

To: The Alex C. Walker Foundation

From: Adele Morris, Senior Fellow, Brookings

Date: July 22, 2019

Subject: Report on grant-related activities

This memo summarizes the work performed under the grant ending June 30, 2019. Most of our work so far has been to meet with stakeholders and scope the range of issues that need further research for our research paper. Our goal remains to inform the provisions of carbon tax or other legislation that could provide funding for assistance to these workers and communities. We have also been researching what a decline of coal production means for the revenues to local governments, as reflected in our new paper with Noah Kaufman: "[The Risk of Fiscal Collapse in Coal-Reliant Communities.](#)"

In February 2019, my research assistant, Siddhi Doshi, went on a planning visit to West Virginia with Linda Lance and Jesse Vogel from Partnership for Responsible Growth (PRG). The purpose of the trip was to talk with individuals with organizations associated with coal-reliant areas in West Virginia. They spent time in Charleston, Beckley, Williamson, and Huntington, West Virginia.

In Charleston, they met with representatives of groups that work in capacity building and skill training. They were each familiar with other organizations doing similar work, but generally seemed to be working in silos with disjointed efforts. One cause for this is the system of small separate grants to fund their efforts, rather than one overarching program. Some expressed meeting fatigue; various organizations and policy makers come talk to them to understand the situation, little action has come of it.

In Beckley, our team met with a representative of a group that helps miners understand their healthcare and pension rights. It is funded by a grant from the Department of Labor, but bureaucratic hurdles impede accessing this grant. While there are career options for laid off miners which require minimal training, such as truck driving, few pay as well as a coal miner's salary or benefits. The remoteness of the region also creates barriers to training and job options.

In Huntington, they met with representatives from a tourism company and social enterprises and works towards rebuilding Appalachia. Issues for Appalachia that came up in this meeting included a lack of transportation infrastructure, drug addiction, obesity, and limited opportunities for training and employment.

On April 30, 2019, Siddhi and I attended a coal listening session in Huntington, West Virginia. This session was organized by PRG, and the participants included various individuals involved in coal-related sectors in West Virginia and Washington, DC. The theme of the session was

economic transition and revitalization, and discussion focused on current and potential policies and investments to address transition-impacted regions like West Virginia.

The conversation started with a discussion of community priorities for economic diversification. Hopeful diversification strategies included agriculture, tourism, fishing, and land and water conservation, along with small business development and social entrepreneurship. The event was held at a facility that local organizations promoted as an example of successful entrepreneurial efforts in Appalachia.

Participants expressed frustration at the current sources of funding for such activities. These sources are scattered across different channels, with each having its own complex bureaucracy and application processes. Ideally, the participants noted, the money would flow in as grants and not as loans. They also expressed a desire for more local funding for small projects, since most federal funds tend to go to larger projects. Agency grants, like those from USDA, are appropriated through states as well. Clearly, the administration and governance of assistance programs should be on our research agenda.

Access to healthcare, especially for coal miners suffering from black lung disease, and clean water (free of mining-based contaminants) remain challenges in these communities. Water quality impairments struck us as important impediments to attracting new businesses and investment to the area. How are these communities going to bring in new businesses and economic activity if the water is undrinkable? But we need to know how these water quality problems occur, exactly, and what can be done about it cost effectively.

An increasing number of coal-related bankruptcies, along with bankruptcy laws that allow coal companies to discharge liabilities, threaten healthcare benefits for workers and retirees and mine reclamation. We came away convinced that both issues are important for our research. We also concluded that we need to incorporate the trends and costs of black lung into our policy analysis.

Other potential federal programs and policies that received a push in the discussion included infrastructure programs, broadband, workforce training and digital education, and microlending programs (such as those from Small Business Administration). The discussion ended with participants stressing the urgency of the problem and urging federal action.