

# **Congressional Action Requested:** Increase EDA "Partnership Planning" in FY 2022 Appropriations Legislation

### What are Economic Development Districts (EDDs?)

<u>Economic Development Districts (EDDs)</u> are locally-based, multi-county/multi-jurisdictional entities that are designated by the U.S. Department of Commerce Economic Development Administration (EDA) and are tasked with carrying out certain EDA-mandated responsibilities related to facilitating local and regional economic development planning. EDDs are EDA's core frontline partners at the local level.

EDDs are often based or housed within existing Regional Development Organizations (RDOs), often referred to be EDA as "District Organizations," and often known locally by other names such as Councils of Government (COGs), Planning and Development Districts (PDDs), Regional Planning Councils (RPCs), Area Development Districts (ADDs) or Local Development Districts (LDDs).

There are **392 EDDs** across the country.<sup>1</sup> One of the key responsibilities these EDDs are tasked with by EDA is to lead a regionally-driven economic development planning process which leverages the involvement of public, private, and non-profit sectors. EDDs are responsible for developing strategic "roadmap" for economic development and regional collaboration. This "roadmap" is known as a <u>Comprehensive Economic Development Strategy (CEDS)</u>, which is a strategic plan and a guiding document for regional economic development. In order to create a CEDS, the EDD must conduct a regionally-driven planning process. Ultimately, the CEDS is designed to guide the economic prosperity and resiliency of an area or region. The CEDS provides a coordinating mechanism for individuals, organizations, local governments, and private industry to engage in a meaningful conversation and debate about the economic direction of their region.

#### How Much Do EDDs Receive to Carry Out the "Partnership Planning" Process?

EDA provides "Partnership Planning" awards to designated District Organizations serving EDA-designated EDDs to support the development, implementation, revision, or replacement of their CEDS plan.

Each individual EDD only receives about **\$70,000 annually**<sup>2</sup> in the form of "Partnership Planning" dollars from EDA to carry out the planning process. This amount is barely enough to cover one full-time staff person who is tasked with overseeing the CEDS process, leading the public input process, assisting local community stakeholders with EDA grant applications, and conducting other planning and local government advisory services. A typical EDD covers numerous counties, cities, and towns, so one staff person covering this entire region is already stretched thin. The dollar amount that each EDD receives from EDA has not increased in well over a decade. Furthermore, in order to receive this annual amount, EDDs much provide matching funds.<sup>3</sup>

<sup>&</sup>lt;sup>1</sup> As of March 2021 there are 392 EDA-designated EDDs across the country.

<sup>&</sup>lt;sup>2</sup> Median dollar amount of EDA Partnership Planning investments is approximately \$70,000 annually as described within the EDA planning NOFO on page 7 <u>https://eda.gov/files/programs/eda-programs/FY21-23-Planning-and-LTA-NOFO\_FINAL.pdf</u> <sup>3</sup> Match requirements for EDA planning programs described in the EDA Planning NOFO on pages 8-9

https://eda.gov/files/programs/eda-programs/FY21-23-Planning-and-LTA-NOFO\_FINAL.pdf

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The "Partnership Planning" program is one of EDA's core programs that supports its core institutional partners and their most essential function: developing and updating the regional CEDS plan and facilitating regional economic development. However, the table below shows that although EDA's appropriation has increased steadily over the years, most of this increase has not gone toward this core function. **"Partnership Planning" has either been held level or only increased incrementally** in recent years.

EDDs each receive their approximately \$70,000 annual allotment through EDA's Partnership Planning program. Over the years, although EDA's overall Congressional appropriation has grown, the "Partnership Planning" category of EDA funding has barely increased at all. **Congress should increase the "Partnership Planning" program** to at least **\$40 million** in FY 2022 appropriations legislation.

EDA Appropriation FY 2018 – FY 2020 (Budget figures are in millions)	FY 2018	FY 2019	FY 2020	FY 2021
Economic Development Administration Overall Appropriation	\$301.5	\$304	\$333	\$346
Total – Economic Development Assistance Programs	\$262.5	\$265	\$292.5	\$305.5
Partnership Planning	\$33	\$33	\$33	\$33.5

## EDA Breakdown of Congressionally Appropriated Funds

EDA uses the Congressionally appropriated "Partnership Planning" category to make multiple kinds of planning awards, including traditional "Partnership Planning" awards for EDDs, as well as "Short-Term Planning" awards and "State Planning Awards." The table below shows the breakdown of how EDA allocated funding in its FY 2021-FY 2023 Planning Notice of Funding Opportunity (NOFO).<sup>4</sup>

Total FY 2021 Congressional appropriation for EDA Partnership Planning	\$33.5 million	
EDA breakdown of funds:		
EDA Partnership Planning Awards	\$30.7 million	
EDA Short-Term and State Planning Awards	\$2.8 million	

### Contact NADO

For more information please contact Mirielle Burgoyne, Deputy Executive Director/Director of Government Relations at the National Association of Development Organizations (NADO) at <u>mburgoyne@nado.org</u>

<sup>&</sup>lt;sup>4</sup> Breakdown of EDA funding streams provided using the Congressionally-appropriated "Partnership Planning" line item is explained on EDA planning NOFO on page 7, item 1: "What funding is available under this announcement?" https://eda.gov/files/programs/eda-programs/FY21-23-Planning-and-LTA-NOFO FINAL.pdf