

# THE BOND BUYER

## State and local officials call for 'modern' reauthorization of EDA

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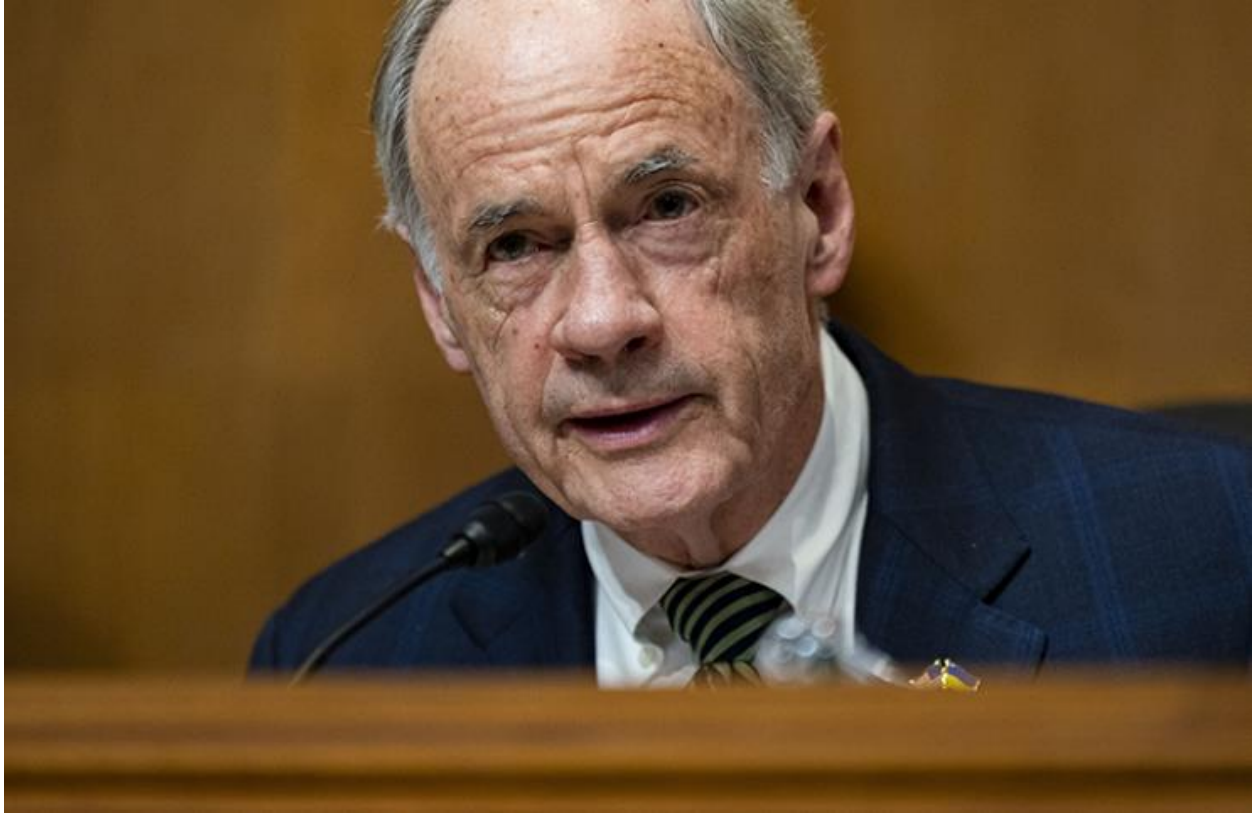
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The Economic Development Administration's reauthorization should include a greater focus on matching grants, workforce development and projects that weren't originally included in the authorization that is now close to twenty years old, according to state and local officials testifying before Congress.

That was the message public officials delivered the Senate Committee on Environment and Public Works Wednesday. The EDA was last authorized by President Bush in 2004, it expired in 2008 and has been running on reappropriations ever since. Discussions are now underway for a full reauthorization.

"All of the ideas and all of the examples you've seen here, but also some of the challenges we face can be addressed if we have a modern reauthorization that helps with match, that helps with access, that helps with the different sorts of projects and workforce issues that didn't exist when it was reauthorized last," said Eileen Higgins, member of the Board of County Commissioners for Miami-Dade County, Florida.

The EDA is an office within the Commerce Department charged with assisting economically distressed government subdivisions.



Sen. Tom Carper, D-Del., chairman of the Senate Committee on Environment and Public Works said that "Economic development is personal," a reference to President Biden's maxim that politics is personal. **Bloomberg News**

Higgins, delivering her prepared statement with recommendations from the National Association of Counties, urged the Senate panel that EDA's mission is more important today than ever, due to the historic levels of infrastructure funding from COVID-19 related aid, but that the focus should be wider in scope.

"These investments in physical infrastructure must be accompanied by investments in workforce infrastructure," Higgins said. "The nation needs workers ready to build these projects at the onset and maintain them in the long run."

EDA received \$1.6 billion in funding for FY 2023, A \$1.226 billion jump from its FY 2022 level. But the American Rescue Plan provided an additional \$3 billion for EDA in FY 2021, 25% of which was set aside to assist communities that suffered economic injury as a result of job losses in the travel, tourism or outdoor recreation sectors.

Chris Fetzter, executive director of the Northern Arizona Council of Governments, urged Congress to invest in the operational capacity of Economic Development Districts, or the multi-jurisdictional entities that are commonly composed of

multiple counties and can cross state borders, which can be essential in winding down businesses and relocating workers to different parts or even a different state.

"Currently, the lack of adequate funding for staff capacity is an enormous challenge for most EDD's, in part because until recently, EDA funding levels for EDD's had stagnated for decades," Fetzer said. He also urged Congress to increase the annual authorized funding levels for EDA partnership planning grants, recommending at least \$100 million annually.

"The foundation of every successful project is a thoughtful and intentional planning process. Planning helps ensure that subsequent federal project investments are strategic, fiscally responsible, and aligned with local and regional priorities," Fetzer said.

He also wants any reauthorization efforts to restructure the cost share by reducing local match for development projects, which can be as high as 50% and should be reformed to 10% for local match and 90% for federal share.

Higgins also feels that the EDA reauthorization should codify disaster relief due to the enormous costs cities and local governments have been hit with in damages in recent years. Sen. Alex Padilla, D-Calif, agreed, recommending a disaster relief office within the EDA.

Patricia Cannon, director of special projects for the Delaware Department of State, Division of Small Business, with many others in agreement, that the people with the strongest need of the grants won't often receive them due to eligibility requirements, and urged Congress to improve access.

Consistent across all participants in Wednesday's hearing was the belief that EDA should work to improve existing programs before introducing new ones and that reauthorization should continue its current focus of allowing states to decide how and what programs work best for them.