



U.S. ECONOMIC DEVELOPMENT ADMINISTRATION

MAINTAIN VITAL JOB CREATION FUNDING IN THE FY2018 APPROPRIATIONS PROCESS

ACTION NEEDED: Urge your members of Congress, especially those serving on the House and Senate Appropriations Committees, to support at least level funding for the U.S. Economic Development Administration (EDA) in a final fiscal year (FY) 2018 Commerce, Justice, Science Appropriations measure.

In May, Congress passed and President Trump signed into law an omnibus spending plan (the Consolidated Appropriations Act of 2017) to fund the federal government through September 30, 2017. The FY2017 omnibus package increases EDA’s budget by \$15 million over FY2016 levels. Programs receiving an increase are Assistance to Coal Mining Communities (\$15 million over FY2016) and Regional Innovation Programs (\$2 million over FY2016). Innovative Manufacturing Loan, Technical Assistance, and Planning Grants were reduced compared to previous years.

On May 23, the President released the administration’s FY2018 budget proposal, “A New Foundation for American Greatness.” The budget recommends elimination of EDA. The administration’s budget calls for a reduction of \$54 billion from non-discretionary domestic funding while increasing defense spending by the same amount.

LATEST ACTION: The House and Senate Appropriations Committees have approved their versions of the FY2018 Commerce, Justice, Science Appropriations bill.

The House bill provides \$176 million for EDA, a reduction of \$100 million below the FY2017 enacted level. Within this amount, \$140 million is allocated for Economic Development Assistance programs and \$36 million is designated for salaries and expenses.

The Senate bill recommends \$254 million for EDA, \$22 million below the FY2017 enacted level. Within this allocation, \$100 million is provided for public works and \$21 million is provided for the Regional Innovation Program. Further details on program allocations have not been made publicly available.

Comparison of FY2015, FY2016, and FY2017 EDA Funding (figures are in millions)

<i>Budget figures are in millions</i>	Final FY2015	Final FY2016	Final FY2017
Economic Development Administration	\$250	\$261	\$276
Planning Grants	\$30	\$32	\$31.5
Public Works	\$99	\$100	\$100
Economic Adjustment Grants	\$35	\$35	\$35
Technical Assistance	\$11	\$11	\$9
Research and Evaluation	1.5	1.5	1.5
Trade Adjustment Assistance	\$12.5	\$13	\$13
Innovative Manufacturing Loans/Sec. 26	\$4	\$0	\$0
Regional Innovation Program/Sec. 27	\$10	\$15	\$17
Assistance to Coal Mining Communities	\$10	\$15	\$30
Salaries and Expenses	\$37	\$39	\$39

KEY TALKING POINTS:

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 record of making strategic investments and building partnerships that help regions and communities address severe unemployment challenges 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 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.
- **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 growth, 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 like water and wastewater treatment systems, broadband networks, workforce training centers, business incubators, 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 growth 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 more information, please contact Susan Howard, Legislative Director, at 202.624.8590 / showard@nado.org.

For a list of members of the Senate and House Appropriations Committees for the 115th Congress, see below.

U.S. Senate Appropriations Committee

Majority:

Thad Cochran (R-MS), Chairman
Mitch McConnell (R-KY)
Richard Shelby (R-AL)*, Subcommittee Chair
Lamar Alexander (R-TN)*
Susan Collins (R-ME)*
Lisa Murkowski (R-AK)*
Lindsey Graham (R-SC)*
Roy Blunt (R-MO)
Jerry Moran (R-KS)
John Hoeven (R-ND)
John Boozman (R-AR)*
Shelley Moore Capito (R-WV)*
James Lankford (R-OK)*
Steve Daines (R-MT)
Marco Rubio (R-FL)
John Kennedy (R-LA)*

Minority:

Patrick Leahy (D-VT)*, Ranking Member
Patty Murray (D-WA)
Dianne Feinstein (D-CA)*
Richard Durbin (D-IL)
Jack Reed (D-RI)*
Jon Tester (D-MT)
Tom Udall (D-NM)
Jeanne Shaheen (D-NH), Subcommittee Ranking Member
Jeff Merkley (D-OR)
Chris Coons (D-DE)*
Brian Schatz (D-HI)*
Tammy Baldwin (D-WI)
Chris Murphy (D-CT)
Joe Manchin (D-WV)*
Chris Van Hollen (D-MD)*

**Indicates Senator serves on the U.S. Senate Commerce, Justice, Science Appropriations Subcommittee*

U.S. House Appropriations Committee

Majority:

Rodney P. Frelinghuysen (R-NJ), Chair
Harold Rogers (R-KY)*
Robert B. Aderholt (R-AL)*
Kay Granger (R-TX)
Michael K. Simpson (R-ID)
John Abney Culberson (R-TX)*+
John R. Carter (R-TX)*
Ken Calvert (R-CA)
Tom Cole (R-OK)
Mario Diaz-Balart (R-FL)
Charles W. Dent (R-PA)
Tom Graves (R-GA)
Kevin Yoder (R-KS)
Steve Womack (R-AR)
Jeff Fortenberry (R-NE)
Tom Rooney (R-FL)
Chuck Fleischmann (R-TN)
Jaime Herrera Beutler (R-WA)
David Joyce (R-OH)
David Valadao (R-CA)
Andy Harris (R-MD)
Martha Roby (R-AL)*
Mark Amodei (R-NV)
Chris Stewart (R-UT)
David Young (R-IA)
Evan Jenkins (R-WV)*
Steven Palazzo (R-MS)*
Dan Newhouse (R-WA)
John Moolenaar (R-MI)
Scott Taylor (R-VA)

+ Indicates Chair of the U.S. House Commerce, Justice, Science Appropriations Subcommittee

Indicates Acting Ranking Member of the U.S. House Commerce, Justice, Science Appropriations Subcommittee

**Indicates Representative serves on the U.S. House Commerce, Justice, Science Appropriations Subcommittee*

Minority:

Nita M. Lowey (D-NY), Ranking Member
Marcy Kaptur (D-OH)
Peter J. Visclosky (D-IN)
José E. Serrano (D-NY)#
Rosa L. DeLauro (D-CT)
David E. Price (D-NC)
Lucille Roybal-Allard (D-CA)
Sanford D. Bishop Jr. (D-GA)
Barbara Lee (D-CA)
Betty McCollum (D-MN)
Tim Ryan (D-OH)
C.A. Dutch Ruppersberger (D-MD)
Debbie Wasserman Schultz (D-FL)
Henry Cuellar (D-TX)
Chellie Pingree (D-ME)
Mike Quigley (D-IL)
Derek Kilmer (D-WA)*
Matt Cartwright (D-PA)*
Grace Meng (D-NY)*
Mark Pocan (D-WI)
Katherine Clark (D-MA)
Pete Aguilar (D-CA)