



# LEGISLATIVE FACT SHEET

NATIONAL ASSOCIATION OF DEVELOPMENT ORGANIZATIONS

## Fully Fund the Economic Development Administration Preserve Planning Program for Economic Development Districts

The members of NADO strongly support funding and maintaining the Economic Development Administration (EDA) at the 2006 authorized level of \$450 million, including \$27 million for the partnership planning program for economic development districts.

### BACKGROUND INFORMATION

The administration's proposed *Strengthening America's Communities Initiative* calls for the elimination of 18 federal community and economic development programs – most notably the US Department of Commerce's Economic Development Administration and HUD's Community Development Block Grant (CDBG) program -- and an overall reduction in federal spending on related activities by nearly \$2 billion each year. Under the administration's plan, a new \$3.71 billion unified block grant program and bureaucracy would be established within Commerce to promote economic development and job creation activities in distressed areas of the nation. (See the NADO Issue Brief, *Myths vs Facts: The Administration's Strengthening America's Communities Initiative*, for more details on the proposal.)

As the current lead federal economic development agency, EDA has accumulated an impressive and documented record of success while also developing the partnerships and program tools required to effectively serve the economic development needs of the nation's distressed regions and areas. Instead of reinventing the proven programs and mission of EDA and spending millions of dollars to establish a new bureaucracy and local delivery system, Congress should simply fully fund EDA at the authorized level of \$450 million and work to improve the coordination, focus and performance of the remaining programs slated for elimination under the President's 2006 budget plan.

### PROVEN TRACK RECORD OF OUTSTANDING PERFORMANCE

- EDA received overwhelming bipartisan congressional and presidential support for final enactment of multi-year reauthorization bills in 1998 and 2004. In fact, the final 2004 bill was modeled after the administration's own reauthorization plan. The agency is authorized through fiscal year 2008.
- EDA received the highest performance ranking out of the portfolio of 35 federal community and economic development programs evaluated by the President's Office of Management and Budget. In recognition of the agency's outstanding performance and dedication to program accountability, EDA was recently inducted into the prestigious Balanced Scorecard Hall of Fame™, joining only three other distinguished federal agencies.
- The results and impact of the agency and its local partners have been repeatedly confirmed by independent evaluations and studies. As concluded in a comprehensive study by Rutgers University and a consortium of research organizations, EDA programs and projects help distressed communities create quality private sector jobs, leverage an impressive ratio of public and private sector investments, and respond to local conditions and circumstances. The report underscores that the near-perfect on-time completion of EDA projects is the direct result of the planning phase that precedes project development and selection.

## EDA JOB CREATION EFFECTIVENESS UNMATCHED

- In 2004, EDA investments helped create 125,604 new jobs, retain more than 34,000 jobs and leverage \$10.4 billion in private sector investments in the nation's distressed communities. Since its inception, the agency has created over 4 million jobs and leveraged in excess of \$130 billion in private sector investments in more than 8,000 impoverished communities.
- An in-depth program assessment conducted by Rutgers University found that EDA projects are completed on time, lead all government programs in leveraging private sector investments, and create and retain private sector jobs at a minimal cost to tax payers. For every \$1 million in EDA investments, another \$10 million is typically leveraged in private sector funds. The average cost per job created or retained is only \$3,058 – among the lowest of any government program.
- EDA investments are typically the seed funds or gap financing that make locally identified projects a reality in the nation's poorer areas. Whether it is through infrastructure grants, strategic planning assistance, business development capital or technical assistance, EDA programs are designed to promote economic development and job creation in impoverished areas. This includes helping communities address chronic poverty and sudden and severe economic situations caused by manufacture plant closings, military base closures, natural disasters and declines in traditional industries such as coal, fisheries, textiles and timber.

## EDDS PROVIDE ECONOMIC PREPAREDNESS AND PROJECT IMPLEMENTATION SERVICES

- The network of 320 EDA-funded economic development districts serves as the organizational lifeline for the nation's small metropolitan and rural communities. By matching the federal share of the EDA planning program dollar for dollar, according to an in-depth study by Wayne State University, these multi-county entities effectively develop and coordinate regional strategic action plans, implement specific community and economic development projects, and provide vital professional expertise and organizational support to the nation's distressed and underserved communities. ***The administration's reform plan would abolish this cost-effective program.***
- The success of EDA originates from its unique comprehensive economic development strategy process, which is conducted primarily by the network of economic development districts. By pooling limited local resources through these regional organizations, our cities and counties are overcoming their potential shortcomings to develop and sustain a professional team of community and economic development practitioners – assets taken for granted in wealthier areas but historically absent in distressed regions until the creation of the EDA district planning program. ***The administration's reform plan would eviscerate these vital services in distressed areas.***

## GRASSROOTS ACTION NEEDED

- **Urge your Senators to express their personal written support** for fully funding EDA at the 2006 authorized level of \$450 million (including \$27 million for the planning program) to Chairman Richard Shelby (R-AL) and Ranking Member Barbara Mikulski (D-MD) of the Appropriations Subcommittee on Commerce, Justice and Science.
- **Urge your House members to express their personal written support** for fully funding EDA at the 2006 authorized level of \$450 million (including \$27 million for the planning program) to Chairman Frank Wolf (R-VA) and Ranking Member Alan Mollohan (D-WV) of the Appropriations Subcommittee on Science, State, Justice and Commerce.

FOR MORE INFORMATION, CONTACT NADO LEGISLATIVE DIRECTOR JASON BOEHLERT AT (202) 624-8590.

## SAMPLE CONSTITUENT LETTER ON EDA FUNDING

### Letters to House Members --

The Honorable [first name & last name]  
US House of Representatives  
Washington, DC 20515

### Letters to US Senators --

The Honorable [first name & last name]  
United States Senate  
Washington, DC 20510

Dear Representative / Senator [insert last name]:

On behalf of the [insert organization name], I am writing to urge your active support of the Economic Development Administration (EDA). Specifically, I urge you to personally contact the Chairman and Ranking Member of the **[Insert either House State, Science, Justice and Commerce Appropriations Subcommittee or Senate Commerce, Justice and Science Appropriations Subcommittee]** and express your support for fully funding EDA at the 2006 authorized level of \$450 million, including \$27 million for the agency's proven planning grant program.

As the current lead federal economic development agency, EDA has earned a solid reputation and proven track record. In 2004 alone, according to the agency, EDA investments helped create more than 125,000 new jobs and leverage more than \$10 billion in public and private sector commitments. These impressive results helped EDA earn the highest performance ranking by the President's Office of Management and Budget of any of the 35 federal community and economic development programs. Last year, Congress and the administration also recognized this impressive performance by adopting a multi-year reauthorization bill for the agency. Unfortunately, now the administration is proposing to abolish this proven and vital economic development assistance program.

Most importantly, EDA funds are typically the glue or seed capital that make economic development and job creation projects a reality in distressed regions and areas that are often overlooked or underserved by the private sector. **In our region alone, EDA resources helped us to [insert examples of local EDA projects].**

At a time when nearly every business and community within our region is being confronted with intense competition from emerging and developing nations, Congress and the administration should be expanding its efforts through EDA and its partners to assist local community and economic development efforts.

For these reasons, I strongly urge you to support EDA and its planning program for economic development districts by contacting appropriations leaders and personally requesting full funding for this critical program dedicated to investing in the economic future of our nation's distressed and transitioning communities. Thank you for your consideration to this important request.

Sincerely,  
Name  
Title  
Contact Information

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