

Increase FY23 ARC Local Development District Administrative Funding

While ARC annual funding has increased ~26% over the last five years¹, critical Local Development District (LDD) support dollars have not kept pace, placing a heavy administrative burden on the same communities that ARC is designed to support. The IJA bipartisan infrastructure bill also provided a record \$1B for ARC, with no designated LDD administrative grant support.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY23 NADO Recommendation
ARC Total Appropriation	\$155 million	\$165 million	\$175 million	\$180 million	\$195 million	—
ARC Base Program	\$73 million	\$73 million	\$73 million	\$63 million	—	—
ARC LDD Admin Funding	\$6.2 million	\$6.2 million	\$6.2 million	\$6.2 million	\$8 million	\$18 million

Action needed: Congress should increase FY23 Energy and Water appropriations funding for ARC LDD Admin to \$18 million.

Overview: The Appalachian Regional Commission (ARC)

Established by an act of Congress in 1965, the Appalachian Regional Commission (ARC) is an economic development partnership agency of the federal government and 13 states. The ARC is led by the Governors of the Appalachian states and by a Federal Co-Chair. Every year, Congress appropriates funding for ARC and its programs, administered among its 13 member states: Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, and Virginia, and West Virginia. ARC serves 423 counties and facilitates economic and community development, with an emphasis on mitigating economic distress. ARC invests in a variety of priorities including workforce development, critical infrastructure projects including water infrastructure, sewer systems and broadband, safe and efficient highway systems, and entrepreneurial support and capital market development.

Overview: Local Development Districts (LDDs)

Local Development Districts (LDDs) are multi-jurisdictional, locally based community organizations that facilitate economic development and support ARC-resourced initiatives. LDDs – known locally by a variety of different names such as “Councils of Government” (COGs), “Planning and Development Districts” (PDDs), “Area Development Districts” (ADDs), or “Regional Planning Councils” (RPCs) – are collectively referred to as LDDs. Within the ARC service area, 74 LDDs support and foster intergovernmental collaboration, provide grant writing support and technical assistance, facilitate project implementation, and play important roles in administering federal, state, and local programs. Guided by local leaders, elected officials, business representatives, and other community stakeholders, **ARC relies on LDDs to lead and leverage local partnerships.**

How Much Funding Does ARC Provide to LDDs?

For several years, \$6.2 million for LDD admin support has been allocated among the 74 LDDs. This correlates to ~\$80,000 per year for each LDD², which provides administrative support for these local organizations as they, in turn, provide support to help other community stakeholders apply for ARC grants and implement ARC projects. The FY22 Consolidated Appropriations Act was an important step in addressing stagnant funding with a \$1.8 million increase. Nevertheless, the ARC's overall appropriation has continued to receive substantial increases while local community technical assistance support has remained relatively flat. This has only been exacerbated by the landmark \$1 billion for ARC included in the *Infrastructure and Investment Jobs Act*. **In FY23, NADO and DDAA are seeking \$18 million for ARC Local Development District Administrative Funding** to enable LDDs to add additional staff to assist in the administration and implementation of increasingly larger and more complex ARC investments.

About DDAA

The Development District Association of Appalachia (DDAA) is a membership organization of the 74 Local Development Districts (LDD's) serving the Appalachia Region. DDAA works to align and strengthen LDDs as they provide support to the Appalachian Regional Commission.

About NADO

The National Association of Development Organizations (NADO) advocates for the national network of Regional Development Organizations (RDOs) across the country, including the Local Development Districts within the ARC Region.

Contact

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² The amount that each individual LDD receives varies.