



### Increase EDA Partnership Planning Funding in FY 2024 Appropriations

Although appropriations for EDA’s economic development assistance programs have increased by **62%** over the last five years, funds for local **EDA Partnership Planning Grants** have increased by **only 9%** within the same timeframe, placing an increasingly heavy administrative burden on the same stakeholders that EDA is designed to support. The American Rescue Plan Act also provided a record \$3 billion for EDA but did not provide any additional funding for administrative support for Economic Development Districts (EDDs).

Economic Development Administration (Budget figures are in millions)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024 NADO Request
EDA Overall Appropriation	\$304	\$333	\$346	\$373.5	\$498	
Total – Economic Development Assistance Programs	\$265	\$292.5	\$305.5	\$330	\$430	
Partnership Planning	\$33	\$33	\$33.5	\$34.5	\$36	\$55 million

**Action needed: Congress should increase FY24 Commerce, Justice, and Science appropriations funding for EDA Partnership Planning to \$55 million.**

### How Much Funding is Provided to Economic Development Districts?

Until recently, the appropriated funding level for **EDA Partnership Planning** had **remained stagnant at \$33 million** for many years. Beginning in FY21, Congress took important steps to begin incrementally increasing this level in tandem with other increases for EDA funding levels across the board. **Economic Development Districts (EDDs)** -- the primary recipients of this funding -- are very grateful for recent incremental increases. Nevertheless, the appropriation for Partnership Planning has continued to remain relatively flat, even while EDA’s overall appropriation has continued to receive substantial increases. This was only further exacerbated by the landmark \$3 billion in the American Rescue Plan Act, which did not include any direct support funding for EDDs.

**Partnership Planning** funds allow EDDs to provide support to other local organizations that are applying for and administering EDA grant funds, and to conduct project planning activities. Divided among the nearly 400 EDDs across the country, the current level of **\$36 million** results in **each individual EDD receiving only \$70,000 annually**<sup>1</sup>. This amount is barely enough to cover one full-time staff person. Most EDDs cover numerous counties, cities, and towns, so one staff person covering such a large region is already stretched very thin. Furthermore, in order for each EDD to receive their \$70,000 distribution, the EDD must provide matching funds.<sup>2</sup>

<sup>1</sup> Median dollar amount of EDA Partnership Planning investments is approximately \$70,000 annually as described within the EDA planning NOFO on page 7 [https://eda.gov/files/programs/eda-programs/FY21-23-Planning-and-LTA-NOFO\\_FINAL.pdf](https://eda.gov/files/programs/eda-programs/FY21-23-Planning-and-LTA-NOFO_FINAL.pdf)

<sup>2</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](https://eda.gov/files/programs/eda-programs/FY21-23-Planning-and-LTA-NOFO_FINAL.pdf)

## Why are Economic Development Districts Important?

EDA – and local communities – rely upon EDDs, because:

- EDDs help other local stakeholders and organizations apply for EDA grants
- EDDs administer EDA project funding and assist with project implementation
- EDDs help other local EDA grantees steward the funding they receive properly
- EDDs lead and leverage local partnerships and help identify local projects that are eligible for EDA funding
- EDDs provide local planning expertise. Successful planning sets the foundation for successful project implementation

## What Problems Occur When EDDs are Underfunded?

The widening gap between overall EDA funding and Partnership Planning funding means that many rural and underserved communities have sufficient available project funds, but have insufficient ability to properly and judiciously plan, coordinate, implement, and support projects. This imbalance can weaken project design and undermine local stakeholder involvement. It also burdens the same communities that EDA is meant to support. Furthermore, EDDs are in desperate need of higher staffing levels. Additional EDD staff capacity at the local level is crucial to the success of the implementation of federal funding and projects. Just as EDA has needed additional resources for increased staffing placements to support the rollout of relief funds, so too are EDDs in need of supplemental resources to bolster their staff capacity at the local level to support the influx of EDA funding.

## Didn't Pandemic-era Relief Funding Help Communities?

Congress took important steps to support communities during the pandemic by providing \$1.5 billion for EDA in the CARES Act and \$3 billion for EDA in the American Rescue Plan Act; however, local EDD Partnership Planning funding levels were **not** directly increased by either relief package.

## Overview: Economic Development Districts (EDDs)

[Economic Development Districts \(EDDs\)](#) are locally-based, multi-county/multi-jurisdictional entities designated by the U.S. Department of Commerce Economic Development Administration (EDA). EDDs are tasked with carrying out EDA-mandated planning responsibilities that help ensure that subsequent federal investments are strategic and carefully stewarded. **EDDs are EDA's core frontline partners at the local level.** EDDs are often based within existing Regional Development Organizations (RDOs) and are typically referred to by EDA as "EDDs" or "District Organizations." They are sometimes 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).

**EDDs help other local community organizations apply for and administer EDA grant funding.** Grant application assistance provided by EDDs is especially important in communities that are rural, economically distressed, and/or capacity constrained. EDDs themselves administer federal funding, and also provide technical assistance to help other local organizations in their regions administer federal grants appropriately and to carefully steward federal funds. EDDs also help lead regionally-driven economic development planning processes that leverage the involvement of public, private, and non-profit sectors. EDDs are responsible for developing a strategic "roadmap" known as a [Comprehensive Economic Development Strategy \(CEDS\)](#), a strategic plan and a guiding document for regional economic development.

For more information, please contact Mirielle Burgoyne, Director of Government Relations at the National Association of Development Organizations (NADO) at [mburgoyne@nado.org](mailto:mburgoyne@nado.org)