

NADO Regional Caucus Update

An overview of NADO's advocacy and research efforts around **COVID-19**, what's in the **CARES Act**, and what's ahead

Three COVID-19 Relief Bills Passed in March 2020

- [H.R.6074](#) - became law March 6, 2020
 - The Coronavirus Preparedness and Response Supplemental Appropriations Act
- [H.R.6201](#) - became law March 18, 2020
 - The Families First Coronavirus Response Act
- [H.R.748](#) - became law March 27, 2020
 - The Coronavirus Aid, Relief, and Economic Security (CARES) Act

NADO Successfully Advocated for the Inclusion of **\$1.5 Billion in EDA Funding** in the CARES Act

- [\\$1.5 billion](#) in supplemental funding for the U.S. Economic Development Administration (EDA) was included in the CARES Act
- NADO member input is needed on how this funding can best be implemented

Language in the CARES Act Providing Funding for EDA

TITLE II

DEPARTMENT OF COMMERCE

ECONOMIC DEVELOPMENT ADMINISTRATION

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

(INCLUDING TRANSFERS OF FUNDS) Pursuant to section 703 of the Public Works and Economic Development Act ([42 U.S.C. 3233](#)), for an additional amount for **“Economic Development Assistance Programs”, \$1,500,000,000, to remain available until September 30, 2022, to prevent, prepare for, and respond to coronavirus, domestically or internationally, including for necessary expenses for responding to economic injury as a result of coronavirus:** Provided, That such amount shall be for **economic adjustment assistance** as authorized by section 209 of the Public Works and Economic Development Act of 1965 ([42 U.S.C. 3149](#)): Provided further, That within the amount appropriated under this heading in this Act, up to 2 percent of funds may be transferred to the “Salaries and Expenses” account for administration and oversight activities related to preventing, preparing for, and responding to coronavirus: Provided further, That the Secretary of Commerce is authorized to appoint and fix the compensation of such temporary personnel as may be necessary to implement the requirements under this heading in this Act to prevent, prepare for, and respond to coronavirus, without regard to the provisions of title 5, United States Code, governing appointments in competitive service: Provided further, That the Secretary of Commerce is authorized to appoint such temporary personnel, after serving continuously for 2 years, to positions in the Economic Development Administration in the same manner that competitive service employees with competitive status are considered for transfer, reassignment, or promotion to such positions and an individual appointed under this provision shall become a career-conditional employee, unless the employee has already completed the service requirements for career tenure:

NADO's General Recommendations for EDA Emergency Supplemental Funding Addressing COVID-19 Needs

1. Waive **matching fund** requirements for all EDA emergency supplemental funding
2. Waive **job creation** requirements for all EDA emergency supplemental funding (place focus on retaining jobs, instead of creating jobs)
3. Allow funding to be used for **implementation** of communities' existing strategic plans and disaster response plans; provide funding for **planning grants** that can also be used for **implementation**
4. Make **direct grant payments to Economic Development Districts (EDDs)** that can be utilized for any purpose authorized under Title II of the Public Works and Economic Development Act (PWEDA)
5. If a competitive process will be used to award and administer some of the EDA funding, **streamline the application process**. Consider something as short as a 3-page application. Eliminate letters of support and other administrative hurdles (that, in typical circumstances, help ensure local support and good stewardship – but in this crisis situation, will simply slow down the process and hold up funding that needs to be deployed immediately)
6. Allow some of the EDA supplemental funding to be used for **technical assistance, contracts, consultants** etc. – **may require legislative action**
7. Provide funding to allow EDDs to hire and increase their **staffing**
8. Provide funding to allow EDDs to **hire disaster recovery coordinators**

NADO's Recommendations for EDA RLF Program Funding Addressing COVID-19 Needs

1. Reform and **defederalize the EDA Revolving Loan Funds (RLFs)** by releasing the federal interest in the RLFs – **would require legislative action**
2. Allow EDA RLF operators to offer **forgivable loans** – **would require legislative action**
3. Allow EDA RLF operators to **reduce interest rates to 0%**
4. Allow EDA RLF operators to **reduce or waive leverage ratios**
5. Emergency supplemental EDA funding provided to EDA RLF operators that is, in turn, used for loans to address COVID-19 needs **should not affect the EDA RLF operator's EDA risk rating**
6. Automatically provide some **additional capital to existing EDA RLFs** in good standing (thereby eliminating the standard competitive grant process) so that existing RLF operators in communities can get this money out the door in a manner of days or weeks (instead of months or years)
7. **Expand the geography** of existing EDA RLF operators' service areas so that they can lend to any small business in need of working capital in the entire state (beyond just the EDD's standard service region – this will help geographic areas that do not currently have an RLF)
8. Provide **grant dollars for administrative and staffing needs** to accommodate for the revenue RLF operators will lose if they choose to reduce interest rates to 0%

What NADO Anticipates About How EDA will Administer this Funding

- Funding will likely flow through EDA's six **regional offices**
- The **Revolving Loan Fund (RLF)** program will likely receive significant funding
- In previous disaster scenarios, EDA has waived up to 80% of the **matching fund** requirements, and up to 100% on a case-by-case basis; NADO anticipates similar matching fund waivers for EDA's COVID-19 funding

NADO Member Input Needed

1. How should EDA **administer** the \$1.5 billion in supplemental EDA funding?
2. What kinds of **support** do your communities need most right now?
3. Are there **other federal programs/resources** you are hoping to utilize to support your communities?
4. How can **NADO** help?

Other Notable Federal Funding in the CARES Act

- **USDA-RD**
 - \$20.5 million for Rural Business Cooperative Service (business and industry loans)
 - \$100 million in grants for ReConnect Program (rural broadband service)
 - \$25 million in grants for Distance Learning and Telemedicine
- **HUD**
 - \$5 billion for the Community Development Fund, enabling additional HUD support for CDBG
- **SBA**
 - Paycheck Protection Program (PPP) Loans: \$349 billion for loans for small businesses/non-profits that maintain their payroll during COVID-19
- **DOL - ETA**
 - \$360 million for training and supportive services for dislocated workers
- **DOT - FTA**
 - \$25 billion for public transportation operations, maintenance, capital, and administrative expenses
- **HHS - HRSA**
 - \$275 million for HRSA, including \$185 million to support rural critical access hospitals and rural and tribal health and telehealth programs

What's Next

- **EDA:** EDA will release a **Notice of Funding Opportunity (NOFO)** containing specifics on how the \$1.5 billion in CARES Act funding can be used
- **Congress:** it is anticipated that there will be a **fourth bill** containing supplemental funding for COVID-19 related response efforts
- **NADO:** continued **advocacy** for NADO priorities, and continued **feedback to EDA** about administration of emergency funds

NADO COVID-19 Resource Center Updated Daily

- NADO has created a [COVID-19 Resource Center](#) for Regional Development Organizations (RDOs) to provide advocacy updates and share resources relevant to RDOs
- The site is updated daily with new information, resources, and learning opportunities so please continue to check back often
- Contact Brett Schwartz at bschwartz@nado.org with questions or if you have information or resources that you wish to have added to the page



RDO COVID-19 Resource Center



Questions or Input? Please Get in Touch!

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