



The National Association of Development Organizations

Priorities for the Reauthorization of the U.S. Department of Commerce Economic Development Administration

1. Increase funding for EDA Partnership Planning grants to \$100 million annually.

Action Needed:

Within the reauthorization of the Public Works and Economic Development Act (PWEDA), Congress should increase the **annual authorized funding level for EDA Partnership Planning to \$100 million, [OR] specify that no less than 15% of EDA's annually appropriated funding shall be directed toward Partnership Planning.**

Background:

- Over the past five years, while overall EDA funding has increased substantially through annual appropriations, along with historic authorization and/or appropriations increases for the agency in the CARES Act, the American Rescue Plan Act, and the CHIPS Act – EDA Partnership Planning funds for EDA's core local partners – **the Economic Development Districts (EDDs)** – has remained nearly flat.
- EDA Partnership Planning funding is divided among the more than 400 EDA-designated Economic Development Districts, which serve local communities across the country. Some Partnership Planning funding also goes to statewide planning, to tribal organizations, and to not-yet-designated EDDs that are in the process of becoming designated. As more EDDs become designated, more funding for the Partnership Planning line item is needed.
- Currently, each individual EDD only receives about **\$70,000 annually**¹ in the form of "Partnership Planning" dollars from EDA to carry out the EDA-mandated planning process. This amount is not enough to cover the cost of one full-time staff person who is tasked with overseeing the EDA Comprehensive Economic Development Strategies (CEDS) planning responsibilities, leading the public stakeholders input process, assisting local applicants 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 overseeing 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 must provide matching funds.²
- See page 3 for more information on [Economic Development Districts](#) (EDDs), why they are important, and their roles as core institutional EDA partners since EDA's inception.
- Increasing the authorization level for EDA Partnership Planning would allow for all EDDs across the country to maintain **sufficient operational and staff capacity** and would enhance the ability of EDDs to effectively serve as EDA's core frontline institutional partners in local communities.

¹ Median dollar amount of EDA Partnership Planning investments is approximately \$70,000 annually as described within the EDA planning NOFO on page 7 https://www.eda.gov/sites/default/files/filebase/files/programs/eda_programs/FY21-23-Planning-and-LTA-NOFO_FINAL.pdf

² Match requirements for EDA planning programs described in the EDA Planning NOFO on pages 8-9

https://www.eda.gov/sites/default/files/filebase/files/programs/eda_programs/FY21-23-Planning-and-LTA-NOFO_FINAL.pdf

2. Increase EDA’s federal share to 90% for EDA Partnership Planning grants, and reduce EDD local match to 10%.

Action Needed:

In reauthorizing EDA, Congress should specify that the **federal share for EDA Partnership Planning Grants shall be at least 90%**, and the local match percentage requirement shall be no more than 10%.

Background:

- Currently, EDA’s federal investment rate for EDA Partnership Planning grants is often as low as **50%**, which leaves the Economic Development District (EDD) or local entity responsible for providing a **50% local match** in order to access EDA planning funds.³
- Providing a 50% match is already burdensome for many EDDs, and this challenge will only worsen as the EDA funding level for Partnership Planning grants increases. Although an increase in EDA planning grant funding levels would be a positive improvement, it would carry with it an unfortunate unintended consequence in the form of burdening EDDs with having to come up with additional matching dollars, unless the cost share ratio is changed.
- The CEDS planning process – which EDA Partnership Planning dollars fund – is an **EDA-mandated** process. While it is reasonable to require that local communities bear responsibility for some portion of a **project’s** cost, it is less reasonable in the context of an **EDA-mandated planning process**. In general, it is often much more challenging for communities to come up with matching funds for planning processes, than for tangible projects. This is why EDA should provide a more significant proportion of federal cost share for federally-mandated CEDS planning processes that are driven by EDDs and funded by EDA Partnership Planning.
- In general, matching fund requirements present the most significant barriers for rural, small, and economically distressed communities – the very same communities that EDA funding is intended to support. At a minimum, Congress should do more to ensure that rural and economically distressed communities are not shut out from accessing EDA funding due to overly burdensome matching fund requirements.

³Match requirements for EDA planning programs described in the EDA Planning NOFO on pages 8-9
<https://www.eda.gov/sites/default/files/filebase/files/programs/eda-programs/FY21-23-Planning->

Background: The Importance of EDDs and EDA Reauthorization

Importance of EDA Reauthorization

EDA was last authorized in 2004, 20 years ago. Since then, the challenges that communities and regions are facing have changed and evolved, and EDA has been tasked with increasingly complex programs to administer. The reauthorization of the Public Works and Economic Development Act (PWEDA) is critically important in order to modernize EDA's mission, vision, and administration of its programs. In reauthorizing EDA, Congress should also prioritize **strengthening EDA's traditional core programs**. Congress should exercise caution to ensure that EDA's original mission is not diluted in favor of new programs or initiatives. The reauthorization of PWEDA also provides an opportunity to ensure that EDA has the necessary staffing and structure in place to successfully administer its programs.

Importance of the Elevation of Economic Development Districts (EDDs) in EDA Reauthorization

Economic Development Districts (EDDs) have been core institutional EDA partners since EDA's inception in 1965. There are more than 400 EDDs across the country. EDDs are multi-county organizations that serve local communities. EDDs are designated by EDA and are tasked with carrying out certain EDA-mandated responsibilities related to facilitating local and regional economic development planning, which paves the way for subsequent EDA project investments. This includes the creation of their regional Comprehensive Economic Development Strategy (CEDS), an EDA-mandated process that identifies regional priorities and projects which, in turn, may become candidates for EDA investments.

EDDs are EDA's **core frontline partners at the local level** and act as extensions of EDA in the sense that they provide extensive expertise and knowledge of EDA and its programs as a resource for other stakeholders in their communities. EDDs use their knowledge of the agency and their relationship with EDA to help their communities identify project opportunities, bring together regional stakeholders to facilitate public input, and assist local applicants in preparing grant applications for EDA funding. In EDA's original statute, the Public Works and Development Act of 1965 (PWEDA), EDDs are defined throughout the statutory language as both key EDA partners and as eligible entities for EDA funding.

The majority of EDDs are housed within Regional Development Organizations (RDOs), which are also known locally by other names such as Regional Planning Councils (RPCs), Councils of Government (COGs), Local Development Districts (LDDs), Area Development Districts (ADDs), or Planning and Development Districts (PDDs). These organizations collectively assist thousands of cities and counties with economic and community development. In recent years, EDDs have struggled with **lacking funding and lacking staff capacity** to support all of their EDA-mandated roles and forms of assistance to their communities, and in many cases, EDDs' organizational and staff capacity is constrained. In reauthorizing EDA, Congress should authorize a historic level of investment in the EDDs in order to fully fund their locally-driven work on behalf of their communities, to strengthen their organizational capacity and staffing levels, and to help preserve EDDs as EDA's core institutional partners at the local level for years to come.

About NADO

The National Association of Development Organizations (NADO) represents the nation's network of Regional Development Organizations across the country. For more information, please contact Mirielle Burgoyne, NADO's Director of Government Relations, at mburgoyne@nado.org