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Economic Development Administration: An Overview of Programs and Appropriations (FY2011-FY2024)

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Economic Development Administration: An Overview of Programs and Appropriations (FY2011-FY2024)

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 FY2024, EDA's annual appropriations (not including supplemental appropriations) averaged approximately \$316 million. Annual appropriations decreased each year between FY2011 and FY2013, and then increased each year between FY2014 and FY2023. In FY2024, the agency received \$468 million in annual appropriations—a decrease of \$30 million (or 6%) from the level of \$498 in annual appropriations provided in FY2023 (excluding supplemental appropriations). However, in FY2023, Congress had approved \$1.6 billion (including supplemental appropriations) for the agency's programs and administration—an increase of \$1.2 billion (or 332%) from the FY2022 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. In March 2024, Members of the U.S. Senate introduced several bills to reauthorize and/or amend EDA programs.

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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 59 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 (see **Figure 8**). 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 (EAA) program.

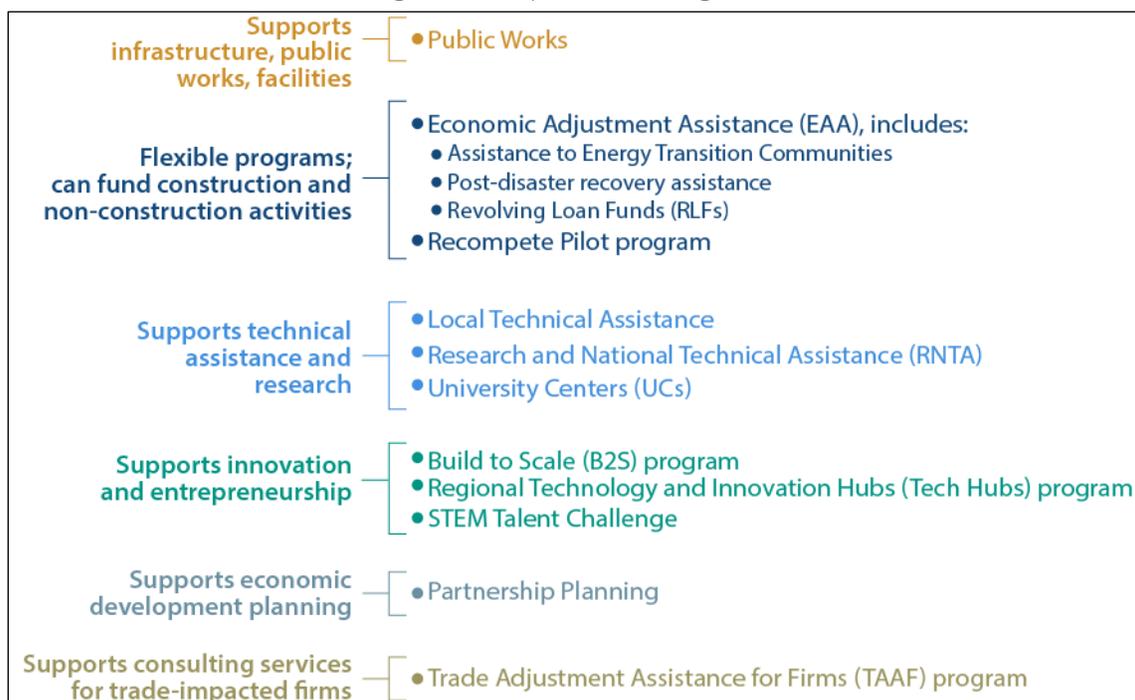
EDA's Definition of Economic Development

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. Supplemental appropriations are generally administered through one of the agency’s most flexible programs, the Economic Adjustment Assistance (EAA) program (see **Figure 6**). From time to time, Congress directs the EDA to allocate funding for certain activities, such as the Assistance to Coal Communities initiative, which is administered through the EAA program as well (see **Figure 7**).

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 (see **Table C-2** for a list of hearings in the 117th and 118th Congresses).

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 8**), 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 In Focus IF12430, *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 EAA, 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 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.

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 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>.

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/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>.

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
- In the 1970s, Congress authorized the EAA and Trade Adjustment Assistance programs.¹³ Congress also began providing appropriations for defense adjustment¹⁴ and disaster recovery through the EAA program.¹⁵

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.

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.

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>.

- 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 (EDDs), 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

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**).

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.

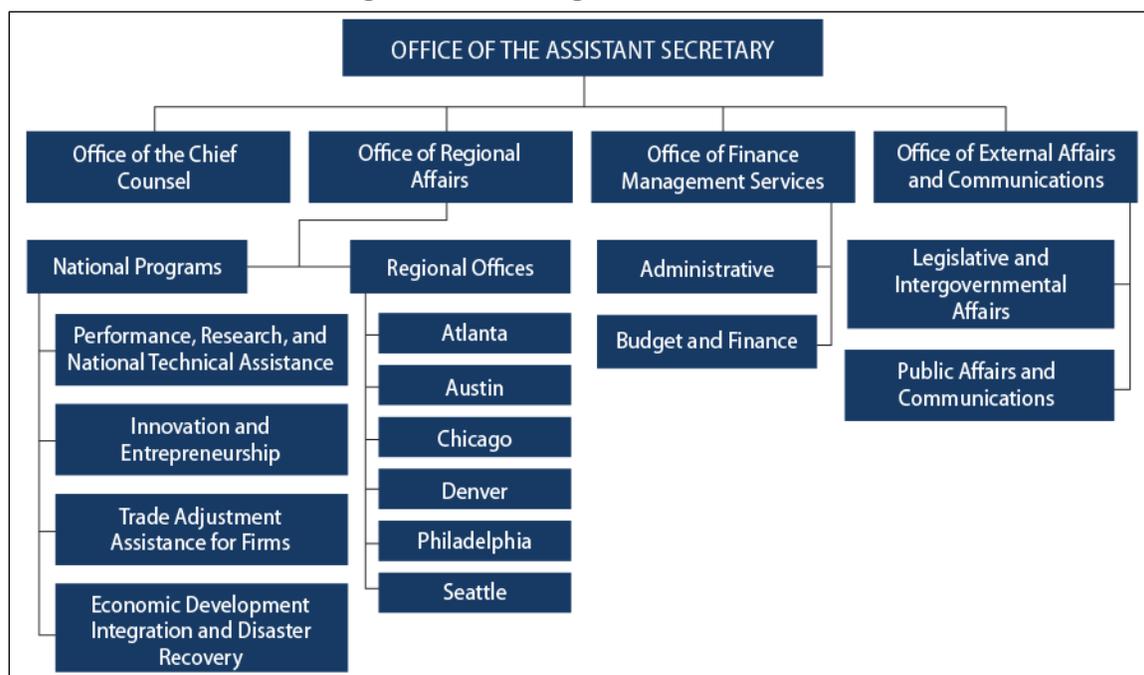
See EDA, "Key Definitions," <https://eda.gov/performance/key-definitions>.

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) noted 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>.

Figure 2. EDA Organizational Chart

Source: CRS with data from DOC, EDA, *FY2025 Congressional Budget Justification*, p. 7, <https://www.commerce.gov/sites/default/files/2024-03/EDA-FY2025-Justification-Congressional-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 (B2S), STEM Talent Challenge, and other programs), and coordinates inter-agency activities related to innovation, commercialization, and entrepreneurship.²² For instance, OIE leads the National 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

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 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>).

- 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 (TAACs) 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.

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>.

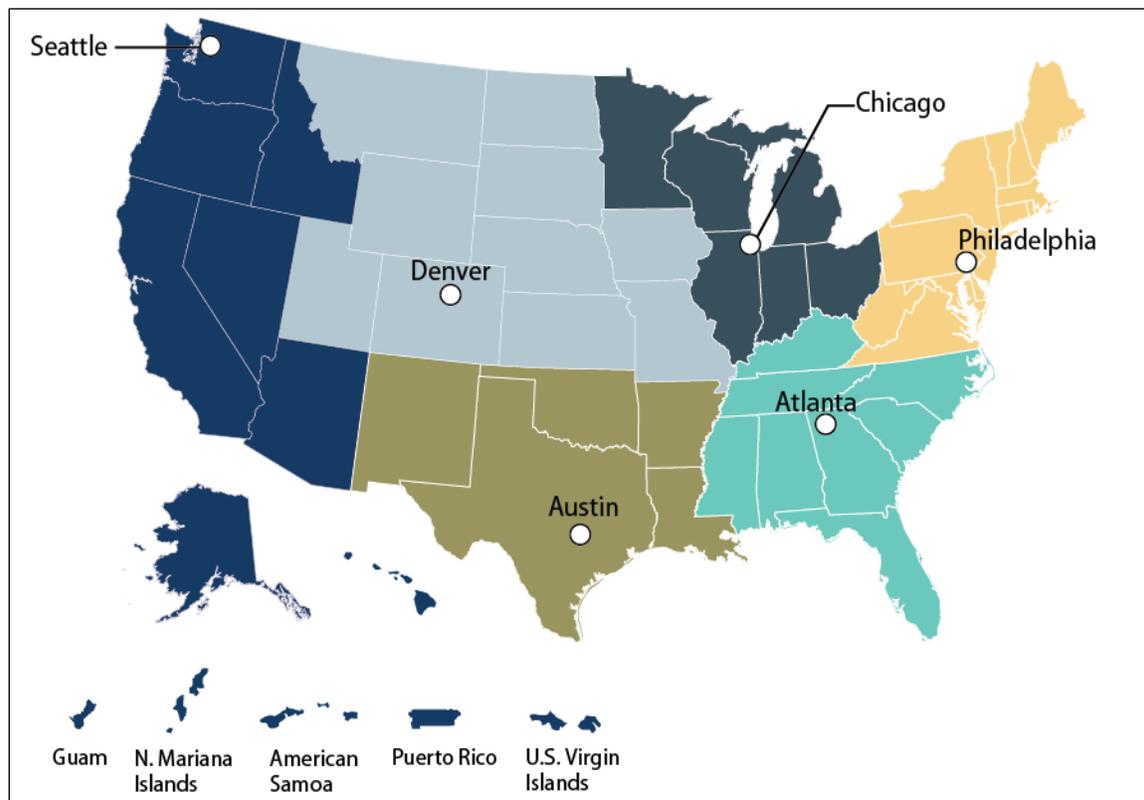
²⁴ EDA, "Trade Adjustment Assistance for Firms," <https://www.eda.gov/sites/default/files/pdf/about/TAAF-Program-1-Page.pdf>. For more information on TAAF, see CRS In Focus IF12430, *Trade Adjustment Assistance for Firms*, by Kyla H. Kitamura.

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 281 on-board employees between 2011 and 2021, and increased to 314 in 2022. In September 2023, EDA had approximately 323 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 adjust staffing levels as it implements 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 8**. 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

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>.

equivalent (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

Supplemental appropriations to EDA in fiscal years 2018, 2019, 2020, 2021, and 2023 provided a certain percentage (usually 2 or 3%) for the agency's salaries and expenses account. See **Figure 6** and **Figure 8**.

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*:

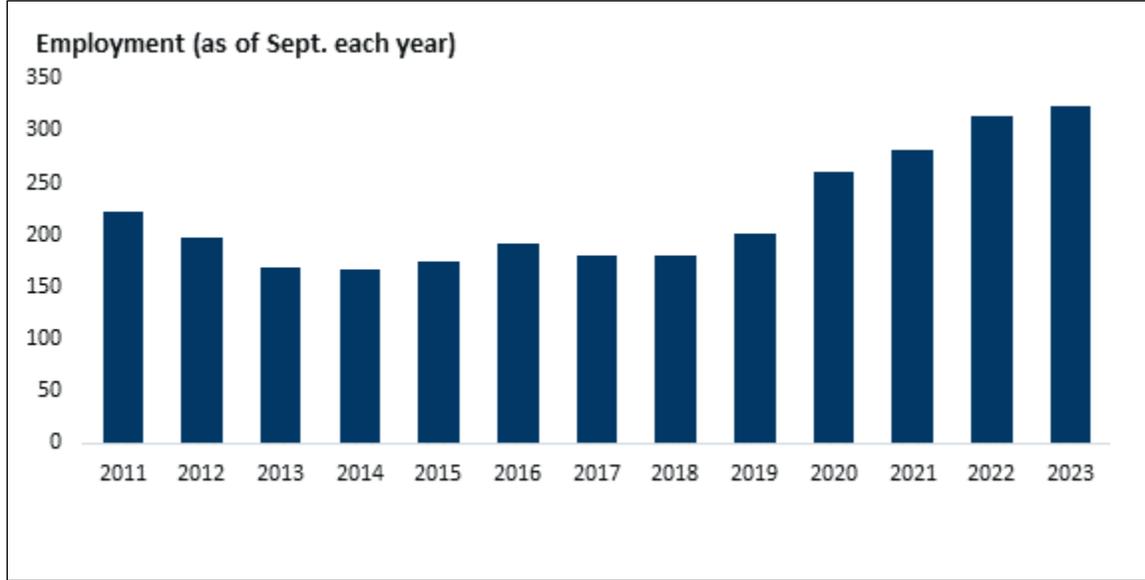
The term full-time equivalent employment (FTE) is used to quantify employment as a function of hours worked rather than by the number of individual employees. One FTE is also known as one work year. The number of FTEs in an agency is calculated by determining the total number of regular straight time 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. The EDA later noted that, "Using this authority EDA quickly added 100 temporary staff, a 50% increase compared to EDA's permanent staffing level. The special hiring authority also gives EDA the ability to convert the employees filling the temporary positions after serving a 2-year appointment." See EDA, *FY2023 Congressional Budget Justification*, p. 127, <https://www.commerce.gov/sites/default/files/2022-03/FY2023-EDA-Congressional-Budget-Submission.pdf>.

Figure 4. EDA On-Board Employees, 2011-2023



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)

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>. Through an award from the EDA, the National Association of Development Organizations (NADO) Research Foundation created an interactive map of EDDs, which is available at <https://www.nado.org/eddmapp/>.

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](https://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 aims to better prepare regions to anticipate, withstand, and bounce back from any type of shock, disruption, or stress it may experience.”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, OMB selected the EDA’s proposal for an economic development integration role.⁴⁰ EDA now leads 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,

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>.

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

In July 2021, GAO analyzed opportunities for further collaboration among EDA, HUD, and USDA. In its final report, GAO recommended that, in collaboration with HUD, EDA should (1) update its written interagency agreement with HUD on community and economic development planning and (2) monitor its progress toward outcomes of its interagency agreement. At the time of this report the EDA has already taken action to address the first recommendation and partially address the second recommendation. GAO also recommended that USDA review options to expand collaboration between EDA, HUD, and USDA, and this recommendation was considered fully addressed at the time of this report.⁴⁶ GAO noted existing interagency efforts to integrate federal economic development activities, include the Thriving Communities Network and the

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 GAO, Economic Development: Opportunities Exist for Further Collaboration Among EDA, HUD, and USDA, GAO-21-579, July 2021, <https://www.gao.gov/products/gao-21-579>.

Rural Partners Network, among other federal interagency initiatives, in its update on the status of report recommendations.⁴⁷

Disaster Economic Recovery Role⁴⁸

EDA is the lead agency in the “Economic Recovery Support Function (ERSF)” under the National Disaster Recovery Framework (NDRF).⁴⁹ 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.”⁵⁰ Within the NDRF, EDA’s role is to “facilitate the delivery of federal economic development assistance to support long-term economic recovery planning and project implementation in communities across the nation.”⁵¹ 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.⁵² 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.⁵³
- 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.⁵⁴
- EDA coordinated a “Federal Interagency Resource Exchange” following Hurricane Laura in August 2021.⁵⁵

⁴⁷ GAO, “Recommendations,” https://www.gao.gov/products/gao-21-579#summary_recommend.

⁴⁸ For additional information, see CRS In Focus IF12576, *EDA’s Disaster Economic Recovery and Resiliency Roles*, by Julie M. Lawhorn and CRS Infographic IG10045, *Economic Development Administration (EDA) Disaster Recovery Funding*, by Julie M. Lawhorn.

⁴⁹ EDA, “EDA and Disaster Recovery,” <https://eda.gov/disaster-recovery>.

⁵⁰ FEMA, “National Disaster Recovery Framework,” <https://www.fema.gov/emergency-managers/national-preparedness/frameworks/recovery>.

⁵¹ 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>.

⁵² 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>.

⁵³ 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>.

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

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.⁵⁶ For example, since 2017, EDA has invested over \$111 million in 34 grants to Puerto Rico following hurricanes Maria and Irma.⁵⁷ 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.⁵⁸

EDA administers recovery assistance grants through its regional offices.⁵⁹ EDA’s Notices of Funding Opportunity (NOFOs) outline the review and selection processes for funding requests, which are competitively assessed. EDA’s distribution and allocation strategy for supplemental appropriations may vary by each event or situation. In recent years, EDA evaluated several factors—including measures of impact and economic distress—to determine supplemental funding allocations for its six regional offices.⁶⁰

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.⁶¹ By example, Public Works is an infrastructure program, and B2S 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.

⁵⁶ See **Figure 8** for a summary of supplemental disaster appropriations during the FY2011-FY2023 time period. See also, for example, EDA, “FY 2023 Disaster Supplemental NOFO,” <https://www.grants.gov/web/grants/view-opportunity.html?oppId=347414>.

⁵⁷ 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>.

⁵⁸ EDA “After Reoccurring Flooding, Moberly, Missouri, Business Owners to See Relief,” May 12, 2021, <https://eda.gov/success-stories/disaster/stories/moberly-mo.htm>.

⁵⁹ EDA, “Leading Economic Recovery Efforts in Disaster-Impacted Communities,” https://www.eda.gov/sites/default/files/2023-03/EDA_Disaster_Brochure_2022_PRINT.pdf.

⁶⁰ See, for example, EDA, “FY 2023 Disaster Supplemental NOFO,” <https://www.grants.gov/web/grants/view-opportunity.html?oppId=347414>.

⁶¹ EDA, “EDA Performance Measurement and Program Evaluation,” <https://www.eda.gov/performance>.

Performance Goal	Examples of Metrics
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.⁶² According to EDA, between FY2012 and FY2021, the agency invested over \$5.3 billion in 7,921 projects.⁶³ 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.”⁶⁴ Activities funded by EDA grant programs include infrastructure, 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,⁶⁵ 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

⁶² 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>.

⁶³ EDA, “Performance Measurement and Program Evaluation,” <https://www.eda.gov/performance>.

⁶⁴ EDA, “Investment Priorities,” <https://www.eda.gov/funding/investment-priorities>.

⁶⁵ 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).

building innovation and technology strategies.⁶⁶ 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.⁶⁷

Table 3 provides a summary of EDA grant programs. For detailed program information, see Appendix A.⁶⁸

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 IFI 1449, <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.
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.

⁶⁶ DOC, EDA, *FY2024 Congressional Budget Justification*, p. 154, <https://www.commerce.gov/sites/default/files/2023-03/EDA-FY2024-Congressional-Budget-Submission.pdf>.

⁶⁷ 42 U.S.C. §3121 et seq.

⁶⁸ 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; and “The Location of Economic Development Administration Grants—EDA Program Evaluation,” The Urban Institute, July 20, 2023, <https://www.urban.org/research/publication/location-economic-development-administration-grants>.

Program Name (CFDA No.)	Description	Project Examples
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.
Build to Scale (Section 27) (11.020)	<p>The Build to Scale (B2S) 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)	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	<ul style="list-style-type: none"> • Development of a virtual smart factory environment to build advanced manufacturing skills and facilitate workforce development.

Program Name (CFDA No.)	Description	Project Examples
Trade Adjustment Assistance for Firms (TAAF) (11.313)	Stevenson-Wydler Technology Act of 1980 (15 U.S.C. §3723). 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.).	<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) (11.306)	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. EDA will administer two types of Recompete awards: (1) strategy development grants and (2) strategy implementation grants.	<ul style="list-style-type: none"> • The Recompete Pilot program is a new program. EDA’s NOFO notes that there is a large number of potentially eligible activities; in one example of a potential project, a region seeking to create new jobs may receive funding for anchor institution partnerships or economic development capacity building efforts.
Regional Technology and Innovation Hubs (Tech Hubs) (Section 28) (11.036)	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.” EDA will administer two types of Tech Hubs awards: (1) strategy development grants and (2) strategy implementation grants.	<ul style="list-style-type: none"> • The Tech Hubs program is a new program. EDA’s NOFO included several project examples, including “a strategy to bring entrepreneurship- and industry-focused faculty researchers and innovators to the university and national lab that have a proven track record of creating new startups in a consortium’s selected core technology area,” among others. In October 2023, EDA announced the designation of the inaugural 31 Tech Hubs and recipients of 29 Tech Hubs Strategy Development Grants.

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>; “Press Releases” <https://www.eda.gov/news/>; and “Regional Technology and Innovation Hubs (Tech Hubs),” <https://www.eda.gov/funding/programs/regional-technology-and-innovation-hubs>.

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.

How to Apply

Application guidance for EDA’s competitive grant programs is outlined in the agency’s NOFOs, which are explanations of available grant funding and procedures.⁶⁹ Applicants may also contact

⁶⁹ Information on EDA grant competitions is available at <https://www.eda.gov/funding/funding-opportunities> and <http://www.grants.gov>.

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.⁷⁰

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.⁷¹ Requirements vary by program, authorizing statute, and agency regulations.⁷²

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;
- 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;⁷³
- a state;⁷⁴
- 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.⁷⁵

⁷⁰ EDA, “Economic Development Directory,” <https://www.eda.gov/grant-resources/economic-development-directory>.

⁷¹ 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.

⁷² 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).

⁷³ 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>.

⁷⁴ 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.

⁷⁵ The Economic Development Administration Reauthorization Act of 2004 (P.L. 108-373) authorized select nonprofits as eligible recipients.

Businesses are not eligible for most grants authorized by PWEDA, but may be eligible for Training, Research, and Technical Assistance grants.⁷⁶

The types of applicants eligible for the 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,
 - 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.⁷⁷

For the Tech Hubs program, which is authorized by the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. §3722a), EDA plans to award grants to eligible consortia. In addition to other entities, an eligible consortium must include one or more representatives from

- institutions of higher education;
- state, territorial, local, or tribal governments or other political subdivisions of a state;
- industry groups or firms in relevant technology, innovation, or manufacturing sectors;
- economic development organizations or similar entities; and
- labor or workforce training organizations.

⁷⁶ 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.

⁷⁷ 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>.

The Tech Hubs NOFO encourages the participation of at least two private firms in an eligible consortium, and notes that other entities may be part of the consortium. One of the consortium members will be the lead applicant.⁷⁸

For the Recompete Pilot program, which is also authorized by the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. §3722b), eligible applicants include

- political subdivisions of a state;
- tribal governments;
- U.S. territories;
- the District of Columbia;
- nonprofit organizations working in cooperation with a political subdivision of a state;
- EDDs; and
- a coalition of any of the entities listed above.⁷⁹

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;
- state or local governments; and
- nonprofit organizations.⁸⁰

Cost Sharing Requirements

Cost sharing is required for most EDA grant programs although some exceptions may apply.⁸¹ 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.⁸² 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.⁸³

⁷⁸ EDA, “FY2023 Regional Technology and Innovation Hub Program Phase 1 NOFO (Tech Hubs Phase 1 NOFO),” https://www.eda.gov/sites/default/files/2023-05/Tech_Hubs_NOFO.pdf.

⁷⁹ EDA, “FY2023 Recompete Pilot Phase 1 NOFO,” https://www.eda.gov/sites/default/files/2023-06/Recompete_Pilot_Program_NOFO_phase_1_vF.pdf.

⁸⁰ 13 C.F.R. §315.4.

⁸¹ For example, for the Recompete Pilot program, there is no match requirement for Phase 1 or Phase 2 awards; matching is to be a competitive factor in Phase 2. See EDA, “FY2023 Recompete Pilot Phase 1 NOFO,” https://www.eda.gov/sites/default/files/2023-06/Recompete_Pilot_Program_NOFO_phase_1_vF.pdf.

⁸² 42 U.S.C. §3144.

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

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.⁸⁴

Economic Distress Criteria

For a project to be eligible for assistance under the PWEAA programs,

The project shall be located in an area that, on the date of submission of the application, meets one or more of the following criteria:

- An unemployment rate that is, for the most recent 24-month period for which data are available, at least one percentage point greater than the national average unemployment rate;
- Per capita income that is, for the most recent period for which data are available, 80 percent or less of the national average per capita income; or
- A special need, as determined by EDA.⁸⁵

These criteria are also used for the EDD designation. An EDD must “contain at least one geographic area that fulfills the economic distress criteria” among other requirements.⁸⁶ For additional information about area eligibility and measures of economic distress in PWEDA, see CRS In Focus IF12074, *Areas of Economic Distress for EDA Activities and Programs*, by Julie M. Lawhorn.

Comprehensive Economic Development Strategies (CEDS)

The CEDS is a locally developed, long-term regional economic development plan. Projects must serve an area that has a CEDS or equivalent strategy in order to be eligible for PWEAA funding.⁸⁷ However, the CEDS requirement may be waived in some instances.⁸⁸ The EDA provides funding to EDDs to carry out and implement the CEDS under its Partnership Planning program.⁸⁹

CEDS involves both a planning process and the development of a regional framework for selecting and prioritizing economic development strategies—generally developed with an asset-based approach. To complete the CEDS, regional stakeholders engage local leaders, private sector firms, individuals, organizations, institutions of learning, and other participants. An organization

⁸⁴ 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>.

⁸⁵ 42 U.S.C. §3121 et seq. EDA’s regulations describe the economic distress criteria at 13 C.F.R. §300, Subpart C—Economic Distress Criteria.

⁸⁶ 42 U.S.C. §3171. The EDA also encourages University Centers (42 U.S.C. §3147(a)(2)(D)) to provide services that benefit distressed areas in their region (13 C.F.R. §306.5(a)). See EDA, *NOFO—FY 2021 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>.

⁸⁷ EDA, “Comprehensive Economic Development Strategies,” <https://eda.gov/ceds>. According to EDA, “EDA supports the CEDS Resource Library at <http://www.statsamerica.org/ceds/Default.aspx> where applicants can determine whether their region is served by an EDD and locate the most recent CEDS”—see <http://www.statsamerica.org/ceds>.

⁸⁸ 42 U.S.C. §3149(b)(2); 42 U.S.C. §3162; 13 C.F.R. §307.5.

⁸⁹ EDA, “Planning Program,” <https://www.eda.gov/sites/default/files/pdf/about/Planning-Program-1-Pager.pdf>.

must have a CEDS in order to receive EDA’s EDD designation.⁹⁰ The EDA requires a CEDS update every five years.⁹¹ EDA regulations require that CEDS include elements outlined in **Table 4**. According to the EDA, CEDS must also incorporate the concept of economic resilience.⁹²

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.⁹³

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.⁹⁴ The provision directs 10%

⁹⁰ 13 C.F.R. §304.1.

⁹¹ 13 C.F.R. §303.6.

⁹² EDA regulations specify that each regional CEDS must promote resiliency. Economic resilience in the context of the CEDS is related to “the ability to avoid, withstand, and recover from economic shifts, natural disasters, the impacts of climate change, etc.” See 13 C.F.R. §303.7 and EDA, “Comprehensive Economic Development Strategies,” <https://eda.gov/ceds>.

⁹³ 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>.

⁹⁴ 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), among others. The 10-20-30 provision has also been applied to (continued...)

of federal funds for specific programs to counties with 20% poverty rates or more for the past 30 years.⁹⁵ EDA applies the 10-20-30 provision to the Public Works and B2S programs.⁹⁶

In regards to distressed, small, rural, and underserved areas, Congress requires EDA to report on activities related to program outcomes, and has directed 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.⁹⁷
- 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.”⁹⁸
- In FY2021, EDA made a Research and National Technical Assistance (RNTA) 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.”⁹⁹
- In FY2022, guidance for several CARES Act programs indicated that the programs’ intended outcomes included increased capacity for underserved communities.¹⁰⁰
- 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.¹⁰¹ The EDA provided additional detail on definitions for underserved communities, geographies, and other terms when it released revised investment priorities in April 2021.¹⁰²

USDA Rural Development programs and was applied in the American Recovery and Reinvestment Act of 2009 (ARRA, P.L. 111-5).

⁹⁵ For more information, see CRS Report R45100, *The 10-20-30 Provision: Defining Persistent Poverty Counties*, by Joseph Dalaker.

⁹⁶ 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>.

⁹⁷ 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>.

⁹⁸ 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>.

⁹⁹ 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>.

¹⁰⁰ See, for example, EDA, “Economic Recovery Corps Frequently Asked Questions,” <https://www.eda.gov/funding/programs/economic-recovery-corps/faq>.

¹⁰¹ EDA, “EDA’s American Rescue Plan Programs,” <https://eda.gov/arpa/>.

¹⁰² EDA, “EDA Investment Priorities—Definitions,” [https://www.eda.gov/sites/default/files/2022-06/EDA-FY21-\(continued...\)](https://www.eda.gov/sites/default/files/2022-06/EDA-FY21-(continued...))

- 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.”¹⁰³

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.¹⁰⁴ 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.¹⁰⁵ 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.¹⁰⁶ The Indigenous Communities program was EDA’s first program developed specifically for Indigenous communities.¹⁰⁷ In FY2024, Congress directed EDA to allocate \$5 million of annual appropriations to Assistance to Indigenous Communities.¹⁰⁸ As noted below, the Biden Administration’s FY2025 budget request includes \$5 million for a program that would focus on economic development needs faced by tribal governments and indigenous communities.¹⁰⁹

Regional Innovation Programs¹¹⁰

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

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>.

¹⁰³ 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-section/article/S7819-2>.

¹⁰⁴ 42 U.S.C. §3144.

¹⁰⁵ 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>.

¹⁰⁶ EDA, “Indigenous Communities,” <https://eda.gov/arpa/indigenous>.

¹⁰⁷ 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>.

¹⁰⁸ See Senator Patty Murray, “Explanatory Statement Submitted by Ms. Murray, Chair of the Senate Committee on Appropriations, Regarding H.R. 4366, Consolidated Appropriations Act, 2024,” Senate, *Congressional Record*, vol. 170, no. 39 (March 5, 2024), p. S1399, <https://www.congress.gov/118/crec/2024/03/05/170/39/CREC-2024-03-05.pdf>.

¹⁰⁹ Office of Management and Budget (OMB), *Appendix: Budget of the U.S. Government, Fiscal Year 2025* (2024), p. 179, https://www.whitehouse.gov/wp-content/uploads/2024/03/com_fy2025.pdf.

¹¹⁰ See also CRS Report R47495, *Regional Innovation: Federal Programs and Issues for Consideration*, by Julie M. Lawhorn et al.

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.¹¹¹

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).¹¹² 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.¹¹³ In FY2023, the CHIPS and Science Act (P.L. 117-167 §10621) authorized two new programs: (1) the Regional Technology and Innovation Hubs (Hub) program¹¹⁴ 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.”¹¹⁵ 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.¹¹⁶ Initial implementation awards may be up to \$150 million.¹¹⁷ P.L. 117-167 authorized \$10 billion over five years (FY2023 through FY2027) to be appropriated for the program.¹¹⁸

¹¹¹ 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>.

¹¹² 15 U.S.C. §3722. See also EDA, “Build to Scale,” <https://www.eda.gov/funding/programs/build-to-scale>.

¹¹³ 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>.

¹¹⁴ 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).

¹¹⁵ 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>.

¹¹⁶ EDA, “Tech Hubs Program Fact Sheet,” https://www.eda.gov/sites/default/files/2023-04/EDA_TECH_HUBS_Fact_Sheet.pdf.

¹¹⁷ 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>.

¹¹⁸ Division B, Title VI—Miscellaneous Science and Technology Provisions, Subtitle C, Section 10621. See also EDA, “Regional Technology and Innovation Hubs (Tech Hubs),” <https://www.eda.gov/funding/programs/regional-technology-and-innovation-hubs>; and CRS Insight IN12170, *Economic Development Administration Announces Phase I of New Tech Hubs Program*, by Julie M. Lawhorn and Marcy E. Gallo.

- **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.¹¹⁹

EDA Appropriations, FY2011-FY2024

For the FY2011-FY2024 period, annual appropriations for EDA programs and administration expenses averaged \$315.5 million (not adjusted for inflation) excluding disaster and COVID-19 supplemental appropriations.¹²⁰

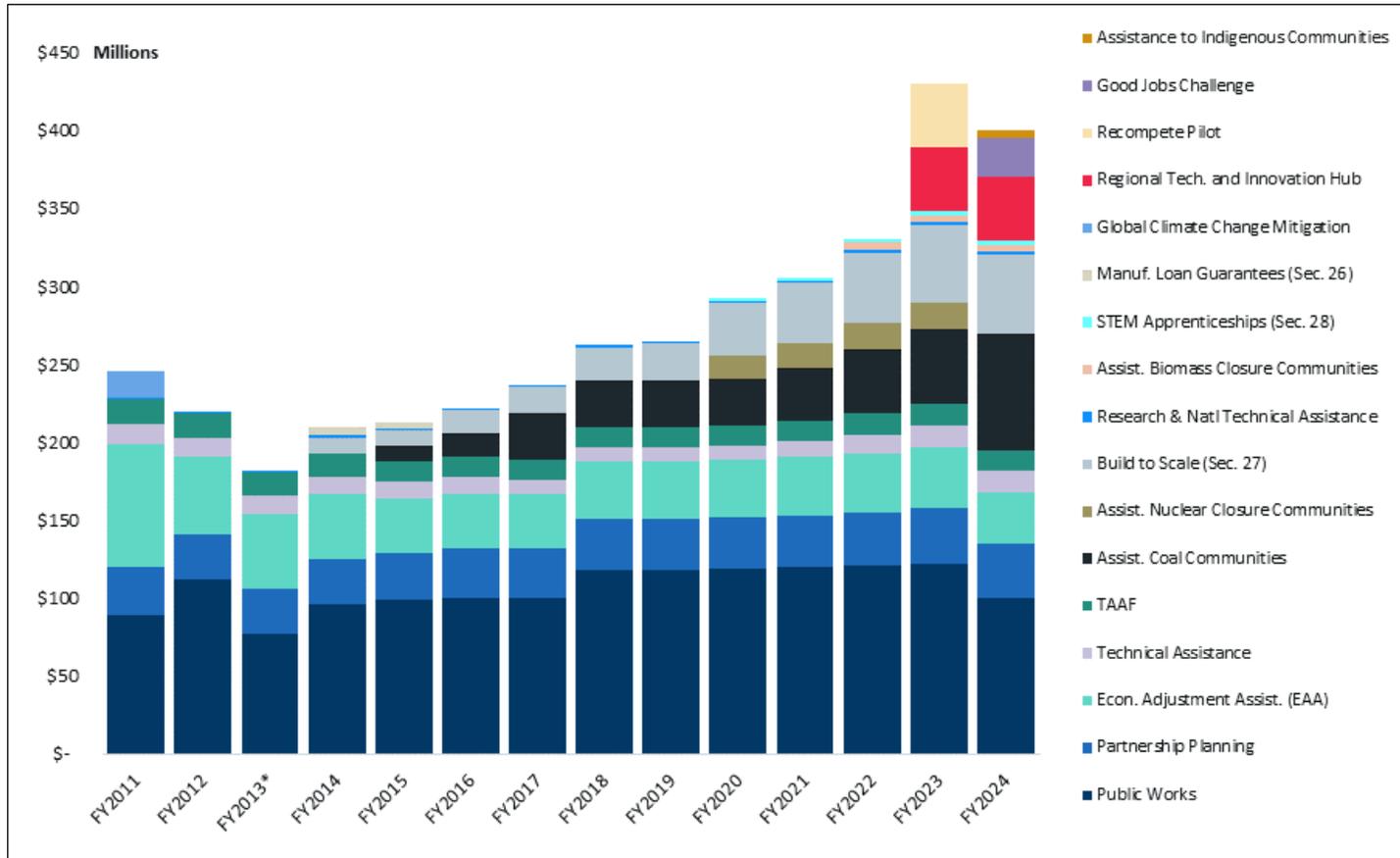
Figure 5 provides the amounts allocated to major EDA programs since FY2011 excluding disaster, COVID-19, and other supplemental appropriations. Congress generally directs EDA to allocate the largest share of its annual appropriations to the Public Works program. Each fiscal year between 2011 and 2020, the second largest share of annual appropriations was directed to the EAA program. However, beginning in FY2021, the allocation for the B2S program exceeded the allocation for the EAA program. Congress has increased the amount provided to other programs in recent years as well. For instance, in each fiscal year between 2022 and 2024, Congress directed EDA to allocate a larger amount of funding to the Assistance to Coal Communities (ACC) initiative than to the base EAA program. Congress directed EDA to set aside funding for coal-impacted communities beginning in FY2014 (i.e., through the ACC initiative and its precursors). In FY2024, the amount of funding that Congress directed EDA to provide to the Public Works program decreased from its prior year’s level for the first time since FY2013—see **Figure 5**.

¹¹⁹ Division B, Title VI—Miscellaneous Science and Technology Provisions, Subtitle C, Section 10621. See also EDA, “Distressed Area Recompete Pilot Program (Recompete Pilot Program),” <https://www.eda.gov/funding/programs/recompete-pilot-program>; and CRS Insight IN12201, *Economic Development Administration Announces New Recompete Program*, by Julie M. Lawhorn.

¹²⁰ 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.ipssr.ku.edu/KUforKS/2004julyEDAandUSeconomicdistressreport.pdf>.

Figure 5. Annual Funding Amounts for EDA Programs, FY2011-FY2024

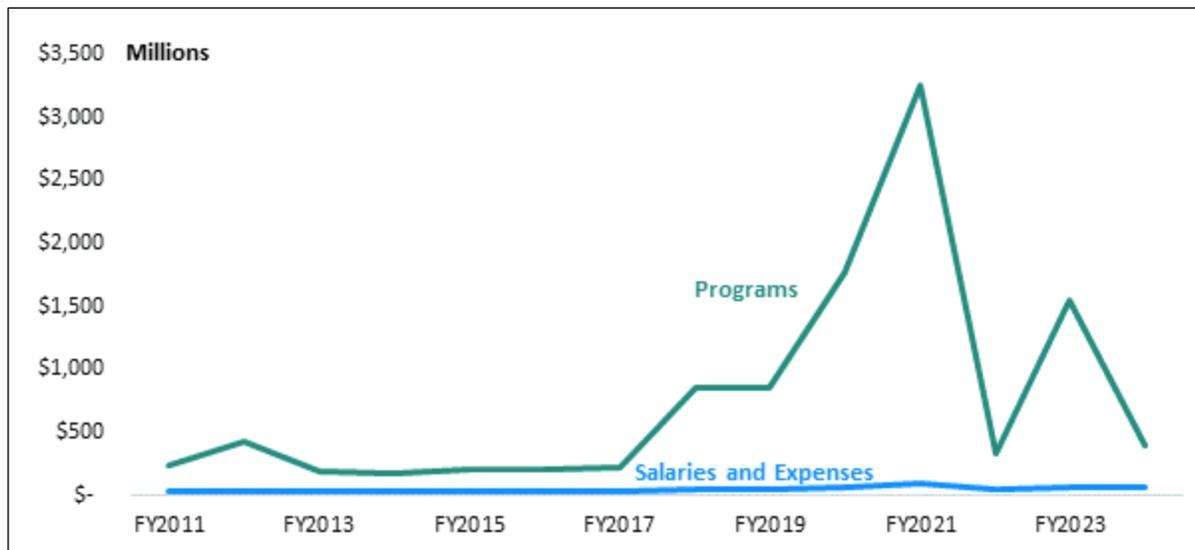
(in millions of nominal dollars; amounts do not include disaster, COVID-19, and other supplemental appropriations)



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.

Figure 6. Supplemental and Annual Appropriations for Programs and Salaries and Expenses, FY2011-FY2024



Source: CRS, using information from annual appropriations bills. For a breakdown of funding amounts, by fiscal year,

Notes: Supplemental appropriations were provided to EDA in fiscal years 2012, 2018, 2019, 2020, 2021, and 2023. In fiscal years 2018, 2019, 2020, 2021, and 2023, a portion of the supplemental funding was set aside for salaries and expenses to support the implementation of the supplemental EDA funding. In fiscal years 2018, 2019, 2020, and 2023, a portion of the supplemental funding was set aside for the Office of Inspector General account for carrying out investigations and audits related to the supplemental EDA funding; funding for the Office of the Inspector General is not displayed in this figure.

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.”¹²¹
- 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.¹²²
- 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.¹²³
- 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.¹²⁴
- 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.¹²⁵
- Each year from FY2022 through FY2024, Congress directed EDA to provide funding (\$4.5 million) through the EAA program to biomass power plant closure communities (BCC).¹²⁶

¹²¹ 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>.

¹²² S.Rept. 113-181.

¹²³ 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.

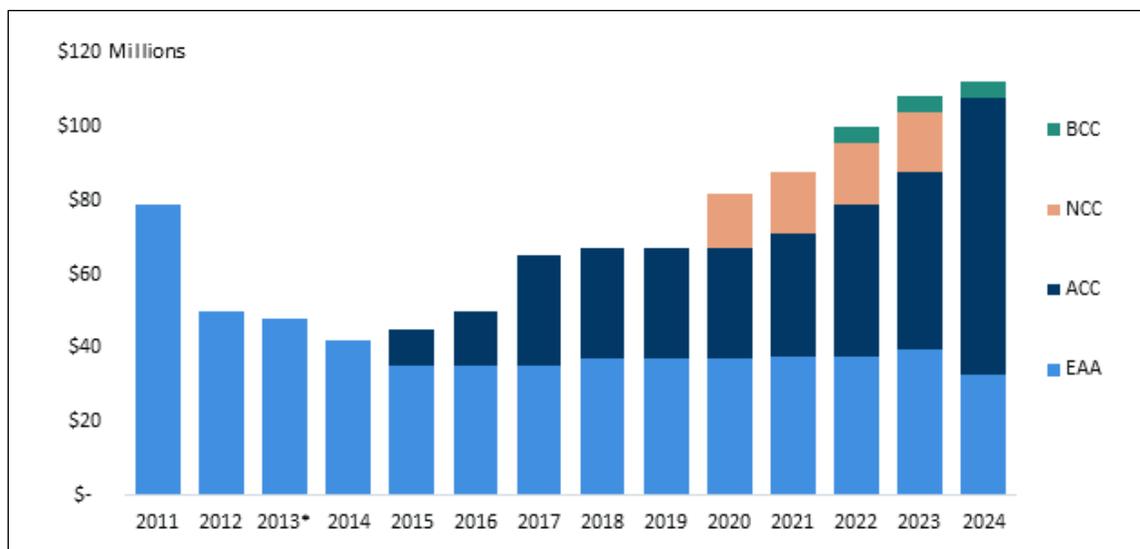
¹²⁴ EDA, “FY 2018 Economic Development Assistance Programs Notice of Funding Opportunity,” p. 7, <https://www.grants.gov/web/grants/view-opportunity.html?oppId=306735>.

¹²⁵ 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).

¹²⁶ Each year from FY2022 through FY2024, 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; P.L. 117-328, (continued...)

Figure 7 charts the amounts of annual appropriations that EDA has allocated to the EAA, ACC, BCC, and NCC programs since FY2011.¹²⁷ In FY2024, the funding for the EAA, ACC, and BCC, programs together accounted for approximately 28% of total EDA program appropriations.¹²⁸ 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 7**.¹²⁹

Figure 7. EAA, ACC, NCC, and BCC Funding History: FY2011-FY2024
(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. Since FY2014, Congress has directed EDA to administer additional funding through the EAA program for coal communities. Each year in FY2020-FY2023, Congress directed EDA to administer additional funding through the EAA program for nuclear closure communities. Starting in FY2022, Congress further directed EDA to administer funding through the EAA program for biomass power plant closure communities (BCC).

Congressional Record, December 20, 2022, p. S7898-S7899; and P.L. 118-42 *Congressional Record*, March 5, 2024, p. S1399).

¹²⁷ FY2022 and FY2023 funding for biomass power plant closure communities is displayed as “BCC” in **Figure 7**.

¹²⁸ 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>.

¹²⁹ 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.

Consolidated Appropriations Act, 2024, P.L. 118-42

On March 5, 2024, Congress approved, and the President signed into law, the Consolidated Appropriations Act, 2024 (P.L. 118-42) providing appropriations for a number of federal agencies and departments, including EDA's programs and activities. The act provided \$468 million to the EDA (\$400 million for programs and \$68 million for salaries and expenses). The total FY2024 appropriations for EDA programs and administration represents a decrease of \$30 million (or 6%) from the FY2023 annual appropriations level of \$498 million (excluding any FY2024 supplementary appropriations).¹³⁰

Congress directed EDA to provide funding for new programs and decreased the amount of funding allocated to certain long-standing programs. P.L. 118-42 directed EDA to provide \$25 million and \$5 million, respectively, for the second round of the Good Jobs Challenge and the new Assistance to Indigenous Communities initiative.¹³¹ In the explanatory statement accompanying P.L. 118-42, Congress directed EDA to allocate funding to other program areas in amounts that were at the same level or decreases from FY2023 funding levels.¹³² For instance, Congress directed EDA to decrease the amount allocated to Public Works, EAA, and Partnership Planning programs, and did not direct EDA to allocate funding to the Recompete program. In addition, P.L. 118-42, included a provision rescinding \$35 million in unobligated balances from prior-year appropriations for economic development assistance programs.¹³³

Report language accompanying the FY2024 appropriations bill provided additional direction to EDA regarding certain programs and the allocation and distribution of B2S, Tech Hubs, and ACC funding. The report language directed the EDA to support economic development involving specific activities or sectors such as working waterfronts; university based, high-tech business incubators; and the development of regional innovation clusters that focus on advanced wood products, among others. The report language also directed the EDA to “treat as acceptable, any funding provided by other Federal programs that are explicitly authorized to be used for any required non-Federal share of the cost of a project so that funding from both agencies may be used if necessary and to the extent permitted by law.”¹³⁴

¹³⁰ See the Consolidated Appropriations Act, 2022 (P.L. 117-103) and the Consolidated Appropriations Act, 2023 (P.L. 117-328).

¹³¹ EDA launched the Good Jobs Challenge (GJC) grant program in FY2021—with funding provided by the American Rescue Plan Act of 2021 (P.L. 117-2)—to develop and strengthen regional workforce training systems and sectoral partnerships. EDA defines a sectoral partnership as a partnership of employers from the same industry who join with other strategic partners to train and place workers into high-quality jobs that employers need filled and intend to fill through the partnership. See <https://www.eda.gov/funding/programs/american-rescue-plan/good-jobs-challenge/faq>, and “Good Jobs Challenge,” <https://www.eda.gov/arpa/good-job-challenge>.

¹³² 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>.

¹³³ 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>.

¹³⁴ Senator Patty Murray, “Explanatory Statement Submitted by Ms. Murray, Chair of the Senate Committee on Appropriations, Regarding H.R. 4366, Consolidated Appropriations Act, 2024,” Senate, *Congressional Record*, vol. 170, no. 39 (March 5, 2024), p. S1399, <https://www.congress.gov/118/crec/2024/03/05/170/39/CREC-2024-03-05.pdf>.

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.¹³⁵ 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.¹³⁶ EDA's distribution and allocation strategy for supplemental appropriations varies by each event or situation.¹³⁷

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 8**), 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 Maria, wildfires, and other federally declared natural disasters occurring in calendar year 2017. P.L. 115-123 provided that, of the amount appropriated, 2% of funds may be transferred to the “Salaries and Expenses” account for administration and oversight activities and \$1 million was to be transferred to the Office of Inspector General (OIG).
 - The Additional Supplemental Appropriations for Disaster Relief Act, 2019 (P.L. 116-20) 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 2019.¹³⁸ P.L. 116-20 provided that, of the amount appropriated, 2% of funds may be transferred to

¹³⁵ By example, see P.L. 116-20 which authorizes appropriations for disaster economic recovery activities under Section 703 of the Public Works and Economic Development Act (42 U.S.C. §3233).

¹³⁶ By example, see P.L. 116-260.

¹³⁷ 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>.

¹³⁸ EDA, “Disaster Supplemental Funding,” <https://eda.gov/disaster-recovery/supplemental>.

the “Salaries and Expenses” account for administration and oversight activities, and \$1 million was to be transferred to the OIG.

- 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 2022.¹³⁹ P.L. 117-328 provided that, of the amount appropriated, 3% of funds may be transferred to the “Salaries and Expenses” account for administration and oversight activities, and \$2 million was to be transferred to the OIG.

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 8**.

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.¹⁴⁰ 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.¹⁴¹ P.L. 116-136 provided that, of the amount appropriated, 2% of funds may be transferred to the “Salaries and Expenses” account for administration and oversight activities to prevent, prepare for, and respond to the pandemic and \$3 million was to be transferred to the OIG. The funding for salaries and expenses provided by the CARES Act expired on September 30, 2022. Additionally, Congress provided temporary special hiring authority to EDA through the CARES Act.¹⁴²

¹³⁹ EDA administers this funding through the “FY 2023 Disaster Supplemental NOFO,” at <https://www.grants.gov/web/grants/view-opportunity.html?oppId=347414>.

¹⁴⁰ 42 U.S.C. §3149(b).

¹⁴¹ 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>.

¹⁴² P.L. 116-136. See also GAO, *Federal Hiring: OPM Should Collect and Share COVID-19 Lessons Learned to Inform Hiring During Future Emergencies*, GAO-22-104297, October 25, 2021, <https://www.gao.gov/assets/gao-22-104297.pdf>.

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. P.L. 117-2 provided that of the amount appropriated, up to 2% shall be used for “temporary Federal personnel as may be necessary” to prevent, prepare for, and respond to the pandemic. The funding for temporary federal personnel is to remain available until September 30, 2027. Of the amount appropriated, 25% was for states and communities that have been affected by the decline in the “travel, tourism, or outdoor recreation sectors.” EDA administered ARP Act recovery assistance through the following six new grant programs, each with different investment criteria and priorities:¹⁴³

- the Build Back Better Regional Challenge;¹⁴⁴
- the Good Jobs Challenge;
- the EAA 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 §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).¹⁴⁵

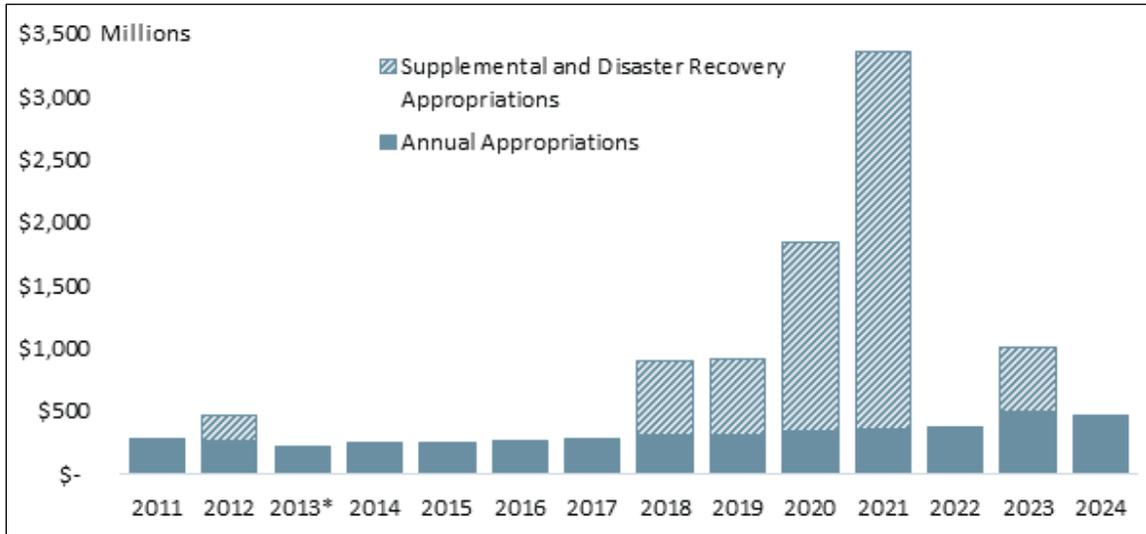
¹⁴³ For more information about the six ARP Act grant programs, see CRS Insight IN11712, *The Economic Development Administration’s American Rescue Plan (ARP) Act Grant Programs*, by Julie M. Lawhorn.

¹⁴⁴ 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>.

¹⁴⁵ See Division B, Title VI—Miscellaneous Science and Technology Provisions, Subtitle C, Section 10621.

Figure 8. Annual and Supplemental and Disaster Recovery Appropriations, FY2011-FY2024

(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 (see Division N). The asterisk (*) indicates that the FY2013 level is the post-sequestration amount.

FY2025 Funding Request

The Biden Administration proposed increased annual appropriations for EDA in FY2025. The EDA’s FY2025 congressional budget request included \$2.02 billion (\$523 million in discretionary funding and \$1.5 billion in mandatory funding) for the EDA.¹⁴⁶ The discretionary funding is almost 12% above the FY2024 enacted level of \$468 million. The request called for an increase in funding levels for salaries and administration and for many of EDA’s new and existing programs as well. The largest nominal increases in funding from FY2024 enacted levels were proposed for

- the Tech Hubs program (from \$41 million to \$1.54 billion in FY2025; i.e., \$1.5 billion in no-year mandatory funding and \$41 million of discretionary funding),¹⁴⁷
- the Recompete program (from \$0 to \$41 million in FY2025),

¹⁴⁶ The total amount of mandatory funding requested in the FY2025 budget for EDA was \$4 billion, which included \$1.5 billion in FY2025 and \$2.5 billion in FY2027.

¹⁴⁷ The Tech Hubs program provides financial assistance for long-term, place-based projects to support technology development, job creation, and expanding U.S. innovation capacity. See <https://www.eda.gov/funding/programs/regional-technology-and-innovation-hubs>. The mandatory funding request is for \$1.5 billion in FY2025 and \$2.5 billion in FY2027. See also DOC, EDA, *FY2025 Congressional Budget Justification*, p. 97, <https://www.commerce.gov/sites/default/files/2024-03/EDA-FY2025-Justification-Congressional-Submission.pdf>.

- the Good Jobs Challenge (from \$25 million to \$41 million in FY2025),
- the EAA program (from \$33 million to \$39.5 million in FY2025), and
- salaries and expenses (from \$68 million to \$85.9 million in FY2025).¹⁴⁸

The EDA’s FY2025 congressional budget justification also called for no or decreased funding levels for several existing programs (e.g., Technical Assistance, Research and Evaluation, TAAF, Research and Evaluation, STEM Apprenticeships, and B2S programs; and the Assistance to Indigenous Communities, Assistance to Nuclear Closure Communities, Assistance to Coal Communities, and Assistance to Biomass Communities initiatives). **Table 5** provides a summary of funding for EDA programs in annual appropriations bills enacted in FY2024—as well as the requested FY2025 amounts.

Table 5. FY2024 Annual Appropriations and FY2025 Request
(budget authority, in millions of nominal dollars)

	FY2024 Enacted	FY2025
	P.L. 118-42	Request
EDA Programs		
Public Works	\$100.0	\$105.5
Economic Adjustment Assistance	\$33.0	\$39.5
Partnership Planning	\$34.5	\$36.0
Technical Assistance	\$14.0	\$14.0
Research and Evaluation	\$2.0	\$2.0
Traded Adjustment Assistance for Firms (TAAF)	\$13.5	\$13.5
Assist. Coal Communities (ACC)	\$75.0	\$46.0
Assist. Nuclear Closure (NCC)	—	—
Assist. Biomass Power Plant Closure Communities	\$4.5	—
STEM Apprenticeships (Sec. 30, formerly Sec. 28)	\$2.5	\$2.5
Build to Scale (Sec. 27)	\$50.0	\$50.0
Recompete Pilot (Sec. 29)	—	\$41.0
Tech Hubs—Discretionary (Sec. 28)	\$41.0	\$41.0
Tech Hubs—Mandatory (Sec. 28)	—	\$1,500.0
Good Jobs Challenge	\$25.0	\$41.0
Assistance to Indigenous Communities	\$5.0	\$5.0
Subtotal Programs (Discretionary only)	\$400.0	\$437.0
Subtotal Programs (Discretionary + Mandatory)	—	\$1,937.0
Salaries and Expenses	\$68.0	\$85.9

¹⁴⁸ DOC, EDA, *FY2025 Congressional Budget Justification*, <https://www.commerce.gov/sites/default/files/2024-03/EDA-FY2025-Justification-Congressional-Submission.pdf>.

	FY2024 Enacted	FY2025
	P.L. 118-42	Request
Total (Discretionary + Mandatory + Salaries and Expenses)	\$468.0	\$2,022.9

Sources: Sources for FY2024 amounts are from the explanatory statements accompanying P.L. 118-42. FY2025 requested amounts are from DOC, EDA, *FY2025 Congressional Budget Justification*, <https://www.commerce.gov/sites/default/files/2024-03/EDA-FY2025-Justification-Congressional-Submission.pdf>.

Notes: The “—” indicates that Congress did not direct EDA to allocate funding to the program or the budget request did not include funding for the program.

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.¹⁴⁹ 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.¹⁵⁰ The most recent report focused on the EDA by the OIG’s Office Audit and Evaluation was issued in November 2023 and discussed EDA’s administration of disaster recovery funding. The report found that while EDA generally monitored grants, it did not always follow up on late submissions as required.¹⁵¹ In January 2021, an OIG report reviewed findings from an examination of EDA’s administration of CARES Act funding.¹⁵² 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 workforce plan for ongoing and future emergency and disaster relief efforts due to insufficient staffing and related concerns.¹⁵³

¹⁴⁹ 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>.

¹⁵⁰ 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>.

¹⁵¹ DOC OIG, “EDA Generally Monitored Grants Awarded Under the FY 2019 EDA Disaster Supplemental Notice of Funding Opportunity,” Final Report OIG-24-005-A, November 6, 2023, <https://www.oig.doc.gov/Pages/EDA-Generally-Monitored-Grants-Awarded-Under-the-FY-2019-EDA-Disaster-Supplemental-Notice-of-Funding-Opportunity.aspx>.

¹⁵² 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>.

¹⁵³ 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>.

Reauthorization and Related 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. Although the PWEDA authorities do not expire, the authorization of appropriations to fund the economic development assistance programs expired on September 30, 2008. Congress last amended and extended EDA authorities in 2004 through the Economic Development Administration Reauthorization Act (EDARA; P.L. 108-373). P.L. 108-373 extended the authorization of appropriations for EDA through FY2008.¹⁵⁴ Hearings during the 117th and 118th Congresses indicate that policymakers may continue to consider legislation to provide authorization of program appropriations and/or amend PWEDA—see **Table C-2**.¹⁵⁵ In March 2024, Members of the U.S. Senate introduced several bills to address reauthorization and/or to amend EDA programs.¹⁵⁶ The following considerations may pertain to efforts designed to reauthorize PWEDA and/or to amend 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.

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,¹⁵⁷ 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).¹⁵⁸ For instance, congressional members, EDA leaders, and outside

¹⁵⁴ See also from CRS Report R41241, *Economic Development Administration: A Review of Elements of Its Statutory History*, by Julie M. Lawhorn.

¹⁵⁵ 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.

¹⁵⁶ See S. 3891 and S. 4006, among others.

¹⁵⁷ 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>).

¹⁵⁸ 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 (continued...)

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.¹⁵⁹ However, unlike many forms of public infrastructure (e.g., water, wastewater), broadband access is frequently provided by, or in partnership with, private, for-profit companies.¹⁶⁰ The 117th and 118th Congresses 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 in the 117th Congress and H.R. 1752 in the 118th Congress).¹⁶¹

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 addition to statutory requirements, EDA implements programs and other activities in a manner that aligns with the Administration's investment priorities, which are generally determined by the EDA—see "Investment Priorities, FY2011-Present." Congress may continue with this approach to priority-setting or it may seek to codify the EDA's priorities in statute.¹⁶²

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.¹⁶³ 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.¹⁶⁴ 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

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>.

¹⁵⁹ 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/house/112512/witnesses/HHRG-117-PW13-Wstate-CooperL-20210428.pdf>.

¹⁶⁰ 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>.

¹⁶¹ Related bills (H.R. 6491 and S. 3648) were also introduced in the 116th Congress.

¹⁶² The investment priorities proposed in S. 3891, for example, are: critical infrastructure, workforce, innovation and entrepreneurship, economic recovery resilience, and manufacturing. See Section 109.

¹⁶³ 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.

¹⁶⁴ 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/>.

distressed and small, rural communities, through EDA's existing planning, RNTA, and/or University Center programs.¹⁶⁵

Congress may also review how EDA manages the implementation of new programs, staffing levels, and increases in appropriations.¹⁶⁶ 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. Congress may seek to review the agency's resources for implementing and managing the significant increases in funding for these programs in FY2023 (i.e., \$700 million in annual and supplemental appropriations for the two programs provided in P.L. 117-328). 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.¹⁶⁷ 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.¹⁶⁸ 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).¹⁶⁹ Agency officials and other groups have proposed that expanding the level of EDA

¹⁶⁵ 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."

¹⁶⁶ 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.

¹⁶⁷ EDA, "National Advisory Council on Innovation and Entrepreneurship (NACIE)," <https://www.eda.gov/strategic-initiatives/national-advisory-council-on-innovation-and-entrepreneurship>.

¹⁶⁸ 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>.

¹⁶⁹ Some analysts indicate that capacity limitations may hamper these communities' ability to access, manage, and implement available grant programs. See Government Accountability Office (GAO), "Grants Management, Observations on Challenges with Access, Use, and Oversight," Statement of Jeff Arkin, Director, Strategic Issues, (continued...)

support for planning, capacity, and skills development for state and local stakeholders could facilitate economic recovery following disasters or widespread economic shocks.¹⁷⁰ Additionally, report language accompanying P.L. 118-42 directed EDA to consider technical assistance as a way of improving the agency’s outreach in manufacturing communities and communities “which are poorly positioned to produce technically sufficient proposals.”¹⁷¹ Recent bills and outside groups have also proposed expanding funding for and the capacity of state, local, and regional stakeholders to undertake predevelopment activities.¹⁷²

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.¹⁷³ Congress also may direct EDA to participate in joint federal interagency funding opportunities for specific development initiatives.¹⁷⁴ S. 3891, which was introduced during the 118th Congress, included a provision to formalize EDA’s role in coordinating with the federal regional commissions to reduce duplication, enhance coordination, and develop best practices.¹⁷⁵ S. 4006—also introduced in the 118th Congress—included a provision to require an interagency agreement between the EDA and the USDA and with the Office of Indian Economic Development of the Bureau of Indian Affairs to support tribal communities.

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 8**). 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.¹⁷⁶ Alternatively, the agency’s disaster recovery

Testimony Before the Committee on Homeland Security and Governmental Affairs, U.S. Senate, May 2023, <https://www.gao.gov/assets/gao-23-106797.pdf>.

¹⁷⁰ 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>.

¹⁷¹ Senator Patty Murray, “Explanatory Statement Submitted by Ms. Murray, Chair of the Senate Committee on Appropriations, Regarding H.R. 4366, Consolidated Appropriations Act, 2024,” Senate, *Congressional Record*, vol. 170, no. 39 (March 5, 2024), p. S1399, <https://www.congress.gov/118/crec/2024/03/05/170/39/CREC-2024-03-05.pdf>.

¹⁷² See, for example, H.R. 5098, S. 2572, and S. 2148, which were introduced during the 118th Congress to amend PWEDA to establish grant programs to fund predevelopment.

¹⁷³ In July 2021, in response to a request from the House Appropriations Committee, Subcommittee on Commerce, Justice, Science and Related Agencies, 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>.

¹⁷⁴ 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 Development, Public Buildings and Emergency Management, *Investing in America: Reauthorization of the Economic Development Administration*, 117th Cong., 1st sess., April 28, 2021.

¹⁷⁵ See Section 103.

¹⁷⁶ 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 (continued...)

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.¹⁷⁷ 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 2021.¹⁷⁸

In the 118th Congress, legislation was also introduced to establish a related, but different administrative office at EDA to coordinate and support economic development with tribal communities.¹⁷⁹

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 In Focus IF12430, *Trade Adjustment Assistance for Firms*, by Kyla H. Kitamura.

Preparing for Future Industries and EDA's Role in Federal Innovation Policy¹⁸⁰

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

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>. Members of Congress proposed legislation to establish an Office of Disaster Recovery and Resilience in the 117th Congress (H.R. 8526) and in the 118th Congress (S. 2779, S. 3891, and S. 4006).

¹⁷⁷ 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/chrg/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>.

¹⁷⁸ 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>.

¹⁷⁹ See for example, S. 3891, Section 118.

¹⁸⁰ 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 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.

(continued...)

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.¹⁸¹

Congress recently authorized new EDA programs to further prepare regions and workers for innovation- and technology-led economic development, and for “future industries.”¹⁸² 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.¹⁸³

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.¹⁸⁴ Congress may seek to continue support for EDA’s existing innovation-oriented programs (e.g., B2S, Regional Technology and Innovation Hub), similar programs, or new programs.¹⁸⁵ Alternatively, Congress may pursue a more limited federal role in

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.

¹⁸¹ EDA, “Investment Priorities,” <https://eda.gov/about/investment-priorities/>.

¹⁸² 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>.

¹⁸³ 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>.

¹⁸⁴ 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/>.

¹⁸⁵ 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, <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/> (continued...)

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.¹⁸⁶

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?¹⁸⁷

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

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).

¹⁸⁶ 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.

¹⁸⁷ 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.¹⁸⁸

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.¹⁸⁹ 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.¹⁹⁰

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.¹⁹¹ 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.¹⁹² 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.¹⁹³ Congress may also seek to evaluate the level of engagement with partners and allocation or distribution of funding in underserved communities. See "Persistent Poverty and Distressed, Small, Rural and

¹⁸⁸ 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>.

¹⁸⁹ EDA, "Good Jobs Challenge," <https://eda.gov/arpa/good-jobs-challenge/>.

¹⁹⁰ 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>.

¹⁹¹ 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/>.

¹⁹² 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.

¹⁹³ 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/>.

Underserved Areas—Funding and Technical Assistance” for a summary of recent legislative and agency activities focused on underserved communities.

EDA’s Workforce

As Congress considers provisions in recent bills designed to reauthorize, alter, update, or expand EDA’s programs, it may seek to review the scale and scope of financial resources, workforce capacity, and authorities that may be needed to meet future needs and roles of the EDA. For instance, in its FY2025 budget request, EDA noted that “Since 2018, EDA has seen its active grant portfolio grow by more than 8 times, going from 1,670 grants valued at \$694 million at the end of 2017 to over 3,000 grants valued at over \$6 billion in 2024.”¹⁹⁴ (See **Figure 6** for a visualization of EDA’s funding for programs and salaries and expenses since FY2011.) Congress may seek to review EDA’s workforce plan, permanent and temporary staffing levels, and hiring authorities to ensure that the agency is equipped to implement and oversee new programs and authorities.

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.¹⁹⁵

Legislation enacted in the 117th and 118th Congresses 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 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).¹⁹⁶ Congress may also review the allocation of assistance based on preferred economic development goals—to

¹⁹⁴ EDA, “FY2025 Congressional Budget Justification,” p. 115, <https://www.commerce.gov/sites/default/files/2024-03/EDA-FY2025-Justification-Congressional-Submission.pdf>.

¹⁹⁵ 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>.

¹⁹⁶ 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.

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.

Appendix A. Grant Programs

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

Build to Scale (B2S)

The 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”).¹⁹⁷ 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.¹⁹⁸

Level of matching funds requirement: In FY2023, the minimum matching share was 50%.¹⁹⁹

Economic Adjustment Assistance (EAA) Program

EDA refers to the EAA program as its most flexible economic development tool.²⁰⁰ 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.²⁰¹

¹⁹⁷ 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>.

¹⁹⁸ 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>.

¹⁹⁹ EDA, “2023 Build to Scale Program NOFO,” https://www.eda.gov/sites/default/files/2023-06/FY23_B2S_NOFO.pdf.

²⁰⁰ EDA, *FY2024 Congressional Budget Justification*, p. 56, <https://www.commerce.gov/sites/default/files/2023-03/EDA-FY2024-Congressional-Budget-Submission.pdf>.

²⁰¹ 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.²⁰² 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.²⁰³

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.”²⁰⁴

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 Notice of Funding Opportunity (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.²⁰⁵
- **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.²⁰⁶

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)²⁰⁷ or serves a Special Impact area (as defined in 13 C.F.R. Part 310).²⁰⁸

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

²⁰² 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.

²⁰³ EDA, “Leading Economic Recovery Efforts in Disaster-Impacted Communities,” <https://eda.gov/files/programs/disaster-recovery/EDA-Disaster-Brochure.pdf>.

²⁰⁴ 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.

²⁰⁵ EDA, “Economic Recovery Corps,” <https://www.eda.gov/economic-recovery-corps>.

²⁰⁶ EDA, “FY2023 Public Works and Economic Adjustment Assistance NOFO,” <https://www.grants.gov/web/grants/view-opportunity.html?oppId=346815>.

²⁰⁷ 13 C.F.R. §307.5(1).

²⁰⁸ 13 C.F.R. §301.10(c).

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.

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 Economic Development Districts (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.²⁰⁹

Statutory Authority: 42 U.S.C. §3143

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

²⁰⁹ 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.

Economic distress criteria: No minimum economic distress level requirements.²¹⁰

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 (Distressed Area Recompete Pilot Program)

The Recompete Pilot program is a new program authorized by the CHIPS and Science Act (P.L. 117-167 §10621) that will provide grants and cooperative agreements to persistently distressed areas. The program will administer two types of awards: (1) strategy development grants and (2) strategy implementation grants. EDA plans to administer two types of funding awards through two award phases for the program.

For Phase 1, EDA instructs applicants to choose either a strategy development grant, approval of a Recompete Plan, or both. Strategy development grants are designed to help applicants strengthen regional coordination and support planning and pre-development activities, including hiring a coordinator or the formulation of a Recompete Plan. A strategy development grant conveys funding. A Recompete Plan is a comprehensive economic development plan that

²¹⁰ 13 C.F.R. §306 and 13 C.F.R. §301.3.

includes the proposed multiyear activities to be implemented, projected costs, partner roles, and other information. EDA also says it will approve Recompete Plans in Phase 1, but approval of a Recompete Plan does not convey funding. According to EDA, applicants must have their Recompete Plan approved in order to be invited to apply for implementation funds under Phase 2.

In Phase 2, EDA plans to fund implementation awards to support a range of economic development activities based on regional priorities. 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. Implementation award recipients are not required to have previously received a strategy development award.

Eligible applicants include

- political subdivisions of a state;
- tribal governments;
- U.S. territories;
- the District of Columbia;
- nonprofit organizations working in cooperation with a political subdivision of a state;
- EDDs; and
- a coalition of any of the entities listed above.

Statutory Authority: 15 U.S.C. §3722b

Agency Regulations: The program is governed by the terms of the NOFO.²¹¹

Economic distress criteria: The program targets areas where prime-age (25-54 years) employment falls below the national rate. The prime age employment gap (PAEG) is the difference (expressed as a percentage) between (1) the national five-year average prime-age employment rate and (2) the five-year average prime-age employment rate of the eligible area.

Among other requirements, projects must be located in one of two eligible geographic areas and meet certain PAEG requirements. The two eligible geographic areas are:

- **Local Labor Markets (LLMs)**—a Metropolitan Statistical Area (MSA), a Micropolitan Statistical Area (μMSA), a commuting zone, or tribal lands. LLMs with a PAEG of at least 2.5% are eligible. Tribal lands and Pacific Ocean territories are considered eligible LLMs.
- **Local Communities (LCs)**—an area served by a general-purpose unit of local government (e.g., county government) that is located within, but does not fully cover, an ineligible LLM. In addition, one of these conditions must apply:
 - The entire area served by the unit of local government on average has a PAEG of at least 5% and a median annual household income of no more than \$75,000; or
 - A subset of the area served by the unit of local government has five or more contiguous Census tracts that each individually have a PAEG of at least 5% and median annual household income of no more than \$75,000. In this

²¹¹ EDA, "FY2023 Distressed Area Recompete Pilot Program Phase 1 NOFO (Recompete Pilot Phase 1 NOFO)," https://www.eda.gov/sites/default/files/2023-06/Recompete_Pilot_Program_NOFO_phase_1_vF.pdf.

instance, the applicant’s service area must be contained within the identified Census tracts.

Requirement to align with CEDS or equivalent: The CEDS requirement is not referenced in 15 U.S.C. §3722b.

Level of matching funds requirement: There is no match requirement for Phase 1 or Phase 2 awards; matching is to be a competitive factor in Phase 2.

Regional Technology and Innovation Hubs (Tech Hubs) Program²¹²

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.²¹³ 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 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) includes biotechnology, quantum information sciences, advanced materials science, and advanced energy and industrial efficiency technologies, among others.

The NOFO further notes that the grants will be made using a competitive, merit-review process, and that awards will be made in a manner that ensures geographic diversity and representation from communities of differing populations, among other considerations. EDA plans to administer two Tech Hubs funding awards:

- **Strategy development awards**—to help a consortium prepare to apply for an implementation award and/or Tech Hub designation by supporting planning, coordination, and pre-development activities; and
- **Strategy implementation awards**—to support economic development activities such as workforce development, business and entrepreneur development, technology maturation, and infrastructure.

EDA plans to administer the program in two phases. In Phase 1, an applicant can apply for a strategy development award, a Tech Hub designation, or both. Only entities that are *already designated* as Tech Hubs in Phase 1 will be permitted to apply for implementation awards under the Phase 2 NOFO. Designated Tech Hubs, however, will not be required to receive a strategy development award to apply for an implementation award. EDA is statutorily required

²¹² For more information, see <https://www.eda.gov/funding/programs/regional-technology-and-innovation-hubs>.

²¹³ See P.L. 117-167, Division B, Title VI—Miscellaneous Science and Technology Provisions, Subtitle C, Section 10621.

to designate at least 20 Tech Hubs and indicates that designation is a strong signal of a region’s potential. There is no funding associated with the designation.

EDA plans to award grants to eligible consortia. In addition to other entities, an eligible consortium must include one or more representatives from

- Institutions of higher education;
- State, territorial, local, or tribal governments or other political subdivisions of a state;
- Industry groups or firms in relevant technology, innovation, or manufacturing sectors;
- Economic development organizations or similar entities; and
- Labor or workforce training organizations.

The NOFO encourages the participation of at least two private firms in an eligible consortium, and notes that other entities may be part of the consortium. One of the consortium members will be the lead applicant.²¹⁴

Statutory Authority: 15 U.S.C. §3722a²¹⁵

Agency Regulations: The program is governed by the terms of the NOFO.²¹⁶

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

Consistent with Executive Order 13985, Advancing Racial Equity and Support for Underserved Communities through the Federal Government, Executive Order 14091, Further 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 and underrepresented populations to the extent practicable. Specifically, applicants are expected to articulate which populations or communities will benefit from the project and how the project will provide for inclusive community engagement, ensuring that the economic benefits of the project will be shared by all communities in the project area, including any underserved communities.²¹⁷

Additionally, the NOFO highlighted the potential for tech hubs’ engagement with underserved communities and other stakeholders in its description of its “equity and diversity” criteria.²¹⁸

Requirement to align with CEDS or equivalent: The CEDS requirement is not referenced in 15 U.S.C. §3722a.

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

²¹⁴ Ibid.

²¹⁵ The Tech Hubs program is authorized under Section 28 of the Stevenson-Wydler Technology Innovation Act (15 U.S.C. §3722a).

²¹⁶ EDA, “FY2023 Regional Technology and Innovation Hub Program Phase 1 NOFO (Tech Hubs Phase 1 NOFO),” https://www.eda.gov/sites/default/files/2023-05/Tech_Hubs_NOFO.pdf.

²¹⁷ Ibid.

²¹⁸ Ibid.

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 NOFO for two separate programs: the Research and Evaluation (R&E) Program and the National Technical Assistance (NTA) Program.²¹⁹ 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.
- 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.²²⁰

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 RNTA grants (42 U.S.C. §3147). See 13 C.F.R. §301.4.

STEM Talent Challenge²²¹

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 (OIE). According to EDA, the STEM initiative aligns with the goals of the agency’s B2S 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”

²¹⁹ 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>.

²²⁰ The EDA’s webpage on RNTA provides additional examples at <https://www.eda.gov/rnta>.

²²¹ 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/>.

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. §3723²²²

Agency Regulations: The program is governed by the terms of the NOFO.²²³

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, 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.²²⁴

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)²²⁵

The TAAF 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.²²⁶ EDA generally funds a TAAC for a three-year period composed of three separate funding periods of 12 months each.²²⁷

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.²²⁸

²²² 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). The STEM Talent Challenge program was established by the American Innovation and Competitiveness Act (P.L. 114-329).

²²³ EDA, “2023 STEM Talent Challenge Program NOFO,” <https://www.eda.gov/sites/default/files/2023-04/FY%2023%20STEM%20Talent%20Challenge%20NOFO.pdf>.

²²⁴ Ibid.

²²⁵ For more information, see CRS In Focus IF12430, *Trade Adjustment Assistance for Firms*, by Kyla H. Kitamura.

²²⁶ 13 C.F.R. §315.4.

²²⁷ 13 C.F.R. §315.5.

²²⁸ 13 C.F.R. §315.5.

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.²²⁹ Certified firms that receive assistance from TAACs must pay a percentage of expenses associated with services.²³⁰

University Center Program²³¹

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,
- 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 held the University Center competition in its Chicago and Philadelphia Regional Offices.²³² 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.²³³

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.²³⁴

²²⁹ 13 C.F.R. §315.5.

²³⁰ 13 C.F.R. §315.6.

²³¹ For a list of University Centers, see <https://eda.gov/programs/university-centers/current-list/>.

²³² 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>.

²³³ EDA, “University Centers—Applicant Resources,” <https://www.eda.gov/funding/programs/university-centers/applicant-resources>.

²³⁴ 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)).

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.²³⁵

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

²³⁵ 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-FY2024 and FY2025 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	\$468.0
2025	\$2,022.9	

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. In the FY2024 and FY2025 Congressional Budget Justifications, the Administration’s budget included requests for no-year mandatory spending for the Tech Hubs program.

Table B-2. Funding for EDA, by Program, FY2011-FY2024

(budget authority, in millions of nominal dollars)

	FY2011	FY2012	FY2013 ^a	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
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	100.0
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	33.0
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	34.5
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	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	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	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	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	75.0
Assistance to Nuclear Closure Communities										15.0	16.5	16.5	16.5	
Assistance to Biomass Power Plant Closure Communities												4.5	4.5	4.5
STEM Apprenticeships (Sec. 30)										2.0	2.0	2.0	2.5	2.5
Recompete Pilot (Sec. 29)													41.0	
Tech Hubs (Sec. 28)													41.0	41.0
Good Jobs Challenge														25.0
Assistance to Indigenous Communities														5.0
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	400.0
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	68.0

	FY2011	FY2012	FY2013 ^a	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Supplemental Appropriations		200.0						588.0	588.0	1,470.0	2,940.0		1,103.0	
Supplemental Appropriations Available for Salaries and Expenses								12.0	12.0	30.0	60.0		15.0	
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	\$468.0

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, P.L. 117-103, and P.L. 118-42; 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. 112-55, 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 programs.

Appendix C. Staff Level History

Table C-1. EDA Employment, FY2011-FY2023

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
2023	323

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.

Table C-2. Selected Hearings on EDA Oversight or Reauthorization
117th and 118th Congresses

Committee	Congress, Session, Date	Hearing Title	Hearing Report or Other Materials
Senate Committee on Environment and Public Works (EPW)	117 th Cong., 1 st sess., Nov. 3, 2021	<i>Examining Programs at the Economic Development Administration</i>	https://www.epw.senate.gov/public/index.cfm/hearings?ID=256D08CE-44DC-47B4-9663-F9AC5AA8950E
House Committee on Transportation and Infrastructure, Subcommittee on Economic Development, Public Buildings, and Emergency Management	117 th Cong., 1 st sess., April 28, 2021	<i>Investing in America: Reauthorization of the Economic Development Administration</i>	https://www.govinfo.gov/content/pkg/CHRG-117hrg45230/pdf/CHRG-117hrg45230.pdf
Senate Committee on Indian Affairs	117 th Cong., 1 st sess., May 12, 2021	<i>Examining the COVID-19 Response in Native Communities: Native Tourism Economies One Year Later</i>	https://www.govinfo.gov/content/pkg/CHRG-117shrg45580/pdf/CHRG-117shrg45580.pdf

Committee	Congress, Session, Date	Hearing Title	Hearing Report or Other Materials
House Committee on Science, Space, and Technology (SST), Subcommittee on Research and Technology	117 th Cong., 1 st sess., June 9, 2021	<i>Building Regional Innovation Economies</i>	https://www.govinfo.gov/content/pkg/CHRG-117hrg44720/pdf/CHRG-117hrg44720.pdf
House Select Committee on Economic Disparity and Fairness in Growth	117 th Cong., 2 nd sess., May 11, 2022	<i>Bringing Prosperity to Left-Behind Communities: Using Targeted Place-based Development to Expand Economic Opportunity</i>	https://www.govinfo.gov/content/pkg/CRPT-117hrpt619/pdf/CRPT-117hrpt619.pdf
House SST Committee	117 th Cong., 2 nd sess., December 14, 2022	<i>Building Regional Innovation Economies Part II</i>	https://www.congress.gov/event/117th-congress/house-event/115219
Senate EPW Committee	118 th Cong., 1 st sess., June 21, 2023	<i>Reauthorization of the Economic Development Administration: State and Local Perspectives</i>	https://www.congress.gov/118/chrg/CHRG-118shrg53731/CHRG-118shrg53731.pdf

Sources: Compiled by CRS using ProQuest Congressional, govinfo.gov, and committee websites.

Notes: The hearings listed in this table do not represent a comprehensive list of all hearings involving EDA in the 117th and 118th Congresses. The table does not include hearings focused on annual appropriations.

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