



Increase FY25 ARC Local Development District Administrative Funding

Although annual funding for the Appalachian Regional Commission (ARC) has increased significantly over the last five years, critical support funding for **Local Development Districts (LDDs)**, ARC’s core partners at the local level, has not kept pace. This trend places an increasingly heavy administrative burden on the very same communities that ARC is designed to support by overburdening local communities with implementation responsibilities without providing enough funding for project planning and administrative and staff capacity. Further exacerbating this issue, the Bipartisan Infrastructure Law provided a record \$1 billion for ARC but did not provide any administrative support funding directly to the LDD organizations working to navigate, apply for, and administer that funding at the local level.

(Budget figures are in millions)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
ARC Total Appropriation	\$165	\$175	\$180	\$195	\$200	\$200
ARC LDD Admin Funding	\$6.2	\$6.2	\$6.2	\$8	\$8	Not specified

Action needed: Congress should increase FY25 Energy and Water appropriations administrative funding for ARC Local Development Districts.

How Much Funding is Provided to Local Development Districts?

Until recently, the appropriated funding level for Local Development Districts (LDDs) had remained stagnant at \$6.2 million for many years. In FY22, Congress took an important step by increasing the LDD funding level to **\$8 million** in FY22 and maintaining that level in FY23. The LDDs are very grateful for this increase. Nevertheless, ARC’s overall appropriation has continued to receive substantial increases, while funding for LDDs has remained relatively flat. In the final 2024 appropriations bill, no funding level is specified for the LDDs.

Divided among the 74 LDDs within the ARC region, the current level of **\$8 million** correlates to approximately **\$108,000 per LDD¹**. In most communities, this funding level is rarely enough to fund more than **one full-time staff member**.

Congressional Action Needed

In FY25, NADO and DDAA encourage Congress to appropriate **robust funding for ARC overall, and for Local Development District administrative funding** to allow LDDs to add additional staff capacity to assist in the administration and implementation of increasingly large and more complex ARC investments. In tandem with any increase for ARC LDD funding, Congress should also increase the ARC Base Program.

Why are Local Development Districts Important?

Both ARC – and local communities – rely upon LDDs, because:

- LDDs help other local stakeholders apply for ARC grants.
- LDDs administer ARC project funding and assist with project implementation.
- LDDs help local ARC grantees steward the funding they receive properly.
- LDDs lead and leverage local partnerships and help identify local projects that are eligible for ARC funding.

¹ The exact amount that each individual LDD receives varies.

- LDDs conduct planning work that helps ensure the effective implementation of subsequent federal project investments.

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. ARC is led by the Governors of the Appalachian states and by a Presidentially appointed 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, 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-funded initiatives. LDDs are often 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), but 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 to other local organizations in their regions; facilitate project implementation; and play important roles in administering federal, state, and local programs. Guided by local leaders, elected officials, small business/private sector representatives, and other community stakeholders, **ARC relies on LDDs to lead local partnerships, to administer ARC project funding, and to help other local organizations apply for ARC grant funding.**

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.

About DDAA

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