

1 **PROPOSED RESOLUTION ON SUPPORT FOR REAUTHORIZATION AND**
2 **APPROPRIATIONS FOR THE U.S. DEPARTMENT OF COMMERCE’S ECONOMIC**
3 **DEVELOPMENT ADMINISTRATION (EDA)**
4

5 **Issue:** appropriations and reauthorization legislation for the U.S. Department of Commerce
6 Economic Development Administration
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8 **Proposed Policy:** NACo urges Congress to support reauthorization and appropriations for the
9 U.S. Department of Commerce’s Economic Development Administration (EDA), to keep
10 communities strong and economically viable at a time when our nation needs it the most.
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12 **Background:** The EDA provides direct resources to counties to support economic development
13 efforts through planning grants to regional Economic Development Districts to support
14 comprehensive economic development strategy planning and implementation as well as
15 financing for Public Works and Technical Assistance projects. It is focused solely on private
16 sector job creation.
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18 With its modest budget, EDA has developed an impressive track record of making strategic
19 investments and building partnerships that help regions and communities respond to shifts in
20 international markets, address severe unemployment challenges and recover from plant closures,
21 major natural disasters and other chronic and sudden and severe economic hardships.
22

23 Despite its solid performance, EDA’s budget has been targeted for elimination, after declining by
24 34 percent since FY2001. As Congress works on the FY2020 Commerce-Justice-Science
25 Appropriations bill, we support at least maintaining EDA current level funding of \$265 million
26 and at least current level funding for the public works program for the partnership planning
27 program.
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29 At a time when the nation must make the regional and local investments necessary to compete in
30 the modern global economy, the flexibility, partnership structure and accountability of EDA’s
31 programs should be at the forefront of the federal toolbox. EDA’s portfolio of economic
32 development infrastructure, business development finance, regional innovation strategies and
33 public-private partnerships are tailored to support the unique needs of each region.
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- 35 • EDA is unique among federal development programs. While other federal programs support
36 broader community development activities, EDA is the only federal agency focused solely on
37 economic development and job creation/retention. EDA investments do not go to private
38 companies. Instead, EDA invests in local governments, nonprofits and communities.
39
- 40 • By federal law, EDA projects typically require a local cost share and significant private
41 sector investment, ensuring that local leaders and businesses are committed to the project’s
42 success. EDA investments are focused on high quality jobs, especially in advanced
43 manufacturing, science and technology, and emerging knowledge-based industries and
44 sectors.
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- 1 • By federal law, EDA project investments must be tied into a regional Comprehensive
2 Economic Development Strategy developed and vetted by local officials and their
3 communities—this helps ensure projects have significant local support and are part of a
4 broader regional plan, rather than just isolated, uncoordinated local projects.
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- 6 • EDA’s grants are awarded on a competitive basis by the agency’s six regional offices. EDA
7 and its local partners focus on the fundamental building blocks for economic development.
8 EDA’s infrastructure investments are targeted at essential facilities and assets like water and
9 wastewater systems, middle mile broadband networks, workforce training centers, business
10 incubators, intermodal facilities and science and research parks. These assets are often
11 lacking in the nation’s most distressed areas, yet they are a prerequisite for private industry to
12 remain or locate in these areas. As we have witnessed in recent years, private companies will
13 relocate to places with these basic yet vital public infrastructure assets, including outside of
14 the United States.
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- 16 • According to Government Performance and Results Act (GRPA) reporting, every \$1 of EDA
17 infrastructure funding generates, on average, \$15 in private investment. Additionally, EDA
18 investments are matched, on average, by 1-to-1 in local investment. EDA infrastructure
19 projects create and retain jobs at a cost of about \$13,500 per job.
- 20 • Between FY 2012 and FY 2017, EDA invested over \$1.6 billion in 4,058 projects to help
21 communities and regions build the capacity for economic development.
- 22 • According to the results of a SRI International econometric study exploring the impacts of
23 economic development non-infrastructure grant programs:
 - 24 ○ EDA non-infrastructure grants support building of capacity that are associated with long-
25 term growth in earnings, per capital income and employment growth.
 - 26 ○ EDA non-infrastructure capacity building grants are critical to [fostering of an] economic
27 development collaboration system that leads to long-term desired economic development
28 outcomes.

29 EDA is a highly effective agency that serves as an invaluable partner for public and private
30 sector leaders who are working diligently each and every day to enhance their regions’ economic
31 vitality and competitiveness in today’s rapidly expanding global marketplace. The keys to
32 EDA’s repeated successes remain its flexible program tools, its long-standing partnerships with
33 regional and local economic development organizations, and its focus on investing in locally-
34 and regionally-driven strategies and infrastructure projects that are tied to leveraging private
35 sector job creation and retention activities.

36 37 **Fiscal Urban/Rural Benefit**

38 EDA’s programs dealing with economic development infrastructure, business development
39 finance, regional innovation strategies and public-private partnerships have significant positive
40 benefits for both urban and rural counties. It provides critical funding for economic and
41 community development strategies, initiatives, infrastructure, and key projects important for
42 creating and retaining jobs.

1 **Sponsors:** Klamath County Commissioner Derrick DeGroot and Polk County Commissioner
2 Craig Pope
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