Southeast Crescent Regional Commission (SCRC)

Testimony: Dr. Jennifer Clyburn Reed, Federal Co-Chair
U. S. Senate Committee on Environment and Public Works
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Good morning.

Chairman Carper and Ranking Member Capito, committee members, and staff, thank you for the opportunity to testify on behalf of the Southeast Crescent Regional Commission and share the progress we have experienced since officially becoming active in January 2022. I want to begin by stating that SCRC supports Title II of the Economic Development Reauthorization Act which will reauthorize the programs of each Regional Commission. This Act will bolster the place-based economic impact of Regional Commissions by supporting economic development and infrastructure in rural, underserved, and distressed communities.

I also want to thank President Biden for his confidence and support for the Southeast Crescent region of the country. Though there are challenges, greatness and potential are abundant.

Many thanks to all the Members of Congress who have supported SCRC as we continue to formalize policies and procedures to address the needs of its 51 million residents, retain jobs, and create economic opportunities within the 428 counties. The region spans over 210,000 square miles and covers seven states – the Southern parts of Alabama, Georgia, Mississippi, North Carolina, South Carolina, Virginia, and all of Florida. Currently, SCRC covers the largest region of all active Regional Commissions.

Much appreciation for my State Co-Chair, Governor Roy Cooper of North Carolina, and the five other participating Governors, Governor's Alternates, state program managers, and Commission staff who have shown and continue to act on their commitment to growth and prosperity within the region.

Over the past decade, economic developments have significantly influenced rural communities across the United States, reshaping their economic landscapes and social structures. The shift towards a knowledge-based economy, driven by technological advancements and globalization, has exacerbated economic disparities between rural and urban areas.

Historically, rural economies were fueled through agriculture and manufacturing industries, but these sectors have deteriorated due to automation and global competition. As a result, many rural areas are strangled with job losses and economic stagnation, prompting the need for Regional Commissions to spark economic innovation and revitalization efforts. As a member agency of the Rural Partners Network, SCRC has worked with U.S. Department of Agriculture (USDA) Rural Development and other agencies to leverage our resources to drive sustainable economic development in rural communities.

Three years ago next month, I sat before this committee as a nominee. At the time, I identified three goals to pursue once confirmed - assess the needs of each community, identify regional

challenges and determine the straightest path to move counties upward from distressed to transitional and transitional to attainment.

Information from a seven-state survey, virtual coffee and conversations, and collaboration sessions was compiled to author SCRC's Five-Year strategic plan. Participating states created state economic development plans that illuminated each Governor's priorities which also aligned with the six overarching goals of the strategic plan:

(1) invest in critical infrastructure,
(2) improve access and outcomes to health and support services,
(3) strengthen workforce capacity,
(4) foster entrepreneurial and business development activities,
(5) expand stock and access to affordable housing, and
(6) promote environmental conservation, preservation, and access.

These goals also sync with SCRC's statutory obligations to

- develop basic public, transportation and telecommunications infrastructure.
- assist with job skills training, business development and entrepreneurship.
- provide access to basic health care and other public services.
- promote conservation, tourism, recreation, and the preservation of open space; and
- encourage the use of renewable and alternative energy.

During that same hearing, Senator Carper suggested that I "find what works and do more of that". In response to the data gleaned from outreach efforts, SCRC found gaping holes in healthcare access. In response, SCRC implemented the J1 Visa Waiver program, already offered by other Regional Commissions and proven highly successful. With the Department of State, SCRC processed its first application in November 2022 and, to date, has successfully placed 185 doctors within the footprint where health access was lacking or absent. SCRC also commissioned a comprehensive health assessment of all 428 counties which is now complete and will be published along with our first white paper next month.

Social and economic opportunities help communities live longer and healthier lives. Persistent underemployment challenges in rural areas have had far-reaching implications on health outcomes. Research has consistently shown a strong correlation between underemployment and poor health, higher rates of chronic conditions, and increased mental health concerns. A living wage shapes opportunities for housing, education, childcare, food security, and health care. A responsive, robust healthcare system makes economic sense and helps form the foundation for sustainable economic development and growth. While this concept is widely recognized in theory, SCRC is actively collecting concrete data and acting upon evidence that shows how investing in healthcare access contributes to achieving longstanding economic goals.

As I stated during my confirmation hearing, the Commission would fund entities that make economic development a sustainable priority while stimulating local development and nurturing private investment. Infusing financial investments through grantmaking is the primary task of the Regional Commissions. In preparing for the launch of the inaugural grant cycle, SCRC formalized

cooperative agreements in all participating states with the State Capacity Building Program and their 55 local development districts with the LDD Capacity Building Program.

SCRC is committed to building sustainable communities and strengthening economic growth in the 428 counties within the Southeast Crescent footprint. As you are aware, rural and post-industrial economies face the challenge of aging infrastructure and job losses due to automation. The launch of our inaugural $20 million State Economic Development and Infrastructure (SEID) grant program yielded 363 pre-applications requesting $119.2 million. The competitive selection process narrowed the pool to 103 full applications to consider. I am honored to report that the 56 projects selected through the inaugural cycle of the SEID grant program exceeded internal expectations and statutory requirements.

Of the 129 counties impacted by the 56 projects, 103 (80%) are distressed counties. The authorizing statute requires 50% of grant funds to be spent on projects in distressed counties. SCRC has exceeded that requirement by spending 77% of grant funds on 42 projects. Forty (40) projects, or 71% of those funded, are infrastructure projects, where $15.4 million will land, far exceeding the 40% that is statutorily required.

Before closing, allow me to share a few of the grants positively impacting communities.

Three **Rural Health** grants will focus on advancing healthcare in distressed, rural counties. These grants will lead to stronger medical delivery practices through updating technology and connecting regional medical facilities through new call systems.

Three **Workforce Housing** grants will focus on foundation development for affordable, workforce housing, each approaching the challenge with a unique strategy. One project leverages private equity to support neighborhood infrastructure. Another is using other grant partners and local tax credits for affordable housing infrastructure in a historic district where the last housing unit was built in 2003. And another is a land trust project in partnership with private equity to prepare a site for affordable, workforce housing. The SCRC Office of Grants and Programs will identify successful elements from each project that may be replicated to achieve similar results in communities throughout the Southeast.

Lastly, six **Planning** grants will assess the potential for future development and help solidify sustainability in the distressed areas where awarded. These include examining the feasibility of airport improvements on business development, housing and rezoning efforts to support future economic impact, technological studies for agricultural advancements, and a wastewater flow assessment. The Commission encourages planning grants to encourage the convening of community leaders to address issues in historically economically disadvantaged areas.

We look forward to continued partnerships with local, state, and Federal entities to allow SCRC to achieve its mission, holistically integrating infrastructure investment, workforce development, environmental sustainability, and community inclusivity to ensure a prosperous future for the people who call the Southeast Crescent region home.

Chairman Carper, Ranking Member Capito, and members of the Committee thank you again for the opportunity to appear today. I look forward to your questions.