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Committee on Transportation and Infrastructure Subcommittee on Economic
Development, Public Buildings, and Emergency Management
2466 Rayburn House Office Building
Washington, DC 20515

**Subject: Delta Regional Authority Written Testimony Regarding Regional
Commissions: A Review of Federal Economic Development Program
Effectiveness.**

On behalf of the Delta Regional Authority (DRA), I am pleased to present the Delta Regional Authority's Written Testimony Regarding Regional Commissions: A Review of Federal Economic Development Program Effectiveness.

Since its establishment in 2000, the agency's purpose has remained unchanged – to promote and encourage economic development in the DRA region. DRA's financial assistance programs provide targeted investment in the 252 counties and parishes within eight states in and around the Mississippi River Delta and the Alabama Black Belt. Member states are Alabama, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee.

While home to 10 million residents, the DRA region is among the most economically distressed parts of the United States. Among the DRA region's 252 counties and parishes, most are characterized as distressed and persistently in poverty^{1, 2}. Despite these economic conditions, millions of Americans across the country rely on the DRA region for agriculture, manufacturing, textiles, and supply chain logistics, as well as natural resources.

¹ As of FY 2022, 230 (91 percent) of DRA's counties and parishes are economically distressed. In compliance with the Statute, the DRA calculates distress criteria on an annual basis. To be deemed distressed counties and parishes must meet the following criteria: 1. An unemployment rate of one percent higher than the national average for the most recent 24-month period.

2. Have a per capita income of 80 percent or less of the most recent national per capita income level.

² As of FY 2022, 136 (54 percent) of DRA's counties and parishes are in persistent poverty. The DRA follows the definition of persistent poverty provided by the USDA Economic Research Service that designates a county or parish may experience persistent poverty if it has poverty rates of 20 percent of the population, or more, for at least 30 years.

Throughout its history, DRA has responded effectively to the region's challenges through its programs and investments. The DRA invests in a broad range of initiatives that support the four overarching goals of the DRA: investing in public infrastructure, developing local workforces, promoting business growth and entrepreneurship, and supporting sustainable communities. Some highlights of DRA programs and their impact include:

- The States' Economic Development Assistance Program (SEDAP), one of DRA's main investment tools, provides direct investments for basic public infrastructure, transportation infrastructure, business development, and workforce development. From 2017 to 2022, project investments in SEDAP resulted in over 504,000 families affected by infrastructure projects, about 164,000 individuals trained in workforce development programs, and approximately 35,000 jobs either created or retained in the region.
- The Community Infrastructure Fund (CIF) supports projects that address flood control, basic public infrastructure, and transportation infrastructure improvements. Since 2017, CIF investments have facilitated nearly 299,000 families affected by infrastructure projects, about 1,500 individuals trained in workforce programming, and over 8,000 jobs created or retained in the region.
- The Delta Doctors program increases access to quality health care in DRA communities by using a J-1 visa waiver to allow foreign physicians trained in the United States to work in areas with a shortage of health professionals. From 2019 to 2021, the DRA sponsored 440 physicians across the region, with about half of projects taking place in Alabama and Louisiana. About 25 percent of DRA-sponsored doctors work in a primary care role, with the remainder working across more than 18 specialties.
- In collaboration with the U.S. Department of Health and Human Services (HHS), the Delta Region Community Health Systems Development Program enhances healthcare delivery by providing technical assistance to critical access hospitals, small rural hospitals, rural health clinics, and other healthcare organizations. From 2017 to 2021, the program supported 43 organizations (37 hospitals, five Rural Health Clinics, and one Federally Qualified Health Center) in 40 DRA communities across all eight DRA states. A total of approximately 73,220 county jobs were supported due to hospital and clinic employee spending (2017-2021), which represents about 19 percent of all local jobs in these communities.

DRA is essential to economic development in the 252 counties and parishes within our eight-state region. As noted by the Southern Economic Advancement Project, "[t]he economic conditions within the Delta and the Black Belt regions continue to negatively

impact the lives of the people there and the nation's overall economic health.”³ The investments made via DRA for basic public infrastructure, transportation infrastructure, business development, and workforce development are vital to the economic development of these areas.

Additionally, as stated in the Congressional Research Service Report: Federal Regional Commissions and Authorities: Structural Features and Function dated April 7, 2023,⁴ DRA, along with other commissions, “provide[s] a model of functioning economic development approaches that are place-based, intergovernmental, and multifaceted in their programmatic orientation (e.g., infrastructure, energy, environment/ecology, workforce, business development).”

An example of this approach can be highlighted in the demand for DRA's programs in FY 2022. Historically, DRA's appropriations have been around \$30 million. However, the agency received a one-time \$150 million appropriation in the Bipartisan Infrastructure Law, or the Infrastructure Investment and Jobs Act. By combining DRA's annual appropriations and Bipartisan Infrastructure Law funding, DRA invested a total of over \$46 million in funding in the DRA region in FY 2022. The expected impact of this funding for nearly 110 projects in the region includes nearly 42,000 families affected via improved access to infrastructure, over 1,800 jobs created or retained, and over 1,200 individuals trained.

One of the FY2022 projects included a DRA Community Infrastructure Fund investment of \$414,915 in Independence County, Arkansas. The investment funded two county-owned roads which were necessary to access the property utilized by American Stave Company. DRA funding was leveraged by the county to help execute the \$23 million investment of private capital. American Stave is an international company established in 1912 and is the largest barrel maker in the world. The new stave mill will be the company's seventh domestic mill and an important addition to the supply of high-quality American white oak. The investment is helping to create 45 new jobs in an area where the poverty rate is nearly five percentage points higher than the national average (17.1 percent and 12.6 percent, respectively), and a higher unemployment rate compared to the national average (4.3 percent and 5.4 percent, respectively).⁵

As DRA continues to assess FY2023 project and impact data, some highlighted regional investments include:

- DRA awarded \$11.7 million in investments to 28 projects in Alabama, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee through the Delta Workforce Grant Program (DWP). One of those investments included \$450,000 to the Green River Area Development District to support a water and wastewater operator apprenticeship program serving residents in the Green River region of Western Kentucky.

³ [Delta-Regional-Authority_Womack-Research-Report.pdf \(theseap.org\)](#)

⁴ CRS Report R45997, page 2, available at <https://crsreports.congress.gov/product/pdf/R/R45997>.

⁵ Per capita income: 2021 American Community Survey 5-Year Estimates

- DRA awarded \$630,400 to five communities in Illinois, Louisiana, and Missouri in its first round of funding through the Strategic Planning Program, including \$150,000 to the Alexander-Cairo Port District located in Southern Illinois. The funding will be utilized to develop a master plan that will identify the scope for port development and the future of the riverport.
- DRA awarded a \$3,539,000 investment that will boost economic development and improve the quality of life for current and future businesses and residents surrounding the BlueOval City automotive complex near Stanton, Tennessee. BlueOval City is Ford's largest, most advanced auto production complex in its history and will be home to the next-generation electric truck from Ford. Funding from this project is provided by the Community Infrastructure Fund. The investment will be matched by \$8,140,000 in additional funds from U.S. Department of Agriculture Rural Development. The Town of Stanton investment project will provide water and sewer utility services to facilities critical to BlueOval City. The project is expected to create 2,700 direct jobs and over 3,300 indirect jobs.

Every five years, the DRA, by statute, is responsible for creating a regional development plan with public input that is approved by our board of governors. In February 2023, the Authority approved and released *Navigating the Currents of Opportunity: DRA Regional Development Plan IV*. This plan is not just a statement of our priorities but a driver of the actions we have begun to embark on to capitalize on tremendous opportunities, focus on rural and distressed communities, and strengthen regional economic development. DRA's strategic goals reflect the Authority's fourfold commitment to advancing infrastructure, job creation, business expansion, and local economies. Our strategic goals for the next five years include:

- DRA will expand and invest in the resiliency of the region's public infrastructure to improve residents' quality of life and increase economic opportunity.
- DRA will improve networks of agencies, organizations, businesses, and educational institutions providing workforce development opportunities. It will promote access to services, funding, and programs that enable career stability.
- DRA will strengthen the competitiveness of the region's employers, attract new employers to the region, and support the long-term growth of micro and small businesses.
- DRA will expand efforts to enhance sustainable and inclusive local placemaking, quality of life, and community capacity.

A part of DRA's commitment to build upon these priorities to expand its impact in the region includes outreach to DRA stakeholders, including local governments, nonprofit

organizations, local development districts, community colleges and four-year institutions of higher learning. Some of these outreach and technical assistance efforts have included:

- Technical assistance and capacity-building training for Local Development Districts (LDD). In 2023, DRA conducted ten in-person and one virtual LDD training.
- Technical assistance and capacity-building training for the Workforce Opportunity for Rural Communities (WORC) Initiative, which is a partnership between the U.S. Department of Labor Employment and Training Administration, the Appalachian Regional Commission (ARC), the DRA, and the Northern Border Regional Commission (NBRC), that funds grant projects within the Appalachian, Lower Mississippi Delta, and Northern Border regions. In 2023, DRA conducted one in-person Pre-Technical Assistance training opportunity in Alexandria, Louisiana, for potential applicants applying for the WORC grant with over 80 attendees and one virtual Pre-Technical Assistance training opportunity.

DRA has pursued its vision of the region as a place where people and businesses have access to economic opportunities in vibrant, sustainable, and resilient communities. To realize this vision, DRA has embraced its mission of applying innovative ideas and strategies to foster inclusive communities, strengthen regional collaboration, and achieve sustained economic development. One of DRA's recent initiatives in meeting these regional needs includes the Delta Revitalization through Innovation, Vision, and Equity (DRIVE) initiative in partnership with the University of Memphis Division of Research and Innovation. This project aims to support capacity building in selected small rural communities. DRIVE serves as a key component in the DRA-supported research initiatives centered on economic and workforce development, economic recovery, transportation infrastructure, water and wastewater infrastructure, digital infrastructure, capacity building, business development and entrepreneurship.

DRA's priority for reauthorization, which has been included in the Farm Bill in the past, is to continue to exist to provide critical resources to the heart of America. Additionally, it is important for the agency to seek out opportunities to improve upon its execution of its mission through amendments to its authorizing statute.

The 2024 Budget included the following two proposals to amend DRA's authorizing statute:

- Adding "Indian Tribes" to Eligible Entities

We propose an amendment to expressly include "tribes" in DRA's statute as an eligible entity. This amendment would be made, specifically and exclusively, to 7 U.S. Code Section 2009aa-2 Economic and Community Development Grants

Amend,

(a) In General, “The Authority may approve grants to States and public and nonprofit entities for projects, approved in accordance with section 2009aa–8 of this title” to read The Authority may approve grants to States and local governments, Indian tribes, and public and nonprofit organizations for projects, approved in accordance with section 2009aa–8 of this title”

- Expand Grantmaking Language to align with other Commissions.

We would like to add grantmaking language to align with the language of other regional commissions, including Southeast Crescent Regional Commission, Southwest Border Regional Commission, and Northern Border Regional Commission.

The proposed amendment would be the addition of the following “new” language as subparagraphs:

- (5) to provide assistance to severely economically distressed and underdeveloped areas of its region that lack financial resources for improving basic health care and other public services;
 - (6) to promote resource conservation, tourism, recreation, and preservation of open space in a manner consistent with economic development goals;
 - (7) to promote the development of renewable and alternative energy sources;
- Causing renumeration of current subparagraph (5) to (8).

In addition, the 2024 Budget included two legislative proposals through appropriations language:

- Allow User Fees.

DRA requests authority to collect and spend discretionary user fees in conjunction with the Delta Doctors J-1 Visa Program. Authority to collect user fees for the Delta Doctors J1 Visa program. Consistent with Government Accountability Office (GAO) Redbook guidance on user fees, collections may only be spent on the cost to operate the visa program and may not be used to offset other agency programs or operations. The agency should set and announce the user fee for public comment consistent with the GAO Redbook.

The Delta Doctors Program increases the number of doctors serving Delta residents. The program allows foreign physicians who are trained in the United States to work in medically underserved areas for three years by providing those physicians with J-1 Visa Waivers. Participants in the Delta Doctors program do not take jobs away from U.S.-born physicians. Instead, they provide services in areas where there would otherwise be a shortage of physicians. The impact of Delta Doctors in the region can be realized by the access to quality affordable healthcare and the economic impact the doctors make on the community in which they reside and practice. On average, each “Delta Doctor” is estimated to

create 5 full-time jobs within their clinics and offices, and an additional 3.4 full and part-time jobs within the communities where they work.

Under the proposed authority, DRA would collect user fees from health care institutions and spend the collections on the operation and staffing of the Delta Doctors Program.

- Deletion of sunset provision.

DRA requests appropriations language to amend DRA's authorizing statute to remove section 382N of the Delta Regional Authority Act of 2000.

Currently, DRA continues to fulfill its mission notwithstanding the sunset clause because prior year appropriations language included a provision that allows the agency to continue to operate as long as it continues to have such funding available.

DRA and its sister commissions serve a distinguished purpose and uniquely critical role within each of our regions. DRA's impact in the region is not just limited to the quantitative outputs from the agency's investments, but it is also connected to DRA's reputation as a regional partner working closely with local governments and local development districts to help find solutions to the challenges experienced in the region. It is critical that DRA remains a vital partner in the region to foster inclusive communities, strengthen regional collaboration and productive capacity, achieve sustained, long-term economic development, and produce meaningful opportunities for all people in the DRA region.

Respectfully submitted,



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