



## **U.S. ECONOMIC DEVELOPMENT ADMINISTRATION: MAINTAIN VITAL JOB CREATION FUNDING IN THE FY2013 APPROPRIATIONS PROCESS**

**ACTON NEEDED:** Urge your members of Congress, especially those serving on the House and Senate Appropriations Committees, to support level funding for the U.S. Economic Development Administration (EDA) at the FY2012 enacted level of \$257.5 million as part of a final FY2013 appropriations measure. The members of NADO also support maintaining level funding for the public works program (\$111.64 million) and \$31 million for the partnership planning program. In FY2012, EDA received an additional \$200 million in disaster funding to assist states affected by disasters in fiscal year 2011.

**ISSUE:** This year, the Administration proposed a drastic reduction to EDA's FY2013 budget. In total, the Administration requested \$219 million for EDA, which is \$38 million below the FY2012 enacted level (\$257.5 million) and would represent a 25 percent reduction since FY2010. Within the proposed total, the public works program would be reduced by \$46 million (down from \$111.64 million in FY2012 and \$133.28 million in FY2010) and the partnership planning program would be cut by \$2 million.

On April 19, the Senate Appropriations Committee approved a FY2013 CJS Appropriations bill that would provide \$238 million for EDA, approximately \$19 million below current funding. Within the proposed total, the public works program would be reduced by \$49.4 million (down from \$111.64 million in FY2012) and level funding would be provided for the partnership planning program. The Senate has not yet moved the FY2013 CJS Appropriations bill to the floor for consideration.

On May 10, the U.S. House of Representatives passed its version of the FY2013 CJS Appropriations bill (H.R. 5326) which funds EDA at \$219 million, \$38 million below FY2012, \$19 million below the Senate bill, and level with the Administration's request. Under the House CJS bill, the public works program is reduced by \$46 million and the partnership planning program is reduced by \$2 million. During House floor debate on the CJS measure, an amendment offered by Rep. Mike Pompeo (R-KS) to eliminate all funding for EDA was soundly defeated with a 279-129 vote.

Rep. Mike Pompeo (R-KS) has also introduced legislation (H.R. 3090), the EDA Elimination Act, in the U.S. House of Representatives to eliminate EDA. Since introducing the bill, Rep. Pompeo has been aggressively pushing the legislation through blogs, cable news appearances, and multiple "Dear Colleague" letters in the House. Many of Rep. Pompeo's statements about the agency and its investments are erroneous, misleading, or sourced from dated Government Accountability Office (GAO) reports from the early 1980s. On November 15, Sen. Jim DeMint (R-SC) introduced companion legislation (S. 1869) in the Senate to eliminate EDA.

**LATEST ACTION:** On September 21, Congress approved a six-month Continuing Resolution or "CR" (H. J. Res. 117), which will extend EDA funding at the current level (plus a .621 percent increase) until March 27, 2013. EDA is also subject to the automatic, across-the-board cuts (known as "sequestration") scheduled to occur on January 2, 2013, unless Congress passes legislation before that date to avert or postpone the cuts. The White House Office of Management and Budget (OMB) has projected cuts of at least 8.2 percent to non-exempt domestic discretionary spending, which would include EDA programs.

## NADO ACTION ALERT: U.S. ECONOMIC DEVELOPMENT ADMINISTRATION

<i>Budget figures are in millions.</i>	FY2010 Final	Final FY2011	Final FY2012	FY2013 President's Request	FY2013 Senate CJS (committee)	FY2013 House CJS (passed)
Economic Development Administration	293.00	283.43	457.50 *	219.71	237.71	219.00
Planning Grants	31.00	30.94	29.00	27.00	29.00	27.00
Global Climate Change Fund	25.00	16.47	0.00	0.00	0.00	0.00
Public Works	133.28	88.72	111.64	65.50	62.20	85.50
Economic Adjustment Grants	38.62	78.74	50.06	65.20	56.50	40.20
Technical Assistance	9.80	13.37	12.00	12.00	12.00	12.00
Research & Evaluation	1.50	1.49	1.50	1.50	1.50	1.50
Trade Adjustment & Assistance	15.80	15.77	15.80	15.80	15.80	15.80
Regional Innovation Program	n/a	0.00	0.00	25.00	25.00	0.00
Salaries and Expenses	38.00	37.92	37.50	37.71	37.71	37.50
Disaster Assistance	n/a	n/a	200.00 *	0.00	0.00	0.00

**BACKGROUND:** The U.S. Economic Development Administration (EDA) is the only federal agency focused solely on private sector job creation in distressed areas as its entire mission. With its modest budget, EDA has developed an impressive track record of making strategic investments and building partnerships that help regions and communities respond to shifts in international markets, address severe unemployment challenges, and recover from plant closures, major natural disasters, and other chronic and sudden and severe economic hardships. At a time when the nation must make the public sector investments necessary to compete in the global economy, the flexibility, partnership structure, and accountability of EDA's programs should be at the forefront of the federal toolbox. EDA's portfolio of economic development infrastructure, business development finance, regional innovation strategies, and public-private partnerships are tailored to support the unique needs of each region.

### KEY TALKING POINTS:

- **EDA is unique among federal programs.** While other federal programs often support broader community development activities, EDA focuses solely on private sector job creation and economic growth.
- **By federal law, EDA projects typically require a 50 percent local cost share and significant private sector investment,** ensuring that local leaders and businesses are committed to the project's success. In addition, EDA investments are focused on high quality jobs, especially in advanced manufacturing, science and technology, and emerging knowledge-based industries and sectors.
- **By federal law, EDA project investments must be tied into a regional Comprehensive Economic Development Strategy (CEDS) developed and vetted by local officials (including Economic Development Districts)—**this helps ensure projects have significant local support and are part of a broader regional strategy.
- **EDA creates American jobs.** Two major independent studies conducted over the past decade have concluded that EDA projects have a significant impact on employment levels in communities where EDA investments are made. The most recent analysis released by Grant Thornton and ASR Analytics found that EDA's public works program generates "between 2.2 and 5.0 jobs per \$10,000 in incremental EDA funding, at a cost per job of between \$2,001 and \$4,611." These results mirror an in-depth study of EDA's public works and economic adjustment assistance programs by Rutgers University and a consortium of researchers in 1998. EDA's job creation and private sector leveraging ratios are highly cost effective and rank at the very top of any public economic development agency.
- **EDA partners with the nationwide network of 380 Economic Development Districts and other state and local officials** to address the fundamental building blocks for economic development, such as regional innovation strategies, vital public infrastructure, business loan funds, and flexible resources for communities to respond to

## NADO ACTION ALERT: U.S. ECONOMIC DEVELOPMENT ADMINISTRATION

plant closings, base closures, natural disasters, and other sudden and severe economic dislocations. EDA's infrastructure investments are targeted at essential facilities and assets like water and wastewater systems, middle mile broadband networks, workforce training centers, business incubators, intermodal facilities, and science and research parks. These assets are often lacking in the nation's most distressed areas, yet they are a prerequisite for private industry to invest in job creation and economic development activities in these areas. As we have witnessed in recent years, private companies will relocate to places with these basic yet vital public infrastructure assets, including outside of the United States.

For additional information, please contact NADO Legislative Director Deborah Cox at 202.624.8590 or [dcox@nado.org](mailto:dcox@nado.org)

### U.S. Senate Appropriations Committee

#### Majority:

*Daniel Inouye (D-HI), Chairman\**  
Patrick Leahy (D-VT)\*  
Tom Harkin (D-IA)  
Barbara Mikulski (D-MD)\*  
Herb Kohl (D-WI)\*  
Patty Murray (D-WA)  
Dianne Feinstein (D-CA)\*  
Richard Durbin (D-IL)  
Tim Johnson (D-SD)  
Mary Landrieu (D-LA)  
Jack Reed (D-RI)\*  
Frank Lautenberg (D-NJ)\*  
Ben Nelson (D-NE)\*  
Mark Pryor (D-AR)\*  
Jon Tester (D-MT)  
Sherrod Brown (D-OH)\*

#### Minority:

*Thad Cochran (R-MS), Vice Chairman*  
Mitch McConnell (R-KY)\*  
Richard Shelby (R-AL)\*  
Kay Bailey Hutchison (R-TX) \*  
Lamar Alexander (R-TN)\*  
Susan Collins (R-ME)\*  
Lisa Murkowski (R-AK)\*  
Lindsey Graham (R-SC)\*  
Mark Kirk (R-IL)  
Dan Coats (R-IN)  
Roy Blunt (R-MO)  
Jerry Moran (R-KS)  
John Hoeven (R-ND)  
Ron Johnson (R-WI)\*

*\*Indicates Senator serves on the U.S. Senate Commerce, Justice and Science Appropriations Subcommittee which provides annual funding for EDA.*

### U.S. House Appropriations Committee

#### Majority:

*Harold Rogers (R-KY), Chairman*  
C.W. Bill Young (R-FL)  
Jerry Lewis (R-CA)  
Frank R. Wolf (R-VA)\*  
Jack Kingston (R-GA)  
Rodney Frelinghuysen (R-NJ)  
Tom Latham (R-IA)  
Robert B. Aderholt (R-AL)\*  
Jo Ann Emerson (R-MO)  
Kay Granger (R-TX)  
Michael K. Simpson (R-ID)  
John Abney Culberson, (R-TX)\*  
Ander Crenshaw, (R-FL)  
Denny Rehberg (R-MT)  
John R. Carter (R-TX)  
Rodney Alexander (R-LA)  
Ken Calvert (R-CA)  
Jo Bonner (R-AL)\*  
Steve Latourette (R-OH)  
Tom Cole (R-OK)  
Jeff Flake (R-AZ)  
Mario Diaz-Balart (R-FL)  
Charles Dent (R-PA)  
Steve Austria (R-OH)\*  
Cynthia Lummis (R-WY)  
Tom Graves (R-GA)\*  
Kevin Yoder (R-KS)\*  
Steve Womack (R-AR)  
Alan Nunnelee (R-MS)

#### Minority:

*Norm Dicks (D-WA), Ranking Member*  
Marcy Kaptur (D-OH)  
Pete Visclosky (D-IN)  
Nita Lowey (D-NY)  
José Serrano (D-NY)\*  
Rosa DeLauro (D-CT)  
Jim Moran (D-VA)  
John Olver (D-MA)  
Ed Pastor (D-AZ)  
David Price (D-NC)  
Maurice Hinchey (D-NY)  
Lucille Roybal-Allard (D-CA)  
Sam Farr (D-CA)  
Jesse Jackson Jr. (D-IL)  
Chaka Fattah (D-PA)\*  
Steve Rothman (D-NJ)  
Sanford Bishop (D-GA)  
Barbara Lee (D-CA)  
Adam Schiff (D-CA)\*  
Mike Honda (D-CA)\*  
Betty McCollum (D-MN)

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