



ECONOMIC DEVELOPMENT ADMINISTRATION:

MAINTAIN VITAL JOB CREATION FUNDING IN THE FY2013 APPROPRIATIONS PROCESS

ISSUE: The members of the National Association of Development Organizations (NADO) strongly oppose the administration's proposed FY2013 budget cuts to the U.S. Economic Development Administration's (EDA) core job creation programs, including the public works and partnership planning programs. The President has requested \$219 million for EDA in FY2013, 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. **Since FY2001, funding for EDA's core economic development assistance programs has decreased by approximately 50 percent!**

As Congress works on the FY2013 Commerce-Justice-Science Appropriations bill, the members of NADO support maintaining level funding for EDA at the FY2012 enacted level of \$257 million, at a minimum, with level funding for the public works program (\$111.64 million) and \$31 million for the partnership planning program.

Budget figures are in millions.	FY2010 Final	Final FY2011 (EDA Spend Plan)	Final FY2012	FY2013 President's Request	FY2012 vs. FY2013 Request
Economic Development Administration	293.00	283.43	457.50 *	219.00	-38.50
Planning Grants	31.00	30.94	29.00	27.00	-2.00
Global Climate Change Fund	25.00	16.47	0.00	0.00	0.00
Public Works	133.28	88.72	111.64	65.50	-46.14
Economic Adjustment Grants	38.62	78.74	50.06	65.20	15.14
Technical Assistance	9.80	13.37	12.00	12.00	0.00
Research & Evaluation	1.50	1.49	1.50	1.50	0.00
Trade Adjustment & Assistance	15.80	15.77	15.80	15.80	0.00
Regional Innovation Program	n/a	0.00	0.00	25.00	25.00
Salaries and Expenses	38.00	37.92	37.50	37.71	0.21
Disaster Assistance	n/a	n/a	200.00 *	0.00	-200.00

ACTION NEEDED:

1. Urge your Senators and Representatives to submit a Program Request to the Appropriations Committee to fund the U.S. Economic Development Administration (EDA), at a minimum, at the FY2012 enacted level of \$257 million in the FY2013 Commerce-Justice-Science Appropriations bill
2. Urge your Senators and Representatives to submit a Program Request to the Appropriations Committee to level fund the EDA public works program at \$111.64 million
3. Urge your Senators and Representatives to submit a Program Request to fund the EDA planning program at \$31 million

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.

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 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.*

During the U.S. House debate on the Full Year Continuing Appropriations Act of 2011 (H.R. 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.

KEY TALKING POINTS:

- **EDA is unique among federal programs.** While other federal programs often support broader community development activities, EDA focuses strictly 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 invests in public assets that private companies are reluctant to fund themselves.** 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.

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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
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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