



Economic Development Administration Reauthorization: Overview and Recommended Actions for Economic Development Districts and their Stakeholders

For the first time in 20 years, Congress has reauthorized the US Department of Commerce Economic Development Administration (EDA). On January 4, 2025 the *Thomas R. Carper Water Resources Development Act of 2024* (Senate Bill 4367) was signed into law, following its passage in the House and Senate with overwhelming bipartisan support. Title II of the legislation, the *Economic Development Reauthorization Act of 2024*, reauthorizes the EDA. The legislation strengthens and protects EDA's programs and enhances key initiatives that are vital to the success of Economic Development Districts and other EDA stakeholders across the country, while also bolstering many of the core traditional programs that EDA has administered ever since it was originally authorized in the Public Works and Economic Development Act of 1965.

Some particularly notable key provisions of the EDA reauthorization legislation that impact **Economic Development Districts** and **Rural Communities** are as follows:

Authorization Level for EDA Partnership Planning Grants

- The EDA reauthorization legislation includes the following authorized funding levels for Partnership Planning Grants:
 - \$90 million for Fiscal Year 2025
 - \$100 million for Fiscal Year 2026
 - \$110 million for Fiscal Year 2027
 - \$120 million for Fiscal Year 2028
 - \$130 million for Fiscal Year 2029
- Authorization versus Appropriation Level
 - The amounts listed above are **authorized funding levels**, not actual **appropriated funding levels**. In order for the authorized funding levels to be provided to Economic Development Districts, Congressional appropriators would still need to provide **appropriated** levels of funding that are equivalent to the **authorized** amounts. This has not yet happened.
- Actual Funding Level for EDDs
 - As of FY 2024, Congressional appropriators only provided \$34.5 million overall in actual appropriated funding for Partnership Planning. Divided among the approximately 400 EDDs that currently exist, and among other eligible stakeholders, this level of funding translates to approximately **\$70,000 per EDD**. This is barely enough to cover one full-time staff person to fulfill planning responsibilities and complete deliverables that are mandated by EDA.

- Congressional Action Needed:
 - Now that EDA has been reauthorized, it is imperative for Congressional appropriators to provide funding amounts that are equivalent to the authorized levels. NADO encourages EDDs to advocate for this.
 - This is especially important for EDA Partnership Planning, which has been historically underfunded. This underfunded line item **disproportionately impacts rural communities** by under-resourcing rural regions and their local leadership.
 - For example, if appropriators were to provide Partnership Planning funding at the level of the authorized amount of **\$100 million for FY26**, this would allow each EDD to receive closer to \$250,000 per organization, which would finally allow for sufficient staffing and funding to carry out planning responsibilities that are mandated by EDA.
- **NADO recommends that EDDs and their stakeholders take the following actions:**
 - Meet with your Senators, Representatives, and their staff and advocate for appropriations for EDA Partnership Planning grants that is equivalent to the authorization amount (\$100 million in FY 2026)
 - Provide them with the NADO Fact Sheet entitled “*EDA Partnership Planning Appropriations Fact Sheet FY 2026*”

Federal Cost Share and Local Match for Partnership Planning Grants

- The EDA reauthorization legislation includes a provision that states that *the Secretary of Commerce may increase the Federal Share for Partnership Planning Grants up to 100 percent of the total cost of the project.*
- **NADO recommends that EDDs and their stakeholders take the following actions:**
 - Meet with your EDA Economic Development Representative (EDR) or other EDA Regional Office staff to discuss this provision of the reauthorization bill.
 - Particularly if you have an extenuating circumstance, communicate to your EDR that you are requesting that EDA decrease or waive the local match requirement.
 - It is important to note that although EDA has the option to increase federal share to 100%, they may choose not to do so in many or even most cases. You will need to advocate for this with your EDR if it is something that your community has a need for.

Baseline Cost Share for All EDA Grants

- The EDA reauthorization legislation includes a provision that increases the baseline cost share for all EDA grants from 50% to 60%. This is a “floor” amount for the federal cost share of all EDA grants carried out under 42 U.S.C. § 3144.
- The EDA reauthorization legislation also includes a provision that states that *any funds contributed by a Regional Commission for an [EDA] project may be considered to be part of the non-federal share of the project.*
- **NADO recommends that EDDs and their stakeholders take the following actions:**
 - There should be no action by EDDs or other EDA stakeholders needed in order to benefit from the revised cost share percentages in the EDA reauthorization legislation. NADO anticipates that EDA will automatically take steps to ensure that the baseline federal share for all future EDA grants is, at a minimum, 60% federal

share. There should be nothing you need to do to advocate for this baseline, though you may still want to double-check that this change has been applied to any future EDA awards that you receive.

- Additionally, if there is a Federal Regional Commission that covers the geographic area of your region (such as the Appalachian Regional Commission, the Delta Regional Authority, the Northern Border Regional Commission, the Denali Commission, the Southeast Crescent Regional Commission, etc) your region may stand to benefit from a local match reduction standpoint, since any funding your project receives from these Regional Commissions can be considered as a source of local match when applying for future EDA awards. This is something to keep in mind when combining or “braiding” Regional Commission and EDA funds.