



## **ECONOMIC DEVELOPMENT ADMINISTRATION: MAINTAIN FUNDING FOR EDA IN THE FY2011 CONTINUING RESOLUTION**

### **BACKGROUND:**

**As the only federal agency focused solely on private sector job creation and sustainability, the U.S. Economic Development Administration (EDA) is a vital resource for distressed communities striving to overcome sudden and severe economic dislocations and long-term economic decline.** As Congress finalizes the Commerce-Justice-Science title of the final FY2011 Continuing Resolution, the members of the National Association of Development Organizations (NADO) support maintaining EDA's budget of \$293 million at the FY2010 enacted level. For FY2012, the members of NADO support the President's overall EDA budget request of \$324.93 million, but with \$34 million for planning investments and a minimum of level funding for the public works account.

**Two major independent studies conducted within the past ten years 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 in September 2008 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 exhaustive 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, its local partners, and its nationwide network of 383 Economic Development Districts** focus on the fundamental building blocks for economic development, such as regional development and innovation strategies, public works, business loan funds and flexible resources for communities to respond to 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 remain or locate 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.***

**During the U.S. House debate on the Full Year Continuing Appropriations Act of 2011 (HR 1), Rep. Michael Michaud (D-ME) successfully offered an amendment to restore a proposed \$80 million cut, or 33 percent reduction, in EDA's FY2011 funding.** The House overwhelmingly adopted, by a strong bipartisan vote of 305 to 127, to retain EDA's funding at the FY2010 enacted level. With 60 percent of the Republican caucus and 83 percent of the Democratic caucus supporting full funding for EDA, this was a clear demonstration of the agency's results over the years and the desperate need for future strategic public investments to lower the unemployment rate and generate high-quality private sector employment opportunities.

## NADO LEGISLATIVE FACT SHEET: U.S. ECONOMIC DEVELOPMENT ADMINISTRATION

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### ACTION NEEDED:

- **Urge your Representatives to support full funding of \$293 million for EDA by signing the Rep. Michaud support letter** to the House Leadership as related to the final FY2011 Continuing Resolution. *(See attached.)*
- **Urge your Senators to support full funding of \$293 million for EDA** in the Commerce, Justice and Science Appropriations title of the final FY2011 Continuing Resolution.
- **Encourage your Representatives and Senators to write letters to the bipartisan leadership of the House and Senate Commerce-Justice-Science Appropriations subcommittee** in strong support of the President's overall FY2012 EDA budget request of \$324.93 million, but with \$34 million for planning investments (up from \$31 million) and a minimum of level funding (\$158.28 million) for the public works account.

### KEY TALKING POINTS:

- **With nearly 15 million Americans unemployed and the country's unemployment rate near 9 percent**, now is the time to ensure that the only federal agency focused on private sector job creation has the resources needed to help thousands of communities and businesses recover from plant closures and downsizings, powerful natural disasters, dwindling access to credit and capital and increased foreign competition.
- **EDA focuses on the fundamental building blocks of economic development**, such as regional development and innovation strategies, public works, business loan funds and flexible resources for communities to respond to plant closings, base closures, natural disasters and other severe economic dislocations. *These investments are targeted at essential public assets and services that the private sector expects and demands local communities to provide in order to stay competitive in today's global economy.*
- **Two major independent studies conducted within the past ten years have both 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 in September 2008 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 are highly impressive rates of return for any public economic development agency, whether at the federal, state or local level.
- **Since its inception, the agency has helped create in excess of four million private sector jobs and leverage more than \$130 billion in private sector investments.** Given the agency's documented performance over recent years, if EDA's funding were increased to no less than \$400 million, the agency could potentially generate an additional 50,000 jobs in communities hit hardest by the current economic downturn.
- **The EDA Economic Development District planning program is an invaluable tool for our nation's local communities. It provides much needed matching funds for the national network of 383 EDDs to provide professional strategy development, project implementation and regional leadership in the nation's most distressed regions and communities.** Without the EDA planning program, most rural and small metropolitan communities would lack the staff capacity and organizational expertise to pursue and implement comprehensive and strategic job creation initiatives.

**NADO Contact: Associate Legislative Director Deborah Cox at 202.624.8590 or [dcox@nado.org](mailto:dcox@nado.org)**

## U.S. Senate Appropriations Committee

### Majority:

*Daniel Inouye, Chairman (D-HI)\**  
 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, Vice Chairman (R-MS)*  
 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 Senators serving 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, Chairman (R-KY)*  
 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)

### Minority:

*Norm Dicks, Ranking Member (D-WA)*  
 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)

*\*Indicates Representatives serving on the U.S. House Commerce, Justice and Science Appropriations Subcommittee, which provides annual funding for EDA.*

**U.S. House “Dear Colleague” Support Letter for EDA  
Circulated by Rep. Michael Michaud (D-ME)**

**Support Current Funding Levels  
for the Economic Development Administration**

Dear Colleague:

I urge you to join me in sending a letter to House leadership in support of maintaining current funding levels for the Economic Development Administration (EDA) for the remainder of FY 2011.

Before final passage of H.R.1, the Full Year Continuing Appropriations Act of 2011, the House of Representatives voted to include an amendment to restore \$80 million in funding for the EDA by an overwhelming margin of 305 to 127. Members of the House sent a clear message that funding for the EDA should continue at FY 2010 levels. Most importantly, the amendment received strong support from both sides of the aisle – 145 Republicans and 160 Democrats voted to support full funding for the agency.

As the House continues to consider the best way to responsibly lower federal spending and decrease our nation’s debt, it does not make sense to eliminate the programs that are proven job creators. As discussions continue on the measure that will fund the government for the remainder of FY 2011, negotiators should recognize the strong bipartisan support for the EDA in the House of Representatives.

If you would like to sign on to the letter, please contact Dustin Hilt on my staff at 5-6306 or [dustin.hilt@mail.house.gov](mailto:dustin.hilt@mail.house.gov).

Sincerely,

Michael H. Michaud  
Member of Congress

**NATIONAL ASSOCIATION OF DEVELOPMENT ORGANIZATIONS  
LEGISLATIVE ACTION ALERT: ECONOMIC DEVELOPMENT ADMINISTRATION**

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**EDA FY2011 Support Letter to Bipartisan House Leadership**

March XX, 2011

The Honorable John Boehner  
Speaker, House of Representatives  
H-232, The Capitol  
Washington, DC 20515

The Honorable Nancy Pelosi  
Democratic Leader, House of Representatives  
H-204, The Capitol  
Washington, DC 20515

The Honorable Harold Rogers  
Chairman, Committee on Appropriations  
H-307, The Capitol  
Washington, DC 20515

The Honorable Norm Dicks  
Ranking Member, Committee on Appropriations  
1016 Longworth House Office Building  
Washington, DC 20515

Dear Speaker Boehner, Leader Pelosi, Chairman Rogers and Ranking Member Dicks:

As you continue work on the measure that will fund the government for the remainder of FY 2011, we wanted to draw your attention the strong support for the Economic Development Administration (EDA) that was demonstrated during consideration of H.R.1, the Full Year Continuing Appropriations Act of 2011.

Before final passage of H.R.1, the House of Representatives voted to include an amendment to restore \$80 million in funding for the EDA by an overwhelming margin of 305 to 127. Members of the House sent a clear message that funding for the EDA should continue at FY 2010 levels. Most importantly, the amendment received strong support from both sides of the aisle – 145 Republicans and 160 Democrats voted to support full funding for the agency.

As we continue to look for ways to support our ailing economy, we cannot afford to eliminate the programs that are proven job creators. Between 2004 and 2008, EDA funded projects directly led to the creation of approximately 200,000 jobs. Estimates indicate that the public works program generates “between 2.2 and 5 jobs per \$10,000 in incremental EDA funding, at a cost per job of between \$2,001 and \$4,611.” These are highly impressive rates of return for any public economic development agency, whether at federal, state or local level.

With well over four million private sector jobs created and roughly \$150 billion in private sector investment leveraged since its inception, EDA has amassed an impressive record of assisting communities struggling to overcome both long-term economic challenges and sudden economic hardships. While we must work to reduce ineffective programs, it is short-sighted to target a program that provides significant financial and employment returns for our federal investments.

As the House continues to consider the best way to responsibly lower federal spending and decrease our nation’s debt, we sincerely hope that you will respect the overwhelming support for the EDA that was demonstrated during consideration of H.R.1, the Full Year Continuing Appropriations Act, 2011.

Sincerely,