



REMARKS BY JINA BELCHER, EXECUTIVE DIRECTOR

NEW RIVER GORGE REGIONAL DEVELOPMENT AUTHORITY

AT THE AUGUST 18, 2021 MEETING OF THE

**INTERAGENCY WORKING GROUP ON COAL AND POWER PLANT COMMUNITIES
AND ECONOMIC REVITALIZATION**

I appreciate the opportunity to represent the Southern West Virginia region, specifically communities #1 and #23 of the Interagency Work Group's priority communities list, on the practitioners panel today.

As the largest of the three regional EDA's in the State of West Virginia, per capita representing Raleigh, Fayette, Nicholas, and Summers Counties, that is now home to the Nation's newest National Park, NRGRDA is fortunate to have received a phenomenal amount of financial support from many of the federal agencies represented today. While I consider each of our funding announcements unique and impactful, I'd like to first highlight NRGRDA's most successful and model project that was initially funded by the Appalachian Regional Commission in 2016 through the POWER initiative. Our West Virginia HIVE program was launched with the focus of supporting our small business and entrepreneurship efforts in 12 counties in Southern West Virginia as well as providing one-on-one business support advising and technical assistance dollars to retain and expand businesses present in the region. Since funded in 2016, and through the perseverance and visioning of our West Virginia Hive Executive's Director, Judy Moore, the WV Hive has served 337 businesses, created 44 new businesses, Completed 70 business plans, deployed \$500,000 in technical assistance to support scaling, and leveraged \$4.4M dollars in private investment. The Hive continues to grow and scale into new efforts to fill the gaps identified in our coal impacted communities and as a result, in 2019, NRGRDA and the WV Hive announced a USEDA Regional Innovation Strategies grant that launched the only accredited investment network in West Virginia, Country Roads Angel Network.

While the WV Hive program is a model example of success and impact of start-up and continued federal investment, I'll echo Executive Director Michael Graney's (West Virginia Department of Economic Development) point earlier today, we do need to have a frank discussion about the bottlenecks and stumbling blocks that often challenge even high-capacity organizations like NRGRDA in accessing and deploying funds to support coal impacted communities.

I'd like to briefly discuss four topics that represent challenges that economic development organizations across the state of WV have collaboratively identified as considerations for the Interagency Working Group and our federal funding partners:

1. **Grant Restrictions** – Recognizing that a collaborative and regional approach is highly favored for federal funding requests, funding organizations should consider allowing multiple, active applications from organizations with projects representing a multi-county or multi-state footprint. For organizations like NRGRDA, this single active project restriction proves difficult when applying for funding for projects in the same region with vastly different deliverables and is counterproductive to economic diversification efforts.
2. **Match Requirements** – Coal Communities in southern WV represent some of the most disparaging financial statistics in the Appalachian Region. As such, it's often difficult to compete for funding due to the stringent, unattainable match requirements of many federal agencies. Additionally, the inability to utilize CARES or ARPA funding as match for projects (especially infrastructure projects) creates a bottleneck that forces projects to stall, rather than move towards implementation. A recommended structural change that would allow the largest leverage point for federal investment would be to consider reevaluation and removal of federal grant match requirements for projects representing majority distressed counties and reduce grant match requirements to 20% for projects representing majority at-risk and transitional counties.
3. **State Project Coordination Committee** – NRGRDA is fortunate to work in lockstep with the WV Office of Economic Development (previously the WV Development Office) for many of the projects identified for federal funding opportunities. Additionally, the ARC state program Manager, James Bush, provides ARC specific support for ARC-eligible identified projects. However, many of West Virginia's most Southern coal impacted communities often struggle to compete for federal funds due to lack of capacity and inability to connect directly with federal agencies and high-capacity partners. To offer capacity support, promote regionalization and identification of like projects for collaborations, the development of a formalized State Economic Development Coal Community Project Coordination Committee should be structured to support and represent the most disadvantaged counties in West Virginia. The Committee would serve as the clearing house and point of contact for projects identified for federal funding and serve as the liaison and a method to ensure inclusion and fair process to EDAs in the most impacted coal communities.
4. **Capacity** - Local economic development agencies continue to remain on the front lines of the decline of the coal industry and most recently, the COVID-19 pandemic response efforts. However, to date, economic development entities, have been unable to access federal capacity support such as PPP or EIDL from the CARES Act and American Rescue Plan as registered 501(c)6 organizations. In addition, the budget constraints and limited dedicated local support that EDAs are expected to effectively operate under are



constraining the impact and level of support communities receive due to lack of adequate staffing. As such, consideration for non-competitive funding for economic development organizations registered as 501(c)6 entities to increase effective impact and deployment of federal funding organizational programming.

In closing, we all recognize that we're experiencing an unprecedented time for coal communities across the U.S. At the same time, West Virginia and its declining population has an incredibly small window of time to identify impactful, tangible economic diversification projects that can retain and attract new regional opportunities and talent. I look forward to continuing the conversations today and appreciate the IWG's willingness to participate in open dialogue and consider the recommendations discussed today.