

**Written Testimony before
the
U.S. Senate Committee on Environment and Public
Works**

by

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Trade Zone #99

State of Delaware, Department of State, Division of Small
Business

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Chairman Carper, Ranking Member Capito, and Members of the Committee:

Thank you for the opportunity to offer my testimony before you today. My name is Patty Cannon and I am the Director of Special Projects for the State of Delaware under the Department of State, Division of Small Business where I also serve as the Grantee Administrator for Foreign Trade Zone #99 and as a member of the Delaware Workforce Development Board. I have worked closely with U.S. Economic Development Administration (EDA) for over 20 years and come before you today to voice strong support for the Reauthorization of EDA.

“Public Works program investments help facilitate the transition of communities from being distressed to becoming competitive by developing key public infrastructure.” [Source: <https://www.eda.gov/funding/programs/public-works>]

While we firmly agree with that statement and encourage the Reauthorization of EDA to continue this important work, we recommend the following changes to EDA’s policies to allow for faster deployment of funds to communities in need:

- Eliminate or significantly reduce the required match – it is a burden for small and/or underserved communities that lack the resources to meet a financial match
- Set-aside 10% of EDA Public Works allocation to be deployed via formula funding versus competitive funding
- Allocate capacity building non-competitive funding to communities and/or applicants that have failed to successfully compete for EDA funding. This would strengthen the grant writing and federal reporting competencies in small, underserved communities and increase the capacity to seek funding from all funding sources (private and philanthropic as well as government funding)
- Integrate the State and Local Workforce Boards into the EDA funding Criteria as an approved alternative to the Comprehensive Economic Development Strategy (CEDS) document currently on file with EDA. CEDS are required to be updated every 5 years but the majority membership of the Workforce Boards, by US Department of Labor requirements may be better positioned to identify emerging occupational opportunities within the region. The majority of business members must:

(1) Be an owner, chief executive officer, chief operating officer, or other individual with optimum policy-making or hiring authority; and

(2) Provide employment opportunities in in-demand industry sectors or occupations, as those terms are defined in [WIOA](#) sec. 3(23).

[Source: <https://www.ecfr.gov/current/title-20/chapter-V/part-679/subpart-C/section-679.320>]

I currently serve as the Program Administrator for 2 EDA grants within the State of Delaware:

- CARES Act funded Revolving Loan Fund (RLF). This was a **Competitive** application process, and we were ultimately awarded \$1,500,000
- American Rescue Plan Act (ARPA) **Non-Competitive** Travel, Tourism & Outdoor Recreation funding. **Delaware was awarded \$7,759,540**

There are compelling differences in the 2 applications and the time it took to get the funds deployed into the community.

The **Competitive** RLF application took **almost a full year** to work through the approval of the application and the implementation plan.

The RLF program was distributed to 31 small businesses resulting in the retention of 349 jobs across the entire State of Delaware. To date, only 1 out of 31 businesses is in default on their loan. The remaining 30 small businesses survived the pandemic as a result of this investment.

EVERY JOB matters not just to the employee and their family but to the economic prosperity of communities! It is true in Delaware and it is true in every community.

The ARPA **Non-Competitive** application **took less than 6 months** to work through the approval of the application and the implementation plan.

The ARPA Non-Competitive Travel, Tourism & Outdoor Recreation funding resulted in \$760 being returned into Delaware's economy for every \$1 invested; and saved an industry that was dramatically impacted by the COVID-19 pandemic:

- Visitor spending topped \$5.9 billion, a 30% increase from 2020.
- 2021 total visitor spending exceeded 2019, the previous high mark, by 11% to set a new Delaware record.
- Tourism employment rose to a record 47,760 full and part-time jobs in 2021.
- Tourism as an industry is the 4th largest private employer (9% of all private sector jobs) in Delaware.

In closing, please know that the EDA staff at the Philadelphia Regional Office continue to be responsive, patient and highly committed to helping everyone in their region to be successful.

We are grateful for the EDA funding that has been awarded to the State of Delaware, including funding to our universities and colleges that support sophisticated research, development and technology transfer. We respect that there will never be enough funding to support every important project. But we believe the work of the EDA is important to the US Economy and ask the Committee to move forward with their Reauthorization. Thank you!