggins
Federal Co-Chair
Delta Regional Authority

The Honorable Chris Saunders
Federal Co-Chair
Northern Border Regional Commission

The Honorable Jennifer Clyburn Reed
Federal Co-Chair
Southeast Crescent Regional Commission

Garrett Boyle
Federal Co-Chair
Denali Commission

²⁹ CRS REPORT, *supra* note 1.

³⁰ *Id.*

³¹ SCRC, *Grants and Programs*, (last accessed Oct. 3, 2023), available at <https://scrc.gov/grants-and-programs/>.

³² CRS REPORT, *supra* note 1.

³³ Pub. L. No. 116-260; Pub. L. No. 117-58, Div. J, Title III.

³⁴ Pub. L. No. 117-103, Div. D, Title IV.