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Committee on Environment  
and Public Works

Washington, D.C.

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## HEARING ON REAUTHORIZATION OF THE ECONOMIC DEVELOPMENT

## ADMINISTRATION: STATE AND LOCAL PERSPECTIVES

Wednesday, June 21, 2023

United States Senate

Committee on Environment and Public Works

Washington, D.C.

The committee, met, pursuant to notice, at 10:01 a.m. in room 406, Dirksen Senate Office Building, the Honorable Thomas R. Carper [chairman of the committee] presiding.

Present: Senators Carper, Capito, Cardin, Markey, Kelly, Padilla, Boozman, Sullivan, Ricketts.

STATEMENT OF THE HONORABLE THOMAS R. CARPER, A UNITED STATES SENATOR  
FROM THE STATE OF DELAWARE

Senator Carper. Good morning. We are delighted to see you all this morning and wish you a good morning. People are coming from far and wide. Senator Capito and I are delighted to be with you and delighted that you all could join us for this hearing.

Today, we are going to hear from State and local officials on the reauthorization of the U.S. Economic Development Agency, or, EDA, as we call it.

To our witnesses, Ms. Cannon, very nice to see you, welcome Patty; Mr. Fetzner, great to see you. I have a son named Christopher. It is one of our favorite names. Commissioner Higgins, nice to see you. Thanks so much for joining us. Mr. Graney, from Mount Hope, great to see you. There is hope in Mount Hope. And you are bringing us some hope here today. Mr. Day, nice to see you.

Thank you all for joining us today and sharing your perspectives with us on EDA's important programs. We look forward to hearing what the EDA is doing well and what improvements might help the agency work even better. As my colleagues have heard me say more times than they want to remember, everything I do I know I can do better. And I think the same is true with all of us and the same is true with programs like EDA. Today we are going to try to figure out how to keep a good thing going but actually make it better and more effective.

Before we hear from each of our witnesses, I want to share a couple of thoughts about EDA and why I think it is important for Congress to reauthorize this vital agency. Under the umbrella of the Department of Commerce, EDA leads the Federal Government's economic

development agenda, as you know. EDA helps bring job growth and economic opportunity to distressed communities in every region of our Country. Additionally, EDA promotes innovation and competitiveness in local and regional economies across America to help them succeed in the global marketplace.

As members of this committee have heard me say more than a few times, I represent a State that, much like a prizefighter, punches above its weight in terms of its contributions to the U.S. economy. The same can be said about EDA. This small agency packs a big punch and makes an outsized impact across our Country, in almost every corner of our Country.

Despite all of the exceptional work that EDA has done in every one of our States, the agency has not been reauthorized by Congress since 2004, that is about 20 years, two decades. That is too long for an agency with such an important mission to go without renewed authorization.

Let's think about the many ways that our workforce and our economy have changed since 2004. Just to mention a few, we have witnessed technological advances that have transformed the way that we live, the way that we work, and even the way that we travel. We have also seen significant changes in manufacturing, in energy production, and in the products we use on a daily basis.

For example, the iPhone was first released in 2007, three years after EDA was last reauthorized. Broadband internet, which only limited households and businesses had access to in 2004, has become a necessity in our daily lives and our work. In addition, businesses

are experiencing new challenges, as well new opportunities, such as how to operate more sustainably on a warmer planet.

Through reauthorization, we have an opportunity to modernize and improve EDA's ability to foster additional economic growth. Why is this so important? Well, let me paraphrase President Abraham Lincoln when I say that the role of government is to do for the people what they cannot do for themselves. Lincoln was once asked, what is the role of government? He said, to do for the people what they cannot do for themselves. EDA helps fulfill that role. Lincoln was unable to join us as a witness today but I thought I would give him a shout-out.

[Laughter.]

Senator Carper. Some communities across our Country are struggling with how to navigate today's economy. Over the past two decades, a number of factory towns have seen their last plant close and are seeking to attract new industries. In addition, cities are looking to reinvent themselves to compete on a global scale. EDA can play a role in helping communities turn their economic adversity into opportunity. Albert Einstein used to say, in adversity lies opportunity. He was right. And he is still right today.

As many of you may have heard me say, when I had the privilege to serve as Governor of Delaware our State created more jobs than in any other eight-year period. I didn't create a single one of them. We have to create, as Patty will recall, have to create a nurturing environment for job creation and job preservation in our State. That was hugely helpful and still is helpful. By working together we can do the same thing in States across the Country.

There are many aspects to creating such an environment. I actually worked for a short while, right of of the Navy, got an MBA at Delaware at the GI Bill and went to work for about six months in what was in the Division of Economic Development. People said, what did you learn in six months, when you were working at the Division of Economic Development? Among other things, I learned the importance of workforce preparation and how that is a shared responsibility. I learned about access to capital, I learned about access to research funding, research that could be further enhanced. We learned about the protection of intellectual property. Those are just a few things that I learned. I only worked there for six months.

The other thing I learned, I learned to paraphrase our President. He likes to say, all politics is personal, all diplomacy is personal. One of the other things I learned is economic development is personal. Economic development is personal as well. EDA plays an important role in supporting programs in almost everything that I just mentioned.

I have also had an opportunity to witness firsthand EDA's work in my home state of Delaware, and I am sure that many of our colleagues on this committee could cite chapter and verse on experiences of their own. For example, for the First State, we only have three counties, in our southernmost county, Sussex County, EDA helped fund a Center for Automotive Excellence at the Delaware Technical Community College in Sussex County. Sussex County is one of the largest counties in America, they raise more chickens than any county in America, I believe. And maybe at one time raised more soybean than any other county in America. But we needed to diversify the economy there, and EDA has helped us to do that.

One of the ways was through a center for automotive excellence at the Delaware Technical Community College just outside of Georgetown, county seat. This center has helped fill a need for trained automotive technicians to work not just at our auto dealerships all up and down the State but also to help maintain the heavy-duty trucks that are vital to our poultry industry.

As I mentioned earlier, there are something like 300 chickens for every person who lives in Delaware. We have these chicken processing places, poultry processing places, and then we send chickens out across the Country in these huge trucks. Those trucks need to be maintained. Now they are getting help and the kind of maintenance they need through this program.

Delaware has also received funding from EDA to help our travel and tourism sector, one of our State's largest economic drivers, during the pandemic.

As we will hear from our witnesses today, EDA has an impact in communities large and small, in urban areas as well as rural ones. I look forward to working with our colleagues on this committee, with the Ranking Member especially, to ensure that EDA has the necessary tools to help those communities punch above their weight, just like it has helped Delaware do, my adopted State, West Virginia, my native State, and many other States as well.

Before we hear from our witnesses, I want to turn first to our Ranking Member, Senator Capito, for her opening statement and to give her the opportunity to introduce one of our witnesses today whom I think she knows pretty well. Senator Capito?

[The prepared statement of Senator Carper follows:]



STATEMENT OF THE HONORABLE SHELLEY MOORE CAPITO, A UNITED STATES  
SENATOR FROM THE STATE OF WEST VIRGINIA

Senator Capito. Thank you, Mr. Chairman, and good morning to everybody, and thank you for calling today's hearing to discuss reauthorizing the EDA. Welcome to all of our witnesses traveling far and wide. Thank you for being here. We look forward to hearing from you.

I would like to extend a particularly warm welcome to Mr. Graney. Thank you for being here today. Governor Jim Justice assembled a tremendous team of economic development experts and leaders who work tirelessly for the betterment of my home State of West Virginia. Mr. Graney plays a pivotal role on that team as the Executive Director of the Department of Economic Development.

Mr. Graney brings years of professional experience to his current position. He has spent most of his career in executive or co-founder positions with companies related to the petroleum industry. He was also president of One Stop, a chain of convenience stores based in West Virginia.

Mr. Graney is very active, I can attest to this because we live in the same community, in many community and non-profit organizations. So thank you, Mike, for coming.

Economic development is difficult work, but the reward for West Virginia is obvious. Mr. Graney and the rest of his team will work with all government levels to bring economic opportunity to our State. They have achieved some recent success, and I hope he will talk about that. Better jobs will allow West Virginians to continue to call the Mountain State home as well as provide new careers for those who want

to return home or join us in West Virginia. So I thank him and his team for their dedication to this vital effort.

As we hear from our witnesses today, EDA is an important partner across the Nation for those who are working to advance economic opportunities for their citizens. As the lead agency for the Federal economic development agenda, the EDA provides funding for critical infrastructure projects and other activities that support job creation and retention in economically disadvantaged urban and rural areas.

During my time in the Senate, one of the things I sought to do is to strengthen EDA's presence and assistance in my home State of West Virginia. I have been successful, I think. Since 2018, EDA has invested close to \$233 million in 174 projects in West Virginia to help communities across our State grow economies, and keep those jobs too, and support thousands of jobs.

So the EDA's core programs do work. They have successfully supported locally driven economic development since their inception. I know our witnesses will share more success stories with us today.

However, it has been 20 years, as the Chairman noted, since Congress last reauthorized EDA. Thankfully, we are kicking off this process to develop legislation to reauthorize the EDA. Time and time again, this committee has proven that we can work together in a bipartisan manner to pass meaningful legislation that tackles the Nation's challenges and needs.

I believe any reauthorization effort should focus on these things, reauthorizing EDA programs at fiscally responsible funding levels, and reasserting a Congressional direction over EDA funding decisions. Two, enhancing Congressional oversight of EDA

activities and encouraging coordination between other Federal development programs and the private sector. Three, updating EDA's processes for program implementation and project delivery, and four, preserving locally driven economic development decisions. We must achieve an appropriate balance with this legislation.

That balance must uphold the core functions and goals of the EDA while thoughtfully modernizing the EDA and its authorities and programs. Further, I do not believe that we should be creating new programs. In recent years, EDA received a total of \$4.5 billion in funding from the American Rescue Plan Act and the CARES Act. This was on top of the \$1.2 billion total in supplemental appropriations provided to EDA for disaster recovery in 2018 and 2019.

The Recompete Pilot Program, which was one of two new EDA programs authorized in the CHIPS and Science Act, received a total of \$200 million in regular and supplemental appropriations in Fiscal Year 2023 consolidated appropriations. The Recompete Pilot Program will use eligibility metrics that vary from existing EDA grant programs and focus on areas where prime age employment trails the national average.

The other EDA program established by the CHIPS and Science Act was the Tech Hubs Program. This program is designed to accelerate regional technical growth and innovation through regional-based investments with the goal of becoming globally competitive in certain technologies and industries. This program received a total of \$500 million in regular and supplemental appropriations in Fiscal Year 2023 Consolidated Appropriations Act.

Given the significant funding levels provided by Congress to EDA, it is concerning that the majority of the agency's programs are

administered under expired authorizations. It is past due that we put forth a serious bipartisan reauthorization proposal. The U.S. economy looks very different than it did 20 years ago, and EDA's authorizing statutes should reflect this reality.

However, I must stress that the reauthorization legislation will not be successful if it departs from the EDA's traditional missions. The legislation should not be used to pick winners and losers. We must maintain EDA's focus on those areas that truly need assistance and continue with an industry-agnostic approach that emphasizes locally driven economic development decisions.

I look forward to hearing from our witnesses about what policy and programmatic improvements can be made. Thank you, Mr. Chairman, and I yield back my time.

[The prepared statement of Senator Capito follows:]

Senator Carper. If you would like to go ahead and introduce Mike Graney now, you are welcome to do that.

Senator Capito. I just did that.

Senator Carper. Did you want to say anything else?

Senator Capito. He is a great guy.

[Laughter.]

Senator Carper. Okay. That is all you need to know. I like to say the main thing is to keep the main thing the main thing. So that is a good thing to know. Welcome.

I have the opportunity to introduce three of our witnesses, then turn to Senator Boozman to introduce his witness and thank him for being a big part of this committee and the work that we do.

I am delighted to welcome this morning Patty Cannon, who is Director of Special Projects with the Delaware Department of State, Division of Small Business. Patty has worked for many years on economic development in Delaware. People say how long, I say not long enough.

In her current role, Patty works closely with the Economic Development Administration as well as with business and community leaders across the First State to help grow Delaware's economy. Welcome. It is great to see you.

We are also joined today by Chris Fetzer, who is Executive Director of the Northern Arizona Council of Governments. I think Senator Kelly was instrumental in inviting you to join us. He is tied up right now, but I am sure he will be joining us at some point in time in this hearing.

I understand that Mr. Fetzer is also the current president of the board of National Association of Development Organizations, which advocates on behalf of economic development organizations across the Country. When my wife asks me who I was with today, I will tell her I was with the president.

[Laughter.]

Senator Carper. We will just leave it at that, Chris.

Third, I am pleased to note that we have been joined by Commissioner Eileen Higgins, from Miami-Dade County, Florida. She is joining us on behalf of NACO, I believe, the National Association of Counties. Commissioner Higgins was first elected to the Miami-Dade Commission in 2018, following a career that spanned being a business owner, foreign service operator, and community advocate. Thank you for coming.

Now let me turn to Senator Boozman and ask him if he will introduce Mr. Day for us.

Senator Boozman. Thank you, Senator Carper. We appreciate yours and Senator Capito's leadership and the great example that you set in working together to try and find common ground for this really, so very important committee.

I have the opportunity to introduce Bryan Day. Thank you, Bryan, for joining us today. He is going to discuss the important role the Economic Development Administration has played in the Little Rock Port Authority's operations and expansion. Bryan has been involved with State and local government for over 35 years, and has been the executive director of the Little Rock Port Authority since 2014.

Under his leadership, the Port has attracted industry from around the world, with 50 businesses now calling the port home. Together, these businesses employ around 10,000 people and continue to contribute about a half a billion dollars annually to the region.

Bryan and the Little Rock Port Authority have leveraged EDA dollars as well as anyone, and I look forward to hearing his expertise on why the EDA is important to so many communities like Little Rock, Arkansas. It has certainly been a pleasure working with Bryan for many years. We appreciate all of his efforts for the great State of Arkansas.

Thank you, Bryan, for being here. Thank you, Mr. Chairman.

Senator Carper. Thank you, Senator Boozman.

Before Patty Cannon speaks, we have one House member from Delaware in the U.S. House of Representatives. Her name is Lisa Blunt Rochester. She used to be an intern in my office when I was a Congressman years ago, and later on several occasions was a member of my cabinet when I was Governor.

I put out a statement yesterday supporting her candidacy. One of the things I mentioned, I talked about, an old proverb that goes something like this, if you feed a person for a day, you can do that, but if you want to help a person eat for life, you teach them how to fish. If you give a person a fish, you feed them for a day. But if you want to make sure they can feed themselves for life, then you teach them how to fish. Part of what we do is involved in that, in workforce training and workforce development.

So with that thought in mind, I think it is noble work, I think it is noble work and really important work, Patty, with that, you are welcomed and may proceed.

Thank you.

STATEMENT OF PATRICIA CANNON, DIRECTOR OF SPECIAL PROJECTS, DELAWARE  
DEPARTMENT OF STATE, DIVISION OF SMALL BUSINESS

Ms. Cannon. Thank you, Chairman Carper, Ranking Member Capito, and members of the committee that we hope will join you, sir. Thank you for this 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 within the Division of Small Business, where I also serve as the grantee administrator for foreign trade zone number 99, and as a member of the Delaware Workforce Development Board.

I have worked closely with the U.S. Economic Development Administration, EDA, for over 20 years. I come before you today to voice strong support for the reauthorization of the EDA.

On their website, a quote says, "Public works program investments help to facilitate the transition of communities from being distressed to becoming competitive by developing key public infrastructure." While we firmly agree with that statement, and we strongly encourage the reauthorization of EDA to continue this important work, we would like to recommend some of the following changes to EDA's policy to allow for faster deployment of funds to the communities when they are in need.

One, to eliminate or significantly reduce the required match. It is a burden for small or underserved communities that lack the resources to meet that financial match. Consider setting aside 10 percent of EDA'S public works allocation to be deployed via formula funding versus competitive funding.

Allocate capacity building non-competitive funding to communities and 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 their capacity to seek funding from all funding sources, private, philanthropic, as well as government funding sources.

Consider integrating the State and local workforce boards into the EDA funding criteria as an approved alternative to the comprehensive economic development strategy, the CEDS, document currently on file with EDA. CEDS are required to be updated every five years, but the majority of membership in your local and State workforce boards by U.S. Department of Labor requirements are, 50 percent of the majority are business owners that are CEOs, COOs, other individuals with optimum policy making or hiring authority and they provide employment in your demand occupations. So they may have a better pulse on what is happening.

I currently serve as the program administrator for two EDA grants within the State of Delaware. The first was a CARES Act funded revolving loan fund, an RLF. This was a competitive application process and we were ultimately awarded \$1.5 million. The second was an American Rescue Plan, ARPA, noncompetitive travel, tourism and outdoor recreation funding, where Delaware was awarded \$7,759,540.

But there are compelling differences in these two applications and the time it took to get those funds deployed in the community. The competitive RLF application took almost a full year to get through the application approval process and then the implementation plan approval process. 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 one out of those 31 businesses is in default on their loan. The remaining 30 small business survived the pandemic as a result of this investment.

Every job matters. Not just to the employees and their families, but to the economic prosperity of communities. It is true in Delaware; it is true in every community.

The ARPA non-competitive application took less than six months to work through the approval of the application and the approval of the implementation plan. The ARPA non-competitive travel, tourism and outdoor recreation funding resulted in \$760, \$760 being returned to 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 percent increase from 2020, and 2021 total visitor spending exceeding 2019, the previous high mark, by 11 percent, to set a new Delaware record. Tourism as an industry is the fourth largest private employer, 9 percent, 9 percent of all private sector jobs in Delaware are tied to the tourism industry.

In closing, please know that the EDA staff at the Philadelphia regional office continue to be responsive, very 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 and development and technology transfer.

We respect, fully respect, that there will never be enough funding to support every important project. But we firmly believe that the work of the EDA is important to the U.S. economy, and we ask this committee to move forward with the reauthorization.

Thank you.

[The prepared statement of Ms. Cannon follows:]

Senator Carper. You are seven seconds over your time. That is pretty darned good around here.

[Laughter.]

Ms. Cannon. I am so sorry, sir.

Senator Carper. No, no, no apology is necessary.

Thank you very much again for joining us. Thank you very much for that testimony.

Next, we are going to hear from Chris Fetzner. Mr. Fetzner, please proceed with your testimony. Thanks for joining us.

STATEMENT OF CHRIS FETZER, EXECUTIVE DIRECTOR, NORTHERN ARIZONA  
COUNCIL OF GOVERNMENTS

Mr. Fetzer. Chairman Carper, Ranking Member Capito, members of the committee, good morning and thank you for the opportunity to testify today.

My name is Chris Fetzer. I serve as the Executive Director of the Northern Arizona Council of Governments based in Flagstaff, Arizona. NACOG serves a four-county region, and is an EDA-designated economic development district.

I also currently serve as the President of the National Association of Development Organizations, which advocates on behalf of a national network of more than 400 EDDs across the Country.

Today I will begin by speaking about the importance of EDA and how its investments have impacted northern Arizona. One prominent example of an ongoing challenge in my region has been the decline of the coal-fired power industry. In late 2019, the operators of the Navajo Generating Station, a coal-fired power plant located near the city of Page on the Navajo Nation, abruptly ended operations years prior to the facility's anticipate closure. While operational, the plant employed hundreds of workers and brought in millions in revenue.

As you might imagine, the plant's sudden closure resulted in devastating losses of jobs, business income, and tax revenue that the region was not fully prepared to address. This closure disproportionately impacted rural, tribal, and economically distressed communities.

Fortunately, EDA is making investments to help support northern Arizona's economic transition. As a result, we will be better positioned in the future to respond to similar scenarios.

We are now engaging in planning measures to prepare for the impending closure of three remaining coal plants that are still operational in the region. These planning efforts are being supported by EDA-funded grants.

EDA's successes extend far beyond my region. Nationally, EDDs are often at the forefront of driving EDA's local impact as they have ever since EDA's creation in 1965. EDDs are important because they help local stakeholders access and navigate EDA funding opportunities. Our staffs serve as EDA funding experts who are trusted locally.

We are especially essential in helping rural, small, or capacity-constrained communities access funding. In other words, EDDs help those communities most in need secure Federal grants.

In reauthorizing the EDA, I encourage this committee to take the following actions. First, I encourage Congress to invest in the operational capacity of EDDs. Currently, the lack of adequate funding for staff capacity is an enormous challenge for most EDDs, in part because until recently EDA funding levels for EDDs had stagnated for decades.

Second, Congress should increase the annual authorized funding level for EDA Partnership Planning grants. The foundation of every successful project is a thoughtful and intentional planning process. Planning helps ensure that subsequent Federal project investments are strategic, fiscally responsible, and aligned with local and regional

priorities. NADO recommends Congress authorize EDA Partnership Planning grants at a level of at least \$100 million annually.

Third, I encourage the committee to restructure cost share by reducing local match. EDA's current local match requirements are often as high as 50 percent. This creates a huge barrier to entry for many communities. NADO recommends raising EDA's Federal share to 90 percent, reducing local match to 10 percent for all EDA Partnership Planning grants.

Additionally, we encourage reduction of local match for EDA funded project investments as well.

Fourth, Congress should enhance EDA's approach to disaster mitigation. Disaster response work is something EDA is already doing successfully. But Congressional reforms could improve service delivery. Currently, EDA disaster funding is often delayed in reaching communities, in part because this funding is typically appropriated via separate, end-of-year supplemental appropriations.

In reauthorization, we encourage Congress to instead authorize an annual line item for disaster response as well as a dedicated disaster bureau within EDA. This would allow EDA to deploy funds more rapidly to communities in need.

Finally, it has been remarkable over the past few years to see EDA receive historic funding levels. However, I urge the committee to take steps that prevent EDA's original mission and structure from being undermined, particularly as new priorities and stakeholders emerge.

In reauthorizing EDA, I encourage the committee to prioritize EDA's traditional core programs, rather than creating new programs.

Although some of the recent new initiatives have laid out exciting visions, it has become increasingly difficult for rural, tribal, and under-resourced communities to successfully compete in these new national competitions.

Thank you for the opportunity to address the committee today. I look forward to answering your questions.

[The prepared statement of Mr. Fetzner follows:]

Senator Carper. Mr. Fetzer, thanks very much for that testimony and again for joining us today.

Next, we have Commissioner Higgins. After Commissioner Higgins, we are going to hear from Mike Graney. Commissioner Higgins?

STATEMENT OF EILEEN HIGGINS, COMMISSIONER, BOARD OF COUNTY  
COMMISSIONERS, DISTRICT 5, MIAMI DADE COUNTY

Ms. Higgins. Good morning, Chairman Carper, Ranking Member Capito, and distinguished members of the committee. Thank you for inviting me to testify on the importance of reauthorizing the Economic Development Administration.

I am Miami-Dade County Commissioner Eileen Higgins. Today I am sharing a local perspective and the recommendations from the National Association of Counties. Rural or urban, ag center or manufacturing hub, our counties differ in lots of ways. But we all share one fundamental responsibility, which is local and regional economic development. EDA has been an essential partner to us in that development.

EDA's mission is more important today than ever as the Nation deploys the historic Federal investments in infrastructure, climate, broadband, and manufacturing. But these investments in physical infrastructure must be accompanied by investments in workforce infrastructure. The Nation needs workers ready to build these projects at the onset and maintain them in the long run. Many of these jobs are unlike the ones we have today.

So for Miami-Dade County, that is tourism. Jobs in hotels and restaurants are plentiful. But they also don't pay well. That is why 15 percent of our residents live in poverty. That is over 400,000 people not yet living the American dream. But new EDA partnerships are changing that by helping Miami-Dade ready our workforce for higher paying jobs.

One EDA investment is building a construction trades institute to offer participants hands-on experience in traditional certifications, plumbers, welders, electricians. But also in green certifications, such as solar panel installations. These certifications can be completed really quickly, in less than a year, literally propelling participants into the good-paying construction and infrastructure jobs that have long provided a gateway to the middle class.

Miami Tech Works was our response to EDA's Good Jobs challenge. That brings together business leaders with educational providers to align academic programs with industry needs for a skilled tech workforce. The program upskills workers through certificate programs, associate degrees, bachelor's degrees, providing multiple pathways into the high-paying tech sector.

More than 170 companies are participating and in the past three months have created 100 tech internships that did not exist before. So you can see reauthorizing the EDA matters to America's counties. But of course, NACO has some recommendations on how to make it even better.

First, we would like to see more robust support for capacity building and pre-development, especially in communities that lack resources to fully build out their comprehensive economic development strategies. Please, do consider revising the match for Partnership Planning grants. It is a stretch that many small and rural counties cannot meet.

The economic distress formula should also be reconstituted so that the funds meet the places most in need. The current matching requirements are a non-starter for lots of good projects. The reality

is that in smaller communities, it is actually more expensive to build the physical infrastructure needed to attract new industries. And when a major disaster is declared, the Federal share should be 100 percent.

Speaking of disasters, counties rely on EDA for post-disaster economic recovery activities, and Congress does too, as evidenced by the many supplemental appropriations following disasters. It is time to formalize EDA's role in disaster recovery.

So I think you can probably predict our final recommendation, it is pretty simple. We would like you to please increase EDA's annual authorized funding level to meet demand. In my county, EDA has connected people with high quality jobs. But nationally, it has a proven track record in driving economic growth and recovery. That is why I join NACO today to advocate for its reauthorization with increased financial support.

EDA investments will long pay dividends by ensuring American workers no matter where they live have access to good-paying jobs, economic mobility, and real prosperity.

Thank you.

[The prepared statement of Ms. Higgins follows:]

Senator Carper. Commissioner Higgins, thanks so much.

Mr. Graney, are you from Mount Hope? Bill Clinton, with whom I served when I was Governor, he was President, I used to say I come from a place called Hope. And you come from a place called Mount Hope, higher and higher. There you go. Welcome aboard, please proceed.

STATEMENT OF MICHAEL R. GRANEY, EXECUTIVE DIRECTOR, WEST VIRGINIA  
DEPARTMENT OF ECONOMIC DEVELOPMENT

Mr. Graney. Thank you, Mr. Chairman, Ranking Member Capito, members of the committee. Good morning, and thank you for inviting me.

I am Mike Graney. I am from Mount Hope, West Virginia, and I am the Executive Director of the West Virginia Department of Economic Development. I have been in this role for a little over four and a half years, since Governor Jim Justice appointed me. I still consider myself a recovering entrepreneur.

Senator Carper. You are talking to at least one recovering governor here.

[Laughter.]

Mr. Graney. In my brief time in this role, I have a clear understanding and belief that the USEDA is a critical partner to West Virginia. EDA has awarded over \$220 million in funds to projects in West Virginia since 2018. EDA's Assistance to Coal Communities has funded so many critical projects in West Virginia since its inception.

It is wonderful to have a federal agency that understands the plight of rural America as it struggles to rebuild its economy after documented economic shocks. EDA has and I hope will continue to support community driven, economic development focused on creating good-paying jobs, building economic resilience, and accelerating the economic recovery for industries and communities hit hardest by the downturn in the coal industry.

Infrastructure has and I hope will continue to be the focus of a large percentage of EDA applications because it is the link to

sustaining and expanding our existing businesses and critical to the attraction of new business and industry. Specific recent infrastructure, water, sewer, building construction/rehab, projects that assisted with new jobs for both new and existing industry expansion in West Virginia include Nucor Steel in the Mason County Public Service District, Mountain Top Beverage in the Morgantown Utility Board, the Great Barrel Company in the White Sulphur Springs Public Service District, Interstate Hardwoods in the Pocahontas PSD, AmeriCarbon Enterprises in the Wyoming County EDA, Gat Creek Furniture in the Berkeley Springs and Warm Springs PSD, Westlake and Blue Racer Midstream in the Grandview-Doolin PSD in the northern panhandle.

West Virginia successfully applied for and obtained approximately 93 projects since 2018. The EDDs, in most cases, prepare the applications and administer the funds. We are one of the few States in the Country that have every county represented by EDDs.

The West Virginia Economic Development department works closely with all our local economic authorities, all the Regional Planning and Development Councils, the EDDs, and the USEDA Representative to West Virginia, Tracey Rowan, who is truly a fantastic partner. We have nicknamed her The Rock Star. Actually, I gave her that title, and she truly is a rock star.

It really does take local, State, and Federal collaboration, cooperation, and communication to deliver successful projects and ensure sustainability and resiliency. West Virginia has been an energy State and will continue to be by adopting an all-of-the-above strategy. We will likely need USEDA assistance as new methods of energy generation are put in operation.

West Virginia has had several economic development successes in recent years, and we are pleased, but we must press forward. We need more. We are small but we are nimble as a State, and this makes us very effective.

While many of our counties have enjoyed the lower 20 percent USEDA match requirement, often those places that need the infrastructure improvement the most have the least capacity to fund the match. Twenty percent of \$4 million is \$800,000; that is a lot of money, particularly for small, impoverished counties.

I urge the USEDA to consider criteria that may qualify certain projects or areas to further reduce or eliminate the local match. I think I have heard that from other folks here. It really is an important issue. Maybe there is criteria that says, okay, if these thresholds are met, we will reduce the match or eliminate the match.

Thank you for the opportunity to share these remarks. Good luck with finding the appropriate level of funding to re-authorize the critical work of USEDA.

Thank you very much.

[The prepared statement of Mr. Graney follows:]

Senator Carper. We thank you very much, Mr. Graney.

We have been joined by our colleague from Arizona. He cannot stay with us for long. Senator Kelly, if you want to go ahead and ask a question, and maybe say a kind word about him, we will come to him. Go ahead.

Senator Kelly. Thank you, Mr. Chairman. I have a couple of markups today in Armed Services, I have to run out of here.

I have a couple of questions for Mr. Fetzner, from NACOG in Arizona. Thank you, Mr. Chairman.

Mr. Fetzner, Chris, leads the Northern Arizona Council of Governments, which is the economic development district for northern Arizona. He has been a leader in all economic development efforts in northern Arizona for the past decade. Thank you for that. You have been a tremendous asset to myself and my team.

Chris, thank you for making the trip. I often hear from mayors and tribal leaders that it feels like they do not have the capacity to apply for Federal funding opportunities or secure private sector development deals because of a lack of funding or a lack of capacity.

But I understand that EDA can help, especially through Partnership Planning grants. I understand that currently, NACOG receives about \$75,000 a year from a Partnership Planning grant.

In your testimony, my understanding is your recommend increasing that allocation to \$250,000 a year. If NACOG receives that level of funding, what additional resources would you be able to provide to the cities and tribes in your region? Would you be able to better help rural and tribal communities take advantage of this funding?

Mr. Fetzner. Chairman Carper, Senator Kelly, thank you for the question. It is very germane to much of the testimony that you have heard from myself and other members of the panel this morning. The work that EDDs do with the Partnership Planning grant funds that are provided currently is to provide technical assistance. If additional funding were provided through the Partnership Planning grants, we would simply add staff.

As you are very well aware, northern Arizona, our entire State is large geographically. Many of the communities that we serve are under 10,000. In that case, many of the staff working in those communities wear many hats. There are a few that do a lot of different jobs locally.

While they have great needs for infrastructure development and different project ideas that will help to grow the local economy, just as important as creating jobs is retaining those existing jobs. They rely on the EDDs and our staff to be the technical expertise and provide the assistance in identifying the grant opportunities, helping develop the applications, and submitting those.

Then on the back end, NACOG as well as many of our NADO members across the Country, have the ability and the expertise to help with implementation as well as the management and administration of those grants in order to make sure they are being spent wisely and in accordance with all the applicable requirements.

Senator Kelly. Thank you. It seems like that increase would certainly benefit these rural and tribal communities.

I also want to discuss one more thing in my remaining time, and that is how EDA can better help local governments invest in site

development expenses like utility hookups, permitting expenses, and investments in workforce development. Two weeks ago, I introduced a bill called the ONSHORE Act, with Senator Vance, which would provide EDA with a dedicated program to support site development projects in industries that are critical to our economic and national security.

Chris, I know you discussed predevelopment costs in your opening statement, or at least I was told that. I was hoping you could expand on this. Can you explain why these projects do not compete well for EDA funding under existing programs? And can you also explain why investing in site development can sometimes be worthwhile for a community as they try to attract companies?

Mr. Fetzer. Chairman Carper, Senator Kelly, with respect to that question, much of the grant funding that is provided through, say, the economic adjustment program by EDA to communities, is for very specific aspects of projects that are based upon known companies that have committed to come to an area to expand.

Sometimes we find that a community will be in a chicken and egg type of scenario where predevelopment, site development funding would allow the attraction, or again the expansion of existing businesses in areas where without that investment, it is not likely to occur. There are other aspects of predevelopment that would be beneficial because like Commissioner Higgins mentioned in her testimony, as important as workforce is, throughout the Intermountain West, and it is particularly acute in northern Arizona, is the availability of workforce housing or more specifically, the lack of availability.

So the ability to use predevelopment or EDA planning funds to prepare workforce housing assessments would also be valuable in

preparing the community to be able to expand with those projects and be able to provide housing in a way that would actually allow the attraction of a workforce.

Senator Kelly. Thank you, Chris. Thank you, Mr. Chairman.

Senator Carper. You bet. Thanks for making time to join us today.

Mr. Day, are you ready? All right.

Before you speak, I am going to telegraph a pitch. I love baseball. One of my favorite baseball terms is telegraphing a pitch. So the way the pitcher holds the ball, releases the ball, you can figure out whether it is a fast ball, curve ball or whatever. So I am going to telegraph a pitch for when we start questioning. The first question I am going to ask is, where do you all agree, on what major points is there consensus. There are a lot of things here in Washington that divide us. Senator Capito and I are always looking for what brings us together.

So one of the first questions, maybe the first question I will ask is, where do you agree? Where is the consensus on the major points that we need to be focused on. Thanks.

Mr. Day?

## STATEMENT OF BRYAN DAY, EXECUTIVE DIRECTOR, LITTLE ROCK PORT AUTHORITY

Mr. Day. Chairman Carper, Ranking Member Capito, and members of the committee, thank you for the opportunity to speak before you today to discuss the reauthorization of the Economic Development Administration. My name is Bryan Day, and I am the Executive Director of the Little Rock Port Authority.

The Port of Little Rock is Arkansas's largest public port and industrial park. Its sole purpose is to create jobs for the central Arkansas.

As you heard, the port is home to 50 businesses from across America and around the world. These businesses employ about 10,000 people contribute half a billion dollars a year to the local economy. As the Little Rock Port Authority works to attract industry and create jobs, we cannot do it alone. Over the last 20 years, we have been the recipient of a number of EDA grants via the Public Works/Economic Adjustment Assistance grant program. I would like to share a few examples.

In 2002, the Little Rock Port Authority received \$2 million from the EDA to build a dock on our slack water harbor. In 2005, the Little Rock Port Authority received \$1.5 million from the EDA to build two warehouses at the slack water harbor. The dock and the warehouse investments have created hundreds of opportunities to move commodities and attract new industry to the inland river system.

In 2007, the Little Rock Port Authority received \$1.5 million from the EDA to build additional rail infrastructure to support Welspun, an Indian-owned gas and oil pipe company. This company has

invested over \$400 million into their facility and currently employs 1,000 people.

In 2019, Little Rock Port Authority received \$2 million to assist with the development of road and the extension of utilities. This infrastructure investment allowed Amazon to locate at the port where they built a 4 million square foot distribution facility at a cost of approximately \$500 million. Today, that facility employs 3,000 people.

In 2022, the Little Rock Port Authority received \$3 million from the EDA to extend rail infrastructure to support TREX, a manufacturer of composite lumber. When TREX is fully operational, they will have invested over \$400 million in their facility and will employ over 500 people.

The EDA has provided \$13 million in grants to Little Rock Port Authority over the past 20 years. While that is not a lot of money, this investment has directly resulted in over \$2.5 billion in capital investment and the creation of over 5,000 jobs. I can think of no better return on an investment than what we have accomplished with help from the EDA.

I do hope the committee recommends the continuation of funding for this program. It has helped hundreds of communities across the Nation achieve objectives that they could not have done otherwise.

However, as you consider reauthorization, I would like to ask that you take the following into consideration. One, the Economic Development Administration was created to help develop local economies by generating new employment and stimulating industrial and commercial

development. This is an effective Federal program that creates lasting benefits for local communities.

I would encourage the Committee to remain focused on the original intent of the program. The EDA has a proven track record that has worked and continues to work very well in communities across the Country.

Two, local communities have a better understanding of their respective needs and know what works best for them within their specific economic development arena. EDA grant programming should remain flexible enough to give local communities the ability to design and implement projects that are best suited for those individual environments.

Oftentimes grant requirements from the agency have an adverse impact on a community's ability to apply for and manage the funds. Having the flexibility to use EDA funds with less stringent parameters will result in greater benefits to the local community.

Three, the EDA grant process should remain simple. Smaller and rural communities often do not have the capacity to develop a grant application, complete the permitting, meet the timelines and implement the program mandates established within the grant. Simplification of the process and modification of the guidelines will have a positive impact on many of our communities and their ability to utilize these funds.

Finally, the EDA should explore redefining the grant program to allow communities the ability to design and build basic infrastructure to prepare those communities for future economic development growth. Many of the grants are tied into specific job creation requirements

and this often prohibits a local community from meeting their specific future economic development needs. Allowing the EDA to invest in creating shovel-ready sites would be a game changer for many of our communities and greatly enhance their ability to attract jobs to the area.

Thank you again for giving me an opportunity to appear before you. I wholeheartedly support the reauthorization of the Economic Development Administration. The Little Rock Port Authority could not have accomplished what we have over the past 20 years without help from the EDA. That is a given.

I have shared with you some of my thoughts on changes that I believe would be beneficial to all our communities of all sizes. I hope you will give them consideration.

Thank you again for the opportunity to appear before you.

[The prepared statement of Mr. Day follows:]

Senator Carper. Mr. Day, thank you for those words, and our thanks to everybody on our panel.

I mentioned I was telegraphing my pitch. That will be my last question. I will ask you, looking back at this hearing, where is the consensus you would like to really emphasize.

I live in a State that is about 100 miles from north to south, about 50 miles from east to west. We have about a million people. Most of our people live in the northernmost county, but the fastest growing area is actually Sussex County down south.

When you take State Route 1 from I-95 heading south, you go right through Sussex County. If you keep going, you go into -- Ben Cardin has joined us -- you go into the MarVa of DelMarVa, into the State of Maryland. If you drive through, before you get into Sussex County, you go right past the town of Milford. Right on State Route 1, there are a bunch of auto dealerships.

About 10 years ago, I held a press conference, I think it was on a Saturday morning, which is pretty unusual. We had it at one of those auto dealerships, I think it was the Chevrolet dealership. The idea was to unveil for the first time ever a build-in America electric vehicle, the Chevrolet Volt. It got like 38 miles on a charge. We routinely get 300 miles on charges today.

But it was a Chevrolet Volt. We had a press conference, well-attended, on a Saturday morning. I would be behind the wheel of the Chevrolet Volt and we would get a camera crew or two behind me, which was pretty crowded. Then we would just take off and hit the road. It was a hoot. We did it until all the camera crews got to go for a spin.

Then we came back and concluded the event. The fellow who was the president of the company there said, how would you like to come back and see our maintenance shop? I said, sure. It was a Saturday morning, nobody was working.

I said, what are some of the challenges you face? He said, we have a hard time finding people who are trained, who are trainable, who will come to work and meet our workforce needs. He said, it is not just us, it is not that dealership, he said, it is every dealership in the State.

As it turned out, we found that not only was it auto dealerships, cars, trucks, vans, but also if you look at the poultry industry, which is huge in our State, if you look at all the integrators, they have trucks all the time out, across the eastern part of the United States, and they need people to maintain them as well.

We put together this partnership that I alluded to earlier that involved EDA, the State, the counties and the local governments who would do X, Y, and Z, EDA would do thus and so. It worked. And we got a bunch of auto dealerships, cars, trucks, vans, and said, we will do our part. The State said, we will do our part through Sussex County, our Vo-Tech school districts and through our educational system.

Anyway, it worked. It is still working. That is one of our great successes. Ms. Cannon, would you share with us one or two other great successes? I like to say, find out what works, do more of that.

Ms. Cannon. Yes, thank you, Senator.

It is interesting that you chose to speak about the Del Tech example, the Delaware Technical Community College example, which is

where that occurred. That actually occurred in 2016, and it is still thriving today. So it is a great example of how an EDA investment has a long-term return on that investment, not just for the businesses, but for the people that could train there and then could go work anywhere with that skill set. Some of them go to Maryland, some of them go to New Jersey. They don't all stay in Delaware, but we are thrilled when they do.

Senator Carper. What might be some other successes that you could point to, please?

Ms. Cannon. The other two main successes that I think were made four or five years ago, actually in 2017 there was an investment made at Del State University as part of the University Center for Competitiveness. That one is still thriving. It got additional funding in 2020. And in 201, the University of Delaware got some of the funding from EDA for the tremendous work they are doing there at the STAR campus. And then a Dupont experimental --

Senator Caper. The STAR campus, is that where the Chrysler plant used to be?

Ms. Cannon. It is where the Chrysler plant used to be.

Senator Carper. It employed something like 4,000 people, and they closed it. We lost 4,000 jobs just like that. And now the STAR campus has been created, and about 4,000 people work there in all kinds of high-tech businesses.

Ms. Cannon. And working in collaboration with the students, which gives them some real-life examples, experience.

And then the Delaware Innovation Space, which was a Dupont facility that was shut down, I think 235,000 square feet. They helped to fund the renovation of that building.

Senator Carper. Who is they, they helped to fund?

Ms. Cannon. I am sorry, EDA, sir, thank you, helped to fund the renovation of that building. And it is now a high-class step-up incubator, so that when somebody starts in their garage, then they go to some of the smaller incubators. When they are ready to really ramp up, they go to the Delaware Innovation Space. That has been a tremendous success for Delaware.

We have a lot of great successes there in Delaware because of EDA.

Senator Carper. Thank you for taking us on a walk down memory lane and right into the future. Thank you.

That was my question. Senator Capito?

Senator Capito. Thank you.

Mr. Graney, you mentioned in your remarks about the Assistance to Coal Communities program. Certainly we have suffered in West Virginia with the downturn in the coal industry. And that is one of the reasons that I have been particularly supportive, obviously, of this issue.

Can you talk a little bit more about that program and how it has been helpful, and maybe what you see for the future of that assistance for coal communities?

Mr. Graney. Thank you very much, Senator Capito, for the question.

Forty-four of the 55 counties of West Virginia are coalfield-affected communities. So it is broad based throughout the State. While there has been a big downturn in the coal economy and a lot of loss of jobs, indeed, the secondary induced and indirect jobs as well have been reduced.

So, when we have the opportunity to attract a new business or an expansion of an existing business, and we get assistance from the USEDA, it really helps those communities recover. And while we have a number of communities that are still suffering and will continue until we identify that great opportunity for them, they will continue to suffer.

What is unique about West Virginians is that they will travel a long way for a job, for a good job. So what we are finding is that we had the Nucor Steel facility announced in Mason County, West Virginia. We will have people travel for an hour and a half to a good job like that from southern West Virginia where those coalfield-affected communities are suffering.

So having the USEDA support the sewer there is just critically important to make that happen.

Senator Capito. Mr. Fetzer, you mentioned a coal community in Arizona. Are you using these funds, the Assistance to Coal Community program, for those improvements that you mentioned?

Mr. Fetzer. Yes, Senator Capito. We have previously used Assistance to Coal Communities and are continuing to with a couple of current grants that are looking at future closures. One of the lessons we learned with the previous closure, it was accelerated much sooner than anticipated. The closures that are scheduled for the

other remaining plants are a little bit further out, but one as soon as 2025. So those grants are looking at the existing assets that are there in the power plants in terms of buildings, equipment, infrastructure, water, sewer, transportation access, and the like, to determine what are the most suitable types of industries that those properties could be redeveloped to utilize. Again, that is EDA funded planning work that is ongoing.

Senator Capito. Okay, thank you.

Mr. Graney, you mentioned, well, I wanted to ask you about, EDA maintains an interest in real property acquired, constructed or improved with agency funds for the estimated useful life of a project, which is 20 years, I think.

What obstacles have you encountered and do you have any ideas for some additional flexibilities for those EDA-owned properties?

Mr. Graney. Ranking Member Capito, thanks for the question. It is a great question. In my short time there, there are a couple of properties that had that control put in place, that there was an interest in purchasing the property. Unfortunately, it could not be transacted, because currently, that program lasts for 20 years. You have to take the entire balance back if you sell the property before that 20-year anniversary.

Senator Capito. Yes.

Mr. Graney. To me, it makes sense that they would pay back the unamortized balance of the loan, that in the 19th year you wouldn't want to have to pay back \$4 million, you could pay back \$100,000 or whatever the unamortized balance is. I think that kind of flexibility

would do well to reduce some of the strings that other folks have talked about.

Senator Capito. Yes. Does anybody else have that issue? Have you run into that issue? Okay.

Let me ask you about, I can give you one answer on where everybody agrees, and that is the local match. So I am not going to ask that question. That one came through loud and clear.

[Laughter.]

Senator Capito. Capacity building was the other one I heard pretty much all the way through.

So the other thing is the site ready portion of this, which I am exceedingly interested in from West Virginia as we are trying to grow our economy and the developers have done a great job. But we also have areas that have either never been touched or have been touched maybe, you know, outside of a brownfield. The Brownfield program really works well in our State for that site development.

But for those sites, I could imagine maybe we could use EDA funds, maybe not to build a physical infrastructure, or that would be good, but to at least do some of the prep work that would go in pre-building. Mr. Graney, how do you feel about that?

Mr. Graney. I feel your point exactly. I agree completely.

So, flexibility along those lines. West Virginia has recently passed site legislation to enable the development office to do some preliminary work, but not a lot of earthmoving. But doing the phase one, doing all the NEPA studies, doing archaeological studies, doing some preliminary engineering report work to understand, and then

understanding what infrastructure might cost, water, sewer broadband, roads you have it.

At least you would have that information and you wouldn't have a two-year study period to have to go through that process. I refer to it as the lip of the cup strategy. All you have to do is tap it in to get it done.

So I think if we can have flexibility using USEDA funds to do that work it can be very, very helpful, as opposed to identifying that occupant and knowing they need a 10-inch water line or what have you, post. Having a site-ready facility could mean the difference between having someone select West Virginia or not.

Senator Capito. Right. Thank you.

Senator Carper. Thank you very much, Senator Capito.

We have been joined by Senator Cardin. He is my neighbor in DelMarVa, just south of us and west of us, he is everywhere. He is on this committee, has been stuck sitting next to me on the Finance Committee, too. I am glad he has hung in there.

Senator Cardin. I am a neighbor of the chairman in Delaware, of the Ranking Member in West Virginia, we are neighbors. I am sorry I am not a neighbor to my colleagues over there.

[Laughter.]

Senator Cardin. But Marylanders are all over. Welcome to the panel today. I strongly support the reauthorization of EDA; 2004 has been too long. I agree with the Ranking Member that there seems to be a great deal of consensus.

I just want to add my support for capacity building. I think that is an extremely important point. We have strong regional

councils in Maryland. EDA is important from Appalachia in the western part of our State, to the eastern shore, to Baltimore City. It is an important tool for economic growth. So it is important that we reauthorize it.

I will give you one example and Ms. Higgins, I want to ask you a question on resilience. We got a grant last year for a city dock in Annapolis. It is going to be economic growth for Annapolis. Annapolis, by the way, has more subsidized housing than most cities, people don't realize that about Annapolis. So it is going to help on economic growth.

But it is also going to deal with resilience. Annapolis harbor floods all the time, not from extreme weather events, just tidal flooding. So it is going to be an important project for resilience.

Ms. Higgins, Miami-Dade is challenged. Can you connect the dots for us on EDA, economic growth and resilience?

Ms. Higgins. There are a number of things that are really important. Some of our workforce development programs are literally looking at connecting these folks who now work in very low-wage tourism jobs with the jobs we need to build the infrastructure. In some cases, we have physical infrastructure that is going to have to protect us from what is coming with rising seas and what-not.

But we also have to, and we do, depend on EDA all throughout the State of Florida for disaster recovery, particularly the economic assistance. That is one of the reasons, on behalf of the State and county, but also the National Association of Counties, we really do believe it is time to standardize and codify EDA's role in disaster recovery. When disaster hits, we need you to be ready, not to have

EDA have to prep to get ready to arrive, whether it is three weeks or four weeks later.

So the role of EDA is everything from workforce development to some of our smaller communities actually funding some of the physical infrastructure to actually responding just in case we need you.

Senator Cardin. In Maryland, we are looking at wind energy, offshore wind. Absolutely, the workforce issues and job training is critically important. Connecting that dot with EDA help would be extremely valuable.

Ms. Cannon, I want to ask you a question about small business. I wear another hat; I chair the Small Business Committee here. We are looking at the reauthorization of the SBA programs.

How do we coordinate better the tools that are available for economic growth under the SBA and the EDA program? A lot of it overlaps. I am not sure how well that is coordinated.

Ms. Cannon. Thank you, Senator, that is a great question. I actually spent some time doing some research last night trying to imagine that kind of a question. So thank you for that.

What I learned was that there is a lot of research out there, as I am sure you all know. Sixty-four percent of small businesses, after a disaster, suffer a loss in assets. That is what EDA focuses on, the assets, did you lose a building, did you lose a generator, do you need new equipment. But I believe it was 94 percent lose revenue.

So in my world, in the Division of Small Business at the State of Delaware, we have tried our best when COVID hit and the shutdown happened to say, how do we save as many, as know that Ellicott City was a great case study for us in preparing what we wanted to do for

COVID. Because when they flooded for the fourth or fifth time, what the case study showed was that some of the businesses just shut down. They said, we are done, we are tired, we are not rebuilding again.

But some of them relocated. When they relocated, working for the rebuilding to happen, they found a new home and they found new customers. So they just never came back. So it is so important that the SBA focus on cash flow, getting those EIDL loans out to help them with the cash flow issue they have when revenue stops.

Then EDA, I think, has to be able to step up. I think the biggest challenge for EDA in stepping up for small businesses is that at a high level, EDA says, well, who is going to own the asset? If a private company is going to own it, that is not really what we do.

So my struggle is, how do I help my small businesses who need an asset when EDA says that is not really what I do?

Senator Cardin. Thank you. I would just make an observation. Ellicott City had two 100-year floods within 20 months. So it has been really challenged on how to deal with the increased flooding in that community.

To Senator Capito, the western part of my State, as you know, also had coal. So it is important for us to use the tools we can on economic growth under EDA and also under the ARC program to help those communities. I am glad to see there is a focus on that.

Senator Carper. Senator Cardin, thanks so much for joining us.

Senator Boozman?

Senator Boozman. Thank you, Mr. Chairman.

Mr. Day, as you outlined in your testimony, the Little Rock Port Authority has had great success in partnership with EDA with acquiring

\$13 million in grant funding and leveraging it to tremendous economic development. Can you talk about the decisions that go into applying for EDA funding for the Little Rock Port and your experiences working with EDA in executing both the application process and project delivery?

Mr. Day. Thank you, Senator. And thank you for always supporting the Port of Little Rock and Central Arkansas. We are grateful for that.

In terms of working with the EDA, we have a great relationship with EDA. Your staff, the EDA staff does a remarkable job working with communities. We have no qualms with that. They are responsive and eager to help us. The folks we work with on a daily and weekly basis are really good.

When we work with EDA grants through the Port, and I am mainly talking about kind of the public works infrastructure investment, they are all tied into specific job creation. That is time-consuming, sometimes you have to wait until you get a prospect that announces. Then you contact the EDA and say, we have this prospect that is going to bring 500 jobs and invest X number of dollars. Can we apply for infrastructure, can we apply for road extension assistance?

And as you have heard today in this capacity conversation, when a prospect comes to a community, any community in America, they are not looking to locate at the community. They are looking for reasons to not locate at the community. If we tell them that is going to take 6 to 12 to 18 months to get the site ready, then that is a reason they might choose to go elsewhere.

We are no longer just competing with our neighbors; we are competing with the world. With what we saw with the pandemic and supply chain challenges, there is a lot of interest in reinvesting in manufacturing and distribution.

So in working with the EDA and how we decide to do it, when this prospect comes and they finally choose us, we convince them that we can deliver the site within 12 to 18 months with all the infrastructure, the roads, we work with the State and the county and the local governments and we bring EDA into the equation as part of that ongoing conversation. We tell them, here is what we can bring, here is what we need, and they work with us.

So the committee has heard today that it would be nice to be able to do some preliminary work, some advance work. That is what I hope we will be able to do in the future.

Senator Boozman. Arkansas is a small State, we all kind of know each other and work together. As you know, many rural communities in Arkansas, similar to rural communities across the United States, are losing business, employment opportunities and population. Fifty-three percent of the counties in America lost population last census.

Many of these areas have benefited from programs that target rural economic development, such as investment from the EDA. The EDA is such a valuable resource for so many people who need this help.

However, most of these communities are at a disadvantage when applying for any grant funding because they lack the bandwidth or expertise to submit a "top" application.

Can you talk about the importance of keeping this process as simple as possible? I hope that is the theme of today, in addition to being focused on the intent of the program.

Mr. Day. Yes, sir, thank you. Good question. As I mentioned in my comments, we have to keep the program simple. I will tell you; we get a lot of grants from different Federal agencies. The EDA is easier to work with than others.

But when you go into a small rural community and you have to get all the engineering done, the permitting, the cost analysis, the benefit, and you have to implement the mandates for the program that might be apprenticeships or resiliency or equity, and all of those things are important, but a small community struggles with that.

You have heard today from all of my colleagues that the match is burdensome. If it is a million-dollar project and it is a 20 percent match, \$200,000 is hard for a small community to get.

So as you look to reauthorize, if you can make it simpler. I heard someone talk about a kind of a formula-based incentive instead of competitive. That might be a good approach for certain communities.

But we do know, we have seen success in rural Arkansas, if you have an available property, an available building, a prospect will locate there. But for a community to have to do all the heavy lifting on the front end, to manage the grant, and then even after the fact, once you build it, you are not done with the management of the grant. You have to report annually and keep coming back.

That does create a challenge for a community that has a volunteer city council or volunteer court that has a staff of four or five people. It is a challenge. So simple is better.

Senator Boozman. Thank you very much. Thank you, Mr. Chairman.

Senator Carper. Thank you.

Senator Markey, thank you for coming back. You are recognized. After you, Senator Ricketts.

Senator Markey. Thank you, Mr. Chairman.

It is hard for some communities to even get started. Match requirements are one reason why communities struggle to get projects off the ground.

Ms. Cannon, how would reducing or eliminating funding match requirements in Economic Development Administration programs help smaller communities access these investments?

Ms. Cannon. Senator, I think it would an amazing change that would help the smallest and most rural communities to get access to these funds. I did some research just on the Philadelphia regional office, because I lived in Delaware all my life, it is what I know. So I looked, at just at the State level compared the unemployment rate of every State and the two territories, Puerto Rico, and Virgin Islands, that the EDA office in Philadelphia is responsible for.

None of them would have qualified for the maximum contribution from EDA or the maximum investment in 2004. As recently as April 2023, only one from a statewide perspective would have qualified, and that would have been the United States Virgin Islands.

So when you look at those numbers, Senator Carper had asked us a couple of months ago to pull together a focus group in our rural part

of the State, because they were so frustrated with EDA. Again, EDA folks are really nice; they try really hard. But the EDA staff was frustrated that our rural community folks did not have the capacity.

So it was kind of a chicken and egg scenario where everybody wants to get TS, but they couldn't get there. SO I think that change would be dramatic.

Senator Markey. Thank you. Aside from having cash on hand to fulfill match requirements, there is a lot of work that has to happen before communities are even ready to apply for grants, much less construct and develop projects. Communities need to pay for environmental studies, put together business plans and grant applications, and conduct architectural and engineering work. All of that requires money and time.

Ms. Cannon, based on your experience working with communities who are interested in making the most of funding opportunities, what can help communities best prepare shovel-ready projects?

Ms. Cannon. In the State of Delaware, we were fortunate in that issue became a big issue. Geographically we are relatively small. So we were able to for the last three years, our Governor and our legislature approved \$10 million a year in what they call a site-readiness fund. They compete directly for those dollars, the developers do, that have sites that they want to get ready.

The problem is it is not enough. And it certainly isn't enough if you try to do that across the Country.

But EDA today would say, when you look at the NOFO, and you try to find a way to get to yes, the NOFO looks like maybe they would provide funding for that. But then when you set up the call with the

EDA regional office and your community that wants to do it, they start asking questions, how far along are you on the engineering, do you have this, do you have that. And the local communities get frustrated then hang up and call us and say, we don't think the EDA is easy to work with.

Senator Markey. Mr. Fetzler, would funding for project pre-development and technical assistance help communities navigate the overwhelming number of grant programs and funding opportunities?

Mr. Fetzler. Senator Markey, absolutely. Those types of activities you just described in your remarks are very consistent with Ms. Cannon's comments as well in terms of how communities can be prepared to bring that investment. Currently, without that eligibility, that is a barrier.

Senator Markey. That is why I am planning to reintroduce the Local Infrastructure Funding and Technical Assistance Act, or the LIFT Act, which would provide grants to under-resourced communities that want to bring beneficial projects into their communities. The funding would help cover the costs of market assessment, business plan preparation, capacity building for local governments and organizations, grant writing and much more.

Mr. Fetzler, would you agree that dedicated funding for pre-development activities could help kickstart projects that may otherwise never go forward?

Mr. Fetzler. Yes, Senator Markey, I would agree with that statement. I had a similar question earlier from Senator Kelly, and described it in some scenarios as a chicken and egg. This type of

funding would certainly allow us to overcome that, and allow projects to proceed.

Senator Markey. Thank you, and rural communities, urban communities, low-income communities, everyone deserves a chance to build resilient infrastructure and benefit from these new historic programs. We thank all of you for your work on it.

Thank you, Mr. Chairman and Ranking Member.

Senator Carper. Thank you, Senator.

Senator Ricketts, thanks for coming again and again.

Senator Ricketts. My pleasure. Thank you, Chairman Carper and Ranking Member Capito, for calling this hearing so we can talk about the EDA. I want to thank our panelists for your testimony and sharing your experiences with the EDA.

Nebraska has been a recipient of a number of these grants. One in particular I am going to highlight has to do with Blair, Nebraska. We received a grant through the Assistance to Nuclear Closure Communities for over \$1.5 million, which helped the city of Blair expand its water line. One of the things it did when it expanded this water line was support a biotechnology campus that produces enzymes that help us produce -- guess what, Chairman Carper? Ethanol.

[Laughter.]

Senator Capito. Wait a minute --

[Laughter.]

Senator Ricketts. You knew I was going to figure out a way to tie this back into ethanol, didn't you? I love this committee, because we get to talk about ethanol.

One of the other companies on this campus, which you would be fascinated to know about, has a unique fermentation process that takes some of the same sugars that come out of ethanol and produce omega-3 fatty acids, which then are fed to salmon in fish farms, which prevents the need for going out and catching wild fish, cutting them up and feeding to the salmon so that they get the same omega-3. So it became much more sustainable. A very cool way to make a sustainable way to have fish farms. That is one of the other businesses supported on doing it.

The point is it allows smaller communities like Blair to be able to invest and grow campuses that create great-paying jobs. These are great-paying jobs that they have here, I was just on with my entire Nebraska delegation, we are doing a Farm Bill tour on Monday, and heard consistently about the importance of water infrastructure for small communities to be able to, for example, facilitate food processing or dairy operations or things like that.

So it is absolutely a critical thing to be able to do. I wanted to be here today to add my sentiments to what has already been expressed about the need to reauthorize the EDA at fiscally responsible levels, and to preserve the ability of local economic development decision.

With that, I yield back.

Senator Carper. Thanks, Senator Ricketts. Thanks for bringing the perspective of a recovering governor, at least two of us here.

Senator Padilla, welcome.

Senator Padilla. Thank you, Mr. Chairman, and Ranking Member Capito. I appreciate the opportunity to chime in on this hearing as well.

Let me begin by echoing one of the items and issues that Senator Markey raised, that is utilizing resources to assist smaller cities, smaller jurisdictions that may not have the capacity of larger jurisdictions in preparation and competing for different grants and other resources. I won't be repetitive of his questions, just want to associate myself with his concern as a priority as well.

Separately, we often discuss loss of life and physical damage in the aftermath of natural disasters. But we rarely focus on the longer-term economic challenges for entire communities that can persist for months or years after a disaster hits. This committee has had numerous hearings and conversations about wildfires, long-term drought, flooding, other types of extreme storms, routinely forcing shops to close, small businesses to shut down, jobs to leave towns, and personal savings to run dry when individuals have to empty their own pockets to cover insurance, and entrepreneurs, small business owners, have to rebuild.

In times of increasingly devastating natural disasters, EDA's mission to promote a resilient economy and address rapidly evolving economic conditions I think must prioritize natural disaster recovery. Again, not just in the aftermath, but in the long term. That is one of the reasons I plan to introduce legislation to establish the Office of Disaster Recovery within the EDA. This office would be tasked with coordinating post-disaster economic recovery initiatives and assure

that we rebuild holistically our impacted communities, beyond just initial critical repairs.

Ms. Higgins and Mr. Fetzner, this sounds familiar to you because in both your written and your verbal testimony earlier, you referenced your specific recommendations for the establishment of an EDA Office of Disaster Resilience and Recovery. Would you just take a minute to reinforce to the committee why it is so important for Congress to do so?

Ms. Higgins. Thank you, Senator. Having a robust role that is codified for EDA in disaster recovery is really important. Congress is using EDA in this role, but because we haven't reauthorized and formalized it, it can be ad hoc and it can often be reactive rather than proactive.

So the idea of formalizing is really important to America's counties for a couple of reasons. It means the agency has institutional knowledge that carries on from one community's experience to another. It has leadership that has led through these difficult situations, and then quite frankly, it has good relationships and knowledge about the communities that are often on the receiving end of these considerations.

EDA is also very helpful because, I use the example, versus the IDA loans in SBA, very strict, quite frankly, to apply for one of those. During COVID, our small businesses could not meet the requirements.

But then we have other revolving loan funds that EDA allows to establish which are more attuned to these local businesses that have never, ever had to have access to capital before. So it is a great

marriage between having the disaster recovery response and the long-term knowledge that EDA already has in economic assistance.

Senator Padilla. Thank you.

Mr. Fetzer, anything to add?

Mr. Fetzer. Senator Padilla, yes, I would agree with Commissioner Higgins' comments. Really institutionalizing it in a way that retains that knowledge and the ability to be, again, proactive and not a lagging response when communities are most in need would be quite valuable.

Senator Padilla. Great. I want to make sure I am clear that our main streets, our commercial corridors and business districts, especially in smaller jurisdictions need our ongoing attention, not just in the aftermath of a disaster. In the last Congress, Senator Wicker and I introduced the Revitalizing Small and Local Businesses Act, which would provide resources for non-profit organizations to also provide operating support, technical assistance and training to networks of business district organizations working on the ground in underserved and rural communities as well as urban neighborhoods.

Ms. Higgins, how do partnerships with local organizations and larger non-profit organizations strengthen EDA's efforts to serve these business districts?

Ms. Higgins. I will give you one example. We have a great EDA grant that is working to enable folks from low-wage jobs to get into high-paying tech jobs. But when are transferring people from the service economy into middle class and higher paying jobs, that transition is just not you take a class and get certified in this. Folks have trouble getting to work. They may need social services or

supportive services about how to transition into a more professional style of workforce.

So in our EDA grant, we actually have non-profit partners that are providing those wraparound services for one entire year after the person gets their first high-paying job, to make sure that it is a long-term success. We want people lifted out of poverty with EDA assistance. We want them to stay out of poverty, not falling back because this is their first time in a different sort of workplace.

Senator Padilla. Thank you very much. Thank you, Mr. Chair.

Senator Carper. Thanks so much for joining us. Senator Capito?

Senator Capito. Thank you, Mr. Chairman. I thank all of you.

I just have one final question for the panel. EDA investment priorities, which are used as a criterion in reviewing project applications, can change from administration to administration. For example, the Biden Administration removed critical infrastructure and opportunity zones as priorities, while equity and environmentally sustainable development were added. It seems to me that Congress should provide some stability here.

So we will start with you, Ms. Cannon. Do you have any light to shed on that particular issue?

Ms. Cannon. I will pause for a moment, because obviously, I led the State of Delaware's effort on opportunity zones when that was first passed. I think that the biggest concern most of us who were involved in opportunity zones had was that the original intent was to really get the funds invested in those really distressed communities.

Senator Capito. Right.

Ms. Cannon. And what ended up happening or what it appears to have happened was really rich people that were going to build a hotel in a really upscale neighborhood --

Senator Capito. The same thing happened in our State.

Ms. Cannon. Right. It happened everywhere. But I think the spirit of the opportunity zone was good. I would hope that we go back to looking at the census tract level, to Mr. Padilla's comment about the main street corridors.

The biggest challenge I think when EDA is looking at their objectives is that you might have a little pocket community that just had a plant shut down or just had something horrible happen, but they are surrounded by a neighborhood, a census tract next door that is doing really well. So as a standalone census tract with 5,000 or 8,000 people, sometimes they can't get the help they need.

So yes, I think having Congress put some stability into that, that if in fact an economic development office in a State, in a county, in a community builds around that objective that that objective doesn't change.

Senator Capito. Mr. Fetzer, do you have any comments?

Mr. Fetzer. Senator Capito, I believe that some of those considerations that you mentioned are important. But the predictability because of the needs of communities, particularly rural, small communities, those needs don't change over time. They are foundational to building a strong, economic ecosystem so that you can attract and retain business.

So those things are important. But they could also become a distraction from pursuing the investments that our communities need.

Senator Capito. So basically, the way I am interpreting your answer here, is the core functions have to remain the same, or the core decision making has to revolve around the same core principles from administration to administration. You could add things on maybe as things go around. But I am thinking, as we are looking at a reauthorization, I am not sure how specific we would want to be, but we have to have the core functions remain the same.

Am I interpreting that correctly?

Mr. Fetzer. I would agree. There is regulatory flexibility, too, within EDA that helps to address changes over time.

Senator Capito. Right. So keep that.

Ms. Higgins, do you have a comment on that?

Ms. Higgins. We had a similar situation with opportunity zones as Ms. Cannon had. I think opportunity zones locked us into an actual place versus economic development opportunities, which can occur in a different piece of property, but still serve aptly serve people who are in need of routes to prosperity and better jobs.

I think predictability matters. It certainly matters for these smaller counties. If they have managed to apply once, why the heck do you want to make it so complicated to apply a second time? But even a big county like mine, with the pre-development on these sites which can take two years, if four years later the rules are changed, we may have the resources to do our pre-development in the way that rural counties may not. But then we might not qualify for something in the long run.

So some consistency is always a good thing.

Senator Capito. Mr. Graney?

Mr. Graney. I think these guys are the pros. I have only been doing this for four years. I can't add to what they have said.

Senator Capito. All right. Mr. Day?

Mr. Day. Yes, Senator, I agree. I think that the change in priorities, changing requirements, changing programs from administration to administration makes it a burden on communities. Not everyone can do it. It is a federalism at its finest. The program works well. Let's keep it simple, let's keep it streamlined, let's focus on the creation of jobs and not put those other requirements every four years, every eight years, into the program.

It is a team sport, it is a long sport, and it takes a lot of time to get there. Thank you.

Senator Capito. Thank you. My final comment, Mr. Chairman, is Mr. Graney mentioned Tracey Rowan, who is in our West Virginia EDA. What a difference she makes. Having that right resource that is paying attention to your State, and in our lucky case, our State alone, and her consistency and knowledge, has been incredible. So I want to give a shout-out to our rock star, Tracey Rowan at the EDA. She is fantastic.

Senator Carper. Thank you so much for that. She doesn't just say this at a hearing.

Senator Capito. I don't say that about you -- oh, just kidding.

[Laughter.]

Senator Carper. She doesn't just brag on the EDA's point person in West Virginia in a hearing, she says it regularly. We are blessed in our region as well.

We have been joined by Senator Dan Sullivan from the great State of Alaska. Go right ahead.

Senator Sullivan. Thank you, Mr. Chairman. I want to thank the witnesses.

I have just really one basic question to get your insights, to all the witnesses. It is really actually reflective of the title of the hearing, which is getting State and local perspectives. In Alaska, we are often subject, and I think most States feel this way, where the Federal Government is about 5,000 miles away from my State and they often don't understand us. Then they come up with one-size-fits-all approaches to policy and economic development that was crafted here. Of course, it just doesn't work in my State.

I am assuming that all of you have had similar experiences. Maybe I can just start with the basic question of, when we are looking at the reauthorization process now, which is a good opportunity, to instill the value of preserving locally driven economic development decisions and making sure EDA does not become kind of an entity that is a Washington, D.C. bureaucracy that directs everybody.

So how do we ensure that locally driven economic development decisions as a key component of EDA, and I am assuming you guys all think that is important, so Mr. Day, why don't we start with you and go down the line.

Mr. Day. Thank you, Senator. I do think that every community is different, and every community knows what is best for them. So as you draft the reauthorization, you look at the programs, try to preserve the ability for that community to present a project or implement a

program that meets their needs. Because what works in Alaska might not work in Arkansas, might not work on the east coast.

I am not quite sure how you do that in the programmatic drafting of the bill. But don't lose sight of local communities know best for them.

Senator Sullivan. And your point, in Arkansas there might be a real emphasis on one area of your economy that we don't even have in Alaska and vice versa.

Mr. Day. That is true, yes, sir.

Senator Sullivan. Good.

Mr. Graney. Senator, I would agree with everything he just said. I think it is critically important to keep the local flavor. Alaska is different from West Virginia; West Virginia is different from Arkansas and Miami-Dade County.

Senator Sullivan. Do you think that a current EDA approach has enough of that local flavor, or is it getting too centralized in Washington?

Mr. Graney. I have only been in this role for about four and a half years, but it has been my impression that it does have that local flavor currently.

Senator Sullivan. Good.

Ms. Higgins. Senator, I think I agree. Mr. Graney said it well: there is a lot of ability, and from the examples we have shared here, we are all from different places, that how we are implementing in different counties and different States, economic development, EDA has been able to help us fund.

But I think one of the themes you have heard us talk about today is that there are places that remain locked out of getting this funding and the match requirements have been rigid enough, particularly for some smaller places. Good projects, and remember, we talk about locking projects and places out of economic opportunity. We are actually locking people out of that option.

So I think in this reauthorization, looking at making sure those matching requirements are not stopping development in places that really need it is a way to make EDA even more responsive and responsible for these locally developed initiatives.

Senator Sullivan. Good, thank you.

Mr. Fetzer. Senator Sullivan, in terms of the matching fund burden requirements, I am in full agreement that we need to reduce those.

Senator Sullivan. I don't even know what it is right now. What is the typical match?

Mr. Fetzer. Well, it can be as much as 50 percent in some cases. But it depends. That is probably the best answer.

Senator Sullivan. And is it dependent upon ability to pay?

Mr. Fetzer. It is not dependent on ability to pay, it is based on distress factors. That is one of the things that many of us have touched on in our testimony here today, is that the needs or the merits of projects may not have a direct relationship with the ability of that jurisdiction to pay match. But the need is great.

Senator Sullivan. So you think that is a reform that is recommended?

Mr. Fetzner. Correct. I would also speak to the planning process, because there have been numerous references to locally driven solutions. While EDA has a requirement for each economic development district to create a comprehensive economic development strategy known as the CEDS, the CEDS, if it is done right within a region, is all about locally driven solutions in response to what is different between Alaska and Arizona and Massachusetts can be accounted for in those planning processes, so that we can identify what the most important needs are and how to grow local economies. If we do it right, too, we are using a robust engagement process with stakeholders to really understand their needs.

Senator Sullivan. Good. Great. Thank you.

Ms. Cannon. Great question, Senator. I will say this, that I have a minor in psychology, which makes me dangerous because I think I know things. But I will tell you that my perspective of EDA and how they implement is that they implement from a utilitarian perspective. They want to do the greatest good for the greatest number of people.

The tech hub solicitation or NOFO that is out now is saying, and they told us specifically, don't apply as a State. We want you to be regional. We want you to be able to say, we touch this many people in this many geographic territories.

While that is noble in some respect to say for every public dollar we invested we touched the greatest number of communities and the greatest number of people, the reality is that some of the people with the greatest need will never get the opportunity to participate in EDA funding because they can't meet the match, they can't meet the eligibility criteria.

So I am a firm believer, I used to be the executive director of the Delaware Workforce Board, I am an active member now, I firmly believe that every community across this Country has an active local and State board that lives under the U.S. Department of Labor Regulations. They meet regularly. The 50 percent membership has to be from the private sector who are creating those jobs. They have to have ultimate hiring and decision-making authority and policy-setting authority. I think there are ways to help EDA find the right balance.

Again, to some degree, there is real value in the utilitarian approach. But I would hope, I can tell you right now, I have three little communities that will never qualify under EDA standards for the match, for the eligibility. But the need is great. I don't know how to help them in the absence of some of those changes.

So we are hoping that that happens through reauthorization.

Senator Sullivan. Great. Thank you. Those are great answers.

Thank you, Mr. Chairman.

Senator Carper. Thank you. Senator Sullivan, thanks so much for joining us.

Senator Sullivan raised the issue that led us to talking about CEDS, which is Comprehensive Economic Development Strategy. For years, we couldn't understand why we couldn't get to first base on economic development, EDA support. It turns out we were not providing and updating on a regular basis a comprehensive economic development strategy.

Do you have any idea of other States that are guilty of not providing an updated CEDS on a regular basis? Does anybody know? That seems like, in terms of an admission to actually making progress

and getting support from the EDA, you have to have a CEDS. Do you believe that most States do that? Does anybody know?

Ms. Higgins. I may not know, Senator, about the States, because at least in our State, we have several regions that have to create them.

But Mr. Fetzler highlighted this very clearly. Right now for smaller communities, some of the EDDs that develop the CEDS are huge geographically. And the \$70,000 to \$75,000 that is currently allowed, it doesn't matter where you live, that does not cover the cost of one full-time employee, to get into these things.

So I would say they may, even if they are complying, they don't have the staffing because of that level of funding to make sure that it is adequate, it is up to date, and it is inspiring to attract economic development in some areas.

Senator Carper. Okay. Patty, did you want to say something?

Ms. Cannon. Yes. I can tell you that if you submit an application --

Senator Carper. Who is you? If you submit, if you submit -- you said if you submit --

Ms. Cannon. If anybody submits an application --

Senator Carper. Well, not anybody can submit. When you say you, who are you talking about?

Ms. Cannon. An eligible entity.

Senator Carper. Thank you.

Ms. Cannon. I am so sorry, sir. An eligible entity submits an application to EDA. The first thing they will look to do is see if you have an active CEDS. If you do not, it doesn't go any further.

Maybe that is an important criteria to try to encourage States and communities. But I think Ms. Higgins makes a great point in that Delaware geographically and demographically is small. So the people who get involved in writing the CEDS generally all know each other. The larger the State, the less likely that is to be true.

So that is the other reason that I firmly believe that while the CEDS is a nice thing to have every five years and to have to synch it together with stakeholders and say, what do we envision our State to look like over the next five years, I still think the State and local boards, the workforce boards, are where the rubber meets the road in most of our communities.

Senator Carper. All right. Thanks for that.

When I was Governor, I had the opportunity to participate in the National Governors Association. I remember us petitioning, at that time I think it was the Clinton Administration, then later the Bush Administration, for Federal support. There was always a question about how, what would be an appropriate balance of Federal support as opposed to State and local support.

One of the things I learned early on, rather than just giving money to States, you have to have some skin in the game. I think there is a balance here between making sure that we are providing the money where it is most needed and can be put to best use but also make sure that there is skin in the game. If there is not, then sometimes we don't spend the monies wisely as otherwise we should.

I have a follow-up question on climate resilience for Ms. Higgins. The EDA's public works program helps distressed communities upgrade and build physical infrastructure, as you know. Due to the

climate crisis, low-lying places like Miami-Dade County and my own State of Delaware, in Maryland and other coastal States, are under threat due to rising sea levels and an increased frequency of extreme weather events that we see all too often.

Commissioner Higgins, do you think there are opportunities for EDA to maybe do more to incorporate climate resiliency into its public works program?

Ms. Higgins. I certainly think it should be considered. This would be another case where perhaps EDA can collaborate with other programs that exist. For example, in the Infrastructure Investment and Jobs Act, there is funding available for example for raising off-system bridges to be more accommodating to rising seas, to looking at improvements that make not just coastal communities but communities across America less vulnerable things like flooding.

So yes, public works right now, we should be thinking, and I believe every local community is thinking about what we need to be building to make sure our communities are more resilient in the face of a changing climate and in the face of a changing workforce and economic conditions. Resiliency, I can't think of a single county in Florida that doesn't have resiliency as a top priority, from the largest one in Miami-Dade County to our most rural counties in Florida.

Senator Carper. All right, thank you.

My sister and I were born in a coal mining town, as Senator Capito knows, born in a coal mining town called Beckley, about 70, 80 miles south of Charleston. Our grandparents' neighbors were coal

miners. I remember my sister and I as little kids being at our grandparents' house.

Mr. Meadows, who was their neighbor, would come home late afternoon from mining coal, his face black with soot. He would clean up and go out and milk his cow. I still remember, he would invite my sister and I to come and help him milk his cow. We were just little kids. Then we would get to drink some of the milk. It is a memory I will always cherish. I think my sister does, too.

My grandfather was a butcher. He was not just a butcher at Patton's Market in Beckley, but before that he was a butcher at a general store that was owned by a coal mining company. And the coal mining company, in the next region, next to where my grandfather was a butcher, the butcher there was Robert Byrd, who went on to become the most elected Senator in the history of the Country. So you never know where those butchers are going to go.

So I have an interest and concern about coal mining. West Virginia has been part of who I am all of my life.

Having said that, the State that I live in now is a State where, as my colleagues have heard me say probably too often, we are the lowest-lying State in the Country, as Patty Cannon knows, the lowest-lying State. My State is sinking, the seas around us are rising.

That is not a good thing, when one of the top two industries in your State is tourism. One of the reasons why people flock to Delaware is because we have more five-star beaches than any other State in the Country.

So the ability to actually how to address climate change, how do we do that in a way to increase jobs, as it turns out, there are a ton

of jobs that are being created off of our shores. Senator Cardin mentioned it, he said, in Maryland we are looking at offshore wind. They are not just looking at offshore wind, we are deploying offshore windmill farms off of Rhode Island all the way down to Maryland. And we are doing it by putting thousands of people to work in good-paying jobs, a lot of jobs created just in building the wind turbines that are being deployed.

But as we do all that, I mentioned the factors that drive economic development that I learned a long time ago when I was a youngster working at the Division of Economic Development, I did not mention the cost of power. That is a hugely important element in a lot of industries and a lot of job creation.

One of the places we have learned how to address, create power fairly cheaply, is wind and solar. In the meantime, the question is what we do with all the people who are displaced, like folks who work in fossil fuel industries. I think we have a moral obligation to look after them as well.

In our State, I hope we are taking that moral obligation seriously. I know they are in West Virginia.

I said earlier I wanted to telegraph my pitch. The pitch I want to telegraph is to ask this last question. Where do you think there is consensus here, maybe important consensus? Senator Sullivan and I spent a lot of years in the military, he retired as a Marine colonel, I am a retired Navy captain. We were in a lot of training in the Navy, most people think you graduate from high school or college, you go into the military and you never have any more training. No, you train and train all the time.

In the Navy, we would have to take tests and so forth. Our instructors would stomp their foot, literally, and say, these are some things that are going to be on the test. And they would not always say, this is going to be on the test, but they would stomp their foot. This is a chance for you to stomp your feet and tell us what is going to be on the test, for if we take out nothing else from here, at the end of this hearing, what are one or two really important things. Just very crisply and succinctly.

Patty, would you lead us off, please?

Ms. Cannon. Thank you, sir. So you just want one item?

Senator Carper. Just give us one.

Ms. Cannon. One item is let's fix that match. I don't know what that fix looks like, but I think we need to fix that match.

Senator Carper. Thank you. Mr. Fetzer?

Mr. Fetzer. Thank you, Chairman Carper. I really do appreciate the dialogue that we have had with the committee today. I think first and foremost would be increasing the investment in EDA's core programs, like Partnership Planning.

Senator Carper. All right, thank you.

Ms. Higgins?

Ms. Higgins. First and foremost, reauthorize the EDA. Because all of these reforms cannot happen and modernization if that does not occur. I think all the ideas and all the examples you have seen here, but also some of the challenge we face can be addressed if we have a modern reauthorization that helps with match, that helps with access, that helps with the different sorts of projects and workforce that didn't exist when it was reauthorized last.

Senator Carper. Good. Thank you for that.

Mr. Graney?

Mr. Graney. Fix the match, however that is appropriate to do. Keep it simple and keep making it a little more flexible, have it address other needs.

Senator Carper. In the Navy we had something called the KISS, Keep It Simple Stupid.

[Laughter.]

Senator Carper. Mr. Day?

Mr. Day. I agree with all that has been said, Senator. I would add that, allow local communities the ability to grow their own, build their capacity for future economic development through the creation of shovel-ready sites.

Senator Carper. Thanks. Senator Capito, any last words?

Senator Capito. Thank you all very much. It was terrific.

We have a vote, and so I am going to be slipping out. Thank you very much.

Senator Carper. Thank you very much. Our thanks to our staffs as well.

Maybe one last thought. I talked about a moral obligation. People ask me what I like most about my job. I like helping people. I think if you ask Senator Capito or anybody else who serves on this committee, they would pretty much say the same thing, we love helping people.

One of the best ways you can help somebody is make sure they have a job, and make sure they have a job so they can support themselves and their families and be a contributing member of our society. There

are a lot of different ways we make that happen. One of the important ways is through an agency we call the Economic Development Administration.

As I said early on, everything I do I know I can do better. Clearly, you have all come up with some ideas how the Federal Government can meet its obligations and opportunities better by making some changes within the EDA. And you have given us plenty to think about.

The other thing I want to say is thank you for what you do with your lives. I hope your work gives you as much joy as mine has given me for all these years. But if we don't have jobs, people who don't go to work and support themselves and their families, at the end of the day k, we don't have much. It is just critically important stuff.

The last thing is, not that you would know this, this is a committee that actually works well together. We are a committee that believes that bipartisan solutions generally are lasting solutions. So that is where we work, whether it is bipartisan infrastructure legislation, water, roads, highways, bridges, you name it, clean air, we try to do as much work across the aisle as much as we can to get things done. There are a lot of instances that not only do good things for the planet, but actually create economic opportunities and jobs for people to go to.

So with that, I would say in closing, I have some boilerplate stuff I have to read so we will be in good shape here. I want to thank all of you for joining us today. We have to do some housekeeping.

Senators will be allowed to submit written questions for the record by close of business on Wednesday July 12th. We will compile those questions and send them to you, to our witnesses. We are going to ask you to try to reply to us by Wednesday, July 26th.

Again, I just want to say to our staffs who have worked diligently to put all of you together and to make sure this was a meaningful hearing and a productive hearing, our thanks to all of them.

With that, it is a wrap. This hearing is adjourned.

[Whereupon, at 11:58 a.m., the hearing was adjourned.]