

May 17, 2023

The Honorable Gary Peters Chairman Committee on Homeland Security and Governmental Affairs **United States Senate** 340 Dirksen Senate Office Building Washington, DC 20510

The Honorable Rand Paul Ranking Member Committee on Homeland Security and Governmental Affairs **United States Senate** 340 Dirksen Senate Office Building Washington, DC 20510

Dear Chairman Peters and Ranking Member Paul:

In light of the Committee's May 2, 2023 hearing, Improving Access to Federal Grants for Underserved Communities, attached please find Western Governors' Association (WGA) Policy Resolution 2023-01, Working Lands, Working Communities, and WGA Policy Resolution 2020-07, Rural Development.

These policy resolutions underscore the barriers that communities face in accessing federal funds, including matching fund requirements and capacity constraints. Across federal agencies, there are structural barriers to accessing federal funds that disproportionately affect underserved and rural communities that are most in need of federal assistance. Breaking down these barriers will require streamlining grant funding processes, building grant management capacity within communities, and coordination among federal agencies.

I request that you include this document in the permanent record of the hearing, as it articulates Western Governors' policy positions and recommendations related to the challenges communities face when attempting to access federal grants.

Thank you for your attention to this matter and your consideration of this request. Please contact me if you have any questions or require further information.

Sincerely,

Executive Director

Attachments



Policy Resolution 2023-01

Working Lands, Working Communities

A. BACKGROUND

- 1. Western states face a wide array of social, economic, and environmental challenges. More frequent and intense wildfires threaten rural and urban communities, invasive annual grasses are encroaching on America's grasslands, and persistent drought threatens the quality and quantity of water supplies.
- 2. The fabric of western communities is tightly interwoven with the working lands and ecosystems which they steward and rely upon for cultural, social and economic health. Rural communities have an interdependent relationship with natural resources and working lands: healthy communities can support effective land management practices and the responsible use of their natural resources for multiple purposes.
- 3. Western lands typically involve a complex array of ownerships, including federal, state, local and tribal governments and private landowners. Addressing land management challenges at scale requires the involvement of all these different land owners and a shared understanding of and participation in management processes, establishment of goals, and collaboratively work toward positive land management outcomes.
- 4. Land management involves a continuum of activities that respond to the natural cycle of western landscapes. Mitigation activity, which includes manual and mechanical treatments, prescribed fire, and invasive species treatments, is focused on creating healthy landscapes that provide quality habitat for fish and wildlife, maintain water quantity and quality attributes, and are resilient to wildfire. When a wildfire occurs, suppression activity attempts to limit environmental damage and protect human infrastructure and homes. After a wildfire, restoration activity, including salvage operations pursuant to a forest management plan, attempts to alleviate the wildfire's effect on the environment, prevent post-fire soil erosion and flooding, and reestablish landscapes.
- 5. Many western communities are experiencing devastating effects from ongoing drought, including increased feed prices, the need to reduce or eliminate existing agricultural products and livestock due to lack of available water, leading some producers to consider eliminating agricultural production entirely. Additional effects are being felt by local economies reliant on the recreational economies developed around large reservoirs in western states. Drought also contributes to the increased threat of more frequent and intense wildfire and degrades habitat quality for wildlife and fish. Without substantial assistance, rural economies in western states that rely heavily on agriculture and natural resources will take years to recover from the effects of this devastating drought.
- 6. The drought is having downstream effects on food security and fiber and energy production, both regionally and nationally. Those effects include low or dried up reservoirs, increased algal blooms, a decrease in hydroelectric power and the potential of shuttering hydroelectric dams because of low water levels. Some drought-affected communities are

- already facing drinking water supply constraints, a situation that could become much more widespread with prolonged drought.
- 7. Data is a fundamental building block for land management planning, decision making, and accountability for outcomes. At present, data may be held by single agencies and may not be in a format accessible to other agencies, states, or the public.
- 8. Local capacity, including technical expertise, workforce, capital and manufacturing, affect the ability to conduct responsible management on surrounding lands and promote community adaptability and sustainability. Local land use collaboratives and coordinating capacity can have a significant role in land management processes.
- 9. Many western communities have suffered from the "boom and bust" economic cycles. Sustainable economic opportunities in multiple areas from land management, extractive industries, and agriculture to recreation and tourism are critical to enabling communities that are healthy and economically resilient.
- 10. Economic priorities may shift in rural communities in response to market needs. Markets for products that support active management (such mass timber and woody biomass) may be underdeveloped, and environmental conditions may be altered by wildfire or other natural disasters. Adapting to changing economic, environmental, or technological conditions requires the development and use of tools and innovations for rural communities, including the expansion of markets to support management objectives.
- 11. Capacity constraints across multiple disciplines, from environmental processes and compliance to responsibly conducting land management activities requires a commitment to training, equipping and sustaining a workforce capable of achieving land management objectives. An aging workforce is also a concern in many rural communities. As workers in rural communities retire, additional workforce is needed to maintain the economic viability of these communities.

B. **GOVERNORS' POLICY STATEMENT**

Collaboration

Planning

- 1. The US Forest Service (USFS) and Bureau of Land Management (BLM) should consider developing regional and cross-boundary collaboratives to facilitate cooperation on ecosystem-level land management challenges. The National Environmental Policy Act (NEPA) provides an opportunity for communities to engage in difficult conversations on land use, but communities should be engaged earlier, and at a broader level, to ensure full benefit of the NEPA process.
- 2. Local collaboratives can be too near-sighted, focusing solely on wildfire mitigation. Land management agencies should consider educational opportunities for collaborative members on broader ecosystem effects of forest and rangeland management (*e.g.*, wildlife habitat, water quality, invasives), which would assist communities seeking to improve overall ecosystem health and resilience.

- 3. Planning tools like the Shared Wildfire Risk Mitigation system (SWRM) are invaluable in helping communities understand management needs and the effects of land use and wildfire mitigation decisions. These tools help alleviate capacity issues for communities and promote better decision making. Western Governors encourage federal land managers to make SWRM and similar tools widely available to communities and decisionmakers.
- 4. Land managers should integrate small private landowners into ecosystem planning processes and responsible land management practices. Private industry has looked at US Department of Agriculture (USDA) climate smart credits as a mechanism to spur engagement, but additional methods of gaining small landowner participation and engagement should be explored, including greater participation in local collaboratives, increased partnerships with Soil and Water Conservation Districts, and involvement in shared stewardship agreement processes.
- 5. County governments have a positive influence on land use planning and resource management through the development of county plans. These county plans can be helpful in crafting state plans, ensuring local views are taken into consideration, and can be persuasive when collaborating with federal agencies on land use planning. State and federal land managers should take steps to ensure that these county resource management and other plans are integrated into their planning processes.
- 6. Land management agencies should be focused on outcome-based, rather than acre-based, metrics for success. While simply counting acres can provide useful information, agencies should examine how other performance metrics, including the shift of funding over time from suppression activity to mitigation and restoration activities, provides tangible evidence of the value of land management activities.
- 7. Land managers should prioritize post-wildfire water quality effects in mitigation planning and execution. Post-fire flooding can have a dramatic effect on infrastructure and water quality in downstream communities, and is the cause of many avoidable post-fire deaths in affected areas. Integrating water supply and quality considerations into mitigation work could significantly reduce the cost of post-fire restoration in burned areas.
- 8. Western Governors encourage land managers to incorporate the effects of drought into land use planning and community sustainability efforts. Drought, among other effects, has impacts on wildfire threat, wildlife and fish habitat, agricultural and ranching productivity, recreational opportunity, power generation, and drinking water availability, all of which threaten community sustainability. Mitigating these effects, to the extent feasible, is critical to ensuring the future vitality of many western communities.
- 9. Land managers should evaluate the use of area-wide plans under NEPA; this would allow planning for cross-boundary landscapes under a single NEPA process and produce multiple resource benefits.
- 10. States, tribes and counties can use Good Neighbor Authority (GNA) to facilitate management activities on federal lands. Federal agencies should take steps to ensure that various GNA projects integrate with each other to achieve desired outcomes and provide opportunities to increase collaboration and increase cross-boundary cooperation with these governmental units.

- 11. Congress should codify and direct funding to the Joint Chiefs Landscape Restoration Program to facilitate continued partnership and investment between USFS and the Natural Resources Conservation Service (NRCS) to support restoration projects where federal and private land ownership and management goals intersect.
- 12. Western Governors recognize that prescribed fire is an important tool for fuels reduction and ecosystem resilience, but is underused in the West. Prescribed fire has overall air quality benefits, eliminates low- or no-value woody biomass in forest and rangeland environments, and contributes to soil health. Educating the public and creating social license to use the tool is critical; however, recent events have also shown that land managers must put greater effort into coordinating prescribed fire with other mitigation activities, updating models, tools and practices for safe burning, and putting a greater emphasis on post-burn preparation and monitoring to reduce the potential for escaped burns.
- 13. In many cases, different state, territorial and federal agencies manage the planning and authorization for prescribed fire, which can add delays to implementing prescribed burns, or cause managers to entirely miss opportunities to use the tool. Land managers should consider greater collaboration for prescribed fire activities to increase deployment. Traditional Native American cultural burning and tribal practices are an important part of forest management in the West and may be incorporated more effectively into federal and state planning management processes. Additionally, land managers should have adequate liability insurance to protect individuals and landowners affected by escaped prescribed fires.

Funding and Capacity

- 14. Financial support for local collaboratives is important to achieving community engagement, subject matter expertise, and long-term success. Federal agencies should examine structures to improve local collaborative capacity.
- 15. The transition from active wildfire suppression activity to post-wildfire community responsibilities can be abrupt at the community level. Wildfire affected communities, especially in resource-constrained communities, need subject matter expertise on post-fire restoration and risk management to guide them through recovery. Federal agencies should collaborate with states to designate and train post-fire coordinators to manage post-fire recovery. Establishing a post-fire master agreement would also improve the processes involving incident management and post-fire handoff to local authorities.
- 16. In many cases, wildfire affected communities must provide a funding match to access restoration programs and resources. Match requirements negatively affect resource-constrained communities' ability to access funds, especially in underserved communities that often lack the personnel or other capacity to administer these programs due to small annual operating budgets. This contributes to inadequate post-fire response, reduced landscape resilience, and suboptimal ecosystem recovery. Federal agencies should examine funding match requirements and consider reducing or eliminating these requirements when the public benefit outweighs the cost of the funding match.

- 17. Congress should extend the authorization for states to retain revenues from timber sales under GNA, which may then be used to "carry out authorized restoration services on Federal land under the good neighbor agreement;" and if excess funds are available, "to carry out authorized restoration services on Federal land within the State under other good neighbor agreements." This authority is statutorily scheduled to terminate on October 1, 2023. Congress should also consider extending retained receipt authority to county governments and tribes.
- 18. Increase flexibility in the GNA program: 1) on road construction/reconstruction; 2) for recreation improvements and forest and rangeland restoration planning and implementation activities; and 3) to support better prioritization of GNA projects across larger geographies.

Agency Cultural Issues

- 19. Forestry and land management agencies, including the Department of the Interior (DOI) and USDA, have separated fire management from land management. Western Governors recognize there needs to be integration of these functions to ensure mitigation efforts produce wildfire-resilient landscapes and communities, suppression activities orient toward restoration needs, and restoration work addresses community needs and future landscape resilience.
- 20. Federal land management agencies should consider investing in facilitation capacity and training for agency personnel and partner organizations involved with collaboratives and wildfire-affected communities. Facilitation skills are an essential element in helping resolve conflict and achieving consensus on mitigation and restoration decisions.

Data

- 21. The federal government and states should consider collaboratively developing interagency data hubs to reduce overall operating costs, increase the shareability of data (*i.e.*, establishing data standards and formats that are useable and sharable), and facilitate public access to the data.
- 22. States, territories and federal agencies should consider establishing coordinators for data collection, transfer and assimilation to ensure that data is shareable and useable between platforms. Western Governors encourage agencies to consider standardizing and simplifying data collection protocols for federal agencies, states, counties and tribes which include robust landowner privacy standards and protections.
- 23. Federal agencies should incorporate socioeconomic data into the decision-making process. In places with complex economic foundations (agriculture, mining, oil and gas), an economic assessment is key to quantifying and understanding the implications of land use decisions.
- 24. Western Governors recognize that many local governments do not have the capacity or budget to keep datasets current. Federal agencies should consider implementing a model or framework to share resources to address these capacity and budget issues.

25. Federal, state, and territorial land managers should collaborate on developing integrated methods and processes for visitor data collection and analysis. This would help track where visitors are recreating, the activities they are participating in, and assist in placing tourism infrastructure and addressing other tourism infrastructure-related needs. It would also provide important data to inform needs to shift visitation from overused to less-trafficked areas, sustain tourism if federal land closures are needed, and improve recreational experiences for visitors.

Infrastructure

- 26. Forest and rangeland management access and infrastructure in much of the West is woefully inadequate to address land management needs. Access is critical to perform management activities for wildfire mitigation, habitat improvement, water quality improvements, invasive species management, and post-fire restoration. Western Governors encourage federal agencies to ensure that appropriate access and infrastructure, in appropriate locations, exists to achieve land management objectives. Repairing and replacing range improvements, particularly fencing, in a timely manner should be a priority for federal land management agencies in wildfire-affected areas.
- 27. Western Governors encourage federal agencies to integrate infrastructure needs into planning processes and provide long-term, sustainable economic opportunities for communities. Federal agencies should also recognize that regulatory certainty is an important element of enabling infrastructure deployment. Consistency in permitting and policy is key to attracting and maintaining infrastructure investments.
- 28. Federal agencies should consider integration of permitting processes to establish single point permitting for its permittees. Streamlining permitting processes would provide benefits for land managers, project implementers, and the tourism and recreation industry.
- 29. Federal agencies should evaluate the use of regional recreation partnerships to address infrastructure and repair needs for tourism-related infrastructure. A GIS tool to identify trails and assess visitation effects would assist land managers in addressing trail degradation and the need for new trail development.
- 30. Western Governors recognize that additional nursery capacity is needed to address post-wildfire restoration needs. Federal agencies should examine the need for market incentives to encourage sustainable nursery markets and facilitate the development of additional nursery capacity.
- 31. Western Governors recognize that harvest cost is a significant issue for producers. Economies of scale have affected the packing industry, and in many cases small packing houses are booked months in advance due to lack of capacity. USDA should consider how communities can develop additional small packing capacity to ensure access for producers and improve national food security.
- 32. The supply chain for basic land management equipment, such as vehicles and chainsaws, is integral to implementing management plans authorized by the Infrastructure Investment and Jobs Act. The federal government should take steps to address equipment shortages as part of its implementation of the IIJA.

Markets

- 33. Predictable, long-term supply assurances are needed to attract private infrastructure investment and improve overall forest and rangeland management capacity. DOI and USDA should consider how its annual timber harvesting targets can ensure adequate long-term supply. USFS and BLM should modify GNA guidance to allow 20-year contracts, versus the current limit of 10 years, to provide additional supply stability.
- 34. Congress should expand GNA and Stewardship Contracting Authority (SCA) to other federal land managers, which is currently limited to USFS and BLM. Land and facilities owned by the National Park Service, US Fish and Wildlife Service, Bureau of Reclamation, and US Army Corps of Engineers would also benefit from projects implemented under GNA and SCA.
- 35. Many mitigation projects have high treatment costs with low or little opportunity to recoup those costs. This requires a broader view of investments in wildfire mitigation. Western Governors encourage federal agencies to include cost metrics such as the avoided cost of uncharacteristic wildfire, smoke effects on populations, and benefits to water supply systems and downstream communities when assessing the merits of mitigation projects.
- 36. Different federal agencies use different strategies to achieve land management outcomes. For example, USFS strategy primarily relies on a "payments for product" model, while NRCS primarily uses a "payments for practice" strategy to achieve land management objectives. Agencies should consider lessons learned from these different strategies and how different payment models could be used to improve management outcomes.
- 37. Given the importance of the tourism economy, statewide strategic tourism plans, developed in collaboration with federal agencies, can improve coordination between tourism operators on federal lands.
- 38. A significant barrier to producer investments in soil health and restoration is the cost of equipment to test new practices. Federal agencies should consider incentives to purchase equipment, participate in new processes, or expand markets to encourage deploying new conservation practices.
- 39. Federal agencies should examine the grazing effects different ruminants have on ecosystems and encourage the targeted deployment of ruminants (*i.e.*, cattle, sheep and goats) to achieve specific land management outcomes.
- 40. Federal agencies should continue to explore strategies for the use of low or no value biomass, removal of which is needed to achieve wildfire mitigation needs, including market incentives for these materials. Biomass power at utility scale may present such an opportunity, but there is market failure to represent the true value of a bioenergy supply chain. Western Governors encourage DOI, USDA and the Department of Energy to continue research and development efforts to find viable markets for low and no value biomass.
- 41. Western Governors recognize that market interventions can affect land management decision making. Market incentives for one desired outcome may negatively affect overall ecosystem health and resilience. Federal agencies should take steps to eliminate counterproductive ecosystem outcomes that may arise from different market incentives.

- Agencies should consider holistic approaches that incorporate ecosystem health, wildlife habitat, carbon sequestration, water supply and quality and other factors.
- 42. Federal agencies should expand opportunities for existing USDA Rural Development, US Economic Development Administration (EDA) and Small Business Administration (SBA) programs and financing to support wood product business development and infrastructure.
- 43. USFS Research and Development, State and Private Forestry, and National Forest System should work collaboratively to support existing and emerging wood products technologies, including the work of the National Forest Products Laboratory, with the goal of expanding markets to maximize restoration activity. Research, development and deployment should be focused on commercially ready technologies with high potential to contribute to current and emerging restoration objectives. These efforts should be aligned with the work of industry partners, and actively pursue public-private partnerships to advance market growth, with the goal of providing sustainable economic development opportunities for rural communities.
- 44. Western Governors encourage federal agencies to identify initiatives to support markets that can achieve restoration goals and foster near-term opportunities for economic development in rural communities. These opportunities include advancing the use of mass timber in building construction through research and demonstration projects. Expanding utilization of low-value woody biomass for thermal, electric and liquid-fuel energy should also be a priority. Rural electric cooperatives, public utilities, community facility managers, and other partners should contribute to the research, testing and deployment of new and modified heat and electric generation projects and liquid-fuel facilities from hazardous fuels reduction, conifer removal and other forest and rangeland restoration efforts. Finally, agencies should explore opportunities to support new and diversified rangeland products, markets and processing infrastructure, such as mobile meat processing, renewable energy production, local and regional food hubs, and recreation.
- 45. Congress should pass legislation to promote forest and rangeland product markets and technologies, and expand funding for the Community Wood Energy Program. Western Governors support the use of program funds to create and incentivize state, federal and tribal partnerships in support of these objectives.

Workforce Development

- 46. Capacity is a significant need in resource-constrained communities. These communities are often not able to invest in basic processes, including writing grant applications and conducting environmental analyses, needed to address landscape needs. Federal agencies should take steps to assist resource-constrained communities in developing these needed capacities.
- 47. Western Governors recognize that housing costs impede the ability to attract and retain workers in many rural areas. Forest and rangeland management work is inherently place based, making local housing affordability a high priority to retain a workforce capable of planning and executing land management activities. Housing and recruitment are significantly greater challenges in rural communities compared to urban areas. The federal government should focus attention on housing needs and assist communities seeking to attract and retain workforce.

- 48. Federal capacity to complete NEPA processes in a timely manner is a significant bottleneck to project implementation on federal lands. Western Governors recognize that the workforce responsible for NEPA processes is specialized and encourages federal land management agencies to bolster this capacity to ensure that management projects are implemented on a timely basis.
- 49. Federal agencies should consider how interagency shared positions can create regulatory efficiencies and promote greater collaboration between federal, state, territorial, local and tribal land managers pursuant to traditional understandings of jurisdictions.
- 50. Apprenticeship and internship programs can reduce costs associated with building expertise within a workforce. Western Governors recognize that four-year college degree programs are not needed for many forest and rangeland careers and that a focus on trades training provides better workforce outcomes. The federal government and employers should consider work experience and other non-traditional credentials in hiring and promotions and avoid credential creep to ensure adequate capacity for land management project implementation.
- 51. Western Governors recognize that federal agencies are struggling with recruitment and retention of a qualified workforce. Workforce that could be used for mitigation or restoration work may be deployed to fight wildland fire for a significant portion of the year. Within the wildland firefighting workforce, increased wildfire activity, low salaries, and mental fatigue contribute to workforce loss. Congress and federal agencies have taken steps to address these challenges, but the federal government should consider additional steps to recruit and retain an effective land management and wildland firefighting workforce.
- 52. Federal agencies should collaborate with states to explore the expanded use of youth, veterans, inmate crews and conservation corps to provide cost-effective capacity to support forest and rangeland restoration work across various land ownerships. Congress should enact legislation, such as the 21st Century Conservation Service Corps Act, to make it easier for young people and veterans to complete quality, cost-effective maintenance and improvement projects on public and tribal lands and waters across the country. The federal government, states, and territories should also examine standards on hiring persons with criminal backgrounds to promote employment opportunities for qualified applicants that present minimal risk for future criminal behavior.

C. GOVERNORS' MANAGEMENT DIRECTIVE

- 1. The Governors direct WGA staff to work with Congressional committees of jurisdiction, the Executive Branch, and other entities, where appropriate, to achieve the objectives of this resolution.
- 2. Furthermore, the Governors direct WGA staff to consult with the Staff Advisory Council regarding its efforts to realize the objectives of this resolution and to keep the Governors apprised of its progress in this regard.

This resolution will expire in July 2025. Western Governors enact new policy resolutions and amend existing resolutions on a semiannual basis. Please consult http://www.westgov.org/resolutions for the most current copy of a resolution and a list of all current WGA policy resolutions.



Policy Resolution 2020-07 Rural Development

A. BACKGROUND

- 1. Vibrant and prosperous rural communities are essential components of western states and the nation. Rural communities in the West grow and supply food, steward natural resources, contribute disproportionately to the armed services, and are critical to state economies.
- 2. Rural communities in the West are richly diverse and face varying threats and opportunities. They do, however, share common characteristics, such as low population density and distance from urban centers, that create challenges for economic development.
- 3. Nationally, the rural population is increasing slowly after a period of decline from 2010-2017, although there is great variation in demographic trends at the county level. Many rural western counties are experiencing population growth due to net migration of retirees as well as people seeking quality of life and amenities.
- 4. Most rural communities have a higher proportion of older residents than urban and suburban communities. Rural communities are preparing for an anticipated wave of retirements, leading to a reduction in skilled workforce and potential closure of local businesses.
- 5. Western states have many of the highest per-capita veteran populations in the nation. It is estimated that approximately 25 percent of all veterans live in rural areas. These veterans have lower rates of employment compared to veterans living in urban areas and to their non-veteran rural colleagues.
- 6. Most rural communities have experienced slower economic and job growth than their urban counterparts and have not yet fully recovered from the 2008 recession. Many rural economies rely heavily on a few industries. This makes these communities more sensitive to trends affecting those industries and can make it more difficult to recover from disruptions. Rural communities have also been significantly affected by the COVID-19 public health threat and will suffer distress from any associated economic downturn.
- 7. Federal programs for rural development are spread across multiple agencies. Some agencies are responsible for rural infrastructure investments while others focus on economic development. The multiplicity of administrating entities and the lack of consistency across agencies: renders it difficult for rural stakeholders to navigate federal programs; compounds time and expense needed to apply for funding opportunities; and creates inefficiencies in the distribution of resources.
- 8. The vast majority of federal loan and grant programs for rural communities are targeted to physical infrastructure. Little funding exists to support development of local capacity, including strengthening community organizations, nonprofit entities, and other groups serving rural communities.

- 9. By offering opportunity, connectivity, and quality of life, rural communities can thrive and prosper while improving economic stability and protecting the rural character and natural resources that draw people to these areas.
- 10. Small businesses, including farming and ranching, are the foundation of rural economies, generating tax revenue, creating jobs, providing essential goods and services, and contributing to the culture and character of small towns. Building a successful business in a rural community is particularly challenging due to limited access to capital, available workforce and smaller customer bases. Many successful rural businesses operate on thin margins and if they close, are extremely difficult to replace.
- 11. High-speed internet, commonly referred to as "broadband," is the critical infrastructure of the 21st century and a modern-day necessity for individuals, businesses, schools and government. Many rural western communities lack the business case for private broadband investment due to the high cost of infrastructure and the low number of customers in potential service areas. This has left many rural businesses and citizens at a competitive disadvantage compared to urban and suburban areas with robust broadband access.
- 12. Transportation connectivity is critical to strengthening economies and improving quality of life. Air service is particularly important to connect remote western communities to urban hubs. Pilot shortages, infrastructure constraints, and airline consolidation have negatively impacted rural air connectivity. The airline industry has been significantly impacted by COVID-19 and rural service, which is typically the least profitable, has been reduced.

B. **GOVERNORS' POLICY STATEMENT**

- 1. Western Governors believe that strengthening social infrastructure in rural communities is the best strategy to ensure rural quality of life and prosperity. Congress and federal agencies should increase the proportion of rural economic development and infrastructure funding that goes toward capacity-building. Accordingly, Western Governors call for ample and consistent federal funding for institutions, training, and technical assistance. Robust social infrastructure is fundamental to economic and community development and maximizes the impact of state and federal resources.
- 2. Social infrastructure is especially critical during disasters or crises. The COVID-19 pandemic and associated economic crisis have illustrated the challenge of rapidly deploying resources to the most urgent needs. Western Governors are committed to strengthening the resilience of rural communities by helping to foster local leadership and strengthen networks and connections within and among rural communities across the West.
- 3. Western Governors believe that many federal programs for rural development and distressed communities include unintended barriers for rural individuals and entities that need assistance most. Western Governors urge federal agencies to work with states to: thoroughly evaluate program requirements; identify barriers for rural applicants; and revise onerous requirements in a manner that recognizes the limited resources and capacity of rural applicants. In particular, Western Governors are concerned by:

¹ The Federal Communications Commission defines fixed "broadband" as service offering minimum speeds of 25 Megabits per second (Mbps) down and 3 Mbps up.

- Scoring criteria that relate to numerical size and impact, such as the number of jobs created or the number of people served, which disadvantage small and isolated communities;
- b. Requirements that applicants partner with other institutions like community colleges or foundations, which may not operate in the rural community seeking assistance;
- c. Financial match or cash-on-hand requirements that rural organizations cannot meet; and
- d. Overly complicated or technical applications that deter rural customers from applying.
- 4. Western Governors also urge federal agencies to use state data for eligibility determinations when requested by states. States often have more up-to-date and granular data for rural communities than federal sources.
- 5. Western Governors recognize and support efforts at the federal and state level to coordinate the deployment of resources, leverage funding, and create one-stop application processes for rural customers. Western Governors are interested in exploring strategies to expand those models to include more funders and further enhance coordination between agencies and between states and the federal government.
- 6. Western Governors believe that changes in our economy, labor force, and technological innovations require fundamental changes in economic development strategies. Western Governors promote rural development policies that focus on quality of life and the support of small businesses and entrepreneurs. This will develop rural communities that are attractive places to live and work while protecting their rural character, natural resource-based industries, and natural areas.
- 7. In the wake of disasters in rural communities, including the COVID-19 pandemic, providing small businesses with the tools and resources to survive disruption and prosper again is critical for economic recovery and social stability. The impacts of COVID-19 mitigation measures have illustrated the urgent need for working capital to stabilize rural businesses and ensure their continued viability during periods of prolonged disruption related to disasters and emergencies. The federal response to declared disasters must include sufficient and accessible business stabilization funds, including grants and long-term, forgivable loans. Congress should also examine how such funds are distributed by the Small Business Administration (SBA), U.S. Department of Agriculture Rural Development (USDA RD), and the Economic Development Administration (EDA) to ensure that adequate systems are in place to handle demand during widespread emergencies.
- 8. During COVID-19 response, many small lenders could not access federal funds to support their communities because they did not meet program thresholds or were unable to compete against large banks. Small lenders, including community development financial institutions (CDFIs), community banks, and credit unions, are often the only lender serving rural and tribal communities. In the ongoing response to the economic impacts of COVID-19, Western Governors encourage Congress to set aside emergency relief funds for small

lenders and consider program requirements that allow those entities to participate through a streamlined process to rapidly distribute resources while maintaining fiscal accountability.

- 9. Western Governors are eager to work with public universities, community colleges, and the business community to expand opportunities for young people to stay in their rural communities. There is a high demand for skilled workers in rural communities and states should work together on regional solutions that provide the appropriate training and skills for the jobs that are available in rural communities where possible. Western Governors are also committed to increasing employment among veterans and the disabled community in the rural West.
- 10. Western Governors encourage increased flexibility in the use of federal economic development resources (particularly EDA funds) to facilitate investments in quality of life and amenities in rural communities. Governors believe that metrics based solely on the absolute number of jobs created do not reflect the important economic benefits of investments in community assets that make rural communities attractive places to live. Nor do they account for the relative impact of job creation in less populated rural communities or areas with high unemployment or poverty rates.
- 11. Western Governors strongly support improving and increasing broadband connectivity in the rural West through significant federal investments in mapping, deployment, and adoption. The Governors have highlighted substantive policy recommendations in the Western Governors' Association policy resolution addressing broadband connectivity.
- 12. Western Governors have developed robust policies addressing the challenge of providing services and maintaining infrastructure essential to communities across the vast expanse of the rural West. These policies address broadband access, healthcare, surface transportation and water quality. Western Governors are committed to working with Congress and federal agencies to improve the efficacy of federal and state programs to support critical infrastructure in the rural West.
- 13. Western Governors recommend further changes in approach to supporting water and wastewater infrastructure in the West:
 - a. Funding for communities not served by water systems is critically needed. Western Governors recommend set-asides to develop innovative solutions for communities and tribes that cannot be served by traditional systems.
 - b. Western Governors are concerned about shortages of certified water system operators and request a coordinated effort to increase training opportunities through the U.S. Department of Agriculture, U.S. Environmental Protection Agency, U.S. Department of Labor and college and university programs that develop these skilled workers to ensure that existing water access in rural communities can be maintained.
- 14. Western Governors emphasize that air service is a necessity in many rural communities. As the airline industry recovers from the economic impacts of COVID-19, Western Governors urge Congress to consider measures to address challenges in rural air connectivity, including funding for infrastructure and service subsidies.

- 15. Western Governors support the use of cooperative business models to preserve rural businesses and fill community needs for childcare, homecare, main street businesses, housing, and more. Western Governors recognize the need for substantial technical assistance and education in developing new cooperative businesses and support federal funding of such efforts.
- 16. Western Governors are concerned by food security challenges in rural communities. Rural grocery store closures jeopardize livability and community health. Western Governors are interested in exploring strategies to ensure rural food security by strengthening local agricultural economies and developing regional approaches to rural food supply chains.
- 17. Housing remains a critical challenge in rural communities across the West. Western Governors are committed to working together to share best practices and effective solutions for housing preservation and development in the rural West.
- 18. The Cooperative Extension System, which serves every county in western states, is an important asset for rural development. Western Governors believe that Cooperative Extension can play a more meaningful role in economic development efforts in distressed communities and support continued investment in the system as it responds to the changing needs of rural communities. Western Governors are committed to maximizing the efficacy of Cooperative Extension in their states.

C. GOVERNORS' MANAGEMENT DIRECTIVE

- 1. The Governors direct WGA staff to work with Congressional committees of jurisdiction, the Executive Branch, and other entities, where appropriate, to achieve the objectives of this resolution.
- 2. Furthermore, the Governors direct WGA staff to consult with the Staff Advisory Council regarding its efforts to realize the objectives of this resolution and to keep the Governors apprised of its progress in this regard.

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