

# EDA

U.S. ECONOMIC DEVELOPMENT ADMINISTRATION

U.S. DEPARTMENT OF COMMERCE

## FY 2016 Budget Briefing February 2015



## Guiding Framework:

**Economic development has changed significantly in the 50 years since EDA was created, and in order to do its job effectively, the agency must also adapt to reflect the current needs of the regions and communities it serves.**

---

EDA's vision is to continue making investments in communities based on their locally-driven strategies and needs which could include planning, infrastructure or other investments that will spur local innovation and entrepreneurship.



# EDA Priorities

Three priorities that provide the framework for EDA's efforts and activities:

1. Aligning EDA Programs
2. Striving for Operational Excellence
3. Engaging External Stakeholders



## Strong Demand for EDA Investments

- ★ Demand for EDA investments continues to be greater than available resources.
- ★ The 5-year average demand (FY 2009 – 2013) is 1,476 grant applications received each year.
- ★ In FY 2013, EDA was able to fund 670 of these applications.
- ★ In terms of dollars, the value of grant applications received in FY 2013 totaled \$2.5 billion.
- ★ EDA's grant program appropriation in FY 2013 was \$183.4 million.



## FY 2016 Budget Priority

---

**Empowering regions to develop and implement their own plans that will transform their communities into globally competitive regions and ultimately improve the quality of life for their citizens.**

- ★ FY 2016 budget aligns with the Department’s “Open for Business Agenda.”
  - ★ Enables key investments in programs that promote exports; strengthen manufacturing; support 21st century economic development and the spur innovation and resilience planning.
- ★ Integrating resources more effectively meets the complex needs of regions suffering from economic distress.



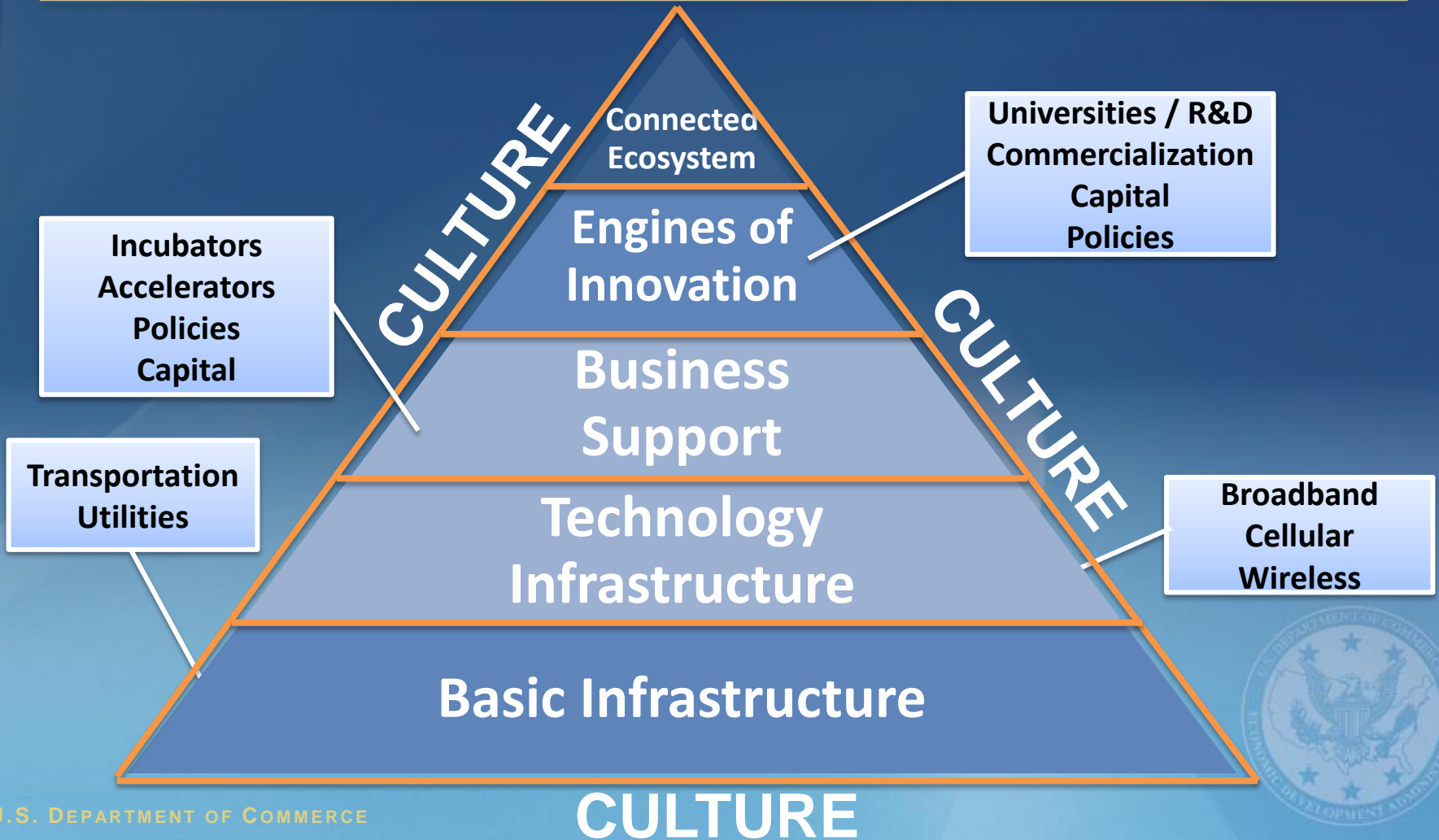


## EDA's Investment Priorities

- ★ Collaborative Regional Innovation
- ★ Public/Private Partnerships
- ★ National Strategic Priorities
- ★ Global Competitiveness
- ★ Environmentally-Sustainable Development
- ★ Economically Distressed and Underserved Communities



## Hierarchy of Needs



## Budget Summary: EDA's FY 2016 budget builds on prior budgets and successes – and further advances Administration Priorities

<b>PROGRAMS AND S&amp;E (Dollars in thousands)</b>	<b>FY 2014 Actuals</b>	<b>FY 2015 Enacted</b>	<b>FY 2016 President's Budget</b>	<b>△ Between FY15 and FY16</b>
Public Works	\$132,952	\$99,000	\$85,000	(\$14,000)
Partnership Planning	29,278	30,000	39,500	9,500
Technical Assistance	11,443	11,000	12,000	1,000
Research & Evaluation	490	1,500	3,000	1,500
Trade Adjustment Assistance	7,561	12,500	10,000	(2,500)
Economic Adjustment Assistance <sup>1</sup>	59,548	45,000	53,000	8,000
Sec.26 Innovative Manufacturing Loan Guarantees	-	4,000	-	(4,000)
Regional Innovation Strategies	-	10,000	25,000	15,000
Global Climate Change Mitigation Incentive Funds	1,014	-	-	-
Subtotal - Economic Development Assistance	242,286	213,000	227,500	14,500
Salaries and Expenses (S&E)	34,682	37,000	45,528	8,528
<b>TOTAL</b>	<b>276,968</b>	<b>250,000</b>	<b>273,028</b>	<b>23,028</b>
<b>TOTAL Personnel</b>	<b>162</b>	<b>205</b>	<b>224</b>	<b>19</b>

1. FY 2015 EAA Enacted Amount includes \$10.0 million for Assistance to Coal Mining communities



## Public Works Program

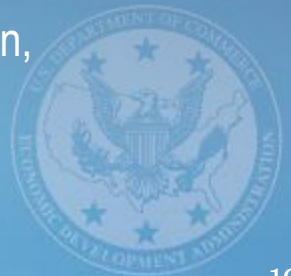
---

- ★ EDA Public Works Program remains a critical component of the agency's portfolio to provide support to distressed communities. Public works projects aid in the development of basic public assets and infrastructure that can lead to long-term economic growth, such as water and sewer system improvements, fiber optic cable, industrial parks, business incubators, expansion of ports and harbors, workforce development facilities, and multi-tenant manufacturing facilities.
- ★ The President's Budget maintains sufficient funding levels to continue providing public works assistance to eligible communities.
  - ★ Allows EDA to support other programs with greater flexibility that can fund planning, technical assistance as well as public works projects.
  - ★ These investments, when coupled with “soft” infrastructure, such as sound economic development, strategic planning, and network building, help communities become more competitive in the global marketplace.

## Economic Adjustment Assistance Program

---

- ★ Is the most flexible program in EDA's toolbox, and can address a variety of economic development needs by lowering business risk, expanding business growth opportunities and increasing technical knowledge.
- ★ Provides a portfolio of assistance that can be tailored to meet an applicant's needs: strategic planning, technical assistance, construction of physical infrastructure, and capitalization of revolving loan funds.
- ★ The increase prioritizes funds toward initiatives which provide coordinated, comprehensive hard and soft infrastructure aid to communities affected by job losses in coal mining or coal generated power plants, including critical investments such as economic diversification planning and implementation, technical assistance, and access to business start-up facilities and equipment.



## Partnership Planning Program

---

- ★ The Partnership Planning program provides funds to help Economic Development Districts (EDDs), Indian Tribes and other eligible recipients develop and implement strategic economic development plans.
- ★ The increase allows EDA to fund 100 percent of the EDDs and Indian Tribes, adding an additional 16 EDDs which were previously unfunded.
- ★ Provides funds for EDDs to conduct a one-time refresh of community's Comprehensive Economic Development Strategies (CEDS).
  - ★ Reduces the time to develop from 5 years to 4 years
  - ★ Incorporates important elements of EDA's new CEDS guidelines such as economic resiliency and the integration of other Federal, state and local resources into their plans.
- ★ Sound local planning also attracts other federal, state, and local funds plus private sector investments to implement long-term development strategies. In this way, EDA's Partnership Planning program plays a foundational role in helping communities develop important strategies that inform future economic development decisions.



## Regional Innovation Strategies Program

---

- ★ Supports EDA's efforts to build on its key integrator role for innovation programs and strengthen its efforts to build the capacity to more effectively serve as the U.S Government-wide leader in the integration of economic development resources from multiple federal agencies to achieve more successful economic development outcomes.
- ★ The program is an important complement to EDA's traditional programs: together they give EDA a mechanism to provide targeted, strategic investments to communities in the way that they most need the assistance. Some communities need the foundational asset building investments while other more asset rich communities need help leveraging their potential more strategically to meet the economic development goals of their broad regional economy.
- ★ The Regional Innovation Strategies Program offers an important framework to continue implementing the inter-agency challenge competitions which EDA leads.



## Salaries and Expenses

---

- ★ Increase of 19 personnel to strengthen EDA's capacity to integrate and focus federal economic support across multiple programs and agencies.
- ★ Provides capacity to work closer with communities and economic development stakeholders to not only plan better, but create stronger economic growth strategies by increasing their understanding of their own competitive assets as well as identifying ways to integrate resources from multiple sources to address the full range of community needs.
- ★ Advances the Administration's vision for EDA to lead the national economic development agenda by integrating and focusing federal economic development resources to:
  1. Support the private sector in creating high growth, globally competitive regions of innovation and prosperity.
  2. Achieve improved return on federal investment.
  3. Achieve better outcomes for regions and communities.



## Partnerships for Opportunity and Workforce and Economic Revitalization (POWER) Plan

---

- ★ In 2016, EDA will be leading a broader array of economic development resources across federal agencies, including POWER Plus.
- ★ We are not waiting until 2016, however. Based on EDA's experience in coordinating resources to assist communities affected by sudden and severe economic disruption, EDA will coordinate the Partnerships for Opportunity and Workforce and Economic Revitalization (POWER) initiative in FY 2015.
- ★ POWER is an interagency initiative to target assistance through competitively awarded grants to partnerships anchored in communities impacted by changes in the power sector and coal industry.

## EDA as Integrator

- ★ Based on EDA's experience in coordinating multiple agency approaches to economic development, the future of EDA as an Integrator is emerging.
  - ★ Investing in Manufacturing Communities Partnership
  - ★ Regional Innovation Strategies
  - ★ Jobs and Innovation Accelerator initiative
  - ★ POWER
- ★ Increased EDA resources, especially in our Salaries and Expenses budget, targeted to:
  - ★ Advancing and coordinating the federal government's place-based regional innovation efforts
  - ★ Coordinating capacity for federal economic development funds government-wide by providing planning and coordination to communities and federal agencies

# Follow us

Website: [www.eda.gov](http://www.eda.gov)

Twitter: @US\_EDA

Facebook:

<https://www.facebook.com/eda.commerce>

# Thank you!

