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Economic Development Administration: An Overview of Programs and Appropriations (FY2011-FY2023)

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The Economic Development Administration (EDA), a bureau of the U.S. Department of Commerce (DOC), is the only federal agency with economic development as its sole mission. The agency was established pursuant to the enactment of the Public Works and Economic Development Act (PWEDA) of 1965 (42 U.S.C. §3121 et seq.) to assist state and local stakeholders with developing the conditions and amenities to grow businesses, create jobs, and expand investment in economically distressed areas. Changing industry dynamics, global competition, technological developments, and other events, conditions, and priorities have shifted EDA's programs and priorities over time. During the agency's first 30 years, its programs focused on industrial growth and emphasized public works, roads, and infrastructure. Since then, Congress has supported an expanded portfolio of EDA programs to also advance existing and emerging industry clusters, develop human capital, strengthen supply chains, expand access to capital, build new types of infrastructure, and implement regional innovation and technology strategies. Additionally, EDA has also taken on new roles in developing state and local capacity, resiliency, disaster and economic recovery, as well as economic development integration across federal agencies.

Today, EDA administers 10 core programs that fund a range of construction and non-construction activities in both urban and rural areas—primarily through competitive processes that solicit community-directed proposals aligned with the agency's investment priorities. EDA administers both flexible and targeted programs focused on innovation, technical assistance, and support for long-term, regional economic development planning. The major EDA programs include

- Economic Adjustment Assistance (EAA),
- Local Technical Assistance,
- Planning,
- Public Works,
- Recompete Pilot,
- Regional Innovations programs (e.g., Build to Scale (B2S), Regional Technology and Innovation Hubs (Tech Hubs)),
- Research and National Technical Assistance (RNTA),
- Science Technology Engineering and Math (STEM) Apprenticeships,
- Trade Adjustment Assistance for Firms (TAAF), and
- University Centers.

Congress approves annual appropriations for EDA programs as well as administration expenses, and occasionally approves supplemental appropriations for economic recovery purposes. Between FY2011 and FY2022, annual appropriations averaged approximately \$288 million. Annual appropriations decreased each year between FY2011 and FY2013, and have increased each year since FY2014. In FY2022, EDA received \$373.5 million in annual appropriations for the agency's programs and administration. In FY2023, Congress approved \$1.6 billion (including supplemental appropriations) for the agency's programs and administration—an increase of \$1.2 billion (or 332%) from prior year funding levels.

Congress may wish to consider policies to change, expand, or focus the distribution of the agency's funding and related program requirements. Congress may also seek to adjust the overall role and authority of EDA and its programs in the context of changing economic conditions, specific industry trends, innovation, and disaster economic recovery and resiliency funding. Congress may consider the role of broad-based and/or targeted approaches to the allocation of economic development resources. For instance, Congress has approved appropriations to address coal-impacted and nuclear closure communities as well as demands for a STEM-capable workforce and innovation-ready regions. Congress may consider reviewing the implementation, interagency coordination, and outcomes of new programs as well as the staffing resources required for such programs. For instance, in FY2023 Congress authorized two new regional programs, which received over \$600 million in their first round of appropriations (i.e., the Recompete Pilot and the Tech Hubs programs) and Congress may want to conduct oversight on how those programs are implemented. Congressional debate on these and other EDA issues may be associated with or separate from discussions of the reauthorization of appropriations for programs established by

PWEDA. Although the PWEDA authorities do not expire, the authorization of appropriations to fund the economic development assistance programs expired on September 30, 2008.

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Introduction

The Economic Development Administration (EDA), a bureau of the U.S. Department of Commerce (DOC), provides financial and technical assistance to support locally driven, regionally oriented economic development strategies. The definitions of economic development and the local scope of practice have changed in response to shifts in regional and global economies, advances in technology, and other conditions and circumstances. EDA's

programs, roles, and investment priorities have also shifted since the agency was created over 58 years ago. EDA's programs continue to include support for infrastructure, public works, and distressed areas, but now also include strategies focused on entrepreneurship, innovation, disaster recovery, and facilitating state and local economic development capacity.² In addition to administering and monitoring grant programs, EDA's roles have expanded to include research, technical assistance, and economic development integration across agencies, among others.

Congress approves appropriations for EDA annually and directs the agency to allocate funding to the major programs outlined in **Figure 1**. Congress occasionally approves supplemental funding as well. Supplemental funding in recent years has supported economic recovery assistance following selected natural disasters and the Coronavirus Disease 2019 (COVID-19) pandemic. Supplemental appropriations are generally administered through one of the agency's most flexible programs, the Economic Adjustment Assistance program.

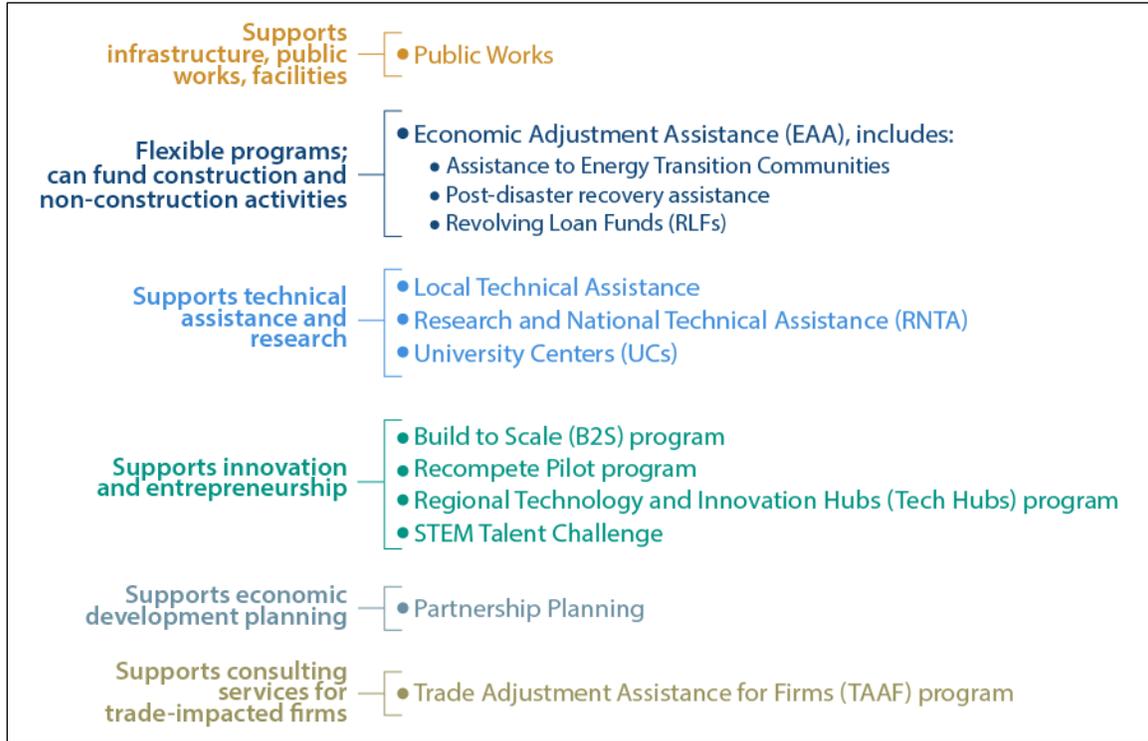
EDA's Definition of Economic Development

The EDA defines economic development as creating "the conditions for economic growth and improved quality of life by expanding the capacity of individuals, firms, and communities to maximize the use of their talents and skills to support innovation, lower transaction costs, and responsibly produce and trade valuable goods and services."¹

¹ EDA, "Key Definitions," <https://www.eda.gov/performance/key-definitions/>. See also, Karl F Seidman, *Economic Development Finance* (Thousand Oaks, CA: Sage Publications, 2005), p. 5; International Economic Development Council (IEDC), "What Economic Development Does for a Community," https://www.iedconline.org/clientuploads/Downloads/IEDC_Why_and_Impact_Economic_Development.pdf; and Emil E. Malizia and Edward Feser, *Understanding Local Economic Development* (New Brunswick, NJ: Center for Urban Policy Research, Rutgers, 1999), pp. 12-13; among others.

² Testimony by Mr. Dennis Alvord, Acting Assistant Secretary of Commerce for EDA, U.S. House of Representatives, Committee on Transportation and Infrastructure, Subcommittee on Economic Development, Public Buildings and Emergency Management, *Investing in America: Reauthorization of the Economic Development Administration*, 117th Cong., 1st sess., April 28, 2021, <https://www.congress.gov/117/meeting/house/112512/witnesses/HHRG-117-PW13-Wstate-AlvordD-20210428.pdf>.

Figure I. Major EDA Programs



Source: CRS, using EDA “EDA Programs,” <https://www.eda.gov/funding/programs>.

Notes: The figure highlights the key feature of major EDA programs. Programs may support multiple purposes and activities. For instance, the EAA and University Centers programs may also promote innovation and entrepreneurship and the EAA program may support planning or infrastructure activities. In recent years, Congress has directed EDA to administer additional funding through the EAA program for coal communities and nuclear closure communities and EDA created the Assistance to Coal Communities (ACC) and Assistance to Nuclear Closure Communities (NCC) Initiatives. Starting in FY2022, Congress further directed EDA to administer funding through the EAA program for biomass plant closure communities. ~~EDA guidance for activities to support biomass plant closure communities was not available at the time of this report’s publication and is not included under the EAA program in this figure.~~

In addition to providing appropriations, Congress performs oversight and conducts hearings on EDA programs and administration. Recent hearings regarding the EDA have addressed agency capacity, grant allocations, grant requirements, disaster recovery, and reauthorization of appropriations for programs established by the Public Works and Economic Development Act (PWEDA) of 1965 (42 U.S.C. §3121 et seq.), among other matters.

This report provides a broad overview of the EDA with a focus on its programs and appropriations history since FY2011. Following an abbreviated history of the agency, the report discusses investment priorities, structure, and performance metrics, and outlines the programs that assist with state and local activities. The report includes an analysis of recent appropriations (see

Figure 5), including disaster and economic recovery assistance (see **Figure 7**), and concludes with considerations for policymakers. For more information on the statutory history of the agency, see CRS Report R41241, *Economic Development Administration: A Review of Elements of Its Statutory History*, by Julie M. Lawhorn. The EDA’s Trade Adjustment Assistance for Firms (TAAF) program is outside the scope of this report. For more information on TAAF, see CRS Report RS20210, *Trade Adjustment Assistance for Firms*, by Kyla H. Kitamura.

Agency Overview

EDA programs support the development of capacity for communities to address the conditions, circumstances, and opportunities that are unique to their region. Some EDA programs (e.g., Public Works, and Economic Adjustment Assistance, among others) prioritize areas experiencing economic distress. The programs are generally flexible and support economic adjustment, economic resiliency, infrastructure, workforce, disaster economic recovery, innovation, planning, technical assistance, and related activities. In allocating most of its economic development assistance program funds, EDA solicits competitive proposals to align with the agency’s program goals and its seven investment priorities (see “Investment Priorities, FY2011-Present” below).

EDA Mission and Origins

The EDA’s mission is to “lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy.”³ It is the only federal agency with economic development as its exclusive mission.⁴ The EDA was created by the Public Works and Economic Development Act (PWEDA) of 1965 (P.L. 89-136, 42 U.S.C. §3121 et seq.) to support job creation, job retention, and investment in economically distressed areas.⁵ The findings section of PWEDA reflect the origins of the agency’s approach to locally driven economic development:

while economic development is an inherently local process, the Federal Government should work in partnership with public and private State, regional, tribal, and local organizations to maximize the impact of existing resources and enable regions, communities, and citizens to participate more fully in the American dream and national prosperity.⁶

The agency continues to describe its approach as working “directly with local economic development officials to support their bottom-up, regionally owned economic development initiatives”⁷ and helping communities “build capacity for economic development based on local

³ EDA, “Overview,” <https://eda.gov/about>.

⁴ EDA, “EDA Informational Brochure,” <https://www.eda.gov/sites/default/files/filebase/archives/2021/pdf/about/EDA-TriFold-2017.pdf>.

⁵ For information on the agency’s statutory history, see CRS Report R41241, *Economic Development Administration: A Review of Elements of Its Statutory History*, by Julie M. Lawhorn. See also EDA, “History of EDA,” <https://www.eda.gov/archives/2016/50/history>; and Robert W. Lake, Robin Leichenko, and Amy Glasmeyer, “EDA and U.S. Economic Distress 1965–2000,” EDA Research Report, 99-07-13812, July 2004, <http://www.ipsr.ku.edu/KUforKS/2004julyEDAandUSEconomicdistressreport.pdf>.

⁶ 42 U.S.C. §3121(a)(4). See also, Maryann Feldman et al., “The Logic of Economic Development: A Definition and Model for Investment,” *Environment and Planning C: Government and Policy*, vol. 34, no. 1 (2016), pp. 5-21; also available at <https://www.eda.gov/grant-resources/reports/research-reports>. The report defines economic development as “the development of capacities that expand economic actors’ capabilities.”

⁷ EDA, *FY2024 Congressional Budget Justification*, p. 153, <https://www.commerce.gov/sites/default/files/2023-03/>

business conditions and needs.”⁸ For instance, EDA programs generally do not require applicants to specialize in specific industries or strategies, and instead assist with locally developed projects to advance industries or strategies based on a region’s particular assets and challenges.

Precursors to PWEDA and EDA Programs Since 1965

EDA programs focused on investments in infrastructure, public works, and basic services in the agency’s first thirty years, along with support for planning and technical assistance.⁹ The following milestones highlight precursors to current EDA programs as well as program and investment directions since the 1960s:

- In 1961, prior to the enactment of PWEDA, Congress approved appropriations for a set of loans and public works grants through the Area Redevelopment Act (P.L. 87-27), which established the EDA’s predecessor agency, the Area Redevelopment Administration (ARA).¹⁰ ARA programs were smaller in scope and scale compared to later EDA programs, and expired just prior to the enactment of PWEDA. Economic development assistance programs during this time focused on commercial and industrial growth (often through investment in infrastructure and public works, business loans, and planning grants) at the state and local levels.¹¹
- In August 1965, PWEDA (P.L. 89-136) was enacted. PWEDA authorized grant and loan programs that continued support for industrial and commercial growth in economically depressed areas. Prior to PWEDA amendments in the late 1960s, EDA programs focused assistance on rural areas experiencing economic distress. Eligibility criteria for economic distress were later changed by statutory and administrative changes through the 1970s.¹²

EDA-FY2024-Congressional-Budget-Submission.pdf.

⁸ EDA, “2020 Disaster Assistance Brochure: Leading Economic Recovery in Disaster-Impacted Communities,” <https://eda.gov/files/programs/disaster-recovery/EDA-Disaster-Brochure.pdf>.

⁹ Robert W. Lake, Robin Leichenko, and Amy Glasmeier, “EDA and U.S. Economic Distress 1965–2000,” EDA Research Report, 99-07-13812, July 2004, p. 5, <http://www.ipsr.ku.edu/KUforKS/2004julyEDAandUSEconomicdistressreport.pdf>.

¹⁰ Peter K. Eisinger, *The Rise of the Entrepreneurial State: State and Local Economic Development Policy in the United States*, Robert M. La Follette Institute of Public Affairs (Madison, WI: University of Wisconsin Press, 1988), pp. 100-101. See also CRS Report R41241, *Economic Development Administration: A Review of Elements of Its Statutory History*, by Julie M. Lawhorn.

¹¹ ARA focused assistance on economically distressed areas impacted by chronic unemployment. In addition to ARA, the two other laws considered precursors to PWEDA were the Public Works Acceleration Act of 1963 (PWAA; P.L. 87-658) and the Appalachian Regional Development Act of 1965 (ARDA; P.L. 89-4). The PWAA authorized an appropriation of \$900 million for federal public works programs to address the 1960-1961 recession and support areas with high unemployment. ARDA authorized \$1.1 billion for assistance to the Appalachian region. See CRS Report R41241, *Economic Development Administration: A Review of Elements of Its Statutory History*, by Julie M. Lawhorn; and Robert W. Lake, Robin Leichenko, and Amy Glasmeier, “EDA and U.S. Economic Distress 1965–2000,” EDA Research Report, 99-07-13812, July 2004, <http://www.ipsr.ku.edu/KUforKS/2004julyEDAandUSEconomicdistressreport.pdf>.

¹² For additional context, see CRS Report R41241, *Economic Development Administration: A Review of Elements of Its Statutory History*, by Julie M. Lawhorn; and Peter K. Eisinger, *The Rise of the Entrepreneurial State: State and Local Economic Development Policy in the United States*, Robert M. La Follette Institute of Public Affairs (Madison, WI: University of Wisconsin Press, 1988), pp. 100-101, 123-124.

- In the 1970s, Congress authorized the Economic Adjustment Assistance (EAA) and Trade Adjustment Assistance programs.¹³ Congress also began providing appropriations for defense adjustment¹⁴ and disaster recovery through the EAA program.¹⁵
- In the 1980s and 1990s, EDA initiated—and later expanded—the University Center program. The agency also expanded its work on industry or regional clusters,¹⁶ Economic Development Districts, and efforts to assist communities with regional economic development plans.¹⁷
- Since the 2000s, Congress has supported various types of policies to promote innovation and to prepare regions for expanded innovation- and technology-based development. Among other innovation-related policies, Congress has authorized programs to promote regional competitive advantages through innovation clusters and similar programs administered by the EDA and other agencies. During this time, Congress also has supported multiple rounds of disaster recovery and COVID-19 economic recovery assistance. EDA continues to lead select economic development integration efforts at federal, regional, and local levels and has done so since the U.S. Office of Management and Budget (OMB) identified this role for EDA in the mid-2000s.¹⁸

As noted in subsequent sections, EDA programs continue to support investments in infrastructure and public works and to assist communities experiencing economic distress.¹⁹ EDA’s activities have shifted to also include programs that address changing industry dynamics, global competition, technological developments, and other events, conditions, and priorities. Programs are available to both urban and rural areas.²⁰

¹³ EDA, “History of EDA,” <https://www.eda.gov/archives/2016/50/history>.

¹⁴ Defense adjustment refers to activities that assist communities affected by base closures, reductions in defense contracts, or reductions in Department of Energy defense-related funding. See Robert W. Lake, Robin Leichenko, and Amy Glasmeier, “EDA and U.S. Economic Distress 1965–2000,” EDA Research Report, 99-07-13812, July 2004, pp. 118-121, <http://www.ipsr.ku.edu/KUforKS/2004julyEDAandUSeconomicdistressreport.pdf>.

¹⁵ Robert W. Lake, Robin Leichenko, and Amy Glasmeier, “EDA and U.S. Economic Distress 1965–2000,” EDA Research Report, 99-07-13812, July 2004, p. 5, <http://www.ipsr.ku.edu/KUforKS/2004julyEDAandUSeconomicdistressreport.pdf>.

¹⁶ EDA defines regional clusters as

geographic concentrations of firms, workers and industries that do business with each other and have common needs for talent, technology, and infrastructure. Regional clusters are essentially networks of similar, synergistic, or complementary entities that are engaged in or with a particular industry sector; have active channels for business transactions and communication; share specialized infrastructure, labor markets, and services; and leverage the region’s unique competitive strengths to stimulate innovation and create jobs. Regional clusters may cross municipal, county, and other jurisdictional boundaries.

See EDA, “Key Definitions,” <https://eda.gov/performance/key-definitions>.

¹⁷ EDA, “History of EDA,” <https://www.eda.gov/archives/2016/50/history>.

¹⁸ EDA, “A Brief History of EDI,” <https://eda.gov/integration>.

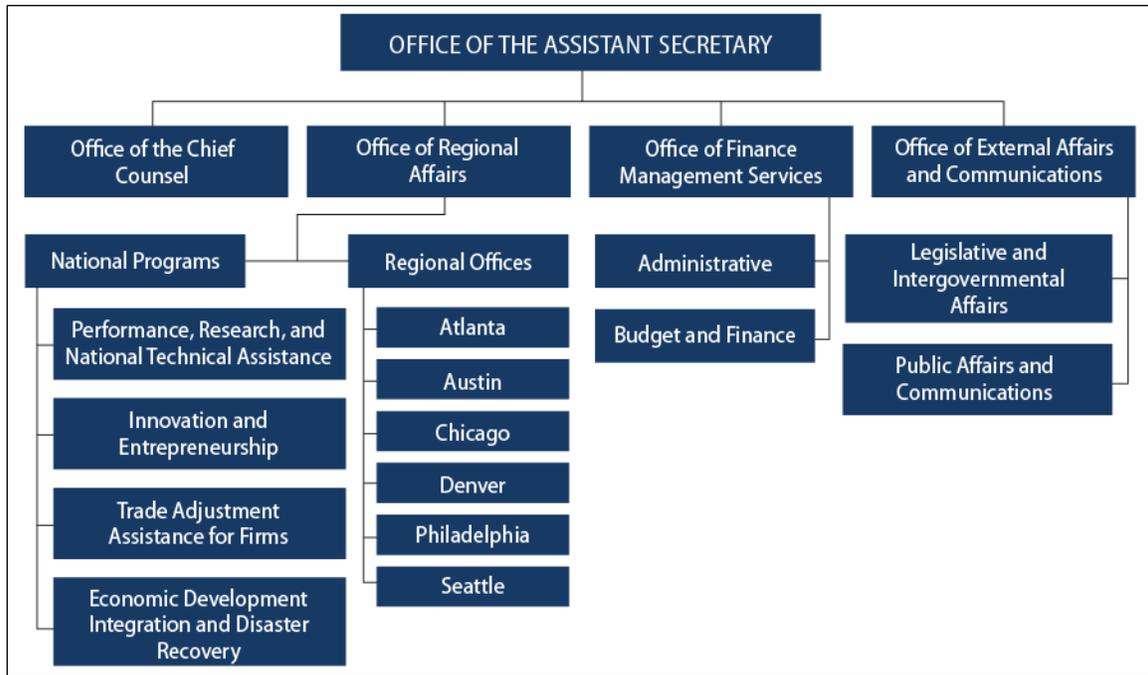
¹⁹ For additional analysis on infrastructure and the economy, see CRS Report R46826, *Infrastructure and the Economy*, by Lida R. Weinstock.

²⁰ EDA’s *Informational Brochure* (published 2017) notes that funds are awarded to both rural and urban communities with approximately two-thirds of assistance awarded to rural communities. See EDA, “EDA Informational Brochure,” <https://www.eda.gov/sites/default/files/filebase/archives/2021/pdf/about/EDA-TriFold-2017.pdf>.

EDA Structure

EDA locations include a headquarters office in Washington, DC, and six regional offices. EDA’s organizational structure includes offices that administer programs at the headquarters and regional levels as well as offices for finance management and external affairs and communications (see **Figure 2**).

Figure 2. EDA Organizational Chart



Source: CRS with data from DOC, EDA, *FY2024 Congressional Budget Justification*, p. 7, <https://www.commerce.gov/sites/default/files/2023-03/EDA-FY2024-Congressional-Budget-Submission.pdf>.

EDA’s four offices on national programs (see **Figure 2**) include

- The **Office of Performance, Research, and National Technical Assistance**, which administers research, evaluation, and national technical assistance initiatives.²¹
- The **Office of Innovation and Entrepreneurship (OIE)**, which was established by the America COMPETES Reauthorization Act of 2010 (P.L. 111-358). OIE facilitates EDA’s efforts to “empower communities so that entrepreneurs can launch companies, scale technologies and create the jobs of tomorrow.” The OIE administers programs (e.g., the Build to Scale, STEM Talent Challenge, and other programs), and coordinates inter-agency activities related to innovation, commercialization, and entrepreneurship.²² For instance, OIE leads the National

²¹ EDA, “Research and National Technical Assistance Program,” <https://eda.gov/programs/rnta>.

²² EDA, “About OIE,” <https://eda.gov/oie>.

OIE administered the first round of the Regional Innovation Program competitions in September 2014 (see EDA, U.S. Department of Commerce, “Regional Innovation Program,” 82 *Federal Register* 3131-3137, January 11, 2017, <https://www.federalregister.gov/documents/2017/01/11/2017-00116/regional-innovation-program>). OIE administered the first round of the STEM Talent Challenge (STEM Apprenticeships) program in FY2020 (see EDA, “STEM Talent

Advisory Council on Innovation and Entrepreneurship (NACIE), which was established in 2009 to “encourage the development and implementation of policies that cultivate technology commercialization.” NACIE was established by Section 25(c) of the Stevenson-Wydler Technology Innovation Act of 1980, as amended (15 U.S.C. §3720(c)).²³

- The **Office of Trade Adjustment Assistance for Firms (TAAF)**, which administers the technical assistance grants that help trade-impacted U.S. firms to become more competitive, expand markets, and increase profitability in partnership with trade adjustment assistance centers and private consultants.²⁴
- The **Office of Economic Development Integration (EDI) and Disaster Recovery**, which promotes interagency coordination of resources and economic recovery assistance. EDA leads integration activities designed to enhance collaboration, increase access to resources, and reduce administrative burdens across federal economic development programs across agencies.²⁵ EDA is the lead federal agency for economic recovery support and also administers program funds for state and local entities to plan and implement disaster economic recovery efforts.²⁶

EDA Regional Offices

EDA’s regional offices review and process grant applications for economic development assistance; monitor approved projects; and provide outreach and technical assistance services.²⁷

Figure 3 illustrates the six regions and locations of the regional offices.

Challenge,” <https://www.eda.gov/funding/programs/stem-challenge>). Additionally in FY2020, EDA administered the Accelerate R2 Network competition in collaboration with the National Institute of Standards and Technology (NIST) and the First Responder Network Authority (FirstNet) to develop a network of organizations working to address disaster response and resiliency (R2) challenges with innovative technologies (see EDA, “Accelerate R2 Network Challenge,” <https://eda.gov/oie/accelerate-r2>).

²³ EDA announced a solicitation for NACIE members in September 2021. See EDA, U.S. Department of Commerce, “National Advisory Council on Innovation and Entrepreneurship (NACIE); Solicitation of Applications,” 86 *Federal Register* 50323-50324, September 8, 2021, <https://www.federalregister.gov/documents/2021/09/08/2021-19169/national-advisory-council-on-innovation-and-entrepreneurship-nacie-solicitation-of-applications>. See also EDA, “NACIE,” <https://www.eda.gov/strategic-initiatives/national-advisory-council-on-innovation-and-entrepreneurship>.

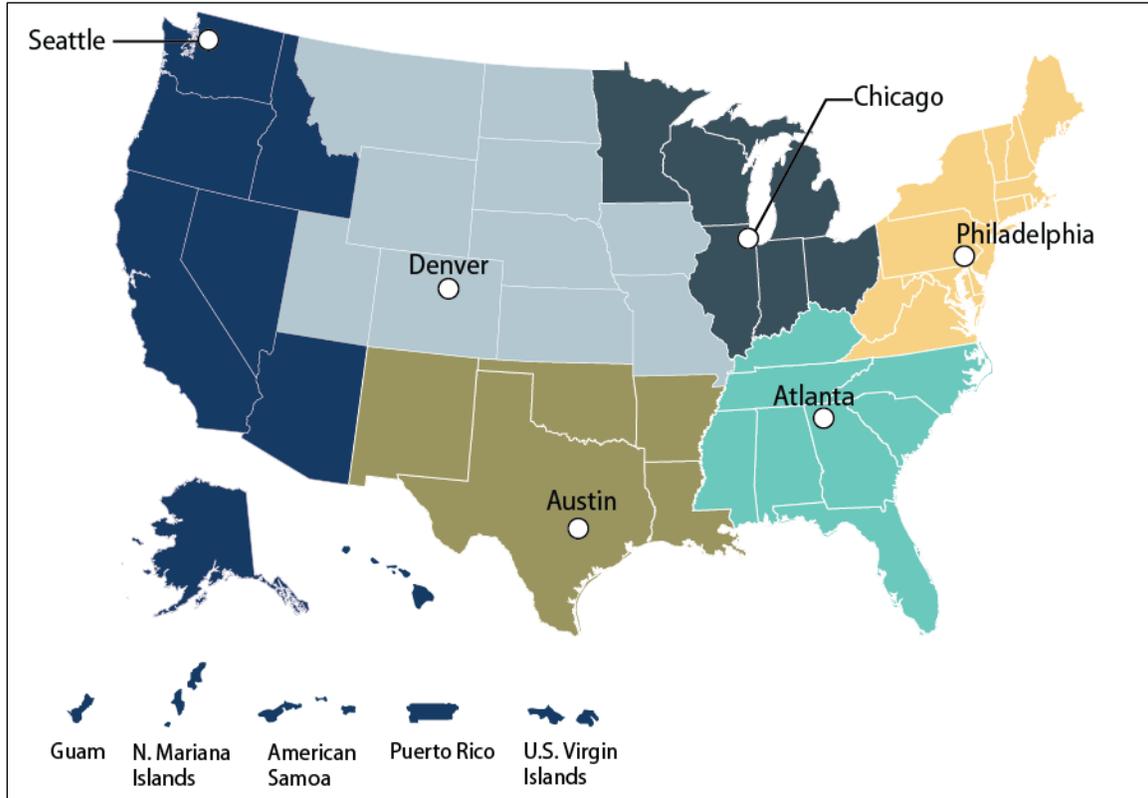
²⁴ EDA, “Trade Adjustment Assistance for Firms,” <https://www.eda.gov/sites/default/files/pdf/about/TAAF-Program-1-Page.pdf>. For more information on TAAF, see CRS Report RS20210, *Trade Adjustment Assistance for Firms*, by Kyla H. Kitamura.

²⁵ EDA, “Economic Development Integration,” <https://www.eda.gov/integration>, and “Disaster Recovery,” <https://eda.gov/disaster-recovery>. EDA also maintains a matrix of selected federal programs that can assist economic development strategies on its EDI webpage at <https://www.eda.gov/integration>.

²⁶ EDA, “EDA and Disaster Recovery,” <https://eda.gov/disaster-recovery>.

²⁷ EDA, “About,” <https://eda.gov/about>.

Figure 3. EDA Regional Offices



Source: CRS using information from EDA, "Overview," <https://www.eda.gov/about>.

EDA Staff Levels

EDA staff levels ranged from 160 to 220 on-board employees between 2011 and 2019, and increased to 261 in 2020. In September 2022, EDA had approximately 314 on-board employees.²⁸ **Figure 4** presents the number of on-board employees for 2011 to 2022. **Table C-1** in the Appendix provides additional on-board employment data since 2011.

EDA may continue to add staff to implement recent supplemental recovery appropriations and manage related oversight and technical assistance activities. The supplemental Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) funding for EDA was nearly five times the amount of the agency's FY2020 annual appropriation (P.L. 116-93), and the American Rescue Plan (ARP) Act of 2021 (P.L. 117-2) funding for EDA was over eight times the amount of the agency's FY2021 annual appropriation (P.L. 116-260)—see **Figure 7**. EDA hired additional staff in FY2020 using direct hiring authority granted under the CARES Act,²⁹ and the agency planned to transition 50 staff hired under the CARES Act into permanent full-time equivalent

²⁸ Office of Personnel Management (OPM), FedScope, <http://www.fedscope.opm.gov>.

²⁹ U.S. Department of Commerce, Office of Inspector General, *EDA Was Effective in Implementing the Requirements for Awarding Funds Under the CARES Act*, Final Report No. OIG-21-017-I, Washington, DC, January 5, 2021, p. 3, <https://www.oig.doc.gov/OIGPublications/OIG-21-017-I.pdf>.

(FTE) positions in FY2022.³⁰ According to testimony by Assistant Secretary Alejandra Castillo in November 2021

These new staff helped EDA obligate over two-thirds of the CARES Act funding within one year of Congress enacting the CARES Act and, as of October 11, 2021, EDA has obligated \$1.385 billion of the \$1.5 billion in CARES Act funding through 1,194 awards. EDA also continues to evaluate 121 applications and expects that those selected for funding will exhaust all of EDA’s CARES Act supplemental appropriation.³¹

³⁰ DOC, EDA, *FY2022 Congressional Budget Justification*, pp. 121-124, https://www.commerce.gov/sites/default/files/2021-05/fy2022_eda_congressional_budget_justification.pdf.

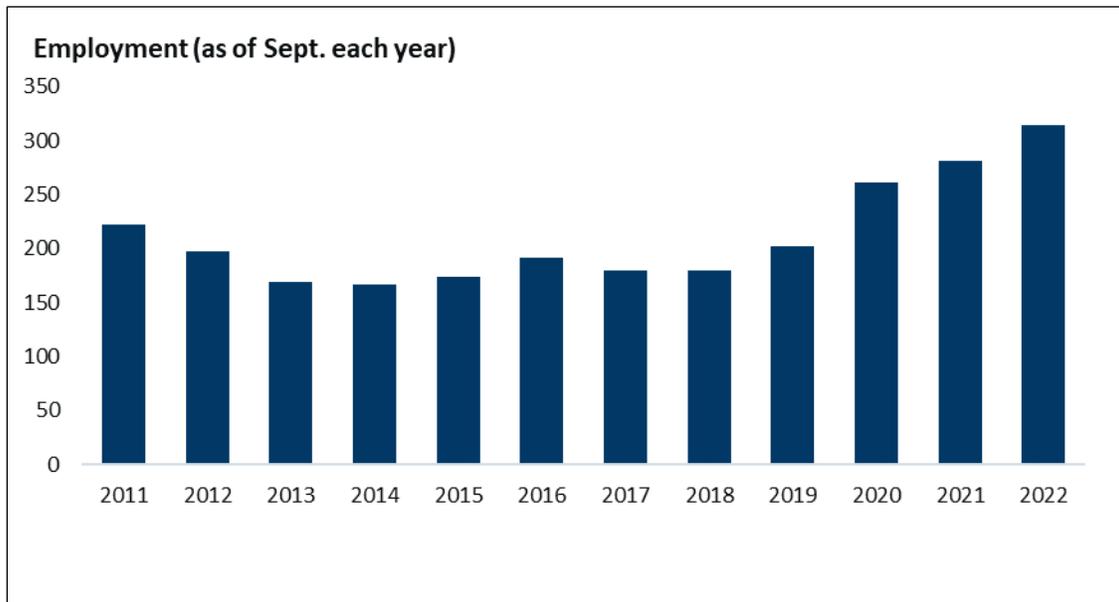
As noted in CRS Report R43590, *Federal Workforce Statistics Sources: OPM and OMB*:

The term full-time equivalent employment (FTE) is used to quantify employment as a function of hours worked rather than by the number of individual employees. One FTE is also known as one work year. The number of FTEs in an agency is calculated by determining the total number of regular straight time hours (i.e., not including overtime or holiday hours) worked by employees and dividing that figure by the number of compensable hours applicable to each fiscal year. One work year, or one FTE, is equivalent to 2,080 hours of work. (The figure of 2,080 hours in the work year is derived as follows: 8 hours per day multiplied by 10 days (in a 2-week pay period) equals 80 hours; 80 hours multiplied by 26 pay periods (in a year) equals 2,080 work hours.)

and

FTE employment numbers are used by OMB to manage employment in departments and agencies. The requirements for reporting FTE employment in the President’s Budget are prescribed in Section 85 of OMB Circular No. A-11 on “Estimating Employment Levels and the Employment Summary (Schedule Q).” (U.S. Executive Office of the President, Office of Management and Budget, Preparation, Submission, and Execution of the Budget (Washington: GPO, April 2021), available at <https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf>. See Section 85.5(c) for a detailed explanation of how FTEs are calculated.)

³¹ U.S. Senate, Environment and Public Works Committee, *Examining Programs at the Economic Development Administration*, 117th Cong., 1st sess., Nov. 3, 2021, <https://www.epw.senate.gov/public/index.cfm/hearings?ID=256D08CE-44DC-47B4-9663-F9AC5AA8950E>. See also testimony by Mr. Dennis Alvord, Acting Assistant Secretary of Commerce for EDA, U.S. House of Representatives, Committee on Transportation and Infrastructure, Subcommittee on Economic Development, Public Buildings and Emergency Management, April 28, 2021, https://ogc.commerce.gov/sites/default/files/media/files/2021/04-28-21_final_eda_reauthorization_testimony_.pdf.

Figure 4. EDA On-Board Employees, 2011-2022

Source: CRS, using data from the U.S. Office of Personnel Management, FedScope database, Employment cubes, <https://www.fedscope.opm.gov/employment.asp>.

Note: Each total provides the number of on-board employees as of September each year.

Economic Development Districts (EDDs)

Economic Development Districts (EDDs) are multi-jurisdictional entities designated by the EDA that engage with the agency and local partners across multiple EDA programs and activity areas. EDDs generally lead, coordinate, and convene partners for the Comprehensive Economic Development Strategy (CEDS) process; assist with project development; and provide outreach, technical assistance, and grant support to applicants and grantees.³² To be designated as an EDD, the entity must have a CEDS and cover “at least one geographical area within the designated service boundaries that meets EDA’s regional distress criteria.”³³ According to the EDA, there are approximately 400 EDDs; some regions of the United States are not served by an EDA-designated EDD.³⁴ Most EDD regions do not align with standard, federally defined regions, such as metropolitan statistical areas, and some EDDs cover regions that cross state borders.³⁵ EDDs may receive financial assistance through Partnership Planning and other programs, and may implement or manage projects.

³² See <https://www.eda.gov/grant-resources/economic-development-directory> for EDA’s directory of EDDs and other resources. For an analysis of EDDs in the context of regional development organizations, see CRS In Focus IF11511, *The Role of Regional Development Organizations (RDOs) in Economic Development*, by Julie M. Lawhorn.

³³ EDA, “Economic Development Districts,” <https://www.eda.gov/edd>. See also 42 U.S.C. §3171.

³⁴ EDA, “Celebrating 400 Blueprints for a Modern Economy,” March 2, 2023, <https://www.eda.gov/news/blog/2023/03/02/blog-celebrating-400-blueprints-modern-economy>.

³⁵ EDA, “CEDS Content,” <https://www.eda.gov/grant-resources/comprehensive-economic-development-strategy/content/summary>. Also, EDA supports the CEDS Resource Library at [StatsAmerica.org](http://www.statsamerica.org) where applicants can determine whether their region is served by an EDD and locate the most recent CEDS. See <http://www.statsamerica.org/ceds/Default.aspx>.

Investment Priorities, FY2011-Present

EDA encourages grant applicants to align their proposals with its investment priorities.³⁶ In April 2021, EDA announced new investment priorities to support with the Administration’s economic development goals. The agency highlights innovation and regional collaboration as two key economic drivers that inform the updated investment priorities.³⁷

Table I. Comparison of EDA Investment Priorities

FY2011-FY2016	FY2017-April 2021	April 2021-Present
<ul style="list-style-type: none"> • Collaborative regional innovation • Public private partnerships • National strategic priorities • Global competitiveness • Environmentally sustainable development • Economically distressed and underserved communities 	<ul style="list-style-type: none"> • Recovery and resilience • Critical infrastructure • Workforce development and manufacturing • Exports and foreign direct investment (FDI) • Opportunity zones 	<ul style="list-style-type: none"> • Equity • Recovery and resilience • Workforce development • Manufacturing • Technology-based economic development • Environmentally sustainable development • Exports and foreign direct investment (FDI)

Sources: EDA, “Investment Priorities,” <https://www.eda.gov/funding/investment-priorities>; and *FY2014 Congressional Budget Justification*, https://www.osec.doc.gov/bmi/budget/FY14CJ/EDA_FY_2014_CJ_Final_508_Compliant.pdf.

Recovery and Resiliency

EDA programs support state and local activities that facilitate long-term strategies to drive economic diversification, promote sector and cluster development, or otherwise build a region’s capacity for economic recovery and resilience. According to the EDA, “in the context of economic development, economic resilience becomes inclusive of three primary attributes: the ability to recover quickly from a shock, the ability to withstand a shock, and the ability to avoid the shock altogether.”³⁸ Shocks may include national or global economic downturns; regional industry downturns; or external events, such as a natural or man-made disaster. For example, EDA projects may support resiliency goals by assisting with business continuity and preparedness efforts or by facilitating long-term recovery from natural disasters and other economic shocks.³⁹

Economic Development Integration (EDI) Role

Following a 2011 U.S. Government Accountability Office (GAO) report on fragmentation and overlap of economic development programs, the Office of Management and Budget (OMB) selected the EDA’s proposal for an economic development integration role.⁴⁰ EDA now leads

³⁶ EDA, “Investment Priorities,” <https://www.eda.gov/funding/investment-priorities>.

³⁷ DOC, EDA, *FY2023 Congressional Budget Justification*, p. 11, <https://www.commerce.gov/sites/default/files/2022-03/FY2023-EDA-Congressional-Budget-Submission.pdf>.

³⁸ EDA, “CEDS Guidelines—Economic Resilience,” <https://www.eda.gov/grant-resources/comprehensive-economic-development-strategy/content/economic-resilience>.

³⁹ EDA, “Investment Priorities,” <https://www.eda.gov/funding/investment-priorities>.

⁴⁰ EDA, “A Brief History of EDI,” <https://eda.gov/integration/>; and GAO, “Efficiency and Effectiveness of Fragmented Economic Development Programs Are Unclear,” May 19, 2011, GAO-11-477R, <https://www.gao.gov/products/gao-11-477r>.

integration activities across federal economic development programs in an effort to enhance collaboration, increase access to resources, and to reduce administrative burdens. The agency's EDI activities occur at various levels—federal, state, regional, and local—and through various types of partnership and coordination efforts. For instance,

- EDA's regional offices work with EDDs to facilitate connections among local, state, and federal contacts and programs—often convening for planning purposes or post-disaster recovery initiatives.⁴¹ Regional offices have staff identified as regional integrators as well.⁴²
- EDA headquarters staff and operations support EDI goals through interagency planning and efforts to align administrative requirements.⁴³
- Eligible EDA grant recipients are allowed to combine funding from other agencies and nonfederal sources to facilitate economic development goals because state and local economic development practices are often implemented in connection with other programs.⁴⁴
- EDA partners with other federal agencies that administer economic development programs, including the U.S. Department of Agriculture (USDA), the Department of Housing and Urban Development (HUD), the Department of Labor (DOL), and the Small Business Administration (SBA), among others.⁴⁵

Disaster Economic Recovery Role

EDA is the lead agency in the “Economic Recovery Support Function (ERSF)” under the National Disaster Recovery Framework (NDRF).⁴⁶ According to the Federal Emergency Management Agency (FEMA), “The NDRF identifies Recovery Support Functions that provide a structure to facilitate problem solving, improve access to resources, and foster coordination among state and federal agencies, tribes, territories, nongovernmental partners and stakeholders.”⁴⁷ Within the NDRF, EDA's role is to “facilitate the delivery of federal economic

⁴¹ EDA, “Economic Development Integration,” <https://eda.gov/integration/>. For a description of economic development integration in disaster resiliency planning, see U.S. House of Representatives, Select Climate Crisis Committee, “Creating a Climate Resilient America: Smart Finance for Strong Communities,” Serial No. 116–16, December 11, 2019, <https://www.govinfo.gov/content/pkg/CHRG-116hhrg41272/pdf/CHRG-116hhrg41272.pdf>.

⁴² EDA, “Regional Integrator Contacts,” <https://eda.gov/integration/contact>. Regional integrators may help stakeholders by convening meetings, building coalitions, identifying resources, and other activities to facilitate coordinated responses to state and local economic development issues. For an example, see EDA, “EDA's Economic Integrator Catalyzes Interagency Investments in San Diego,” <https://eda.gov/success-stories/integration/stories/edi-san-diego.htm>.

⁴³ EDA, “Economic Development Integration,” <https://eda.gov/integration>.

⁴⁴ Limitations may apply to the total amount of federal project funding, depending on the program, type of applicant, and determination of special need. See 42 U.S.C. §3144. The FY2023 Notice of Funding Opportunity (NOFO) for the Public Works and Economic Adjustment Assistance programs noted that, “Funds from other federal financial assistance awards may be considered matching share funds only if authorized by statute, which may be determined by EDA's reasonable interpretation of the statute.” See EDA, “FY 2023 Public Works and Economic Adjustment Assistance Notice of Funding Opportunity,” p. 13, <https://www.grants.gov/web/grants/view-opportunity.html?oppId=346815>, and 13 C.F.R. §300.3 and 2 C.F.R. §200.306.

⁴⁵ EDA, “Economic Development Integration [EDI],” <https://eda.gov/integration> and “EDI Networking and Collaboration,” <https://www.eda.gov/strategic-initiatives/economic-development-integration/networking-collaboration>. For an overview of federal resources for state and local economic development, see CRS Report R46683, *Federal Resources for State and Local Economic Development*, by Julie M. Lawhorn.

⁴⁶ EDA, “EDA and Disaster Recovery,” <https://eda.gov/disaster-recovery>.

⁴⁷ FEMA, “National Disaster Recovery Framework,” <https://www.fema.gov/emergency-managers/national->

development assistance to support long-term economic recovery planning and project implementation in communities across the nation.”⁴⁸ As a convener, EDA may bring together federal, state, and local stakeholders for post-disaster regional resource exchange events. In some post-disaster scenarios, EDA supports or leads efforts to assess regional assets and challenges to facilitate long-term recovery.⁴⁹ For instance:

- Following Hurricane Harvey in August 2017, EDA’s Austin Regional Office collaborated with EDDs, federal agencies (e.g., FEMA, SBA, USDA, Federal Reserve, Department of Transportation), and state and local stakeholders to develop a Recovery Support Strategy (RSS). EDA also led regional workshops in Texas and provided recovery grants to impacted communities.⁵⁰
- Through its ERSF, EDA deployed to Puerto Rico following Hurricanes Maria and Irma in September 2017 to provide support, coordination, and additional capacity to economic recovery efforts.⁵¹
- EDA coordinated a “Federal Interagency Resource Exchange” following Hurricane Laura in August 2021.⁵²

As a grant-making agency, the EDA also administers program funds for state and local entities to plan and implement disaster economic recovery efforts through its EAA program.⁵³ For example, since 2017, EDA has invested over \$111 million in 34 grants to Puerto Rico following hurricanes Maria and Irma.⁵⁴ After flooding in 2019, EDA provided a grant to the City of Moberly, MO, to improve water and wastewater infrastructure and prevent future damage to downtown businesses.⁵⁵ EDA administers recovery assistance grants through its regional offices.⁵⁶

preparedness/frameworks/recovery.

⁴⁸ EDA, “Spotlight: EDA Investments Advance Economic Recovery in American Communities Impacted by Natural Disasters,” <https://www.eda.gov/archives/2021/news/blogs/2020/09/01/spotlight.htm>.

⁴⁹ EDA, “Recovering from Harvey: EDA Leads the Coordination of Federal Resources,” January 12, 2021, <https://www.eda.gov/impact/success-stories/disaster-recovery/recovering-harvey-eda-leads-coordination-federal-resources>.

⁵⁰ EDA, “EDA Investments in Disaster Recovery and Resiliency Programs for Regions Impacted by Hurricane Harvey,” <https://www.eda.gov/impact/success-stories/disaster-recovery/eda-investments-disaster-recovery-and-resiliency-programs>; and “Recovering from Harvey: EDA Leads Coordination of Federal Resources,” January 12, 2021, <https://www.eda.gov/impact/success-stories/disaster-recovery/recovering-harvey-eda-leads-coordination-federal-resources>.

⁵¹ EDA, “EDA Continues to Support the Caribbean Following the Devastating 2017 Hurricane Season,” September 20, 2021, <https://www.eda.gov/news/blog/2021/09/20/eda-continues-support-caribbean-following-devastating-2017-hurricane-season>.

⁵² See EDA, “Where We Work,” <https://eda.gov/disaster-recovery/where-we-work/#1a>.

⁵³ See **Figure 7** for a summary of supplemental disaster appropriations during the FY2011-FY2023 time period.

⁵⁴ EDA, “EDA Continues to Support the Caribbean Following the Devastating 2017 Hurricane Season,” September 20, 2021, <https://www.eda.gov/news/blog/2021/09/20/eda-continues-support-caribbean-following-devastating-2017-hurricane-season>.

⁵⁵ EDA “After Reoccurring Flooding, Moberly, Missouri, Business Owners to See Relief,” May 12, 2021, <https://eda.gov/success-stories/disaster/stories/moberly-mo.htm>.

⁵⁶ EDA, “Leading Economic Recovery Efforts in Disaster-Impacted Communities,” https://www.eda.gov/sites/default/files/2023-03/EDA_Disaster_Brochure_2022_PRINT.pdf.

EDA Performance Metrics

EDA collects and measures performance according to two Government Performance and Results Act (GPRA) goals. The first goal is connected to infrastructure investments and the second goal is connected to non-infrastructure investments.⁵⁷ By example, Public Works is an infrastructure program and Build to Scale is generally classified as a non-infrastructure program. The agency’s goals and associated metrics are detailed in **Table 2**.

Table 2. EDA Performance Goals and Metrics

Performance Goal	Examples of Metrics
Infrastructure investments that promote private enterprise and job creation in economically distressed communities and regions.	<ul style="list-style-type: none"> Private sector dollars invested in economically distressed regions as a result of EDA’s investments. Jobs created or retained in economically distressed regions as a result of EDA’s investments.
Non-infrastructure investments that build community capacity to achieve and sustain regional competitiveness and economic growth.	<ul style="list-style-type: none"> Estimated jobs created and retained for underserved populations and geographies. Private investment funds leveraged for underserved populations and geographies. Estimated jobs created and retained from investments made to support entrepreneurship. Total sum of funding secured by entrepreneurs as a result of activities sponsored by EDA investments. Estimated jobs created and retained from investments made to support the travel and tourism sector. Estimated jobs created and retained from investments made to support workforce development.

Source: EDA, “EDA Performance Measurement and Program Evaluation,” <https://www.eda.gov/performance>.

Notes: For more information, see “New Performance Data Collection Instruments and Processes,” <https://eda.gov/performance/gpra>.

EDA Grant Programs

EDA grant programs, which are generally flexible, locally based, and regionally oriented, are designed to increase the capacity for state and local economic development.⁵⁸ According to EDA, between FY2012 and FY2021, the agency invested over \$5.3 billion in 7,921 projects.⁵⁹ The agency’s grant programs and investment priorities broadly support local initiatives that “leverage economic assets in facilitating regional economic prosperity and resiliency as well as conditions for business success.”⁶⁰ Activities funded by EDA grant programs include infrastructure,

⁵⁷ EDA, “EDA Performance Measurement and Program Evaluation,” <https://www.eda.gov/performance>.

⁵⁸ Capacity is a central component of EDA’s definition of economic development. EDA defines economic development as creating “the conditions for economic growth and improved quality of life by expanding the capacity of individuals, firms, and communities to maximize the use of their talents and skills to support innovation, lower transaction costs, and responsibly produce and trade valuable goods and services.” EDA further defines economic development capacity building as “developing or improving community assets that businesses need to succeed.” See EDA, “Key Definitions,” <https://eda.gov/performance/key-definitions>.

⁵⁹ EDA, “Performance Measurement and Program Evaluation,” <https://www.eda.gov/performance>.

⁶⁰ EDA, “Investment Priorities,” <https://www.eda.gov/funding/investment-priorities>.

planning, workforce development, disaster economic recovery, and funding for business assistance programs such as revolving loan funds, business technical assistance, innovation, entrepreneurship, and business incubator programs,⁶¹ among others. Grant programs may also support regional economic development goals by facilitating existing and emerging industry clusters, developing human capital, strengthening supply chains, expanding access to capital, and building innovation and technology strategies.⁶² With the exception of the Recomplete Pilot and Regional Technology and Innovation Hubs (Tech Hubs) programs, no minimum or maximum project amount is specified in law.⁶³

Table 3 provides a summary of EDA grant programs. For detailed program information, see **Appendix A**.⁶⁴

Table 3. Summary of Major EDA Programs

Program Name (CFDA No.)	Description	Project Examples
Public Works (11.300)	The Public Works program is designed to fund physical infrastructure projects such as water and sewer systems improvements, industrial parks, business incubator facilities, expansion of port and harbor facilities, skill-training facilities, and brownfields redevelopment.	<ul style="list-style-type: none"> • Construction of a workforce training center. • Water and wastewater improvements in connection with the development of an industrial park.
Economic Adjustment Assistance (EAA) (11.307)	The EAA program assists communities and regions affected by natural disasters, natural resource depletion, mass layoffs, and other severe economic shocks caused by structural impacts to regional economies. Revolving Loan Funds (RLFs) are capitalized by EAA grants. See CRS In Focus IF11449, <i>Economic Development Revolving Loan Funds (ED-RLFs)</i> , by Julie M. Lawhorn.	<ul style="list-style-type: none"> • Capitalization of a Revolving Loan Fund for underserved regional businesses. • A study to evaluate how to develop, sustain, and promote businesses including retail, restaurants, services, and others in a downtown area. • Construction of a healthcare simulation lab and telemedicine space at a community college.

⁶¹ Business incubator programs are defined as programs

designed to accelerate the development of entrepreneurial firms through an array of business support resources and services, developed and/or orchestrated by incubator management, delivered both by incubation staff and through its networks of outside service providers. Business incubation programs usually provide client firms access to shared basic services and equipment, improved access to capital, and business management training.

... Business incubation programs usually provide clients access to appropriate rental space and flexible leases, shared basic business services and equipment, technology support services, and assistance in obtaining the financing necessary for company growth. Business incubation programs may also provide business assistance services for nontenant clients, also referred to as virtual or affiliate clients.

See David A. Lewis, Elsie Harper Anderson, and Lawrence A. Molnar, “Incubating Success: Incubation Best Practices that Lead to Successful New Ventures” (Ann Arbor, Michigan: University of Michigan Institute for Research on Labor, Employment, and the Economy, University of Michigan, 2011).

⁶² DOC, EDA, *FY2024 Congressional Budget Justification*, p. 154, <https://www.commerce.gov/sites/default/files/2023-03/EDA-FY2024-Congressional-Budget-Submission.pdf>.

⁶³ 42 U.S.C. §3121 et seq.

⁶⁴ This report does not analyze EDA’s grant awards by program. For an analysis of EDA funding awarded by program and other analysis, see Brett Theodos et al., “The Economic Development Administration’s Programs and Projects Types - EDA Program Evaluation,” The Urban Institute, October 2021, p. 6, https://www.urban.org/sites/default/files/publication/105006/economic-development-administration-programs-and-project-types_1_0.pdf.

Program Name (CFDA No.)	Description	Project Examples
EAA—Assistance to Coal Communities (ACC), Assistance to Nuclear Closure Communities (NCC) initiatives, and Disaster Economic Recovery programs (11.307)	The ACC and NCC initiatives support communities and regions that have been negatively impacted by changes in the coal economy or by nuclear plant closures, respectively. In addition to ongoing annual appropriations for the discretionary EAA grant program, Congress has authorized supplemental appropriations for EAA ACC and NCC initiatives as well as for post-disaster economic recovery and COVID-19 economic recovery efforts. EDA makes ACC and NCC funding available through the Notice of Funding Opportunity (NOFO) for the Public Works and EAA programs, usually on an annual basis.	<ul style="list-style-type: none"> • A broadband mapping project to address current business access, an assessment of future needs, and regulatory matters for a coal-impacted community. • Development of a post-disaster roadmap to improve regional economic resiliency. • Storm water upgrades to minimize flooding hazards in a commercially zoned area in order to support job creation and economic resiliency goals.
Partnership Planning (11.302)	The Partnership Planning program supports a national network of EDA-designated Economic Development Districts (EDDs) as well as local organizations (Indian Tribes and other eligible recipients) with long-term strategic economic development planning efforts, and helps communities undertake focused, project-specific planning activities.	<ul style="list-style-type: none"> • Funds to support the development and implementation of the CEDS planning process.
Local Technical Assistance (11.303)	The Local Technical Assistance program provides grants for management and technical services, including feasibility studies or impact analyses.	<ul style="list-style-type: none"> • A feasibility study for a proposed, regional entrepreneurship center.
University Centers (UCs) (11.303)	Institutions of higher education operate University Centers that provide technical assistance to public and private sector organizations with the goal of enhancing local economic development.	<ul style="list-style-type: none"> • Operational support for a UC that assists local communities with an asset-based planning process to expand economic development opportunities in partnership with the state agencies and regional EDDs. • Operational support for a UC to help firms with technology transfer and commercialization.
Research and National Technical Assistance (RNTA) (11.312 and 11.303)	The RNTA program funds research, evaluation, and national technical assistance projects that promote competitiveness and innovation in distressed rural and urban regions.	<ul style="list-style-type: none"> • A program evaluation of infrastructure and non-infrastructure EDA grants. • A grant to national organizations to provide technical assistance and disseminate promising strategies among coal-impacted and nuclear closure communities.

Program Name (CFDA No.)	Description	Project Examples
Build to Scale (Section 27) (11.020)	<p>The Build to Scale program funds efforts to facilitate innovation and entrepreneurship and increase access to risk capital. B2S is composed of the Venture Challenge and the Capital Challenge. The Venture Challenge supports entrepreneurship support programs and other models to accelerate high-growth entrepreneurship activities. The Capital Challenge provides operational support to help organizations and regions expand access to risk capital.</p> <p>EDA's OIE administers the B2S program, which is authorized under Section 27 of the Stevenson-Wydler Technology Act of 1980 (15 U.S.C. §3722).</p>	<ul style="list-style-type: none"> • Implementing regional strategies that support entrepreneurship, technology development, commercialization, and increased access to capital for biomedical products, agricultural technologies, advanced manufacturing, and other technology- and innovation-based industries. • Operational support for a Prototype-to-Production Hardware Accelerator program to help entrepreneurs scale their business and manufacture their products.
STEM Talent Challenge/STEM Apprenticeships (Section 30, formerly Section 28) (11.023)	<p>The STEM Talent Challenge program funds efforts that expand career pathways and meet employers' needs for a STEM capable workforce. EDA's OIE administers the STEM Talent Challenge program, which is authorized under Section 30 of the Stevenson-Wydler Technology Act of 1980 (15 U.S.C. §3723).</p>	<ul style="list-style-type: none"> • Development of a virtual smart factory environment to build advanced manufacturing skills and facilitate workforce development.
Trade Adjustment Assistance for Firms (TAAF) (11.313)	<p>EDA partners with nonprofit or university-affiliated Trade Adjustment Assistance Centers (TAACs) to provide technical assistance to import-impacted U.S. manufacturing, production and service firms. TAAF is authorized under the Trade Act of 1974, as amended (19 U.S.C. §2341 et seq.).</p>	<ul style="list-style-type: none"> • Technical assistance for import-impacted companies to develop business recovery plans and strategies such as new product lines, updated information systems, and revised marketing campaigns.
Recompete Pilot (Section 29)	<p>The Recompete Pilot program was established by the CHIPS and Science Act (P.L. 117-167, enacted August 8, 2022; 15 U.S.C. §3722b). The program will provide grants and cooperative agreements to persistently distressed areas. Once established, the program will also administer two types of awards: (1) strategy development grants, and (2) strategy implementation grants.</p>	<ul style="list-style-type: none"> • The Recompete Pilot program is a new program. As of March 2023, the EDA has not made awards through the Recompete Pilot program.

Program Name (CFDA No.)	Description	Project Examples
Regional Technology and Innovation Hubs (Tech Hubs) (Section 28)	The Tech Hubs program was established by the CHIPS and Science Act (P.L. 117-167, enacted August 8, 2022; 15 U.S.C. §3722a). The focus of the program is to support technology development, job creation, and expanding U.S. innovation capacity. The program also seeks to develop hubs in areas that are not “leading technology centers.” Once established, the program will also administer two types of awards: (1) strategy development grants, and (2) strategy implementation grants.	<ul style="list-style-type: none"> The Tech Hubs program is a new program. As of March 2023, the EDA has not made awards through the program.

Sources: EDA, “Programs,” <https://www.eda.gov/funding/programs>; “Annual Reports,” <https://eda.gov/annual-reports/>; “Funding Opportunities,” <https://www.eda.gov/funding/funding-opportunities>; and “Press Releases” <https://www.eda.gov/news>.

Notes: CFDA No. refers to the Catalog of Federal Domestic Assistance, a searchable database of federal domestic assistance programs (<https://beta.sam.gov>). Each program is identified by name and a five-digit number. Programs are authorized by PWEDA, except where otherwise noted. Project examples provided below are for illustrative purposes only and do not represent all potential uses of funds. As of March 2023, the Recompete Pilot and the Tech Hubs programs do not yet have CFDA numbers assigned.

How to Apply

Application guidance for EDA’s competitive grant programs is outlined in the agency’s Notices of Funding Opportunities (NOFOs), which are explanations of available grant funding and procedures.⁶⁵ Applicants may also contact (EDDs or EDA state and regional representatives for assistance. EDA maintains an online directory, organized by state, of EDDs and other resources and agency contacts.⁶⁶

Select Grant Requirements

In order to receive EDA grant assistance, applicants must meet program criteria related to types of eligible applicants, cost sharing, and other requirements.⁶⁷ Requirements vary by program, authorizing statute, and agency regulations.⁶⁸

Eligible Recipients

For an entity to be eligible for EDA assistance for programs authorized by PWEDA (42 U.S.C. §3121 et seq.), the recipient must be

- an EDD;

⁶⁵ Information on EDA grant competitions is available at <https://www.eda.gov/funding/funding-opportunities> and <http://www.grants.gov>.

⁶⁶ EDA, “Economic Development Directory,” <https://www.eda.gov/grant-resources/economic-development-directory>.

⁶⁷ Recipients of EDA awards follow the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) as set forth in 2 C.F.R. Part 200, <https://www.gpo.gov/fdsys/pkg/CFR-2016-title2-vol1/pdf/CFR-2016-title2-vol1-part200.pdf>; DOC Terms and Conditions; and other requirements.

⁶⁸ Detailed program requirements are outlined in Notice of Funding Opportunities (NOFOs) (see <https://www.eda.gov/funding/funding-opportunities>) and in agency regulations (see 13 C.F.R. Part 300).

- an Indian tribe or a consortium of Indian tribes and for-profit entities that is wholly owned by and established for the benefit of a tribe;⁶⁹
- a state;⁷⁰
- a city or other political subdivision of a state, including a special purpose unit of a state or local government, engaged in economic or infrastructure development activities, or a consortium of political subdivisions;
- an institution of higher education or a consortium of institutions of higher education; or
- a public or private nonprofit organization or association acting in cooperation with officials of a political subdivision of a state.⁷¹

Businesses are not eligible for most grants authorized by PWEDA, but may be eligible for Training, Research, and Technical Assistance grants.⁷²

The types of applicants eligible for the Build to Scale (B2S) and STEM Talent Challenge programs, which are authorized by the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. §§3722 and 3723) rather than PWEDA, include

- A state;
- An Indian tribe;
- A city or other political subdivision of a state;
- An entity that is—
 - a nonprofit organization,
 - an institution of higher education,

⁶⁹ The term *Indian tribe* means an entity on the list of recognized tribes published pursuant to the Federally Recognized Indian Tribe List Act of 1994, as amended (P.L. 103-454) (25 U.S.C. §479a et seq.), and any Alaska Native Village or Regional Corporation (as defined in or established under the Alaska Native Claims Settlement Act (43 U.S.C. §1601 et seq.)). This term includes the governing body of an Indian tribe, Indian corporation (restricted to Indians), Indian authority, or other nonprofit Indian tribal organization or entity; provided that the Indian tribal organization, corporation, or entity is wholly owned by, and established for the benefit of, the Indian tribe or Alaska Native Village. 13 C.F.R. §300.3. A rule published in the *Federal Register* on September 24, 2021, extended EDA tribal eligibility to include for-profit entities that are wholly owned by and established for the benefit of a tribe. See EDA, U.S. Department of Commerce, “Permitting Additional Eligible Tribal Entities,” 86 *Federal Register* 52957-52959, September 24, 2021, <https://www.federalregister.gov/documents/2021/09/24/2021-20633/permitting-additional-eligible-tribal-entities>.

⁷⁰ A *state* means a state, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau. 42 U.S.C. §3122.

⁷¹ The Economic Development Administration Reauthorization Act of 2004 (P.L. 108-373) authorized select nonprofits as eligible recipients.

⁷² 42 U.S.C. §3122(4) and 13 C.F.R. §300.3. Training, Research, and Technical Assistance Investment grants are authorized under 42 U.S.C. §3147.

Businesses may receive EDA-supported loans and technical assistance to support expansion and entrepreneurial activities. For instance, qualifying businesses may receive a loan from an intermediary operating an EDA-supported Revolving Loan Fund (RLF) and the loan must be repaid with interest. There are approximately 400 organizations administering EDA-funded RLFs. See EDA, “Revolving Loan Fund Program,” <https://www.eda.gov/rlf>. For more information, see CRS In Focus IF11449, *Economic Development Revolving Loan Funds (ED-RLFs)*, by Julie M. Lawhorn; and CRS Insight IN11419, *COVID-19: Selected Federal Resources for Businesses Seeking to Assist with Research and Manufacturing Efforts*, by Maria Kreiser. Businesses may also receive direct *technical assistance* through projects funded by EDA grants, University Center, or Trade Adjustment Assistance Center partners.

- a public-private partnership,
- a science or research park,
- a federal laboratory, or
- an economic development organization or similar; and
- A consortium of any of the immediately aforementioned entities.

Additionally, a venture development organization may be an eligible applicant for the B2S program. According to the EDA, select entities may be required to demonstrate that the application is supported by a state or a political subdivision of a state for the B2S and STEM Talent Challenge programs.⁷³

For the TAAF program, which is authorized by the Trade Act of 1974, as amended (19 U.S.C. §2341 et seq.), the following types of entities can apply to operate a TAAC:

- Universities or affiliated organizations;
- States or local governments; and
- Nonprofit organizations.⁷⁴

Cost Sharing Requirements

Cost sharing is required for most EDA grant programs although some exceptions may apply. Generally, EDA investment funds 50% of total project costs. Requirements may vary based on the program, a determination of special need, type of applicant, and other factors. The Secretary may increase the federal share for a grant to Indian tribes or when certain grantees have exhausted their effective taxing and borrowing capacity or for other circumstances.⁷⁵ The Secretary may also increase the federal share up to 100% for RNTA grants. Agency regulations describe the conditions in which “projects subject to a Special Need” may receive a higher investment rate. This includes, but is not limited to, post-disaster economic recovery projects and, as noted, projects by Indian tribes, among other circumstances and conditions.⁷⁶

Select Grant Requirements—Public Works and Economic Adjustment Assistance Programs

The following select grant program requirements apply to two of the EDA’s economic development assistance programs, the Public Works and Economic Adjustment Assistance (PWEAA) programs.⁷⁷

⁷³ EDA, “2022 Build to Scale Program NOFO,” <https://www.eda.gov/sites/default/files/2022-05/FY22-Build-to-Scale-NOFO.pdf>, and “2023 STEM Talent Challenge Program NOFO,” <https://www.eda.gov/sites/default/files/2023-04/FY%2023%20STEM%20Talent%20Challenge%20NOFO.pdf>.

⁷⁴ 13 C.F.R. §315.4.

⁷⁵ 42 U.S.C. §3144.

⁷⁶ 13 C.F.R. §301.4, Subpart D—Investment Rates and Matching Share Requirements.

⁷⁷ See agency regulations (13 C.F.R. Chapter III) for detailed program requirements. See also EDA, “EDA Informational Brochure,” <https://www.eda.gov/sites/default/files/filebase/archives/2021/pdf/about/EDA-TriFold-2017.pdf>.

Table 4. Core Elements of a Comprehensive Economic Development Strategy (CEDS)

CEDS Element	Description
<i>Summary Background</i>	A summary of the economic conditions of the region.
<i>SWOT Analysis</i>	An in-depth analysis of regional strengths, weaknesses, opportunities and threats.
<i>Strategic Direction/Action Plan</i>	The strategic direction and action plan should build on findings from the SWOT analysis and incorporate elements from other regional plans (e.g., land use and transportation, workforce development, etc.) where appropriate, as determined by the EDD or community/region engaged in development of the CEDS. The action plan should also identify the stakeholder(s) responsible for implementation, timetables, and opportunities for the integrated use of other local, state, and federal funds.
<i>Evaluation Framework/Performance Measures</i>	The strategic direction and action plan should build on findings from the SWOT analysis and incorporate/integrate elements from other regional plans (e.g., land use and transportation, workforce development, etc.) where appropriate, as determined by the EDD or community/region engaged in development of the CEDS. The action plan should also identify the stakeholder(s) responsible for implementation, timetables, and opportunities for the integrated use of other local, state, and federal funds.

Sources: 13 C.F.R. §303.7 and EDA, “Comprehensive Economic Development Strategies,” <https://eda.gov/ceds/>.

Notes: EDA provides “Content Guidelines” with additional resources for CEDS development and suggestions for CEDS content. However, beyond the four required sections and economic resilience component, the CEDS content and CEDS development process is managed by local and regional stakeholders.

Persistent Poverty and Distressed, Small, Rural and Underserved Areas—Funding and Technical Assistance

Each year, in reports accompanying the FY2020 through FY2023 appropriations bills, Congress has signaled an interest in prioritizing EDA funding for persistent poverty counties and in understanding the level of funding and technical assistance provided to distressed, small, rural, and underserved areas.⁸⁶

In terms of persistent poverty counties, Congress has directed a portion of EDA assistance to areas that have experienced high unemployment or high poverty levels for a certain period of time through the “10-20-30” provision in recent appropriations bills.⁸⁷ The provision directs 10% of federal funds for specific programs to counties with 20% poverty rates or more for the past 30 years.⁸⁸ EDA applies the 10-20-30 provision to the Public Works and Build to Scale programs.⁸⁹

⁸⁶ See, for example, *Congressional Record*, December 17, 2019, pp. H10961-10962, <https://www.govinfo.gov/content/pkg/CREC-2019-12-17/pdf/CREC-2019-12-17-house-bk2.pdf>; and *Congressional Record*, December 21, 2020, pp. H7922-7923, <https://www.govinfo.gov/content/pkg/CREC-2020-12-21/pdf/CREC-2020-12-21-house-bk3.pdf>.

⁸⁷ By example, see annual appropriations bills: P.L. 115-31 (FY2017), P.L. 115-141 (FY2018), P.L. 116-6 (FY2019), P.L. 116-93 (FY2020), and P.L. 116-260 (FY2021). The 10-20-30 provision has also been applied to USDA Rural Development programs and was applied in the American Recovery and Reinvestment Act of 2009 (ARRA, P.L. 111-5).

⁸⁸ For more information, see CRS Report R45100, *The 10-20-30 Provision: Defining Persistent Poverty Counties*, by Joseph Dalaker.

⁸⁹ GAO, “Areas with High Poverty—Changing How the 10-20-30 Funding Formula Is Applied Could Increase Impact in Persistent Poverty Counties,” GAO-21-470, May 27, 2021, <https://www.gao.gov/assets/gao-21-470.pdf>. For EDA’s list of Persistent Poverty Counties, see <https://eda.gov/performance/tools>.

In regards to distressed, small, rural, and underserved areas, Congress requires EDA to report on activities related to program outcomes, and directs the agency to provide technical assistance to these areas. Congress and EDA have indicated their interests in these areas in the following ways:

- PWEDA requires EDA to include information in its annual report about private sector leveraging goals set for investments awarded to rural and urban economically distressed areas and to highly distressed areas.⁹⁰
- In FY2021, Congress directed EDA to support technical assistance for distressed small, rural, and underserved communities for “pre-development activities associated with accessing EDA programs and services.”⁹¹
- In FY2021, EDA made a Research and National Technical Assistance (RNNTA) award for the “Advancing Economic Development in Persistently Poor Communities” project. According to EDA, the project “will identify and analyze areas of persistent poverty in the United States, develop a typology of persistently poor places based on their needs to better inform future policy approaches, and assess how effective past EDA investments have been in alleviating deprivation in areas suffering from persistent poverty.”⁹²
- In FY2022, guidance for several CARES Act programs indicated that the programs’ intended outcomes included increased capacity for underserved communities.⁹³
- The six new ARP Act grant programs launched in July 2021 considered the agency’s new investment priority—equity—as well as strategies to serve communities disproportionately impacted by the pandemic.⁹⁴ The EDA provided additional detail on definitions for underserved communities, geographies, and other terms when it released revised investment priorities in April 2021.⁹⁵
- In FY2023, as in prior years, Congress directed EDA “to consider geographic equity in making all award decisions and to ensure that rural projects are adequately represented among those selected for funding.”⁹⁶

⁹⁰ 42 U.S.C. §3213. For an example of such reports and data, see EDA, *FY2019 Annual Report*, pp. 8-10, <https://www.eda.gov/sites/default/files/2022-02/FY2019-Approved-EDA-Annual-Report.pdf>.

⁹¹ Representative Nita Lowey, “Explanatory Statement Submitted by Mrs. Lowey, Chairwoman of the House Committee on Appropriations Regarding H.R. 133, Consolidated Appropriations Act, 2021 (Division B—Commerce, Justice, Science, and Related Agencies),” *Congressional Record*, vol. 166, No. 218-Book III (December 21, 2020), pp. H7922-7923, <https://www.congress.gov/congressional-record/2020/12/21/house-section/article/H7879-2>.

⁹² EDA, “Tackling Persistent Poverty is Goal of New EEDA-Economic Innovation Group Initiative,” July 19, 2021, <https://www.eda.gov/news/blog/2021/07/19/tackling-persistent-poverty-goal-new-eda-economic-innovation-group-initiative>.

⁹³ See, for example, EDA, “Economic Recovery Corps Frequently Asked Questions,” <https://www.eda.gov/funding/programs/economic-recovery-corps/faq>.

⁹⁴ EDA, “EDA’s American Rescue Plan Programs,” <https://eda.gov/arpa/>.

⁹⁵ EDA, “EDA Investment Priorities—Definitions,” <https://www.eda.gov/sites/default/files/2022-06/EDA-FY21-Investment-Priorities-Definitions.pdf>.

Additionally, per Executive Order 13985 federal agencies are required to conduct an assessment of “whether, and to what extent, its programs and policies perpetuate systemic barriers to opportunities and benefits for people of color and other underserved groups. Such assessments will better equip agencies to develop policies and programs that deliver resources and benefits equitably to all.” See <https://www.govinfo.gov/content/pkg/FR-2021-01-25/pdf/2021-01753.pdf>.

⁹⁶ Senator Patrick Leahy, “Explanatory Statement Submitted by Mr. Leahy, Chair of the Senate Committee on Appropriations, Regarding H.R. 2617, Consolidated Appropriations Act, 2023,” *Congressional Record*, vol. 168, no. 198 (December 20, 2022), S7898-7899, <https://www.congress.gov/congressional-record/volume-168/issue-198/senate->

Assistance to Tribal Communities

EDA assists tribal communities in several ways. In addition to being eligible recipients of EDA grant assistance (see “Eligible Recipients” above), grants may be up to 100% of the cost of the project for tribes and consortiums of tribes.⁹⁷ As noted previously, in October 2021, EDA implemented a rule to allow for-profit tribal entities that are wholly owned by and established for the benefit of the tribe to be eligible for EDA assistance.⁹⁸ Additionally, in FY2021, EDA allocated \$100 million in ARP Act funding to the EDA’s Indigenous Communities program, and tribes, consortiums of tribes, and other entities that serve indigenous communities are eligible recipients.⁹⁹ The Indigenous Communities program was EDA’s first program developed specifically for Indigenous communities.¹⁰⁰ As noted below, the Biden Administration’s FY2024 budget request includes \$20 million for a program that would focus on economic development needs faced by tribal governments and indigenous communities.¹⁰¹

Regional Innovation Programs¹⁰²

In recent years, Congress has authorized EDA to administer place-based programs that fund regional efforts to expand economic growth by developing the entrepreneurial and innovation ecosystem in a specified region. Certain programs are designed to enhance national competitiveness as well. The Tech Hubs program, for instance, was designed to build regional innovation capacity. However, the program is also part of a broader set of initiatives authorized by the CHIPS and Science Act (P.L. 117-167) that focus on bolstering the U.S. global technology and economic competitiveness position, particularly in relation to China.¹⁰³

section/article/S7819-2.

⁹⁷ 42 U.S.C. §3144.

⁹⁸ See EDA, U.S. Department of Commerce, “Permitting Additional Eligible Tribal Entities,” 86 *Federal Register* 52957-52959, September 24, 2021, <https://www.federalregister.gov/documents/2021/09/24/2021-20633/permitting-additional-eligible-tribal-entities>.

⁹⁹ EDA, “Indigenous Communities,” <https://eda.gov/arpa/indigenous>.

¹⁰⁰ EDA, “EDA Updates Regulations to Make Grants More Accessible to Native American Communities,” September 24, 2021, <https://www.eda.gov/news/blog/2021/09/24/eda-updates-regulations-make-grants-more-accessible-native-american>.

¹⁰¹ Office of Management and Budget (OMB), *Budget of the U.S. Government, Fiscal Year 2024* (2023), pp. 60-61, https://www.whitehouse.gov/wp-content/uploads/2023/03/com_fy2024.pdf, and *Appendix: Budget of the U.S. Government, Fiscal Year 2024* (2023), p. 188, https://www.whitehouse.gov/wp-content/uploads/2023/03/com_fy2024.pdf.

¹⁰²As of March 2023, the EDA had requested information to inform future funding guidance but had not released a request for proposals or notice of funding opportunity for the Tech Hubs or Reconnect programs. See EDA, “Request for Information on Implementation of the Regional Technology and Innovation Hub Program,” 88 *Federal Register* 9427, February 14, 2023, <https://www.govinfo.gov/content/pkg/FR-2023-02-14/pdf/2023-03022.pdf>; and EDA, “Tech Hubs Program Fact Sheet,” https://www.eda.gov/sites/default/files/2023-04/EDA_TECH_HUBS_Fact_Sheet.pdf. See also CRS Report R47495, *Regional Innovation: Federal Programs and Issues for Consideration*, by Julie M. Lawhorn et al.

¹⁰³ Sintia Radu, “The U.S. Is (Again) Among the World’s Top Innovators,” U.S. News and World Report, August 8, 2019. See also Robert Hassink, “Advancing Place-Based Regional Innovation Policies” (2019); F. Hu, “Study on the Roles and Responsibilities of Government in the Regional Innovation System,” in *Frontiers in Enterprise Integration*, (CRC Press, 2008), pp. 381-384, <https://www.taylorfrancis.com/chapters/edit/10.1201/9781003061090-58/study-roles-responsibilities-government-regional-innovation-system-hu>; and Karen G. Mills, Elisabeth B. Reynolds, and Andrew Reamer, *Clusters and Competitiveness: A New Federal Role for Stimulating Regional Economies*, The Brookings Institution, April 2008, <https://www.brookings.edu/wp-content/uploads/2016/07/Clusters-Brief.pdf>.

Since 2015, EDA has administered the B2S program, which was established in Section 603 of the America COMPETES Reauthorization Act of 2010 (P.L. 111-358).¹⁰⁴ In July 2021, the EDA allocated \$1 billion of supplemental ARP Act funding for economic recovery activities to the Build Back Better Regional Challenge (BBBRC), a new grant initiative to support new or existing regional industry clusters.¹⁰⁵ In FY2023, the CHIPS and Science Act (Section 10621, P.L. 117-167) authorized two new programs: (1) the Regional Technology and Innovation Hubs (Hub) program,¹⁰⁶ and (2) the Recompete Pilot program.

The Tech Hubs program. The focus of the Tech Hubs program is to support technology development, job creation, and expanding U.S. innovation capacity. The program also seeks to develop hubs in areas that are not “leading technology centers.”¹⁰⁷ The Tech Hubs program is one of several programs authorized by P.L. 117-167 designed to improve the development and commercialization of certain technology areas. Through the Tech Hubs program, however, EDA will make place-based economic development grants to help regions address barriers to entrepreneurship and expand their capacity to become globally competitive in critical technologies and industries. Only eligible consortia may apply for the program, and each consortium has certain required and optional entity types.¹⁰⁸ Initial implementation awards may be up to \$150 million.¹⁰⁹ P.L. 117-167 authorized \$10 billion over five years (FY2023 through FY2027) to be appropriated for the program.¹¹⁰

The Recompete Pilot program. The Recompete Pilot program does not explicitly require economic development activities to focus on technology or innovation, but instead provides long-term, place-based assistance in amounts that will be larger than most existing EDA program awards. The minimum grant award amount will be \$20 million. P.L. 117-167 authorized \$1 billion over five years (FY2022 through FY2026) to be appropriated for the Recompete Pilot program.¹¹¹

¹⁰⁴ 15 U.S.C. §3722.

¹⁰⁵ For more information about the EDA’s allocation of supplemental appropriations approved in the American Rescue Plan Act (P.L. 117-2), see CRS Insight IN11712, *The Economic Development Administration’s American Rescue Plan (ARP) Act Grant Programs*, by Julie M. Lawhorn. For information about EDA’s regional innovation programs and activities, see EDA, “About OIE,” <https://eda.gov/oie>.

¹⁰⁶ P.L. 117-167 directed EDA to administer the Tech Hubs program in coordination with another Commerce agency, the National Institute of Standards and Technology (NIST).

¹⁰⁷ U.S. Senate Committee on Commerce, Science, and Transportation, “Section-by-section summary of the CHIPS and Science Act,” <https://www.commerce.senate.gov/services/files/1201E1CA-73CB-44BB-ADEB-E69634DA9BB9>.

¹⁰⁸ EDA, “Tech Hubs Program Fact Sheet,” https://www.eda.gov/sites/default/files/2023-04/EDA_TECH_HUBS_Fact_Sheet.pdf.

¹⁰⁹ For comparison, the FY2023 Notice of Funding Opportunity (NOFO) for the Public Works and Economic Adjustment Assistance (EAA) program noted that the average size of a Public Works investment has been approximately \$1.4 million, and investments generally range from \$600,000 to \$5 million. The average size of an EAA investment has been approximately \$650,000, and EDA expects to make awards ranging from \$150,000 to \$2.5 million in FY2023. See the Public Works and EAA NOFO at <https://www.grants.gov/web/grants/view-opportunity.html?oppId=346815>.

¹¹⁰ Division B, Title VI—Miscellaneous Science and Technology Provisions, Subtitle C, Section 10621.

¹¹¹ *Ibid.*

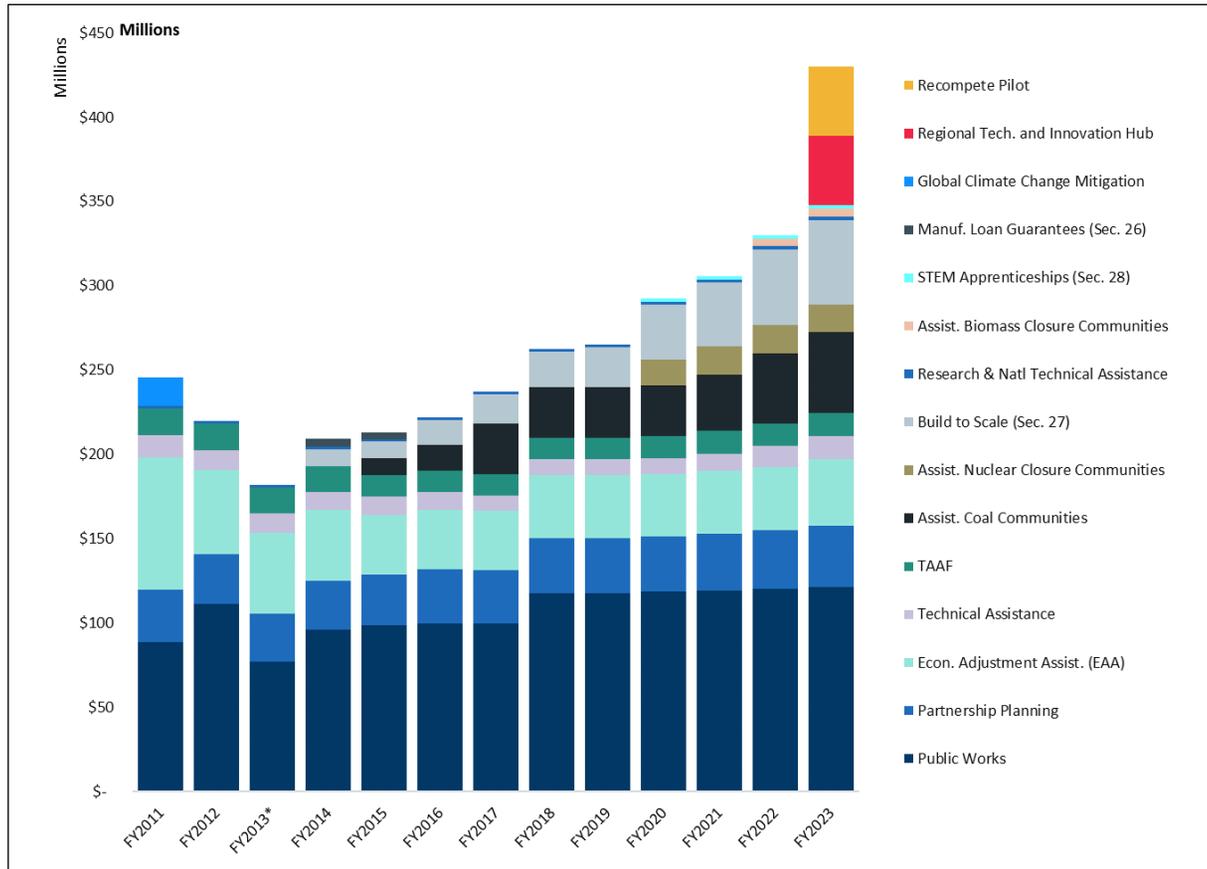
EDA Appropriations, FY2011-FY2023

For the FY2011-FY2023 period, annual appropriations for EDA programs and administration expenses averaged \$304 million (not adjusted for inflation) excluding disaster and COVID-19 supplemental appropriations.¹¹²

¹¹² For a summary of EDA programs and appropriations prior to FY2011, see Robert W. Lake, Robin Leichenko, and Amy Glasmeier, “EDA and U.S. Economic Distress 1965–2000,” EDA Research Report, 99-07-13812, July 2004, <http://www.ipr.ku.edu/KUforKS/2004julyEDAandUSeconomicdistressreport.pdf>.

Figure 5 provides the amounts allocated to major EDA programs since FY2011 excluding disaster, COVID-19, and other supplemental appropriations. Congress generally directs EDA to allocate the largest share of its annual appropriations to the Public Works program, with the second largest share of annual appropriations directed to the EAA program. However, beginning in FY2021, the allocation for the B2S program exceeded the allocation for the EAA program. In FY2023, Congress directed EDA to allocate \$39.5 million for the EAA program and \$50 million for the B2S program. In FY2022 and FY2023, Congress directed EDA to allocate a larger amount of funding to the Assistance to Coal Communities (ACC) initiative than to the base EAA program (\$41.5 million compared to \$37.5 million in FY2022, and \$48.0 million compared to \$39.5 million in FY2023). Congress directed EDA to set aside funding for coal-impacted communities beginning in FY2014 (i.e., through the ACC initiative and its precursors).

Figure 5. Funding for EDA Programs, FY2011-FY2023
(in millions of nominal dollars)



Source: CRS using information from the reports accompanying annual appropriations bills. For a breakdown of funding amounts by program, by fiscal year, see **Table B-2**.

Notes: The asterisk (*) indicates that the FY2013 levels are the post-sequestration amounts. EDA renamed the Regional Innovation Strategies program in FY2020. Amounts exclude funding provided for salaries and expenses. Amounts exclude disaster, COVID-19, and other supplemental appropriations.

Assistance to Energy Transition Communities

Congress has signaled an interest in using the EDA to provide financial and technical assistance to communities impacted by changes in the coal economy since FY2014, and to communities impacted by nuclear plant closures since FY2015. The following milestones highlight Congress's interest in providing assistance to energy transition communities since FY2014:

- In FY2014, Congress encouraged EDA to assist communities impacted by the “economic dislocation in the coal and timber industries,” and directed EDA to allocate no less than \$3 million “to enhance regional business development in areas negatively impacted by the downturn in the coal industry.”¹¹³
- In FY2015, a Senate appropriations committee report noted the negative, regional economic impact of nuclear plant closures and encouraged EDA to “identify and develop best practices” to assist communities.¹¹⁴
- Between FY2015 and FY2017, Congress continued to direct EDA to provide additional funding through the EAA program to coal-impacted communities as a part of the multi-agency Partnerships for Opportunity and Workforce and Economic Revitalization (POWER) Initiative.¹¹⁵
- Each year in FY2018 through FY2023, Congress directed EDA to provide additional funding through the EAA program to coal-impacted communities as a part of the Assistance to Coal Communities (ACC) initiative.¹¹⁶
- Each year in FY2020 through FY2023, Congress directed EDA to provide additional funding through the EAA program to the Assistance to Nuclear Closure Communities (NCC) initiative.¹¹⁷
- In FY2022 and FY2023, Congress directed EDA to provide funding (\$4.5 million) through the EAA program to biomass power plant closure communities (BCC).¹¹⁸

¹¹³ See explanatory statement accompanying the Consolidated Appropriations Act, 2014 (P.L. 113-76), printed in the January 15, 2014, *Congressional Record* (pp. H507-H532), <https://www.congress.gov/congressional-record/2014/01/15/house-section/article/H475-2>.

¹¹⁴ S.Rept. 113-181.

¹¹⁵ In FY2015 and FY2016, Congress directed EDA to allocate funding to “Assistance to Coal Communities” (see explanatory statements accompanying the FY2015 and FY2016 appropriations bills, P.L. 113-235 and P.L. 114-113). In FY2015 and FY2016, the ACC initiative was administered as a component of the multi-agency POWER Initiative—a coordinated federal effort to assist coal-impacted communities. The Appalachian Regional Commission’s (ARC’s) POWER Initiative and the EDA’s ACC initiative were developed as part of the Obama Administration’s POWER+ Plan (FY2015-FY2016). At the time, the POWER Initiative was the multi-agency economic development component. During the Trump Administration, ARC’s POWER Initiative and the EDA’s ACC initiative continued to operate, but were no longer a part of a cross-agency POWER Initiative. See CRS Report R46015, *The POWER Initiative: Energy Transition as Economic Development*, by Julie M. Lawhorn.

¹¹⁶ EDA, “FY 2018 Economic Development Assistance Programs Notice of Funding Opportunity,” p. 7, <https://www.grants.gov/web/grants/view-opportunity.html?oppId=306735>.

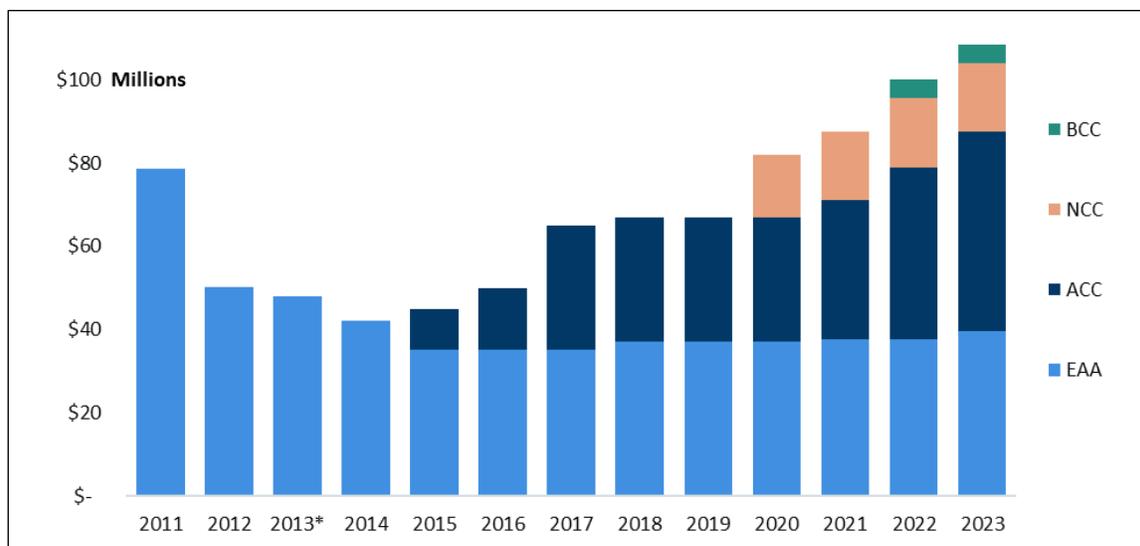
¹¹⁷ In FY2020, Congress directed EDA to allocate \$15 million to the Assistance to Nuclear Closure Communities (NCC) initiative (P.L. 116-93; see also *Congressional Record*, December 17, 2019, pp. H10961-10962). Each year in FY2021 through FY2023, Congress directed EDA to allocate \$16.5 million to the NCC initiative (P.L. 116-260, see also *Congressional Record*, December 21, 2020, pp. H7922-7923; P.L. 117-103, see also *Congressional Record*, March 9, 2022, p. H1733; and P.L. 117-328, *Congressional Record*, December 20, 2022, p. S7898-S7899).

¹¹⁸ Each year in FY2022 and FY2023, Congress directed EDA to allocate \$4.5 million to the biomass power plant closure communities (P.L. 117-103, *Congressional Record*, March 9, 2022, p. H1733; and P.L. 117-328, *Congressional*

Figure 6 charts the amounts of annual appropriations that EDA has allocated to the EAA, ACC, BCC, and NCC programs since FY2011.¹¹⁹ The funding for the EAA, ACC, BCC, and NCC programs together account for approximately 25-30% of total EDA appropriations annually.¹²⁰ In FY2021, EDA allocated \$300 million of the \$3 billion appropriation from the ARP Act to coal-impacted communities through the Coal Communities Commitment (CCC); CCC funding is not included in **Figure 6**.¹²¹

Figure 6. EAA, ACC, NCC, and BCC Funding History: FY2011-FY2023

(in millions of nominal dollars)



Sources: CRS using information from reports accompanying annual appropriations bills.

Notes: Does not include supplemental appropriations for disaster or COVID-19 economic recovery assistance. The asterisk (*) indicates that the FY2013 level is the post-sequestration amount. In recent years, Congress has directed EDA to administer additional funding through the EAA program for coal communities and nuclear closure communities. Starting in FY2022, Congress further directed EDA to administer funding through the EAA program for biomass plant closure communities (BCC).

Consolidated Appropriations Act, 2023, P.L. 117-328

On December 20, 2022, Congress approved, and the President signed into law, the Consolidated Appropriations Act, 2023 (P.L. 117-328) providing appropriations for a number of federal

Record, December 20, 2022, p. S7898-S7899).

¹¹⁹ FY2022 and FY2023 funding for biomass power plant closure communities is displayed as “BCC” in **Figure 6**.

¹²⁰ The ACC, BCC, and NCC initiatives are not independently authorized; congressional intent for funding the ACC and NCC initiatives is outlined in the explanatory statements accompanying annual appropriations committee reports. For additional information, including legislative origins, see CRS Insight IN11648, *The Economic Development Administration’s Assistance to Coal and Nuclear Closure Communities Initiatives for Economic Transitions*, by Julie M. Lawhorn. See also EDA, “FY 2023 Public Works and Economic Adjustment Assistance Notice of Funding Opportunity,” <https://www.grants.gov/web/grants/view-opportunity.html?oppId=346815>.

¹²¹ See EDA, “Coal Communities Commitment,” <https://eda.gov/arpa/coal-communities/>, which notes that the *Initial Report to the President on Empowering Workers Through Revitalizing Energy Communities* (April 2021), developed by President Biden’s Interagency Working Group, recommended focused federal investments for coal-impacted communities. The report is available at https://netl.doe.gov/sites/default/files/2021-04/Initial%20Report%20on%20Energy%20Communities_Apr2021.pdf.

agencies and departments, including the programs and activities of the EDA. The act provided \$1.6 billion for EDA, including \$1 billion for programs and activities; \$68 million for salaries and expenses; and \$500 million for certain disasters that occurred in calendar years 2021 and 2022. The total FY2023 appropriations for EDA programs and administration (including supplemental appropriations) represents an increase of \$1.2 billion (or 332%) from the FY2022 funding level of \$373.5 million.¹²²

In FY2023, funding for two new programs and salaries and administration represented the largest year-to-year increases. For instance, P.L. 117-328 provided \$200 million and \$500 million, respectively, for the new Recompete and Tech Hubs programs through annual and supplemental appropriations. P.L. 117-328 also provided \$68.0 million for salaries and administration in FY2023—an increase of 56% from the FY2022 funding level of \$43.5 million. In the explanatory statement accompanying P.L. 117-328, Congress directed EDA to allocate funding to other program areas in amounts that were at the same level or slight increases from FY2022 funding levels.¹²³ For instance, Congress directed EDA to increase the amount of funds for the ACC initiative by 16% (from \$41.5 million to \$48.0 million). P.L. 117-328 also included \$50 million for the Build to Scale (section 27) program, which was an increase of \$5 million over the program funding level in FY2022.¹²⁴ In addition, P.L. 117-328 included a provision rescinding \$10 million in unobligated balances from prior-year appropriations for economic development assistance programs.¹²⁵

Report language accompanying the FY2023 appropriations bill provided additional direction to EDA on the following matters:

- geographic equity, persistent poverty counties, and rural economic development challenges;
- the facilitation of economic development involving specific activities or sectors such as outdoor recreation and forest-related and aeronautics-related industries, among others;
- EDA’s technical assistance outreach and capabilities on projects involving manufacturing and energy efficiency, and for distressed communities broadly, as well as “technical assistance to eligible entities, consistent with the Native American Tourism and Improving Visitor Experience (NATIVE, P.L. 114-221) Act;”¹²⁶

¹²² See the Consolidated Appropriations Act, 2022 (P.L. 117-103) and the Consolidated Appropriations Act, 2023 (P.L. 117-328).

¹²³ Senator Patrick Leahy, “Explanatory Statement Submitted by Mr. Leahy, Chair of the Senate Committee on Appropriations, Regarding H.R. 2617, Consolidated Appropriations Act, 2023,” *Congressional Record*, vol. 168, no. 198 (December 20, 2022), S7898-S7899, <https://www.congress.gov/congressional-record/volume-168/issue-198/senate-section/article/S7819-2>.

¹²⁴ *Ibid.*; and Representative Rosa DeLauro, “Explanatory Statement Submitted by Ms. DeLauro, Chair of the House Committee On Appropriations, Regarding the House Amendment to the Senate Amendment to H.R. 2471, Consolidated Appropriations Act, 2022,” *Congressional Record*, vol. 168, no. 42, (March 9, 2022), p. H2254, <https://www.congress.gov/117/crec/2022/03/09/168/42/CREC-2022-03-09-bk3.pdf>.

¹²⁵ According to OMB, “Unobligated balances refers to balances that have not yet been committed by contract or other legally binding action by the government.” See OMB, *Budget of the United States, FY2022*, p. 5, <https://www.govinfo.gov/content/pkg/BUDGET-2021-BALANCES/pdf/BUDGET-2021-BALANCES.pdf>.

¹²⁶ P.L. 114-221 was enacted on September 23, 2016. One of the law’s purposes was “to expand heritage and cultural tourism opportunities in the United States to spur economic development, create jobs, and increase tourism revenues,” among others.

- the allocation and distribution of B2S and Assistance to Energy Communities funding;
- EDA’s efforts to avoid duplication in grant programs;
- EDA’s collaborations with HUD and USDA to help communities maximize federal economic development resources; and
- EDA’s activities with the Delta Regional Authority, the Appalachian Regional Commission, and the Northern Border Regional Commission to assist distressed communities.¹²⁷

Supplemental Appropriations

Supplemental appropriations for EDA programs have supported recovery efforts following economic injury caused by natural disasters and the COVID-19 pandemic. Disaster funding provides for expenses related to flood mitigation, disaster relief, long-term recovery, and the restoration of infrastructure for specific areas.¹²⁸ COVID-19 economic recovery funding supported economic recovery planning and technical assistance strategies to address economic dislocations caused by the coronavirus pandemic; entrepreneurial support programs to diversify economies; and related efforts.¹²⁹ EDA’s distribution and allocation strategy for supplemental appropriations varies by each event or situation.¹³⁰

Disaster Economic Recovery Assistance, FY2011-FY2023

Since FY2011, Congress has approved \$1.9 billion in supplemental funding for economic recovery in response to natural disasters (see **Figure 7**), including the following appropriations:

- In FY2012, Congress approved \$200 million in P.L. 112-55 for assistance to areas that received a major disaster designation in 2011 pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act, 42 U.S.C. §§5121 et seq.).
- In FY2018 and FY2019, supplemental appropriations provided \$1.2 billion for assistance to communities affected by disasters that occurred in calendar years 2017-2019.
 - The Bipartisan Budget Act of 2018 (P.L. 115-123) provided EDA with \$600 million in additional EAA funds for disaster relief and in response to economic distress or harm resulting from Hurricanes Harvey, Irma, and

¹²⁷ Senator Patrick Leahy, “Explanatory Statement Submitted by Mr. Leahy, Chair of the Senate Committee on Appropriations, Regarding H.R. 2617, Consolidated Appropriations Act, 2023,” *Congressional Record*, vol. 168, no. 198 (December 20, 2022), S7898-S7899, <https://www.congress.gov/congressional-record/volume-168/issue-198/senate-section/article/S7819-2>.

¹²⁸ By example, see P.L. 116-120, which authorizes appropriations for disaster economic recovery activities under Section 703 of the Public Works and Economic Development Act (42 U.S.C. §3233).

¹²⁹ By example, see P.L. 116-260.

¹³⁰ Testimony by Mr. Dennis Alvord, Acting Assistant Secretary of Commerce for EDA, U.S. House of Representatives, Committee on Transportation and Infrastructure, Subcommittee on Economic Development, Public Buildings and Emergency Management, *Investing in America: Reauthorization of the Economic Development Administration*, 117th Cong., 1st sess., April 28, 2021, <https://www.congress.gov/117/meeting/house/112512/witnesses/HHRG-117-PW13-Wstate-AlvordD-20210428.pdf>.

Maria, wildfires, and other federally declared natural disasters occurring in calendar year 2017.

- The Additional Supplemental Appropriations for Disaster Relief Act, 2019 (P.L. 116-120) provided EDA with \$600 million in additional EAA funds for areas that received a major disaster designation under the Stafford Act as a result of Hurricanes Florence, Michael, and Lane, Typhoons Yutu and Mangkhut, wildfires, volcanic eruptions, earthquakes, and other natural disasters occurring in calendar year 2018, as well as for areas affected by tornadoes and floods occurring in calendar year 2019.¹³¹
- The Consolidated Appropriations Act, 2023 (P.L. 117-328) provided EDA with \$500 million in additional EAA funds for areas that received a major disaster designation under the Stafford Act as a result of Hurricanes Ian and Fiona, wildfires, flooding, and other natural disasters occurring in calendar years 2021 and 2022.

COVID-19 Economic Recovery Assistance, FY2020-FY2021

EDA received \$1.5 billion of supplemental appropriations through the CARES Act in FY2020, and \$3 billion of supplemental appropriations through the ARP Act in FY2021. As noted previously, the supplemental CARES Act funding was nearly five times the amount of EDA's FY2020 annual appropriation, and the ARP Act funding was over eight times the amount of EDA's FY2021 annual appropriation—see **Figure 7**.

CARES Act, P.L. 116-136

The types of projects supported through CARES Act recovery assistance included

- economic recovery planning and preparing technical assistance strategies to address economic dislocations caused by the COVID-19 pandemic;
- preparing or updating resiliency plans to respond to future pandemics;
- implementing entrepreneurial support programs to diversify economies;
- constructing public works and facilities that will support economic recovery, and including the deployment of broadband to support telehealth and remote learning for job skills.

All geographic areas were eligible to apply for assistance under the “Special Need” criteria of the EAA program because of the widespread effects of the COVID-19 pandemic.¹³² EDA used both competitive and non-competitive processes to distribute CARES Act funding. Activities that received funding through non-competitive processes included EDDs and tribal planning grantees; University Centers; and Revolving Loan Fund (RLF) programs.¹³³ Additionally, Congress provided temporary special hiring authority to EDA through the CARES Act.¹³⁴

¹³¹ EDA, “Disaster Supplemental Funding,” <https://eda.gov/disaster-recovery/supplemental>.

¹³² 42 U.S.C. §3149(b).

¹³³ For more information on the EDA's COVID-19 response, see CRS Insight IN11402, *The Economic Development Administration's Economic Recovery Assistance for COVID-19 Impacted Communities*, by Julie M. Lawhorn; and DOC, “CARES Act Implementation Plan,” June 2020, <https://www.commerce.gov/files/commerce-cares-act-implementation-plan-june-2020>.

¹³⁴ P.L. 116-136. See also GAO, *Federal Hiring: OPM Should Collect and Share COVID-19 Lessons Learned to*

American Rescue Plan (ARP) Act, P.L. 117-2

The ARP Act provided \$3 billion to assist communities with COVID-19 recovery and resiliency strategies. These funds are available for economic adjustment assistance, to prevent, prepare for, and respond to COVID-19 conditions and for necessary expenses for responding to economic injury as a result of the COVID-19 pandemic. Of this amount, 25% will be for states and communities that have been affected by the decline in the “travel, tourism, or outdoor recreation sectors.” EDA will administer ARP Act recovery assistance through the following six new grant programs, each with different investment criteria and priorities.¹³⁵

- the Build Back Better Regional Challenge;¹³⁶
- the Good Jobs Challenge;
- the Economic Adjustment Assistance Program;
- the Indigenous Communities Challenge;
- the Travel, Tourism, and Outdoor Recreation Program; and
- the Statewide Planning, Research, and Networks Program.

Other Supplemental Appropriations, FY2023

As noted above, the CHIPS and Science Act (P.L. 117-167, Section 10621) authorized two new programs to be administered by EDA: (1) the Tech Hubs program and (2) the Recompete Pilot program. The Consolidated Appropriations Act, 2023 (P.L. 117-328) appropriated \$500 million for the Tech Hubs Program (\$41 million in regular appropriations in Division B, and \$459 million in supplemental appropriations in Division N). P.L. 117-328 also appropriated \$200 million for the Recompete Pilot Program (\$41 million in regular appropriations in Division B, and \$159 million in supplemental appropriations in Division N of P.L. 117-328).¹³⁷

Inform Hiring During Future Emergencies, GAO-22-104297, October 25, 2021, <https://www.gao.gov/assets/gao-22-104297.pdf>.

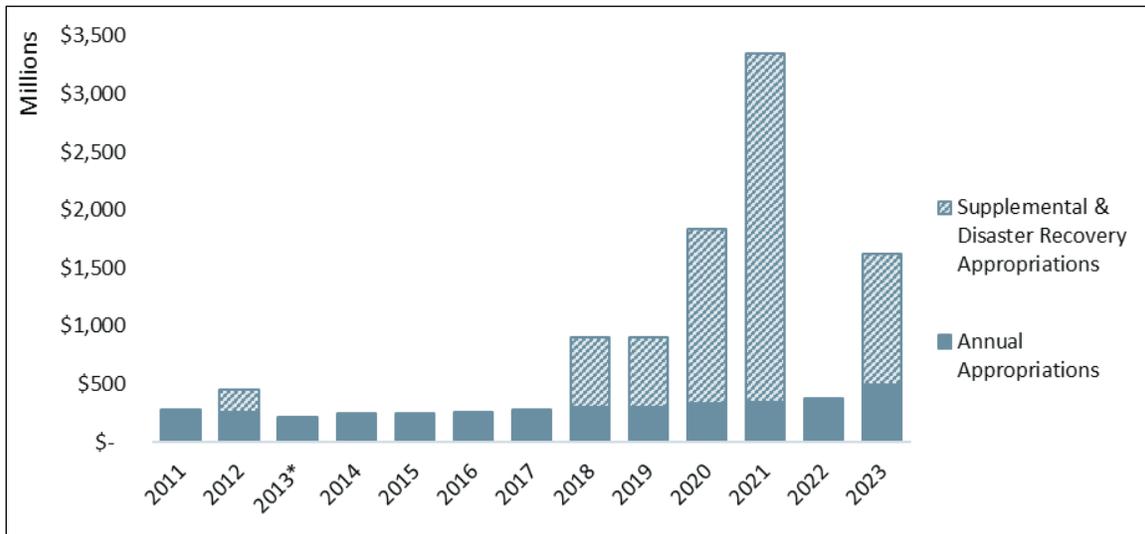
¹³⁵ For more information about the six ARP Act grant programs, see CRS Insight IN11712, *The Economic Development Administration’s American Rescue Plan (ARP) Act Grant Programs*, by Julie M. Lawhorn.

¹³⁶ The EDA allocated one third of the total amount of ARP Act appropriations (\$1 billion of a total \$3 billion in ARP Act funding) to the Build Back Better Regional Challenge (BBRC) to support new or existing regional innovation clusters. On December 13, 2021, EDA announced awards to 60 coalitions through Phase 1 of the BBRC program; see <https://eda.gov/news/press-releases/2021/12/13/build-back-better-regional-challenge-finalists.htm>.

¹³⁷ See Division B, Title VI—Miscellaneous Science and Technology Provisions, Subtitle C, Section 10621.

Figure 7. Annual and Supplemental and Disaster Recovery Appropriations, FY2011-FY2023

(in millions of nominal dollars)



Source: CRS using information from the reports accompanying appropriations bills.

Notes: Annual appropriations include funding for programs and salaries and expenses. In FY2012, annual appropriations for programs and disaster recovery assistance were approved in one bill, the Consolidated and Further Continuing Appropriations Act, 2012 (P.L. 112-55). In FY2018 through FY2021, supplemental appropriations for disaster recovery assistance and COVID-19 pandemic economic recovery assistance were approved in bills separate from annual appropriations bills. In FY2023, supplemental appropriations in P.L. 117-328 included (1) \$500 million for disaster recovery, (2) \$159 million for the Recompete Pilot program, and (3) \$459 million for the Tech Hubs program. The asterisk (*) indicates that the FY2013 level is the post-sequestration amount.

FY2024 Funding Request

The Biden Administration proposed increased annual appropriations for EDA in FY2024. The EDA’s FY2024 congressional budget request included \$2.3 billion for the EDA, an amount that is almost 44% above the FY2023 enacted level of \$1.6 billion (including supplemental appropriations). The request called for increases in funding levels for salaries and administration and for many of EDA’s new and existing programs. The largest nominal increases in program funding from FY2023 enacted levels were proposed for:

- the STEM Talent Challenge (“STEM Apprenticeships”) (from \$2 million to \$10 million in FY2024),
- the EAA program (from \$37.5 million to \$48 million in FY2024),
- the ACC initiative (from \$41.5 million to \$80.5 million in FY2024), and
- salaries and expenses (from \$43.5 million to \$70 million in FY2024).¹³⁸

The FY2024 request includes funding for several new initiatives including:

¹³⁸ DOC, EDA, *FY2024 Congressional Budget Justification*, <https://www.commerce.gov/sites/default/files/2023-03/EDA-FY2024-Congressional-Budget-Submission.pdf>.

- \$1.5 billion in no-year mandatory funding for the Tech Hubs program;
- \$195.5 million in discretionary funding for a new Recompete pilot program for multi-year grants to address persistent economic distress, as defined by high prime-age employment gaps;¹³⁹
- \$97 million in discretionary funding for a new workforce development program established under the ARP Act; and
- \$20 million in discretionary funding for an Assistance to Indigenous communities program.

The EDA’s FY2024 congressional budget justification also called for no or decreased funding levels for several existing programs (e.g., Public Works, Economic Adjustment Assistance, Trade Adjustment Assistance for Firms, and Research and Evaluation programs; and the Assistance to Nuclear Closure Communities initiative). **Table 5** provides a summary of funding for EDA programs in annual appropriations bills enacted in FY2023—as well as the requested FY2024 amounts.

Table 5. FY2023 Annual Appropriations and FY2024 Request

(budget authority, in millions of nominal dollars)

	FY2023	FY2024
	Enacted	Request
	P.L. 117-328	
EDA Programs		
Public Works	\$121.5	\$100.0
Economic Adjustment Assistance	\$39.5	\$33.0
Partnership Planning	\$36.0	\$36.0
Technical Assistance	\$14.0	\$14.0
Research and Evaluation	\$2.0	\$2.0
Traded Adjustment Assistance for Firms (TAAF)	\$13.5	\$13.0
Assist. Coal Communities (ACC)	\$48.0	\$80.5
Assist. Nuclear Closure (NCC)	\$16.5	\$10.0
Assist. Biomass Power Plant Closure Communities	\$4.5	—
STEM Apprenticeships (Sec. 28)	\$2.5	\$10.0
Build to Scale (Sec. 27)	\$50.0	\$45.0
Recompete Pilot	\$200.0	\$195.5
Tech Hubs—Discretionary	\$500.0	\$48.5
Tech Hubs—Mandatory	—	\$1,500.0

¹³⁹ Ibid., p. 99.

	FY2023 Enacted	FY2024
	P.L. 117-328	Request
Good Jobs Challenge	—	\$97.0
Assistance to Indigenous Communities	—	\$20.0
Subtotal Programs (Discretionary only)	\$1,048.0	\$704.5
Subtotal Programs (Discretionary + Mandatory)	\$1,048.0	\$2,204.5
Salaries and Expenses	\$68.0	\$99.5
Total (Discretionary + Mandatory)	\$1,616.0	\$2,304.0

Sources: Sources for FY2023 amounts are from the explanatory statements accompanying P.L. 117-328. FY2024 requested amounts are from DOC, EDA, *FY2024 Congressional Budget Justification*, <https://www.commerce.gov/sites/default/files/2023-03/EDA-FY2024-Congressional-Budget-Submission.pdf>.

Inspector General Oversight

The mission of the DOC Office of Inspector General (OIG) is to improve the DOC’s programs and operations through independent and objective oversight. The OIG’s primary methods of oversight include audits, evaluations, investigations, and related activities.¹⁴⁰ In recent years, DOC OIG testimonies and reports have analyzed the Public Works program, the Revolving Loan Fund (RLF) program (administered through the EAA program), and disaster recovery awards (also administered through the EAA program), with the OIG making recommendations for changes to grant application review, compliance, and related practices to prevent fraud, waste, and abuse.¹⁴¹ The most recent report focused on the EDA by the OIG’s Office Audit and Evaluation was issued in January 2021 and discussed EDA’s administration of CARES Act funding.¹⁴² The report found that (1) EDA was proactive in implementing the requirements of the CARES Act; (2) EDA mitigated challenges during implementation of the CARES Act; and (3) EDA exceeded obligation milestones and completed required certifications. The report reiterated a recommendation from a prior DOC OIG report for EDA to complete a comprehensive

¹⁴⁰ U.S. Department of Commerce (DOC) Office of Inspector General (OIG), “Mission, Vision, and Core Values,” <https://www.oig.doc.gov/Pages/Mission-Vision-and-Core-Values.aspx>; and “Organization,” <https://www.oig.doc.gov/Pages/Organization.aspx>.

¹⁴¹ See, for example, DOC OIG, “IG’s Testimony on EDA Reauthorization Act: Senate Committee on Environment and Public Works,” September 9, 2008, <https://www.oig.doc.gov/Pages/IG-Testimony-EDA-Reauthorization-Act-2008.09.09.aspx>; “The Economic Development Administration Faces Challenges in Effectively Monitoring Its Revolving Loan Funds,” Final Report No. OIG-15-031-A, June 5, 2015, <https://www.oig.doc.gov/OIGPublications/OIG-15-031-A.pdf>; and “EDA Is Not Fully Complying with All Its Disaster Relief Award Policies,” Final Report No. OIG-21-014-A, December 21, 2020, <https://www.oig.doc.gov/OIGPublications/OIG-21-014-A.pdf>.

¹⁴² According to the DOC OIG, “the Office of Audit and Evaluation supervises and conducts independent and objective audits and other reviews of Commerce programs and activities to ensure they operate economically, efficiently, and effectively.” DOC OIG, “Audits/Evaluations,” <https://www.oig.doc.gov/Pages/Audits-Evaluations.aspx>.

workforce plan for ongoing and future emergency and disaster relief efforts due to insufficient staffing and related concerns.¹⁴³

Policy Considerations

The following policy considerations center on EDA programs and the factors that affect the distribution of assistance; the agency’s role in federal economic development integration and in disaster economic recovery and resiliency; the extent of innovation and technology-led economic development activities in EDA’s investment portfolio; and options for EDA investments in workforce and human capital development. These considerations, among others, may inform Congress’s debate on the reauthorization of program appropriations and its consideration of other legislative options involving economic development policy.

Changes to Program Requirements

Instead of establishing new programs for specific development issues, Congress may consider changes to the factors that affect the distribution of EDA assistance, such as changes to the types of eligible recipients, cost share arrangements,¹⁴⁴ or other program requirements established by legislation. Such changes could be designed to limit or expand access to grants for certain projects, types of applicants, or communities with specific characteristics (e.g., regions experiencing economic distress as measured by new or revised metrics or regions affected by changes in specific industries).¹⁴⁵ For instance, congressional members, EDA leaders, and outside groups have called attention to the role of broadband access in economic recovery and infrastructure policies. Broadband-related activities are currently eligible for assistance under many EDA program grants.¹⁴⁶ However, unlike many forms of public infrastructure (e.g., water,

¹⁴³ DOC OIG, “EDA Was Effective in Implementing the Requirements for Awarding Funds Under the CARES Act,” Final Report OIG-21-017-I, January 5, 2021, <https://www.oig.doc.gov/OIGPublications/OIG-21-017-I.pdf>.

¹⁴⁴ Some analysts have proposed lower cost share requirements based on the applicant community’s level of economic distress, size, or other characteristics. For additional perspectives, see Anthony F. Pipa and Natalie Geismar, “Will Biden Deliver for Rural America? The Promise of the American Rescue Plan,” June 21, 2021, <https://www.brookings.edu/blog/up-front/2021/06/22/will-biden-deliver-for-rural-america-the-promise-of-the-american-rescue-plan/>. By example, S. 307 proposed a 100% funding rate for specific project types, and lower cost share requirements were discussed in a recent EDA oversight hearing (see U.S. Senate, Environment and Public Works Committee, *Examining Programs at the Economic Development Administration*, 117th Cong., 1st sess., Nov. 3, 2021, <https://www.epw.senate.gov/public/index.cfm/hearings?ID=256D08CE-44DC-47B4-9663-F9AC5AA8950E>).

¹⁴⁵ EDA provides financial and technical assistance to communities regardless of size or density (e.g., regardless of urban or rural designations). Selected EDA grant programs prioritize areas experiencing economic distress as directed by authorizing statute (see “Economic Distress Criteria” and 42 U.S.C. §3121 et seq.). Geographic distribution is considered in award decisions according to selected NOFOs (see EDA, STEM Talent Challenge NOFO, FY2023, p. 31, <https://www.eda.gov/sites/default/files/2023-04/FY%2023%20STEM%20Talent%20Challenge%20NOFO.pdf>).

Additionally, the “10-20-30” provision, included in reports accompanying recent appropriations bills, directs the agency to award 10% of its funding to counties with poverty rates of at least 20% over the last 30 years (persistent-poverty counties). By example, see P.L. 115-31, P.L. 115-141, among other annual appropriations bills for EDA programs.

GAO’s 2021 report, *Areas with High Poverty: Changing How the 10- 20-30 Funding Formula Is Applied Could Increase Impact in Persistent Poverty Counties*, notes that EDA applies the 10-20-30 provision to appropriations for two of its programs—Public Works and Build to Scale. See <https://www.gao.gov/assets/gao-21-470.pdf>.

¹⁴⁶ In a FY2021 EDA oversight hearing, testimony from a practitioner witness noted that in statutory language (i.e., PWEDA, 42 U.S.C. §3121 et seq.) and in EDA’s guidance there is limited direction on broadband activities in the economic development context. See U.S. House of Representatives, Committee on Transportation and Infrastructure, Subcommittee on Economic Development, Public Buildings and Emergency Management, *Investing in America: Reauthorization of the Economic Development Administration*, April 28, 2021, <https://www.congress.gov/117/meeting/>

wastewater), broadband access is frequently provided by, or in partnership with, private, for-profit companies.¹⁴⁷ The 117th Congress considered bills that would have amended PWEDA to make public-private partnerships eligible for assistance for specified broadband projects (see H.R. 3193 and S. 1695).¹⁴⁸

Expanding or Establishing EDA Programs, Roles, Offices, and Capacity

Congress may also consider new or expanded EDA programs, roles, and offices, as well as adjustments to the agency’s overall capacity and authorities. These options may be considered in addition to the technology and innovation policies noted in the following section.

In terms of EDA programs, Congress may wish to establish new, or redirect existing, investments to address specific development issues, including regional strategies, new types of infrastructure, human capital, and capacity challenges.¹⁴⁹ As a matter of program integration and overall policy consideration, some of Congress’s existing and proposed priorities related to disaster recovery as well as climate and economic resiliency may overlap with the infrastructure planning, design, and implementation activities currently supported by the Public Works and EAA programs.¹⁵⁰ As an alternative—or in addition to—changing program or eligibility requirements, Congress may also consider additional support for direct EDA technical assistance, expanded partnerships, targeted initiatives, or other strategies to build the capacity of stakeholder groups, such as economically distressed and small, rural communities, through EDA’s existing planning, RNTA, and/or University Center programs.¹⁵¹

Congress may also review how EDA manages the implementation of new programs, staffing levels, and increases in appropriations.¹⁵² As noted, in August 2022, P.L. 117-167 established two new programs at EDA: the Tech Hubs program and the Recompete Pilot program. The Tech Hubs and the Recompete Pilot programs are to provide financial assistance for long-term, place-based projects in amounts that are expected to be larger than most existing EDA program awards.

house/112512/witnesses/HHRG-117-PW13-Wstate-CooperL-20210428.pdf.

¹⁴⁷ Testimony by Assistant Secretary of Economic Development, Alejandra Castillo, U.S. Senate, Environment and Public Works Committee, *Examining Programs at the Economic Development Administration*, 117th Cong., 1st sess., Nov. 3, 2021, <https://www.epw.senate.gov/public/index.cfm/hearings?ID=256D08CE-44DC-47B4-9663-F9AC5AA8950E>.

¹⁴⁸ Related bills (H.R. 6491 and S. 3648) were also introduced in the 116th Congress.

¹⁴⁹ For additional context, Congress has also considered bills to amend PWEDA to explicitly authorize the use of grant funds for activities such as travel promotion and for projects that directly or indirectly increase the accessibility of child care, among other purposes.

¹⁵⁰ As noted previously, EDA was one of several agencies named in the Administration’s American Jobs Plan for potential new infrastructure investment through increased funding (or other changes) to the Public Works program. See White House, “Fact Sheet: The American Jobs Plan,” March 31, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/31/fact-sheet-the-american-jobs-plan/>.

¹⁵¹ As noted previously, in FY2021, the report accompanying the annual appropriations bill also directed EDA to support technical assistance for distressed small, rural, and underserved communities for “pre-development activities associated with accessing EDA programs and services.”

¹⁵² The CHIPS and Science Act (P.L. 117-167) authorized \$10 billion to be appropriated over five years (FY2023-FY2027) for the Tech Hubs Program. The Consolidated Appropriations Act, 2023 (P.L. 117-328) appropriated \$500 million for the Tech Hubs Program—\$41 million in regular appropriations in Division B and \$459 million in supplemental appropriations in Division N for the Tech Hubs Program.

P.L. 117-167 authorized \$1 billion to be appropriated over five years (FY2022-FY2026), and P.L. 117-328 appropriated \$200 million for the Recompete program—\$41 million in regular appropriations in Division B and \$159 million in supplemental appropriations in Division N.

Congress may wish to continue overall oversight of the new programs as well as how communities use EDA programs and resources to meet a shared outcome and how EDA allocates awards to address various policy, industry, and geographic diversity goals. Additionally, Congress may wish to examine how the programs align with existing EDA and other federal programs.

Congress may also review how EDA manages the implementation of the new Tech Hubs program in coordination with other federal agencies, federal regional commissions and authorities, and other stakeholders. For instance, Congress has previously directed EDA to consider innovation policy across the federal government through its NACIE role.¹⁵³ Congress has also directed other agencies to lead interagency activities pertaining to regional innovation and newly authorized regional innovation programs that are administered by agencies outside of DOC.

In terms of EDA's existing interagency role, Congress may continue to direct EDA to lead economic development integration at multiple levels (e.g., federal, state, and local), or consider permanent authorization of an EDA office dedicated to economic integration. EDA assistance to state and local stakeholders may involve further alignment of program requirements with other federal agencies' requirements and procedures.¹⁵⁴ Alternatively, assistance to state and local stakeholders may involve expanded EDA support for capacity building, leadership, and planning activities at the state and local levels. For instance, Congress could direct EDA to increase the level and type of assistance to state and local stakeholders in rural and underserved communities (e.g., for planning, project development, technical assistance, and data analysis or other forms of assistance). Agency officials and other groups have proposed that expanding the level of EDA support for planning, capacity, and skills development for state and local stakeholders could facilitate economic recovery following disasters or widespread economic shocks.¹⁵⁵

Lastly, Congress may consider additional, targeted integration activities. Such activities may involve EDA expanding its convening, coordinating, and regional interagency planning roles. In July 2021, at the request of the U.S. House Committee on Appropriations, Subcommittee on Commerce, Justice, Science, and Related Agencies, GAO issued a report on opportunities for interagency collaboration. The report noted that EDA continues to implement its recommendations for additional interagency collaboration.¹⁵⁶ Congress also may direct EDA to participate in joint federal interagency funding opportunities for specific development initiatives.¹⁵⁷

¹⁵³ <https://www.eda.gov/strategic-initiatives/national-advisory-council-on-innovation-and-entrepreneurship>.

¹⁵⁴ For information about EDA's efforts to collaborate, reduce administrative burdens, and align plans and resources, see <https://eda.gov/integration/resource-alignment/>. See also GAO, *Economic Development: Opportunities Exist for Further Collaboration Among EDA, HUD, and USDA*, GAO-21-579, July 2021, <https://www.gao.gov/assets/720/715997.pdf>.

¹⁵⁵ U.S. Senate, Committee on Environment and Public Works, "Oversight of the EDA," S.Hrg. 116-239, 116th Cong., 2nd sess., January 22, 2020, <https://www.congress.gov/116/chr/CHRG-116shrg40975/CHRG-116shrg40975.pdf>.

¹⁵⁶ In July 2021, in response to a request from the House Appropriations Committee, Subcommittee on Commerce, Justice, Science and Related Agencies, the Government Accountability Office (GAO) issued a report that analyzed options for further interagency collaboration. Two recommendations remain open and pertain to ways that EDA could expand its agreements and collaboration with the Department of Housing Urban Development (HUD) and the U.S. Department of Agriculture (USDA). As of March 2022, the EDA stated that it planned to revise certain agreements. See GAO, *Economic Development: Opportunities Exist for Further Collaboration among EDA, HUD, and USDA*, GAO-21-579, July 30, 2021, <https://www.gao.gov/products/gao-21-579>.

¹⁵⁷ Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization, *Initial Report to the President on Empowering Workers Through Revitalizing Energy Communities*, April 2021, p. 21, https://netl.doe.gov/sites/default/files/2021-04/Initial%20Report%20on%20Energy%20Communities_Apr2021.pdf; and U.S. House of Representatives, Committee on Transportation and Infrastructure, Subcommittee on Economic

In terms of offices, authorities, and internal capacity, Congress continues to rely on EDA for post-disaster economic recovery activities, as evidenced by the increased frequency and amount of supplemental appropriations following national disasters (see **Figure 7**). Congress may seek to formalize this role by authorizing an office for disaster recovery and/or increasing resources or authorities related to the agency's recovery role.¹⁵⁸ Alternatively, the agency's disaster recovery role may continue to be linked, as it is now, with the agency's Office of Economic Development Integration. Congress may also consider providing additional administrative resources or emergency hiring authority to extend the agency's capacity for recovery assistance.¹⁵⁹ As noted previously, in 2020, the DOC OIG recommended EDA develop a comprehensive workforce plan for ongoing and future emergency and disaster relief efforts; DOC OIG reaffirmed this recommendation in 2021.¹⁶⁰

Trade Adjustment Assistance for Firms (TAAF)

Congress may review the TAAF program in light of current trade and economic dynamics and ongoing trade negotiations. TAAF policy discussions involve the program's reauthorization, and broadening criteria so that more firms may qualify for assistance. The program's focus, funding level, and options to streamline its operations, among other matters, are outlined as "Issues for Congress" in CRS Report RS20210, *Trade Adjustment Assistance for Firms*, by Kyla H. Kitamura.

Preparing for Future Industries and EDA's Role in Federal Innovation Policy¹⁶¹

One of EDA's seven updated investment priorities (April 2021) is "technology-based economic development," which is defined as

Development, Public Buildings and Emergency Management, *Investing in America: Reauthorization of the Economic Development Administration*, 117th Cong., 1st sess., April 28, 2021.

¹⁵⁸ EDA currently has an Office of Disaster Recovery and Economic Integration (see <https://www.eda.gov/disaster-recovery/> and <https://eda.gov/integration>). In addition to and in coordination with EDA's headquarters offices, the EDA's regional offices handle disaster recovery activities through supplemental and regular funding.

In a FY2021 oversight hearing, a witness suggested that Congress could formally establish in statute an Office of Disaster Recovery within the EDA. See U.S. House of Representatives, Committee on Transportation and Infrastructure, Subcommittee on Economic Development, Public Buildings and Emergency Management, *Investing in America: Reauthorization of the Economic Development Administration*, witness testimony, 117th Cong., 1st sess., April 28, 2021, <https://www.congress.gov/117/meeting/house/112512/witnesses/HHRG-117-PW13-Wstate-CooperL-20210428.pdf>.

¹⁵⁹ For a discussion of EDA's recent application of its emergency hiring authority and state and local capacity challenges in the disaster recovery context, see U.S. Senate, Committee on Environment and Public Works, "Oversight of the EDA," S.Hrg. 116-239, 116th Cong., 2nd sess., January 22, 2020, <https://www.congress.gov/116/chr/CHRG-116shrg40975/CHRG-116shrg40975.pdf>. See also Department of Commerce, Office of Inspector General, *EDA Was Effective in Implementing the Requirements for Awarding Funds Under the CARES Act*, Final Report No. OIG-21-017-I, <https://www.oig.doc.gov/OIGPublications/OIG-21-017-I.pdf>.

¹⁶⁰ DOC Office of Inspector General, "EDA Should Develop a Workforce Plan and Improve Its Hiring Accountability to Successfully Award and Administer the Disaster Supplemental Funds Appropriated by the Bipartisan Budget Act of 2018," Final Report OIG-20-014-A, January 27, 2020, <https://www.oig.doc.gov/Pages/EDA-Should-Develop-a-Workforce-Plan-and-Improve-its-Hiring-Accountability-to-Successfully-Award-and-Administer-the-Disaster.aspx>; and "EDA Was Effective in Implementing the Requirements for Awarding Funds Under the CARES Act," Final Report OIG-21-017-I, January 5, 2021, <https://www.oig.doc.gov/OIGPublications/OIG-21-017-I.pdf>.

¹⁶¹ As previously noted, EDA's involvement in innovation and technology broadly includes the administration of competitive grant programs (e.g., the Build to Scale (B2S), SPRINT Challenge, and the Accelerate Response and Recovery (R2) Network Challenge programs described above and in **Appendix A**), workforce development and technical assistance initiatives (e.g., the STEM Talent Challenge and University Centers), and coordination with other

economic development planning or implementation projects that foster regional knowledge ecosystems that support entrepreneurs and startups, including the commercialization of new technologies, that are creating technology-driven businesses and high-skilled, well-paying jobs of the future.¹⁶²

Congress recently authorized new EDA programs to further prepare regions and workers for innovation- and technology-led economic development, and for “future industries.”¹⁶³ Innovation- and technology-led economic development strategies are based on the premise that technological breakthroughs and innovation drive economic growth. Some researchers observe that by identifying and promoting innovation, federal support may facilitate economic growth and competition.¹⁶⁴

Congress has supported various policies to promote innovation and to prepare regions for expanded technology-based economic development through workforce development programs as well as a subset of federal innovation policies often referred to as “regional innovation” or “innovation cluster” programs.¹⁶⁵ Congress may seek to continue support for EDA’s existing innovation-oriented programs (e.g., Build to Scale, Regional Technology and Innovation Hub), similar programs, or new programs.¹⁶⁶ Alternatively, Congress may pursue a more limited federal

federal agencies on regional innovation strategies (e.g., NACIE), among other activities. For a review of EDA and other federal programs for regional innovation, see CRS Report R47495, *Regional Innovation: Federal Programs and Issues for Consideration*, by Julie M. Lawhorn et al.

For a list of CRS analysts associated with science, technology, and innovation policy, see CRS Report R42688, *Science, Technology, and Innovation Policy: CRS Experts*, by John F. Sargent Jr.

¹⁶² EDA, “Investment Priorities,” <https://eda.gov/about/investment-priorities/>.

¹⁶³ Testimony by Mr. Dennis Alvord, Acting Assistant Secretary of Commerce for EDA, U.S. House of Representatives, Committee on Transportation and Infrastructure, Subcommittee on Economic Development, Public Buildings and Emergency Management, *Investing in America: Reauthorization of the Economic Development Administration*, 117th Cong., 1st sess., April 28, 2021, <https://www.congress.gov/117/meeting/house/112512/witnesses/HHRG-117-PW13-Wstate-AlvordD-20210428.pdf>.

EDA’s guidance for the STEM Talent Challenge highlighted “industries of the future” which could include, but are not limited to: artificial intelligence; machine learning; advanced manufacturing and robotics; space exploration and commerce; broadband expansion; bioscience; quantum information science; climate technologies; the built environment; and aqua- and agricultural technologies. EDA, “STEM Talent Challenge NOFO,” FY2023, p. 6, <https://www.eda.gov/sites/default/files/2023-04/FY%2023%20STEM%20Talent%20Challenge%20NOFO.pdf>.

¹⁶⁴ See Congressional Budget Office, “Federal Policies and Innovation,” November 17, 2014, p. 5, <https://www.cbo.gov/publication/49487>; and Yong-Shik Lee, “Law and Economic Development in the United States: Toward a New Paradigm,” *Catholic University Law Review*, vol. 68, no. 2 (2019), pp. 1-62, May 31, 2018, SSRN: <https://ssrn.com/abstract=3168964>.

¹⁶⁵ EDA defines regional clusters as

geographic concentrations of firms, workers and industries that do business with each other and have common needs for talent, technology, and infrastructure. Regional clusters are essentially networks of similar, synergistic, or complementary entities that are engaged in or with a particular industry sector; have active channels for business transactions and communication; share specialized infrastructure, labor markets, and services; and leverage the region’s unique competitive strengths to stimulate innovation and create jobs. Regional clusters may cross municipal, county, and other jurisdictional boundaries.

EDA, “Key Definitions,” <https://eda.gov/performance/key-definitions/>.

¹⁶⁶ Federal support for regional clusters and innovation cluster initiatives have included programs administered by EDA (e.g., Regional Innovation Strategies/Build to Scale) and agencies such as the Department of Energy, DOC, NIST, SBA, and others. These programs generally provide planning and other support to intermediary organizations to develop new or expand existing industry clusters. See Ryan Donahue, Joseph Parilla, and Brad McDearman, “Rethinking Cluster Initiatives,” Brookings Institution Metropolitan Policy Program, July 2018, https://www.brookings.edu/wp-content/uploads/2018/07/201807_Brookings-Metro_Rethinking-Clusters-Initiatives_Full-report-final.pdf; Mark Muro and Bruce Katz, “The New ‘Cluster Moment’: How Regional Innovation Clusters Can Foster the Next Economy,” Brookings Institution Metropolitan Policy Program, September 21, 2010,

role in the facilitation of innovation clusters, advance policies that favor stronger state and local roles in technology-led economic development, or advance policies that favor investment in public goods or other development strategies.¹⁶⁷

Congress may also seek to review the overall distribution and coordination of existing innovation policies as well as the EDA's role in the landscape of federal innovation programs. The House Subcommittee on Research and Technology reviewed these matters in a hearing in June 2021. The hearing addressed the following questions, many of which pertain to the broader discussion on EDA and its role in future industries and regional economic development, including

- What are the critical elements and who are the necessary partners in developing a successful strategy for local and regional innovation economies?
- What is the role of the federal government, and in particular the EDA, in supporting the development of local and regional innovation economies?
- How can research universities strengthen their role in helping to anchor local and regional innovation economies?
- How can efforts to build regional innovation economies include equity and shared prosperity as a priority?¹⁶⁸

Human Capital, STEM, and Workforce Development

As Congress considers workforce development in the context of EDA programs and the broader portfolio of federal economic development policies, the following issues may warrant further analysis:

- connecting stakeholders across the public, private, and education sectors in response to emerging industries and career pathways;
- allowing flexibility for new or nontraditional training programs; and

<https://www.brookings.edu/research/the-new-cluster-moment-how-regional-innovation-clusters-can-foster-the-next-economy/>; National Research Council, "The Federal Dimension," *Best Practices in State and Regional Innovation Initiatives: Competing in the 21st Century* (Washington, DC: The National Academies Press), 2013, <https://doi.org/10.17226/18364>; and Camilla Alexandra Hrdy, "Cluster Competition," *Lewis & Clark Law Review*, vol. 20, October 7, 2016, pp. 982-986, 1013, <https://ssrn.com/abstract=2672660>, which includes the definition of innovation clusters as "regional economies made up of firms, suppliers, and human talent whose core activity is innovation."

As noted, the EDA's Build Back Better Regional Challenge, a grant program launched in July 2021, funded new or existing regional innovation clusters with one third of the total amount of ARP Act appropriations (\$1 billion out of a total of \$3 billion in ARP Act funding).

¹⁶⁷ Camilla Alexandra Hrdy, "Cluster Competition," *Lewis & Clark Law Review*, vol. 20, October 7, 2016, pp. 997-1009, <https://ssrn.com/abstract=2672660>; and Giles Duranton, "California Dreamin': The Feeble Case for Cluster Policies," *Review of Economic Analysis*, vol. 3, pp. 3-45, http://repository.upenn.edu/real-estate_papers/2.

¹⁶⁸ Policy questions from the Hearing Charter for U.S. House of Representatives, Committee on Science, Space, and Technology, "Building Regional Innovation Economies," June 9, 2021, <https://www.congress.gov/117/meeting/house/112753/documents/HHRG-117-SY15-20210609-SD002.pdf>.

The hearing memo reviewed the role of the Department of Commerce and the EDA in expanding regional innovation economies, options for further development, and partnership opportunities with federal science agencies, and raised several considerations regarding the EDA's role and select aspects of the Build to Scale (B2S) program in particular. The memo noted that EDA's expertise includes leading regional economic development and related expertise, while NIST and other agencies are generally considered lead agencies in terms of technical expertise on innovation and research and development. The hearing charter further noted that the matching requirements associated with the competitive B2S program may limit participation by economically distressed and rural communities due to limited resources in some communities.

- coordinating new and existing workforce and economic development programs.¹⁶⁹

Congress may seek to support innovation economies through human capital policies that prepare workers with expertise and skills to meet new and emerging opportunities. For instance, Congress approved funding for the STEM Talent Challenge (see program description in **Appendix A**), which is designed to advance the STEM-capable workforce. Additionally, EDA set aside approximately 17% (\$500 million) of the ARP Act recovery assistance to enhance regional workforce systems through the Good Jobs Challenge grant program.¹⁷⁰ Insights from these programs could inform how new or flexible training program models may support technology-led economic development goals and address employer needs in emerging industries.¹⁷¹

Underserved Communities

Congress may consider options to update how EDA’s recovery and non-recovery programs assist underserved and disadvantaged communities. For instance, matching fund requirements and limited broadband access may limit some rural and underserved communities’ access to innovation-centered competitions and other programs.¹⁷² Additionally, Congress may continue to direct or change how EDA partners with historically black colleges and universities (HBCUs), minority-serving institutions (MSIs), and other entities in its efforts to address regional disparities, racial equity, and inclusive strategies that serve communities that may have been left behind by prior innovation initiatives and opportunities.¹⁷³ In response to geographic and demographic disparities, Congress may consider increasing funding for innovation hubs, research and business incubators, STEM education, and other activities in rural, underserved, and disadvantaged communities beyond metropolitan areas and existing growth centers.¹⁷⁴ Congress may also seek to evaluate the level of engagement with partners and allocation or distribution of

¹⁶⁹ See Federal Reserve Bank of Atlanta, “Why Connecting Economic and Workforce Development Matters,” <https://www.atlantafed.org/podcasts/transcripts/economic-development/121214-why-connecting-economic-and-workforce-development-matters>.

¹⁷⁰ EDA, “Good Jobs Challenge,” <https://eda.gov/arpa/good-jobs-challenge/>.

¹⁷¹ In FY2020, Congress directed EDA to implement STEM apprenticeships (see STEM Talent Challenge in **Appendix A**) to support STEM-capable workforce initiatives. EDA highlights “industries of the future” which could include, but are not limited to: artificial intelligence; machine learning; advanced manufacturing and robotics; space exploration and commerce; bioscience; quantum information science; and aqua- and agricultural technologies.” The FY2020 STEM Talent Challenge NOFO notes that applicants may address the need for computational literacy and issues related to the digital economy (e.g., remote work, shifting business practices) in order to address the current COVID-19 pandemic or prepare for virtual and remote work. See STEM Talent Challenge NOFO, EDA-HDQ-OIE-2020-2006617, pp. 1, 4, <https://www.grants.gov/web/grants/view-opportunity.html?oppId=328794>.

¹⁷² For an example of these perspectives, see Robert D. Atkinson, Mark Muro, and Jacob Whiton, “The Case for Growth Centers—How to Spread Tech Innovation Across America,” The Brookings Institution, December 2019, <https://www2.itif.org/2019-growth-centers.pdf>; and Olugbenga Ajilore and Zoe Willingham, “The Path to Rural Resilience in America,” Center for American Progress, September 21, 2020, <https://www.americanprogress.org/issues/economy/reports/2020/09/21/490411/path-rural-resilience-america/>.

¹⁷³ L. Waymond Jackson, Jr., “Leveraging Regional Tech Hubs to Advance Economic Inclusion,” Brookings Institution, July 13, 2021, https://www.brookings.edu/wp-content/uploads/2021/07/metro_20210713_techhubs_transcript.pdf.

¹⁷⁴ Mark Muro et al, “Congress Needs to Prioritize Inclusion in Our Slumping Innovation System,” The Brookings Institution, August 11, 2021, <https://www.brookings.edu/blog/the-avenue/2021/08/11/congress-needs-to-prioritize-inclusion-in-our-slumping-innovation-system>; and Brad McDearman, Joseph Parilla, and Ryan Donahue “A New Federal Grant Should Make Regional Leaders Rethink Their Industry Clusters,” The Brookings Institution, September 1, 2021, <https://www.brookings.edu/blog/the-avenue/2021/09/01/a-new-federal-grant-should-make-regional-leaders-rethink-their-industry-clusters/>.

funding in underserved communities. See “Persistent Poverty and Distressed, Small, Rural and Underserved Areas—Funding and Technical Assistance” for a summary of recent legislative and agency activities focused on underserved communities.

Reauthorization

Although the PWEDA authorities do not expire, the authorization of appropriations to fund the economic development assistance programs expired on September 30, 2008. Hearings during the first session of the 117th Congress indicated that policymakers may have considered legislation to provide authorization of program appropriations and/or amend PWEDA.¹⁷⁵ Many of the aforementioned considerations propose to address policy through PWEDA amendments and/or reauthorization of program appropriations. Policymakers may consider amending PWEDA to add new grant programs, expand or clarify the scope of existing programs, or expand eligibility criteria for specific types of projects, among other actions.

Concluding Remarks

Throughout the agency’s history, a central feature of EDA’s role has been to provide matching federal funds to assist state, local, and regional economies to advance projects in support of growth, or to address geographic disparities for distressed areas. Expanding EDA’s role to serve more communities, achieve different outcomes, or coordinate across federal and state departments and agencies may involve changes in the agency’s authority, budget, or program structure.¹⁷⁶

Legislation enacted in the 117th Congress indicates interest in expanding the EDA’s role in place-based, regionally oriented, and community-led approaches to technology-based economic development. As EDA and other federal agencies implement new regional innovation programs, Congress may evaluate aspects of such programs for consideration in other place-based initiatives.

Policies that propose to change the agency’s roles or programs may reflect different interpretations of what constitutes economic development and differing views on whether federal policies should provide broad-based assistance, targeted assistance, or some combination thereof. For some, broad-based economic development programs with economic distress criteria allow assistance to be accessible for a range of communities’ needs and opportunities (e.g., the Public

¹⁷⁵ For a review of reauthorization issues during the 112th Congress, see CRS Report R41162, *Economic Development Administration: Reauthorization and Funding Issues in the 112th Congress*, by Julie M. Lawhorn.

For reports from EDA oversight hearings from the 117th Congress, see

- U.S. Senate, Committee on Environment and Public Works, *Examining Programs at the Economic Development Administration*, 117th Cong., 1st sess., Nov. 3, 2021, <https://www.epw.senate.gov/public/index.cfm/hearings?ID=256D08CE-44DC-47B4-9663-F9AC5AA8950E>.
- U.S. House of Representatives, Committee on Transportation and Infrastructure, Subcommittee on Economic Development, Public Buildings and Emergency Management, *Investing in America: Reauthorization of the Economic Development Administration*, 117th Cong., 1st sess., April 28, 2021, <https://www.congress.gov/event/117th-congress/house-event/112512>.
- U.S. House of Representatives, Committee on Appropriations, Subcommittee on Commerce, Justice, Science, and Related Agencies, “Oversight of the Economic Development Administration’s Role in Pandemic Response,” 117th Cong., 1st sess., April 21, 2021, <https://www.congress.gov/event/117th-congress/house-event/112466>.

¹⁷⁶ Yong-Shik Lee, “Law and Economic Development in the United States: Toward a New Paradigm,” *Catholic University Law Review*, vol. 68, no. 2 (2019), May 31, 2018, pp. 1-62, SSRN: <https://ssrn.com/abstract=3168964>.

Works and EAA programs). For others, targeted economic development programs allow assistance to reach a particular type of community or circumstance (e.g., programs for energy- and resource-based industries). For others still, policies may involve a mixture of approaches and overlap in definitions, agencies, roles, and strategies of practice. In considering policy changes, Congress may also wish to maintain current program roles and authorities—many of which are broad and flexible (e.g., the EAA program)—and targeted appropriations, directed as needed to address new challenges and opportunities (e.g., in the manner of setting aside EAA funding for coal-impacted and nuclear closure communities in the ACC and NCC initiatives).¹⁷⁷ Congress may also review the allocation of assistance based on preferred economic development goals—to further economic growth, to advance national competitiveness, to foster job creation, to prepare regions for development, to develop human capital, to recover from and prepare for economic shocks, and/or other outcomes.

The EDA—through its program investments, partnerships, and integration roles—represents one of many channels of federal and nonfederal policies designed to address economic matters at the subnational level. In practice, economic development involves multiple stakeholders, and the associated outcomes and processes will likely be impacted by multiple macroeconomic factors and community-level circumstances, conditions, and histories. Policy considerations related to EDA are likely to involve a strategic and contextual evaluation of adjacent policies, related agencies, supporting actors, and awareness of the many, dynamic factors impacting global, national, and regional economies.

¹⁷⁷ Congress approved appropriations for several years for the ACC and NCC initiatives. These initiatives are not separately authorized and are administered by EDA through the EAA program.

Appendix A. Grant Programs

This appendix provides summaries of EDA’s current grant programs and selected requirements.

Build to Scale (B2S)

The Build to Scale (B2S) program (formerly called Regional Innovation Strategies) supports entrepreneurship, innovation, technology commercialization, access to capital, and related efforts to expand startups, company growth, and increased access to risk capital across regional economies. B2S is composed of the Venture Challenge (formerly the “i6 Challenge”) and the Capital Challenge (formerly the “Seed Fund Support”).¹⁷⁸ The Venture Challenge funds entrepreneurship support programs and other models to accelerate high-growth entrepreneurship activities. The Capital Challenge supports efforts to expand access to risk capital. The B2S program primarily funds intermediary organizations and does not provide funding to start-ups.

Statutory Authority: 15 U.S.C. §3722

Agency Regulations: 13 C.F.R. Part 312

Economic distress criteria: No minimum economic distress level requirements.¹⁷⁹

Level of matching funds requirement: In FY2022, the minimum matching share was 50%.¹⁸⁰

Economic Adjustment Assistance (EAA) Program

EDA refers to the EAA program as its most flexible economic development tool.¹⁸¹ The EAA program is designed to assist areas experiencing long-term economic distress or sudden and substantial economic dislocation. Under EAA, EDA administers its Revolving Loan Fund (RLF) program, which allows local loan administrators to provide gap financing to small businesses and entrepreneurs. EAA funds are competitively awarded to qualified applicants to assist them in developing and implementing a five-year CEDS or for implementation grants that support the activities and strategies identified in a CEDS. EAA activities may include physical infrastructure projects, including water and sewer facilities, industrial parks, and business incubators; strategic planning; market or industry research and analysis; technical assistance, including feasibility studies; public services; and training.¹⁸²

¹⁷⁸ In FY2020, EDA administered a third competition in the B2S program, the Industry Challenge, but did not offer it in FY2021 or FY2022. In FY2020, the Industry Challenge focused on advancing regional blue economies. According to the EDA, the term “blue economy” refers to the “sustainable use of ocean resources for economic growth, improved livelihoods and jobs, while preserving the health of marine ecosystems.” See EDA, *February 2020 Newsletter*, “Spotlight: EDA Launches the Build to Scale Program, a Redesign of its Regional Innovation Strategies Program,” <https://www.eda.gov/news/blogs/2020/02/01/spotlight.htm>.

¹⁷⁹ The B2S Program is authorized under Section 27 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. §3722). The FY2020 B2S Notice of Funding Opportunity (NOFO) noted that, “this authorization does not require applicants to meet specific distress criteria to be considered eligible.” See EDA, “NOFO—2020 Build to Scale Program—Concept Proposal,” EDA-HDQ-OIE-2020, <https://www.grants.gov/web/grants/view-opportunity.html?oppId=324375>.

¹⁸⁰ EDA, “2022 Build to Scale Program NOFO,” <https://www.eda.gov/sites/default/files/2022-05/FY22-Build-to-Scale-NOFO.pdf>.

¹⁸¹ EDA, *FY2024 Congressional Budget Justification*, p. 56, <https://www.commerce.gov/sites/default/files/2023-03/EDA-FY2024-Congressional-Budget-Submission.pdf>.

¹⁸² 13 C.F.R. Part 307.

EDA administers funding for Assistance to Coal Communities (ACC), Nuclear Closure Communities (NCC), and some forms of supplemental appropriations through EAA.¹⁸³ The EDA supports disaster recovery efforts primarily through the EAA program to support disaster recovery strategies, disaster recovery coordinators, construction activities, capitalizing RLFs, entrepreneurship development, technical assistance, and other recovery projects.¹⁸⁴

EDA administered the SPRINT Challenge through the EAA program with \$25 million of CARES Act funding. The purpose of the SPRINT Challenge was to “address the economic, health, and safety risks caused by the coronavirus pandemic through entrepreneurship and innovation.”¹⁸⁵

EDA administered the following economic recovery assistance through the EAA program in FY2022:

- **Economic Recovery Corps.** EDA administered the new Economic Recovery Corps program through the EAA program with funding provided by the CARES Act. The Economic Recovery Corps program was designed to expand staff capacity in local organizations focused on improving economic resilience and competitiveness in distressed regions. The NOFO indicated that EDA would select a Network Operator (an organization or coalition) to build, launch, and operate the Economic Recovery Corps program, which will embed Fellows in local economic development organizations.¹⁸⁶
- **Equity Impact Investments.** EDA administered the new Equity Impact Investments program through the EAA program with funding provided by the CARES Act. The program was designed to provide technical assistance to enable organizations serving underserved populations and communities to participate in economic development planning and projects.¹⁸⁷

Statutory Authority: 42 U.S.C. §3149

Agency Regulations: 13 C.F.R. Part 307

Economic distress criteria: The project area must meet one (or more) of the economic distress criteria, which includes projects that meet a “special need.”

Requirement to align with CEDS or equivalent: Funded projects must be part of an EDA-certified CEDS or equivalent EDA-accepted regional economic development strategy, unless the project is for a Strategy Grant (as defined in 13 C.F.R. §307.3)¹⁸⁸ or serves a Special Impact area (as defined in 13 C.F.R. Part 310).¹⁸⁹

Level of matching funds requirement: Generally 50% of project costs, but may vary. Projects may receive an additional amount, not to exceed 30%, based on the relative needs of the region in which the project will be located, as determined by EDA. In the case of certain Indian tribes,

¹⁸³ For more information, see CRS Insight IN11648, *The Economic Development Administration’s Assistance to Coal and Nuclear Closure Communities Initiatives for Economic Transitions*, by Julie M. Lawhorn.

¹⁸⁴ EDA, “Leading Economic Recovery Efforts in Disaster-Impacted Communities,” <https://eda.gov/files/programs/disaster-recovery/EDA-Disaster-Brochure.pdf>.

¹⁸⁵ For more information on the SPRINT Challenge, see <https://eda.gov/oie/sprint/>. For more information on EDA CARES Act funding, see CRS Insight IN11303, *The Economic Development Administration and the CARES Act (P.L. 116-136)*, by Julie M. Lawhorn.

¹⁸⁶ EDA, “Economic Recovery Corps,” <https://www.eda.gov/economic-recovery-corps>.

¹⁸⁷ EDA, “FY 2023 Public Works and Economic Adjustment Assistance Notice of Funding Opportunity,” <https://www.grants.gov/web/grants/view-opportunity.html?oppId=346815>.

¹⁸⁸ 13 C.F.R. §307.5(1).

¹⁸⁹ 13 C.F.R. §301.10(c).

nonprofit organizations that have exhausted their effective borrowing capacity, or a state or political subdivision of a state that has exhausted its effective taxing and borrowing capacity, EDA may award grants totaling 100% of a project's cost. Credit may be given toward the nonfederal share for in-kind contributions, including contributions of space, equipment, and services.

Local Technical Assistance Program

The Local Technical Assistance (Local TA) program provides grants for management and technical services, including feasibility studies, impact analyses, disaster resiliency plans, and project planning. Analysis from the impact and feasibility studies may help leaders in economic development decisionmaking. For instance, an eligible entity could apply for a Local TA grant to prepare for a business development project such as an incubator, shared-use processing facility, or an entrepreneurship center. Local TA could help a city or county prepare a feasibility study regarding the reuse of an abandoned manufacturing facility to advance local economic development.

Statutory Authority: 42 U.S.C. §3147

Agency Regulations: 13 C.F.R. Part 306, Subpart A

Economic distress criteria: EDA's regulations (13 C.F.R. §301.3) note that there are no minimum economic distress level requirements for Local TA projects.

Requirement to align with CEDS or equivalent: EDA regulations (13 C.F.R. §306.2) note that projects will be evaluated based on the extent that they are "consistent with an EDA-approved CEDS, as applicable, for the region in which the project is located."

Level of matching funds requirement: Generally 50% of project costs, but may vary. See 13 C.F.R. §301.4.

Planning Partnership Program

Planning grants are used for direct and indirect administrative expenses of EDDs as well as local organizations (Indian tribes and other eligible recipients) charged with long-term strategic economic development planning efforts such as a CEDS in EDA-designated distressed areas.

Planning grants may also support short-term planning investments to states, sub-state planning regions and urban areas and may help communities undertake focused, project-specific planning activities. Eligible activities under this program include developing, maintaining, and implementing a CEDS and related short-term planning activities.¹⁹⁰

Statutory Authority: 42 U.S.C. §3143

Agency Regulations: 13 C.F.R. Part 303

Economic distress criteria: No minimum economic distress level requirements.¹⁹¹

¹⁹⁰ According to an example noted in EDA's FY2021-FY2023 NOFO for Planning and Local Technical Assistance, "EDA might provide Short Term Planning funding to a coalition of Tribal and regional organizations to plan a coordinated response to the sudden loss of a significant employer in the affected area. EDA also makes Short-Term Planning awards to support the preparation or update of a CEDS for regions not served by a District Organization." See EDA, "NOFO—EDA Planning and Local Technical Assistance Programs," https://eda.gov/files/programs/eda-programs/FY21-23-Planning-and-LTA-NOFO_FINAL.pdf.

¹⁹¹ 13 C.F.R. §306.

Requirement to align with CEDS or equivalent: Generally, the long-term partnership planning investments support the development of CEDS.

Level of matching funds requirement: Generally 50% of project costs, but may vary.

Public Works Program

The Public Works program is designed to promote long-term economic development and assist with the construction of physical infrastructure projects in distressed areas. Grants may support the acquisition or development of land and improvements for use for a public works, public service, or development facility; and the acquisition, design and engineering, construction, rehabilitation, alteration, expansion, or improvement of such a facility, including related machinery and equipment. Examples of Public Works activities may include water and sewer systems improvements, industrial parks, business incubator facilities, telecommunications infrastructure, skill-training facilities, brownfields redevelopment, and the expansion of port and harbor facilities. Similar assistance is also available under the agency's EAA program.

Statutory Authority: 42 U.S.C. §3141

Agency Regulations: 13 C.F.R. Part 305

Economic distress criteria: The project area must meet one (or more) of the economic distress criteria, which includes projects that meet a "special need."

Requirement to align with CEDS or equivalent: Funded projects must be part of an EDA-certified CEDS or equivalent EDA-accepted regional economic development strategy.

Level of matching funds requirement: Generally 50% of project costs, but may vary. Projects may receive an additional amount, not to exceed 30%, based on the relative needs of the region in which the project will be located, as determined by EDA. In the case of certain Indian tribes, nonprofit organizations that have exhausted their effective borrowing capacity, or a state or political subdivision of a state that has exhausted its effective taxing and borrowing capacity, EDA may award grants totaling 100% of a project's cost. Credit may be given toward the nonfederal share for in-kind contributions, including contributions of space, equipment, and services.

Recompete Pilot Program

The Recompete Pilot program is a new program authorized by the CHIPS and Science Act (P.L. 117-167, Section 10621) that will provide grants and cooperative agreements to persistently distressed areas. Once established, the program will also administer two types of awards: (1) strategy development grants, and (2) strategy implementation grants.

The strategy development funds will support planning and other pre-development activities, such as the formation of a Recompete plan. The Recompete plan is a comprehensive economic development plan that includes the proposed multiyear activities to be implemented; projected costs and disbursement schedule; partner roles and responsibilities; and other information. Up to half of the funding may be made available for strategy development grants.

The implementation funds may be used for activities that are consistent with an applicant's approved Recompete plan in order to support workforce development; business and entrepreneur development; infrastructure (or other site development programs); and planning and technical assistance activities.

Eligible recipients are “specified entities” that have been authorized by the Secretary to represent and act on behalf of an eligible area or tribal lands. P.L. 117-167 lists the following types of “specified entities”—

- a unit of local government;
- the District of Columbia;
- a territory of the United States;
- a tribal government;
- a political subdivision of a state or other entity, including a special-purpose entity engaged in economic development activities;
- a public entity or nonprofit organization, acting in cooperation with the officials of a political subdivision of a state; an economic development district; and a consortium of any of the specified entities.

The law also provides criteria for “eligible areas” based on measures of an area’s prime-age employment gap and/or median annual household income, as well as additional criteria that may be established by the Secretary.¹⁹²

Statutory Authority: 15 U.S.C. §3722b

Agency Regulations: To be determined.

Economic distress criteria: To be determined.

Requirement to align with CEDS or equivalent: To be determined.

Level of matching funds requirement: To be determined.

Regional Technology and Innovation Hubs (Tech Hubs) Program

P.L. 117-167 (the CHIPS and Science Act), enacted August 8, 2022, established a new Regional Technology and Innovation Hub (Tech Hubs) Program at the Department of Commerce.¹⁹³ The focus of the program is to support technology development, job creation, and expanding U.S. innovation capacity. The program also seeks to develop hubs in areas that are not “leading technology centers.”

Program applicants will likely determine their technology focus area and hub activities based on their regional assets and other factors. P.L. 117-167 does not include a list of specific industry or technology focus areas for the hubs. However, it does outline “considerations for the designation and award of implementation grants.” One of the considerations indicates that, among other factors, the Secretary shall consider “the potential of the eligible consortium to advance the research, development, deployment, and domestic manufacturing of technologies in a key technology focus area, as described in section 10387 of the Research and Development, Competition, and Innovation Act or other technology or innovation sector critical to national security and economic competitiveness.” The initial list of ten key technology focus areas in Section 10387 (Division B, Title III—National Science Foundation for the Future, Subtitle G)

¹⁹² For additional information about the Recompete Pilot program, see EDA, “Distressed Area Recompete Pilot Program (Recompete Pilot Program),” <https://www.eda.gov/funding/programs/recompete-pilot-program>.

¹⁹³ See P.L. 117-167, Division B, Title VI—Miscellaneous Science and Technology Provisions, Subtitle C, Section 10621.

includes biotechnology, quantum information sciences, advanced materials science, and advanced energy and industrial efficiency technologies, among others.

Once the program is implemented, P.L. 117-167 states that the grants shall be made using a competitive, merit-review process, and that awards shall be made in a manner that ensures geographic diversity and representation from communities of differing populations, among other considerations. Once established, the program will administer two types of awards: (1) strategy development grants, and (2) strategy implementation grants.

The strategy development funds will support planning, assessments, coordination, and other pre-development activities, as well as the formation of workforce development strategies. Approximately 60 eligible consortia will receive strategy development awards, subject to the availability of appropriations. P.L. 117-167 also established four categories for use of the implementation funds: workforce development; business and entrepreneur development; technology development and maturation activities; and infrastructure-related activities. Regional technology and innovation hubs do not have to receive a strategy development award to apply for an implementation grant.

Statutory Authority: 15 U.S.C. §3722a

Agency Regulations: To be determined.

Economic distress criteria: To be determined.

Requirement to align with CEDS or equivalent: To be determined.

Level of matching funds requirement: Strategy development award recipients will generally contribute at least a 20% cost share, except the cost share is lowered to 10% if the eligible consortium represents all or part of a small and rural or other underserved community. For implementation awards, the total amount of initial funds awarded shall not exceed 90% of the total operating costs of the hub—except in the case of an eligible consortium that represents all or part of a small and rural or other underserved community or is led by a tribal government.

Research and National Technical Assistance Program (RNTA)

According to the EDA, the RNTA program funds research, evaluation, and national technical assistance projects that promote competitiveness and innovation. The EDA administers RNTA funding through a single Notice of Funding Opportunity (NOFO) for two separate programs: the Research and Evaluation (R&E) Program and the National Technical Assistance (NTA) Program.¹⁹⁴ Through the National Technical Assistance program, EDA may provide technical assistance that is national in scope on a specific type of economic development challenge, opportunity, event, or condition, or for “outreach, training, and information dissemination.” For instance

- EDA partnered with two national organizations (the National Association of Development Organizations (NADO) Research Foundation and the National Association of Counties (NACo)) to disseminate promising strategies among coal-impacted communities.

¹⁹⁴ EDA, “Research and Evaluation (R&E) and National Technical Assistance (NTA) Programs,” <https://eda.gov/programs/rnta/>. See also EDA, “NOFO for FY 2021-2023 Research and Evaluation (R&E) and National Technical Assistance (NTA) Programs,” EDA-HDQ-RNTA-2021, <https://www.grants.gov/web/grants/view-opportunity.html?oppId=334079>.

- EDA directs a portion of Assistance to Nuclear Closure Communities (NCC) funds to a national technical assistance provider that disseminates promising strategies and creates a ‘community of practice’ for applicants and grantees.¹⁹⁵

Statutory Authority: 42 U.S.C. §3147

Agency Regulations: 13 C.F.R. Part 306

Economic distress criteria: EDA’s regulations (13 C.F.R. §301.3) note that there are no minimum economic distress level requirements for RNTA projects.

Requirement to align with CEDS or equivalent: EDA regulations (13 C.F.R. §306.2) note that projects will be evaluated based on the extent that they are “consistent with an EDA-approved CEDS, *as applicable*, for the region in which the project is located.”

Level of matching funds requirement: Generally 50% of project costs, but may vary. PWEDA notes that the Secretary may also increase the federal share up to 100% for Research and National Technical Assistance (RNTA) grants (42 U.S.C. §3147). See 13 C.F.R. §301.4.

STEM Talent Challenge¹⁹⁶

The STEM Talent Challenge program (or “STEM Apprenticeship Pilot” program) funds proposals to expand career pathways and meet employers’ needs for a STEM-capable workforce. The program was authorized in the American Innovation and Competitiveness Act of 2017 (P.L. 114-329) and is administered by the EDA’s Office of Innovation and Entrepreneurship. According to EDA, the STEM initiative aligns with the goals of the agency’s Build to Scale program, which is also administered by OIE and designed to develop talent, capital, and entrepreneurial support systems. The STEM Talent Challenge seeks to address the need for the “talent” component by building a skilled workforce for regional innovation economies. Funded projects may address training gaps in order to facilitate the growth of high-growth, high-wage entrepreneurial ventures, innovation-driven businesses, and industries that leverage emerging technologies.

Statutory Authority: 15 U.S.C. §3723¹⁹⁷

Agency Regulations: The program is governed by the terms of the Notice of Funding Opportunity (NOFO).¹⁹⁸

Economic distress criteria: No minimum economic distress level requirements; however, the FY2023 NOFO indicates that

Consistent with Executive Order 13985, Advancing Racial Equity and Support for Underserved Communities through the Federal Government, and EDA’s Equity Investment Priority, EDA expects projects to advance equity to underserved populations to the extent practicable. In this context, EDA is seeking projects that directly benefit: (1) one or more traditionally underserved populations, including but not limited to women,

¹⁹⁵ The EDA’s webpage on RNTA provides additional examples at <https://www.eda.gov/rnta>.

¹⁹⁶ STEM is the acronym used for science, technology, engineering, and mathematics curriculum, training, education, and related initiatives. For more information, see <https://eda.gov/oie/stem/>.

¹⁹⁷ The STEM Talent Challenge is authorized under Section 30 (formerly Section 28) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. §3723).

¹⁹⁸ EDA, “2023 STEM Talent Challenge Program NOFO,” <https://www.eda.gov/sites/default/files/2023-04/FY%2023%20STEM%20Talent%20Challenge%20NOFO.pdf>.

Black, Latino, and Indigenous and Native American persons, Asian Americans, and Pacific Islanders or (2) underserved communities within geographies that have been systemically and/or systematically denied a full opportunity to participate in aspects of economic prosperity such as Tribal Lands, Persistent Poverty Counties, and rural areas with demonstrated, historical underservice.¹⁹⁹

Requirement to align with CEDS or equivalent: See the terms of the program’s NOFO.

Level of matching funds requirement: Applicants must provide a matching nonfederal cost-share of at least 50% of the total project cost.

Trade Adjustment Assistance for Firms (TAAF)²⁰⁰

The Trade Adjustment Assistance for Firms program funds a national network of Trade Adjustment Centers (TAACs) that provide assistance to American companies that have “lost domestic sales and employment because of increased imports of similar goods and services.” According to the EDA, “a national network of 11 TAACs help strengthen the competitiveness of American companies that have lost domestic sales and employment because of increased imports of similar goods and services.” The following entities may apply for assistance to operate a TAAC: universities or affiliated organizations; states or local governments; or nonprofit organizations.²⁰¹ EDA generally funds a TAAC for a three-year period composed of three separate funding periods of 12 months each.²⁰²

Statutory Authority: Trade Act of 1974, as amended (19 U.S.C. §2341 et seq.)

Agency Regulations: 13 C.F.R. Part 315

Economic distress criteria: No minimum economic distress level requirements.²⁰³

Requirement to align with CEDS or equivalent: The CEDS requirement is not referenced in 19 U.S.C. §2341 et seq. or agency regulations.

Level of matching funds requirement: There are no matching share requirements for adjustment assistance provided by the TAACs to firms for certification or for administrative expenses of the TAACs.²⁰⁴ Certified firms that receive assistance from TAACs must pay a percentage of expenses associated with services.²⁰⁵

University Center Program²⁰⁶

The University Center program connects economic development practitioners with expertise and resources from colleges and universities. University Centers provide technical assistance in support of regional economic development strategies in one or more of the following program areas:

- Advancing regional commercialization efforts,

¹⁹⁹ Ibid.

²⁰⁰ For more information, see CRS Report RS20210, *Trade Adjustment Assistance for Firms*, by Kyla H. Kitamura.

²⁰¹ 13 C.F.R. §315.4.

²⁰² 13 C.F.R. §315.5.

²⁰³ 13 C.F.R. §315.5.

²⁰⁴ 13 C.F.R. §315.5.

²⁰⁵ 13 C.F.R. §315.6.

²⁰⁶ For a list of University Centers, see <https://eda.gov/programs/university-centers/current-list/>.

- Advancing high-growth entrepreneurship,
- Cultivating innovation,
- Encouraging business expansion in a region’s innovation cluster(s),
- Developing a high-skilled regional workforce, and
- Increasing the resiliency of a region.

Eligible recipients for the University Center program include institutions of higher education (including community colleges or junior colleges and consortia of institutions of higher education); university-affiliated research institutions; and nonprofit organizations. University Center grants generally have a five-year period of performance, with an initial funding period of one year. Since FY2004, EDA has administered the University Center program as a competitive multiyear program. In FY2021, EDA is holding the University Center competition in its Chicago and Philadelphia Regional Offices.²⁰⁷ In FY2022, EDA held the University Center competition in its Atlanta and Seattle Regional Offices. In FY2023, EDA will hold the University Center competition in its Austin and Denver Regional Offices.²⁰⁸

Statutory Authority: 42 U.S.C. §3147

Agency Regulations: 13 C.F.R. Parts 300-302 and 13 C.F.R. §306 Subpart B

Economic distress criteria: No minimum economic distress level requirements.²⁰⁹

Requirement to align with CEDS or equivalent: Recent University Center NOFOs indicate that applicants to the University Center program are not required to submit a CEDS.²¹⁰

Level of matching funds requirement: Generally 50% of project costs, but may vary. See 13 CFR §301.4.

²⁰⁷ EDA, *NOFO—FY2021 EDA University Center Economic Development Program Competition*, EDA-CHI-TA-CRO-2021-2006893 and EDA-CHI-TA-CRO-2021-2006894, <https://www.grants.gov/web/grants/view-opportunity.html?oppId=332622>.

²⁰⁸ EDA, “University Centers—Applicant Resources,” <https://www.eda.gov/funding/programs/university-centers/applicant-resources>.

²⁰⁹ 13 C.F.R. §306 Subpart B. The EDA encourages University Centers to provide services that benefit distressed areas in their region (13 C.F.R. §306.5(a)).

²¹⁰ EDA, *NOFO—FY2021 EDA University Center Economic Development Program Competition*, EDA-CHI-TA-CRO-2021-2006893 and EDA-CHI-TA-CRO-2021-2006894, <https://www.grants.gov/web/grants/view-opportunity.html?oppId=332622>.

Appendix B. EDA Funding—Historical Tables

Table B-1. Budget Requests and Annual Enacted Appropriations, FY2011-FY2023 and FY2024 Request

(budget authority, in millions of nominal dollars)

Fiscal Year	Request	Enacted
2011	\$286.2	\$283.4
2012	\$324.9	\$457.5*
2013	\$219.7	\$218.3
2014	\$320.9	\$246.5
2015	\$248.2	\$250.0
2016	\$273.0	\$261.0
2017	\$258.0	\$276.0
2018	\$30.0	\$901.5*
2019	\$14.9	\$904.0*
2020	\$30.0	\$1,833.0*
2021	\$31.6	\$3,346.0*
2022	\$433.1	\$373.5
2023	\$502.5	\$1,616.0*
2024	\$2,304.0 ^a	

Sources: OMB Budget Appendices of the United States, EDA Annual Reports, and EDA Congressional Budget Justification Reports.

Notes: Includes funding for programs and salaries and expenses and supplemental appropriations. The asterisk (*) indicates that the amount includes supplemental appropriations.

a. In FY2024, the Administration's budget included a request of \$1.5 billion of no-year mandatory spending.

Table B-2. Funding for EDA, by Program, FY2011-FY2023

(budget authority, in millions of nominal dollars)

	FY2011	FY2012	FY2013 ^a	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Program													
Public Works	88.7	111.6	77.2	96.0	99.0	100	100	117.5	117.5	118.5	119.5	120.5	121.5
Economic Adjustment Assistance	78.7	50.1	49.0	42.0	35.0	35.0	35.0	37.0	37.0	37.0	37.5	37.5	39.5
Planning Assistance	30.9	29.0	28.4	29.0	30.0	32.0	31.5	33.0	33.0	33.0	33.5	34.5	36.0
Technical Assistance	13.4	12.0	11.8	11.0	11.0	10.5	9.0	9.5	9.5	9.5	10.0	12.5	14.0
Research and Evaluation	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	2.0	2.0
Trade Adjustment Assistance	15.8	15.8	15.5	15.0	12.5	13.0	13.0	13.0	13.0	13.0	13.5	13.5	13.5
Innovative Manufacturing (Sec. 26)		— ^b		5.0	4.0								
Build to Scale (Sec. 27)		— ^c		10.0	10.0	15.0	17.0	21.0	23.5	33.0	38.0	45.0	50.0
Assistance to Coal Communities					10.0 ^d	15.0	30.0	30.0	30.0	30.0	33.5	41.5	48.0
Assistance to Nuclear Closure Communities										15.0	16.5	16.5	16.5
Assistance to Biomass Power Plant Closure Communities												4.5	4.5
STEM Apprenticeships (Sec. 30)										2.0	2.0	2.0	2.5
Recompete Pilot (Sec. 29)													41.0
Tech Hubs (Sec. 28)													41.0
Global Climate Change Mitigation	16.5												
Subtotal—Programs	245.5	220.0	182.0	209.5	213.0	222.0	237.0	262.5	265.0	292.5	305.5	330.0	430.0
Supplemental Appropriations		200.0						600.0	600.0	1,500.0	3,000.0		1,118.0
Salaries and Expenses	37.9	37.5	36.2	37.0	37.0	39.0	39.0	39.0	39.0	40.5	40.5	43.5	68.0
Total	\$283.4	\$457.5	\$218.3	\$246.5	\$250.0	\$261.0	\$276.0	\$901.5	\$904.0	\$1,833.0	\$3,346.0	\$373.5	\$1,616.0

Sources: Appropriated funding amounts compiled by CRS using data from the conference reports and explanatory statements for the following annual appropriations bills: P.L. 112-10, P.L. 112-55, P.L. 113-76, P.L. 113-235, P.L. 114-113, P.L. 115-31, P.L. 115-141, P.L. 116-6, P.L. 116-93, P.L. 116-136, P.L. 116-260, and P.L. 117-103; S.Rept. 113-78; and EDA, FY2013 Annual Report, <https://eda.gov/files/annual-reports/fy2013/EDA-FY2013-Annual-Report-full.pdf>. Funding amounts include the following supplemental appropriations bills: P.L. 115-123, P.L. 116-20, P.L. 116-136, P.L. 117-2, and in P.L. 117-328.

Notes: Amounts may not add to totals due to rounding. Build to Scale was called Regional Innovation Strategies (RIS) or Regional Innovations Program (RIP) in annual appropriations bills from FY2014 to FY2021; EDA began administering RIS/RIP funding using the Build to Scale program name in FY2020. The RIS/RIP included Science Parks Loan Guarantees in FY2014 (P.L. 113-76). In FY2015 (P.L. 113-235), the explanatory statement indicated that the amount for regional innovation would include up to \$5 million for planning grants for science park infrastructure.

- a. FY2013 levels reflect post-sequestration amounts. According to CRS Report R43080, *Commerce, Justice, Science, and Related Agencies: FY2014 Appropriations*, coordinated by Nathan James, Jennifer D. Williams, and John F. Sargent Jr., “FY2013 post-sequestration amounts were provided by the Department of Commerce. FY2014-requested amounts were taken from S.Rept. 113-78. The FY2013 amounts include rescissions of FY2013 budget authority and the amount sequestered per the Budget Control Act of 2011 (P.L. 112-25).”
- b. The conference report accompanying the FY2012 appropriations directed EDA to allocate up to \$5,000,000 for loan guarantees under section 26 under the Economic Adjustment Assistance program. See CRS Report R41721, *Commerce, Justice, Science, and Related Agencies: FY2012 Appropriations*, coordinated by Nathan James, Jennifer D. Williams, and John F. Sargent Jr.
- c. In FY2012, the annual appropriations bill did not include a separate appropriation for Regional Innovation Program activities as requested by the Administration. Grants and loan guarantees authorized by section 27 were funded under the Economic Adjustment Assistance program. See CRS Report R41721, *Commerce, Justice, Science, and Related Agencies: FY2012 Appropriations*, coordinated by Nathan James, Jennifer D. Williams, and John F. Sargent Jr. In FY2014, the explanatory statement accompanying the appropriations bill directed EDA to administer section 27 grants and loan guarantees in accordance with the requirements of 15 U.S.C. §§3721-3722 rather than the requirements of PWEDA. See Representative Harold Rogers, “Explanatory Statement Submitted by Mr. Rogers, Chairman of the House Committee on Appropriations Regarding H.R. 3547, Consolidated Appropriations Act, 2014,” *Congressional Record*, vol. 160, no. 9 (January 15, 2014), p. H507.
- d. According to the EDA, “This program line was created by the Consolidated and Further Continuing Appropriation Act, 2015 (P.L. 113-235).” See EDA, *FY2024 Congressional Budget Justification*, p. 67, <https://www.commerce.gov/sites/default/files/2023-03/EDA-FY2024-Congressional-Budget-Submission.pdf>.

Table B-3. Supplemental Funding, FY2011-FY2023

(budget authority, in millions of dollars)

	FY2012 (P.L. 112-55)	FY2018 (P.L. 115-123)	FY2019 (P.L. 116-20)	FY2020 (P.L. 116-136)	FY2021 (P.L. 117-2)	FY2023 (P.L. 117-328)
Economic Adjustment Assistance	\$200	\$600	\$600	\$1,500	\$3,000	\$500
Recompete Pilot	N/A	N/A	N/A	N/A	N/A	\$159
Regional Technology and Innovation Hub	N/A	N/A	N/A	N/A	N/A	\$459
Total	\$200	\$600	\$600	\$1,500	\$3,000	\$1,118

Sources: CRS using information from the reports accompanying the following appropriations bills: Consolidated and Further Continuing Appropriations Act, 2012 (P.L. 112-55), Bipartisan Budget Act of 2018 (P.L. 115-123), Supplemental Appropriations for Disaster Relief Act, 2019 (P.L. 116-20), CARES Act (P.L. 116-136), American Rescue Plan Act (ARPA, P.L. 117-2), and Consolidated Appropriations Act, 2023 (P.L. 117-328). P.L. 117-328 established the Recompete Pilot and the Tech Hubs program.

Appendix C. Staff Level History

Table C-1. EDA Employment, FY2011-FY2022

Year	Employment
2011	222
2012	197
2013	169
2014	167
2015	174
2016	192
2017	180
2018	180
2019	202
2020	261
2021	281
2022	314

Sources: CRS using information from the Office of Personnel Management (OPM), FedScope, <http://www.fedscope.opm.gov>.

Note: Each total is an “on-board” U.S.-based personnel count as of September of the year noted.

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