

115TH CONGRESS  
1ST SESSION

# S. 1824

To reform the Appalachian Regional Commission, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 18, 2017

Mr. McCONNELL introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

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## A BILL

To reform the Appalachian Regional Commission, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Appalachian Regional  
5       Commission Reform Act”.

6       **SEC. 2. FINDINGS.**

7       (a) HEADQUARTERS.—Congress finds that—

8               (1) regional commissions, such as the Delta Re-  
9       gional Authority, the Denali Commission, and the  
10      Northern Border Regional Commission, are each  
11      headquartered in their respective region;

1           (2) headquartering regional commissions within  
2           the region affected is a sensible approach to ensure  
3           that the commissions are housed in more affordable  
4           locations than the District of Columbia, thereby re-  
5           ducing administrative overhead and making the com-  
6           missions closer and more accountable to the people  
7           the commissions were designed to serve;

8           (3) the Appalachian Regional Commission (re-  
9           ferred to in this Act as the “Commission”) is not  
10          headquartered in Appalachia but in Washington,  
11          DC; and

12          (4) the headquarters of the Commission should  
13          be relocated from the District of Columbia to a more  
14          affordable location in the Appalachian region so that  
15          it is closer and more accountable to the people the  
16          Commission was designed to serve.

17          (b) PERFORMANCE.—Congress finds that—

18               (1) the Commission was created to help foster  
19               economic opportunity and close health and edu-  
20               cational disparities in a geographic region of the  
21               United States beleaguered by persistent poverty and  
22               high unemployment;

23               (2) the Commission remains the sole Federal  
24               agency focused singularly on economic revitalization  
25               in the Appalachian region;

1           (3) in 1998, Congress charged the Commission  
 2           with “address[ing] the needs of severely and persist-  
 3           ently distressed areas of the Appalachian region and  
 4           focus[ing] special attention on the areas of greatest  
 5           need”;

6           (4) the Commission has long been criticized for  
 7           its shortcomings in fulfilling this mission, including  
 8           in—

9                       (A) a 1999 study titled “Mountain Money:  
 10           Federal Tax Dollars Miss the Mark in Core Ap-  
 11           palachia” by Mark Ferencik and Jill  
 12           Ripenhoff for the Columbus Dispatch; and

13                      (B) a 2008 book titled “Uneven Ground:  
 14           Appalachia Since 1945” by Ronald D. Eller;

15           (5) in 2004, the Office of Management and  
 16           Budget noted the importance of the Commission  
 17           “[f]ocusing efforts on . . . targeting assistance to  
 18           areas of distress”;

19           (6) in 2017, Citizens Against Government  
 20           Waste characterized the programming of the Com-  
 21           mission as duplicative and called for drastic reduc-  
 22           tions in the budget of the Commission;

23           (7) in 2017, the Office of Management and  
 24           Budget, citing a Government Accountability Office  
 25           study, concluded that the Commission should be

1       abolished, and that conclusion was reflected in the  
2       fiscal year 2018 budget request submitted by the  
3       President;

4           (8) these recent actions reflect a growing cho-  
5       rus that the Commission should be reformed; and

6           (9) therefore, given the long-recognized short-  
7       comings of the Commission, the long-standing criti-  
8       cism of the Commission, and the need to ensure its  
9       optimal performance, the time has arrived for the  
10      Commission to be reformed.

11      (c) PERSISTENT POVERTY.—Congress finds that—

12           (1) using 1960 data, the Commission (which  
13       was created in 1965) concluded that there were 214  
14       distressed counties in the Appalachian region;

15           (2) in 2017, according to the Commission, there  
16       are 84 distressed counties in the Appalachian region,  
17       reflecting the areas of most persistent poverty in the  
18       region; and

19           (3) therefore, the Commission should be re-  
20       formed to focus its attention on the areas of most  
21       persistent poverty in the region.

22      (d) AREA DEVELOPMENT FUNDING FOR DIS-  
23      TRESSED COUNTIES.—Congress finds that—

24           (1) according to the study by the Columbus  
25       Dispatch referred to in subsection (b)(4)(A), of the

1       22,169 grants issued by the Commission from fiscal  
2       year 1966 through fiscal year 1998, none of the 5  
3       counties that received the most Commission funding  
4       was considered distressed, and more than  $\frac{1}{4}$  of all  
5       Commission spending during that period went to  
6       States with few, if any, distressed counties;

7           (2) according to author Ronald D. Eller in  
8       2014, “[the Commission] policies have concentrated  
9       resources in a select few ‘growth centers’ in the [Ap-  
10      palachian] region, expanding services to the poor  
11      and growing the mountain middle class, but doing  
12      little to alter conditions in the most rural distressed  
13      counties or to address systemic political or economic  
14      inequalities throughout Appalachia”;

15          (3) until 1995, the Commission allocated up to  
16      20 percent of its area development grants for use in  
17      distressed counties;

18          (4) following instructions given to the Commis-  
19      sion by the Committees on Appropriations of the  
20      Senate and the House of Representatives in 1995,  
21      this allocation was increased by the Commission to  
22      30 percent;

23          (5) section 7.5(c) of the Code of the Commis-  
24      sion (as in effect on the date of enactment of this  
25      Act) reflects this 1995 policy change and states that

1 the Commission “will allocate up to 30 percent of  
2 Commission area development funds for use in dis-  
3 tressed counties”, even though, according to the  
4 Commission’s public representations, economic con-  
5 ditions in distressed areas of the Appalachian region  
6 have not greatly improved since the 1960s;

7 (6) given the persistent levels of poverty in the  
8 distressed counties in the Appalachian region, more  
9 area development funding and emphasis should be  
10 devoted to those counties; and

11 (7) therefore, the allocation described in para-  
12 graph (3) should be increased to 60 percent.

13 (e) GRANT EXPENDITURES.—Congress finds that—

14 (1) section 14524(d) of title 40, United States  
15 Code, provides that “not less than 50 percent of the  
16 amount of grant expenditures the Commission ap-  
17 proves shall support activities or projects that ben-  
18 efit severely and persistently distressed counties and  
19 areas”;

20 (2) given the persistent levels of poverty in the  
21 distressed counties in the Appalachian region, more  
22 grant expenditures and emphasis should be devoted  
23 to those counties; and

1           (3) therefore, the 50 percent threshold in sec-  
 2           tion 14524(d) of title 40, United States Code,  
 3           should be increased to 60 percent.

4   **SEC. 3. MISSION OF THE APPALACHIAN REGIONAL COM-**  
 5                           **MISSION.**

6           Section 14301 of title 40, United States Code, is  
 7           amended by striking subsection (a) and inserting the fol-  
 8           lowing:

9           “(a) ESTABLISHMENT AND MISSION.—

10           “(1) ESTABLISHMENT.—There is an Appa-  
 11           lachian Regional Commission (referred to in this  
 12           chapter as the ‘Commission’).

13           “(2) MISSION.—The mission of the Commission  
 14           shall be to focus primarily on poverty reduction and  
 15           economic development in areas in the Appalachian  
 16           region with the most persistent poverty.”.

17   **SEC. 4. HEADQUARTERS OF THE APPALACHIAN REGIONAL**  
 18                           **COMMISSION.**

19           (a) IN GENERAL.—Section 14301 of title 40, United  
 20           States Code, is amended by adding at the end the fol-  
 21           lowing:

22           “(g) HEADQUARTERS.—The headquarters of the  
 23           Commission shall be located in the Appalachian region.”.

24           (b) IMPLEMENTATION.—The Federal Cochairman of  
 25           the Commission shall take such actions as may be nec-

1 essary to carry out the amendment made by subsection  
2 (a).

3 **SEC. 5. GRANT EXPENDITURES.**

4 Section 14524(d) of title 40, United States Code, is  
5 amended by striking “50 percent” and inserting “60 per-  
6 cent”.

7 **SEC. 6. AREA DEVELOPMENT FUNDS FOR DISTRESSED**  
8 **COUNTIES.**

9 Section 14526(b) of title 40, United States Code, is  
10 amended—

11 (1) by striking “In program and” and inserting  
12 the following:

13 “(1) IN GENERAL.—In program and”; and

14 (2) by adding at the end the following:

15 “(2) AREA DEVELOPMENT FUNDS.—

16 “(A) IN GENERAL.—Of the funds made  
17 available for each fiscal year for the Area De-  
18 velopment Program of the Commission, the  
19 Commission shall allocate not less than 60 per-  
20 cent for projects in counties for which a dis-  
21 tressed county designation is in effect under  
22 this section.

23 “(B) METHODOLOGY.—The methodology  
24 for determining whether a county is designated  
25 as a distressed county under subsection



1 (a)(1)(A) shall be the methodology in effect on  
2 the day before the date of enactment of the Ap-  
3 palachian Regional Commission Reform Act.

4 “(3) REPORT.—The Commission shall submit  
5 an annual report that describes the allocation of  
6 funds, in dollar amounts and percentage of total ap-  
7 propriations, for the Area Development Program to  
8 counties described in paragraph (2) to—

9 “(A) the Speaker of the House of Rep-  
10 resentatives;

11 “(B) the minority leader of the House of  
12 Representatives;

13 “(C) the majority leader of the Senate;

14 “(D) the minority leader of the Senate;

15 “(E) the Committee on Appropriations of  
16 the House of Representatives;

17 “(F) the Committee on Appropriations of  
18 the Senate;

19 “(G) the Committee on Transportation  
20 and Infrastructure of the House of Representa-  
21 tives; and

22 “(H) the Committee on Environment and  
23 Public Works of the Senate.”.

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