September 18, 2024

U.S. Senate Committee on Environment and Public Works
410 Dirksen Senate Office Building
Washington, D.C. 20510

Subject: Delta Regional Authority's Written Testimony Regarding America's Regional Commissions: Sharing Best Practices in Regional and Economic Development

On behalf of the Delta Regional Authority (DRA), I am pleased to present the Delta Regional Authority's Written Testimony Regarding America's Regional Commissions: Sharing Best Practices in Regional and Economic Development.

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

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

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

- The States' Economic Development Assistance Program (SEDAP), one of DRA's main

[1] As of FY 2024, 227 (90 percent) of DRA's counties and parishes are economically distressed. In compliance with the statute, the DRA calculates distress criteria on an annual basis. To be deemed distressed, counties and parishes must meet the following criteria: 1. An unemployment rate of one percentage point higher than the national average for the most recent 24-month period. 2. Have a per capita income of 80 percent or less of the most recent national per capita income level.

[2] As of FY 2023, 136 (54 percent) of DRA's counties and parishes are in persistent poverty. The DRA follows the definition of persistent poverty the definition of persistent poverty provided by the U.S. Department of Agriculture's Economic Research Service that designates persistent poverty counties as those in which poverty rates of 20 percent or higher have persisted for 30 years or more.

investment tools, provides direct investments for basic public infrastructure, transportation infrastructure, business development, and workforce development. From 2017 to 2023, project investments in SEDAP resulted in approximately 510,000 families positively impacted by infrastructure projects, about 166,000 individuals trained in workforce development programs, and over 36,000 jobs either created or retained in the region.

- The Community Infrastructure Fund (CIF) supports projects that address flood control, basic public infrastructure, and transportation infrastructure improvements. From 2017 to 2023, CIF investments have resulted in nearly 311,000 families positively impacted by infrastructure projects, about 1,500 individuals trained in workforce programming, and approximately 15,000 jobs created or retained in the region.

- The Delta Doctors program increases access to quality health care in DRA communities by using a J-1 visa waiver to allow foreign physicians trained in the United States to work in areas with a shortage of health professionals. From 2019 to 2023, the DRA sponsored 675 physicians across the region, with about half of projects taking place in Alabama and Louisiana. About 25 percent of DRA-sponsored doctors work in a primary care role, with the remainder working across more than 18 specialties.

- In collaboration with the U.S. Department of Health and Human Services (HHS), the Delta Region Community Health Systems Development Program enhances healthcare delivery by providing technical assistance to critical access hospitals, small rural hospitals, rural health clinics, and other healthcare organizations. From 2017 to 2024, the program supported 63 organizations (50 hospitals, eight Rural Health Clinics, three Federally Qualified Health Centers, and two Rural Emergency Hospitals) in 40 DRA communities across all eight Delta states. A total of 83,000 county jobs were supported due to hospital and clinic employees spending (2017-2023), which represents about 17 percent of all local jobs in these communities.

DRA is essential to economic development in the counties and parishes within our region. As noted by the Southern Economic Advancement Project, "[t]he economic conditions within the Delta and the Black Belt regions continue to negatively impact the lives of the people there and the nation's overall economic health."[3] The investments made via DRA for basic public infrastructure, transportation infrastructure, business development, and workforce development are vital to the economic development of these areas.

Additionally, as stated in the Congressional Research Service Report, *Federal Regional Commissions and Authorities: Structural Features and Function*, dated May 14, 2024, DRA, along with other commissions, "provide[s] a model of functioning economic development approaches that are place-based, intergovernmental, and multifaceted in their programmatic orientation (e.g., infrastructure, energy, environment/ecology, workforce, business

[3] Womack, Veronica L. (2021, December 3) *The Delta Regional Authority: A Black Belt Regional Perspective*. Southern Economic Advancement Project. https://theseap.org/the-delta-regional-authority-a-black-belt-perspective/

development."[4]

An example of this approach can be highlighted in the demand for DRA's programs in FY 2023. Historically, DRA's appropriations have been around $30 million. However, the agency received a one-time $150 million appropriation in the Bipartisan Infrastructure Law, or the Infrastructure Investment and Jobs Act. By combining DRA's annual appropriations and Bipartisan Infrastructure Law funding, DRA invested a total of over $74 million in funding in the DRA region in FY 2023. The expected impact of this funding for nearly 165 projects in the region includes over 33,000 families affected via improved access to infrastructure, approximately 9,200 jobs created or retained, and over 31,000 individuals trained.

One of the FY 2023 projects included a DRA CIF investment of over $3.5 million that will boost economic development and improve the quality of life for current and future businesses and residents surrounding the BlueOval City automative complex near Stanton, Tennessee. BlueOval City is Ford's largest, most advanced auto production complex in its history and will be home to the next-generation electric truck from Ford. The investment will be matched by more than $8.1 million in additional funds from U.S. Department of Agriculture (USDA) Rural Development. The Town of Stanton investment project will provide water and sewer utility services to facilities critical to BlueOval City. The project is expected to create 2,700 direct jobs and over 3,300 indirect jobs.

In FY 2023, DRA also awarded $2.5 million to the Mid-Delta Airport in Greenville, Mississippi—the Mississippi Delta's only commercial airport. In partnership with the Rural Partners Network, a whole-of-government program led by USDA that hires federal staff in rural communities to help them access federal resources, this signature project will support improvements to Hangar 450, currently used by Greenville Kearns Aerospace Maintenance. Additional funding includes a $16 million dollar bond from the City of Greenville, a $1.4 million training grant to the Mississippi Community College Board from the U.S. Department of Labor, and a $150,000 investment from the Washington County Economic Alliance. This project is expected to bring up to 300 jobs to the region.

As DRA continues to assess FY 2024 project and impact data, some highlighted regional investments include:

- DRA awarded more than $10 million in investments to 23 projects across Alabama, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee through the Delta Workforce Grant Program (DWP). One of those investments included nearly $450,000 to NextOp for its Developing Equitable Talent Pipelines for Economically-Disadvantaged Veterans program, which seeks to partner veterans with a career in the health care, construction, or distribution industries in the Memphis Metro area.

- DRA awarded more than $4.3 million in investments to three projects across Alabama, Arkansas, and Mississippi through its partnership with the U.S. Economic Development Administration (EDA). One of these investments, with funds provided through EDA's

[4] Congressional Research Service. (2024, May 14). *Federal Regional Commissions and Authorities: Structural Features and Function*. Congressional Research Service. https://sgp.fas.org/crs/misc/R45997.pdf

Economic Adjustment Assistance program, included $1.5 million to Go Forward Pine Bluff for the development of a food and retail incubator hub, which will support and provide technical assistance to start-up businesses to facilitate independent ventures in three years or less. Go Forward Pine Bluff also received an additional $1 million commitment from the Walton Family Foundation, as part of DRA's larger engagement strategy with philanthropic organizations to better support grantees to drive community placemaking.

- DRA awarded over $1.8 million to 15 communities in Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee through the Strategic Planning Program, including more than $142,000 to Arkansas State University to develop a heritage tourism feasibility study to ascertain, if, and how, regional heritage sites should be designated as a National Heritage Area, as a means of increasing tourism revenue.

- DRA awarded more than $6.7 million in investments to seven projects in Illinois, Louisiana, Mississippi and Tennessee through its CIF program. One of these investments included more than $870,000 to the Town of Georgetown – the first-ever DRA grant awarded to the Mississippi community. With these funds, Georgetown will construct a state-of-the art pumping station to modernize the community's wastewater infrastructure to enhance public health, environmental sustainability, and economic growth.

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

- DRA will expand and invest in the resiliency of the region's public infrastructure to improve residents' quality of life and increase economic opportunity.

- DRA will improve networks of agencies, organizations, businesses, and educational institutions providing workforce development opportunities. It will promote access to services, funding, and programs that enable career stability.

- DRA will strengthen the competitiveness of the region's employers, attract new employers to the region, and support the long-term growth of micro and small businesses.

- DRA will expand efforts to enhance sustainable and inclusive local placemaking, quality of life, and community capacity.

As part of DRA's commitment to build upon these priorities to expand its impact in the region includes outreach to DRA stakeholders, including local governments, nonprofit organizations, local development districts, community colleges and four-year institutions of higher learning. Some of these outreach and technical assistance efforts have included:

- DRA participated in several stakeholder engagement activities over the past several months, including, but not limited to: USDA Rural Partners Network events in Mississippi, economic development forums in Alabama, mayors' summits in Arkansas, roundtable discussions in Tennessee, rural community funding summits in Louisiana, and the Local Issues Conference in Kentucky.

- Technical assistance and capacity-building training for local development districts. In 2024, DRA conducted eight in-person and three virtual local development district trainings.

- Technical assistance and capacity-building training for the Workforce Opportunity for Rural Communities (WORC) Initiative, which is a partnership between the U.S. Department of Labor's Employment and Training Administration, the Appalachian Regional Commission, the DRA, and the Northern Border Regional Commission, that funds grant projects within the Appalachian, Lower Mississippi Delta, and Northern Border regions. In 2024, DRA conducted a technical assistance webinar and provided a series of technical assistance videos to support DRA-region applicants for the WORC funding opportunity.

- In addition to providing support to potential applicants to assist them in applying for WORC funds, DRA provides direct technical assistance and support to grant recipients of the WORC Initiative to ensure that they can successfully carry out their projects. The WORC Initiative awarded 52 grants to recipients in the DRA region through the first five rounds since 2019, and DRA has been providing technical assistance to these recipients throughout the grant period. The WORC round six grants were recently announced, with 15 additional recipients in the DRA region; DRA will support these grantees as they begin to implement their projects.

DRA has pursued its vision of the region as a place where people and businesses have access to economic opportunities in vibrant, sustainable, and resilient communities. To realize this vision, DRA has embraced its mission of applying innovative ideas and strategies to foster inclusive communities, strengthen regional collaboration, and achieve sustained economic development.

One of DRA's initiatives in meeting these regional needs includes a *Capacity-Building Hub* to administer enhanced technical assistance and facilitate outreach activities for communities located throughout the 252 counties and parishes that comprise the eight-state DRA region.

DRA-supported *Capacity-Building Hub* initiatives include:

- Delta Revitalization through Innovation, Vision, and Equity (DRIVE) and Providing Resources and Opportunities through Partnerships and Equity, Locally (PROPEL): DRA recently launched these DRA-sponsored technical assistance programs that aim to enhance economic development and community resilience by providing targeted support and resources to economically distressed communities across the lower Mississippi River and Alabama Black Belt regions. These initiatives will leverage the expertise and support of technical assistance providers to increase community capacity and help communities alleviate challenges around issues such as public infrastructure and business

development.

- Delta Catalyst Fund: The Delta Catalyst Fund provides funding for eligible community projects for communities participating in DRIVE and PROPEL. With the support of technical assistance providers, communities will select impactful small-scale projects that address public infrastructure, workforce development, or small business development. Each community will be eligible to receive $25,000 - $75,000.

- Black Belt Community Partnership (BBCP): DRA established the BBCP in partnership with Hope Enterprise Corporation, a community development financial institution that serves economically distressed communities across the Mid-South. The BBCP is a strategic development plan and project development initiative focused on four communities in the Alabama Black Belt: Boligee, Eutaw, Selma and Tuskegee.

- Selma Interagency Group: DRA has engaged several federal agencies over the past year to help Selma, Alabama, recover and rebuild from the January 2023 tornado. To date, Selma has received over $30 million in federal funding to address housing, public infrastructure, and business development. DRA continues to lead and coordinate interagency efforts to ensure the delivery of technical assistance and other resources that align with Selma's priorities.

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

DRA supports Title II of the Economic Development Reauthorization Act of 2024, which would reauthorize and update the programs of the DRA and other regional commissions. Title II would bolster the place-based impact of the Regional Commissions by further supporting economic development and improving infrastructure in underserved and distressed communities across the Nation.

DRA thanks the Committee for including key proposals from the 2025 Budget in the bill, such as the user fee authority for DRA's Delta Doctors Program, the repeal of DRA's sunsetting provision, and the recognition of Tribes as eligible recipients. DRA stands ready to assist with drafting legislation for these and other budget proposals. For example:

- <u>Allow User Fees</u>

  DRA requests authority to collect and spend discretionary user fees in conjunction with the Delta Doctors J-1 Visa Program.

- <u>Deletion of Sunsetting Provision</u>

  DRA requests appropriations language to amend DRA's authorizing statute to remove section 382N of the Delta Regional Authority Act of 2000. Language in DRA's annual appropriations has authorized DRA to continue operating despite the sunset date.

- Adding “Indian Tribes” to Eligible Entities

We propose an amendment to expressly include “tribes” in DRA’s statute as an eligible entity.

- Expand Grantmaking Language to Align with Other Commissions

We would like to add grantmaking language to align with the language of other regional commissions, including the Southeast Crescent Regional Commission, Southwest Border Regional Commission, and Northern Border Regional Commission, so that it has express authority for grantmaking in the areas of health care, conservation, renewable energy, and related areas.

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

Respectfully submitted,



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