



NADO LEGISLATIVE UPDATE

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ABOUT NADO

- The National Association of Development Organizations (NADO) advocates for the nation's network of hundreds of Regional Development Organizations (RDOs) across the country, and for the economic and community development programs they help implement
- NADO works closely with EDA and Economic Development Districts (EDDs), and with other federal partners and community development stakeholders

www.nado.org

Interested in becoming a NADO member?

Please contact Brittany Salazar at bsalazar@nado.org or Krystal De Leon at kdeleon@nado.org

AMERICAN RESCUE PLAN ACT HIGHLIGHTS

[The American Rescue Plan Act \(P.L. 117-2\)](#) includes:

- **\$3 billion** for the U.S. Department of Commerce Economic Development Administration (EDA)
- **\$350 billion** for the Coronavirus State and Local Fiscal Recovery Funds Program
- \$7.25 billion for the SBA Paycheck Protection Program (PPP)
- \$15 billion for Economic Injury Disaster Loans (EIDL)
- \$1400 direct stimulus checks for eligible individual taxpayers
- \$300 weekly federal unemployment benefits through September 6, 2021
- And many other provisions

Sources and Useful Reference Materials:

- [American Rescue Plan Section-by-Section Summary - Senate Democrats](#)
- [National Conference of State Legislatures \(NCSL\) Overview](#)


EDA FUNDS WITHIN ARPA

- **U.S. Department of Commerce Economic Development Administration (EDA)**
 - [The American Rescue Plan Act](#) contains **\$3 billion** in supplemental funding for EDA
 - For context, \$3 billion is **twice** the amount of EDA funding included in the CARES Act and nearly **ten times** EDA's typical annual appropriation
 - The bill language specifies that:
 - The EDA funding is intended to be used to “*prevent, prepare for, and respond to coronavirus, and for necessary expenses for responding to **economic injury** as a result of coronavirus*”
 - **25%** of the funds shall be allocated to “*states and communities that have suffered economic injury as a result of job and gross domestic product losses in the **travel, tourism, and outdoor recreation sectors***”
 - EDA must allocate funding no later than September 30, **2022**; funds will remain available to recipients until September 20, **2027**

EDA ARPA NOFO RELEASED JULY 22

- On Thursday July 22, EDA released the [Notice of Funding Opportunities](#) (NOFOs) that will guide the administration of the \$3 billion in supplemental funding the EDA received through the American Rescue Plan
- Six NOFOs and a collection of programs that EDA is collectively referred to as the *Investing in America's Communities* initiative:
 - \$1 billion for the [Build Back Better Regional Challenge](#)
 - \$500 million for the [Good Jobs Challenge](#)
 - \$500 million for [Economic Adjustment Assistance](#)
 - \$100 million for [Indigenous Communities](#)
 - \$750 million for [Travel, Tourism, and Outdoor Recreation](#)
 - \$90 million for [Statewide Planning, Research, and Networks](#)
- EDA is also making a [Coal Communities Commitment](#), allocating \$300 million for this priority



| | NOFOS | | | | | | | | |
|----------------------|---|----------------------------------|--|---------------------------------------|--|------------------------|---|--|--|
| | STATEWIDE PLANNING, RESEARCH & NETWORKS \$90M | | BUILD BACK BETTER REGIONAL CHALLENGE \$1B | | TRAVEL, TOURISM & OUTDOOR RECREATION \$750M | | ECONOMIC ADJUSTMENT ASSISTANCE \$500M | INDIGENOUS COMMUNITIES \$100M | GOOD JOBS CHALLENGE \$500M |
| GOAL | EDA is supporting states in planning efforts, investing in research that assesses the effectiveness of EDA's programs, and supporting stakeholder communities around key EDA initiatives. | | This Challenge is designed to assist communities nationwide in their efforts to build back better by accelerating the economic recovery from the coronavirus pandemic and building local economies that will be resilient to future economic shocks. <i>\$100M for Coal Communities</i> | | Through state and competitive grant programs, EDA is focused on accelerating the recovery of communities that rely on the travel, tourism and outdoor recreation sectors, which were hard-hit by the pandemic. | | This program will help hundreds of communities across the nation plan, build, innovate, and put people back to work through construction or non-construction projects designed to meet local needs. <i>\$200M for Coal Communities</i> | EDA is allocating \$100 million in American Rescue Plan funding specifically for Indigenous communities, which were disproportionately impacted by the pandemic. | This Challenge aims to get Americans back to work by building and strengthening regional systems and sectoral partnerships to train workers with in-demand skills that lead to good-paying jobs. |
| SPLIT | Planning: \$59M | Research & Networks: \$31M | Phase 1: <\$500k each | Phase 2: \$25-75M, up to \$100M | State grants: \$510M | Competitive: \$240M | | | |
| APPLICANTS | State or designated entity | National research & TA providers | All EDA eligibles | Phase 1 finalists | State or designated entity | All EDA eligibles | All EDA eligibles | Tribes and organizations serving Native Hawaiians and Pacific Islanders. | All EDA eligibles |
| APPLICATION PROCESS | By invitation | Rolling | National competition | National competition | State grants allocation | Rolling | Rolling | Rolling | National competition |
| APPLICATION DEADLINE |  STATE PLANNING GRANTS Application due 60 days after receiving invitation RESEARCH AND NETWORKS GRANTS Suggested application submission date: October 31, 2021 | | Phase 1 deadline: October 19, 2021 Phase 2 deadline: March 15, 2022 | | STATE TOURISM GRANTS Application due 60 days after receiving invitation COMPETITIVE TOURISM GRANTS Suggested application submission date: March 15, 2022 | | Suggested application submission date: March 15, 2022 | Suggested application submission date: March 15, 2022 | Application deadline: January 26, 2022 |

AMERICAN RESCUE PLAN ACT (ARPA) STATE AND LOCAL RELIEF FUNDING

- [The American Rescue Plan Act](#) includes more than **\$350 billion** for state, local tribal, and territorial support
 - Allowable uses of state and local relief funding as described in legislation:
 - *Subtitle M: Coronavirus State and Local Fiscal Recovery Funds*
 - **SEC. 603. CORONAVIRUS LOCAL FISCAL RECOVERY FUND.**
 - “(1) **USE OF FUNDS**.—Subject to paragraph (2), and except as provided in paragraph (3), a State, territory, or Tribal government shall only use the funds provided under a payment made under this section, or transferred pursuant to section 603(c)(4), to cover costs incurred by the State, territory, or Tribal government, **by December 31, 2024**—
 - “**(A)** to respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19) or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
 - “**(B)** to respond to workers performing essential work during the COVID–19 public health emergency by providing premium pay to eligible workers of the State, territory, or Tribal government that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;
 - “**(C)** for the provision of government services to the extent of the reduction in revenue of such State, territory, or Tribal government due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year of the State, territory, or Tribal government prior to the emergency; or
 - “**(D)** to make necessary investments in water, sewer, or broadband infrastructure.

ARPA STATE/LOCAL FUNDING LINKS

- **U.S. Treasury Department Guidance - Coronavirus State and Local Relief Fund Resources:**
 - Full details – **interim final rule:** <https://home.treasury.gov/system/files/136/FRF-Interim-Final-Rule.pdf>
- **Additional Treasury Resources:**
 - Main page: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>
 - Fact sheet: <https://home.treasury.gov/system/files/136/SLFRP-Fact-Sheet-FINAL1-508A.pdf>
 - FAQs: <https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf> - check back for frequent updates
 - Non-entitlement FAQs: <https://home.treasury.gov/system/files/136/NEU-FAQs.pdf> - check back for frequent updates
 - Reference guide: <https://home.treasury.gov/system/files/136/SLFRP-Quick-Reference-Guide-FINAL-508a.pdf>
 - Allocations for counties: https://home.treasury.gov/system/files/136/fiscalrecoveryfunds_countyfunding_2021.05.10-1a-508A.pdf
 - Allocations for metropolitan cities: <https://home.treasury.gov/system/files/136/fiscalrecoveryfunds-metrocitiesfunding1-508A.pdf>

ARPA STATE/LOCAL FUNDING LINKS

■ **Non-Entitlement Units (NEU) Guidance:**

- Additional treasury guidance to assist states with their distribution of funds to “non-entitlement units of local government” (NEUs), which are local governments typically serving a population under 50,000, can be found here:
- General NEU guidance page: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-fund/non-entitlement-units>
- NEU distribution information: <https://home.treasury.gov/system/files/136/Status-State-NEU-Distribution.pdf>
- Eligible NEUs list: <https://home.treasury.gov/system/files/136/ERA-List-of-Eligible-Local-Governments-Final.pdf>
- Non-entitlement units FAQs: <https://home.treasury.gov/system/files/136/NEU-FAQs.pdf> - check frequently for new updates

ARPA STATE/LOCAL FISCAL RECOVERY FUND ELIGIBLE USES

Eligible Uses

A. Public health and economic impacts [\(interim rule page 10\)](#)

1. Responding to COVID-19 (page 12; eligible uses begin on page 17)

COVID-19 Mitigation and Prevention (page 18) – **testing, contact tracing**, support for individuals in isolation or quarantine, enforcement of public health orders, public communication efforts, public health surveillance, **enhancement to health care capacity** through alternative care facilities, enhancement of public health data systems, capital investments in public facilities to meet pandemic operational needs

Behavioral Health Care (page 19) – **mental health** services, behavioral health services, **substance use** mitigation, crisis intervention

Public Health and Safety Staff (page 20) – funds may be used for **payroll and covered benefits** expenses for **public safety, health care, human services, and similar employees**, to the extent that their services are devoted to mitigating or responding to the COVID-19 emergency. For administrative convenience, the recipient may consider public health and safety employees to be entirely devoted to mitigating or responding to the public health emergency, and therefore fully covered, if the employee or their division is primarily dedicated to responding to the COVID-19 public health emergency

Expenses to Improve the Design and Execution of Public Health Programs (page 21) – funds may be used for planning and analysis to improve programs addressing the COVID-19 pandemic, impact evaluations, and data analysis

2. Responding to Negative Economic Impacts (page 23; eligible uses begin on page 30)

Assistance to Unemployed Workers (page 32) – **job training** to accelerate rehiring of unemployed workers (including workers who were already unemployed when the pandemic began)

Assistance to Households (page 33) – **food assistance; rent, mortgage, or utility assistance**; counseling and legal aid to prevent eviction or homelessness; cash assistance; internet access or digital literacy assistance; cash transfer programs

Expenses to Improve Efficacy of Economic Relief Programs (page 34) – improve efficacy of state and local programs addressing negative economic impacts, including through data analysis, targeted consumer outreach, improvements to data or technology infrastructure, and impact evaluations

Small Businesses and Non-profits (page 34) – provide **loans or grants** to **small businesses and nonprofits**

Rehiring State, Local, and Tribal Government Staff (page 35) – **rehiring public sector staff**, up to the pre-pandemic staffing level of the government

Aid to Impacted Industries (page 36) – speed the recovery of impacted industries such as **travel, tourism, and hospitality** services

ARPA STATE/LOCAL FISCAL RECOVERY FUND ELIGIBLE USES

Eligible Uses

B. Premium Pay for Essential Workers (page 45)

■ Such workers include:

- Staff at nursing homes, hospitals, and home care settings;
- Workers at farms, food production facilities, grocery stores, and restaurants;
- Janitors and sanitation workers;
- Truck drivers, transit staff, and warehouse workers;
- Public health and safety staff;
- Childcare workers, educators, and other school staff; and
- Social service and human services staff.

- Funds may be used to provide premium pay to **essential workers**, both directly and through grants to third-party employers (page 45)
- “To ensure that premium pay is **targeted** to workers that faced or face **heightened risks** due to the character of their work, the Interim Final Rule defines essential work as work involving regular **in-person interactions** or regular physical handling of items that were also handled by others” (page 47)
- “Many of the workers performing critical essential services are low- or moderate- income workers....the ARPA recognizes this by defining premium pay to mean an **amount up to \$13 per hour in addition to wages or remuneration the worker otherwise receives** and in an aggregate amount **not to exceed \$25,000** per eligible worker” (page 48)
- “If premium pay would increase a worker’s total pay **above 150 percent** of their residing state’s average annual wage for all occupations, as defined by the Bureau of Labor Statistics’ Occupational Employment and Wage Statistics, or their residing county’s average annual wage, as defined by the Bureau of Labor Statistics’ Occupational Employment and Wage Statistics, whichever is higher, on an annual basis, the State, local, or Tribal government must provide Treasury and make publicly available, whether for themselves or on behalf of a grantee, a **written justification** of how the premium pay or grant is responsive to workers performing essential worker during the public health emergency” (page 49)

ARPA STATE/LOCAL FISCAL RECOVERY FUND ELIGIBLE USES

Eligible Uses

C. Revenue Loss (page 51)

- Funds may be used for the provision of government services to the extent of the reduction in revenue experienced due to the COVID-19 public health emergency (page 51)
- Public sector revenue loss is calculated relative to the expected trend, beginning with the last full fiscal year (pre-pandemic) and adjusted annually for growth
- Recipients may recalculate revenue loss at multiple points during the program, recognizing that revenue loss may occur with a lag
- Once revenue loss is identified, recipients have broad latitude to use funds to support government services
- The interim final rule establishes a methodology that each recipient should use to calculate its reduction in revenue

Helpful video on this topic from the National Association of Counties linked below:

<https://www.naco.org/events/understanding-eligible-expenses-fiscal-recovery-fund-revenue-loss>

ARPA STATE/LOCAL FISCAL RECOVERY FUND ELIGIBLE USES

Eligible Uses

D. Water, Sewer, and Broadband (page 62)

1. Water and sewer: (page 63)

Recipients may use funds to invest in a broad range of projects that improve drinking water, such as building or upgrading facilities and transmission, distribution, and storage systems, including replacement of lead service lines (page 67)

Eligible uses align with Environmental Protection Agency project categories for the [Clean Water State Revolving Fund and Drinking Water State Revolving Fund](#) (page 63)

2. Broadband: (page 69)

Eligible investments in broadband are those that are designed to provide services meeting adequate speeds and are provided to unserved and underserved households and businesses (page 71)

Focus on households and businesses without a wireline connection capable of reliably delivering 25 Mbps download / 3 Mbps upload

Fund projects that deliver reliable, high-quality service (minimum 100 Mbps download / 100 Mbps upload speeds unless impracticable)

“Under the Interim Final Rule, eligible projects are expected to be designed to deliver, upon project completion, service that reliably meets or exceeds symmetrical upload and download speeds of **100 Mbps**. There may be instances in which it would not be practicable for a project to deliver such service speeds because of the geography, topography, or excessive costs associated with such a project. In these instances, the affected project would be expected to be designed to deliver, upon project completion, service that reliably meets or exceeds **100 Mbps download** and between at least **20 Mbps and 100 Mbps upload** speeds and be scalable to a minimum of 100 Mbps symmetrical for download and upload speeds” (page 71)

Information from National League of Cities about recently updated Treasury FAQ broadband eligibility guidance: <https://www.nlc.org/article/2021/06/18/treasury-expands-broadband-eligibility-for-arpa-in-a-win-for-cities/>

ARPA CORONAVIRUS FISCAL RECOVERY FUND TIMELINE

Timeline

- July 16, 2021 – comment period closed for Treasury Interim Final Rule
- August 31, 2021 – interim report deadline
- October 31, 2021 – project and expenditure report deadline
- December 31, 2024 – funds must be obligated (not incurred or spent)
- December 31, 2026 – funds must be expended

Table 2: Reporting requirements by recipient type

| Recipient | Interim Report | Project and Expenditure Report | Recovery Plan Performance Report |
|--|---|---|--|
| States, U.S. territories, metropolitan cities and counties with a population that exceeds 250,000 residents | By August 31, 2021, with expenditures by category | By October 31, 2021, and then 30 days after the end of each quarter thereafter ⁹ | By August 31, 2021, and annually thereafter by July 31 ¹⁰ |
| Metropolitan cities and counties with a population below 250,000 residents which received more than \$5 million in SLFRF funding | | | Not required |
| Tribal Governments | | By October 31, 2021, and then annually thereafter ¹¹ | |
| Metropolitan cities and counties with a population below 250,000 residents which received less than \$5 million in SLFRF funding | | | |
| NEUs | Not required | | |

TRANSFER OF FUNDS

- **U.S. Treasury Department Guidance - Coronavirus State and Local Relief Fund Resources:**
 - Full details – **interim final rule:** <https://home.treasury.gov/system/files/136/FRF-Interim-Final-Rule.pdf>
- Notable language on “special purpose districts” and “special purpose units of state or local government”
 - Page 105:

VI. Transfer

The statute authorizes State, territorial, and Tribal governments; counties; metropolitan cities; and nonentitlement units of local government (counties, metropolitan cities, and nonentitlement units of local government are collectively referred to as “local governments”) to transfer amounts paid from the Fiscal Recovery Funds to a number of specified entities. By permitting these transfers, Congress recognized the importance of providing flexibility to governments seeking to achieve the greatest impact with their funds, including by working with other levels or units of government or private entities to assist recipient governments in carrying out their programs. This includes special-purpose districts that perform specific functions in the community, such as fire, water, sewer, or mosquito abatement districts.

Specifically, under section 602(c)(3), a State, territory, or Tribal government may transfer funds to a “private nonprofit organization . . . a Tribal organization . . . a public benefit corporation involved in the transportation of passengers or cargo, or a special-purpose unit of State or local government.”¹⁸⁰ Similarly, section 603(c)(3) authorizes a local government to transfer funds to the same entities (other than Tribal organizations).

The Interim Final Rule clarifies that the lists of transferees in Sections 602(c)(3) and 603(c)(3) are not exclusive. The Interim Final Rule permits State, territorial, and Tribal governments to transfer Fiscal Recovery Funds to other constituent units of government or private entities beyond those specified in the statute. Similarly, local governments are authorized to transfer Fiscal Recovery Funds to other constituent units of government (e.g., a county is able to transfer Fiscal Recovery Funds to a city, town, or school district within it) or to private entities. This approach is intended to help provide funding to local governments with needs that may exceed the allocation provided under the statutory formula.

AMERICAN RESCUE PLAN ACT STATE AND LOCAL RELIEF FUNDING


Additional Resources: Coronavirus State and Local Relief Fund Information

Webinar Recordings:

- [National League of Cities Treasury Guidance Webinar #1 - Coronavirus State and Local Fiscal Recovery Fund](#)
- [NLC Guidance Webinar #2 - Coronavirus State and Local Fiscal Recovery Fund](#)
- [NLC ARPA Fiscal Recovery Fund Reporting Requirements Webinar Recording](#)

Email to contact Department of Treasury with questions about the Coronavirus State and Local Relief Fund:

- slfrp@treasury.gov



Other Notable Legislative Updates

As of October 2021

FY 2022 APPROPRIATIONS

Last night, Congress passed a continuing resolution (CR) to avert a government shutdown and keep the federal government funded through December 3, 2021.

The CR also provides \$28.6 billion in emergency funds for communities and federal agencies to assist those affected by recent hurricanes, wildfires, and other natural disasters.

The legislation was signed into law by President Biden on Thursday evening. After December 3, Congress will either have to adopt another short-term spending bill, or pass the dozen appropriations bills that are needed to fund federal agencies through the 2022 fiscal year.

PRESIDENT'S FY 2022 BUDGET

- A [detailed version of the President's budget](#) was released Friday May 27, 2021
- The President's budget recommends \$382.5 million for the U.S. Economic Development Administration for FY22. If enacted, this would be:
 - A nearly \$40 million increase over FY 2020 levels
 - A nearly \$50 million increase for FY 2021 levels
- The President's budget recommends increasing EDA planning grants to \$37 million, an increase of \$3.5 million above FY 2021 levels
- The release of the President's budget proposal serves as the foundation for the negotiation process between the President and Congress to determine the distribution of funds across the government for FY 2022. Final appropriations decisions are made by Congress.

U.S. ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) Final FY 2021 Appropriation (in millions)

| Budget figures are in millions | FY2018 Final | FY2019 Final | FY2020 House | FY2020 Senate | FY2020 Final | FY2021 House | FY2021 Senate | FY2021 Final | President's Budget FY2022 | House FY2022 |
|--|-----------------|-----------------|-----------------|------------------|-----------------|-----------------|------------------|--------------|---------------------------------|-----------------|
| Economic Development Administration Overall Total | \$301.5 | \$304 | \$540 | \$319.5 | \$333 | \$356 | \$340 | \$346 | — | \$433.1 |
| Total – Economic Development Assistance Programs | \$262.5 | \$265 | \$498.3 | \$279.5 | \$292.5 | \$314 | \$299 | \$305.5 | \$382.5 | \$382.5 |
| Partnership Planning | \$33 | \$33 | \$35 | \$33 | \$33 | \$33 | \$33.5 | \$33.5 | \$37 | \$36 |
| Public Works | \$117.5 | \$117.5 | \$250 | \$119.5 | \$118.5 | \$122 | \$118.5 | \$119.5 | \$124 | \$124 |
| Economic Adjustment Assistance | \$37 | \$37 | \$37 | \$37 | \$37 | \$40 | \$37 | \$37.5 | \$49 | \$42.5 |
| Technical Assistance | \$9.5 | \$9.5 | \$12.75 | \$9.5 | \$9.5 | \$9.5 | \$10 | \$10 | \$14 | \$14 |
| Research and Evaluation | \$1.5 | \$1.5 | \$1.6 | \$1.5 | \$1.5 | \$1.5 | \$1.5 | \$1.5 | \$2 | \$2 |
| Trade Adjustment Assistance | \$13 | \$13 | \$15 | \$13 | \$13 | \$13.5 | \$13 | \$13.5 | \$13 | \$13.5 |
| Regional Innovation Program Grants | \$21 | \$23.5 | \$30 | \$31 | \$33 | \$35 | \$38.5 | \$38 | \$45 | \$50 |
| Assistance to Coal Mining Communities | \$30 | \$30 | \$35 | \$30 | \$30 | \$37 | \$30 | \$33.5 | \$81 | \$80.5 |
| Assistance to Nuclear Closure Communities | - | - | \$17 | \$5 | \$15 | \$18 | \$15 | \$16.5 | \$10 | \$10 |
| STEM Apprenticeship Pilot Program | - | - | \$5 | - | \$2 | \$4.5 | \$2 | \$2 | \$10 | \$10 |
| Salaries and Expenses | \$39 | \$39 | \$41.65 | \$40 | \$40.5 | \$42 | \$41 | \$40.5 | — | \$50.6 |

EDA ASSISTANT SECRETARY CONFIRMED

EDA Assistant Secretary Nominee Alejandra Castillo Confirmed



Alejandra Y. Castillo is a committed public servant with expertise in the fields of public policy, legislation, regulation and federal programs. She is an accomplished leader who has served with distinction in the public, private, and nonprofit sectors where she advocated for economic development and job creation. Castillo is the immediate past CEO of YWCA USA, where she led the 163-year-old organization and its 204 associations serving over 2.3 million women and families across 1300 communities in the United States.

With more than two decades of professional experience in Washington D.C., Castillo has served in senior leadership roles in two previous presidential administrations with a specific focus on international trade, minority entrepreneurship and economic development. In 2014, she was appointed by the Obama Administration to serve as national director of the Minority Business Development Agency, becoming the first Hispanic American woman to lead the agency. In that role, she helped secure financing and capital in excess of \$19 billion and created or retained more than 33,000 jobs. Castillo is an active member in various civic and professional organizations, and she currently serves on several national nonprofit boards. She considers herself an embodiment of the American Dream, and she is committed to expanding opportunities for all Americans. On a personal note, she is also proud to have raised two amazing nieces who she calls her daughters.

Castillo holds a Bachelor of Arts in Economics and Political Science from the State University of New York at Stony Brook; a Master's in Public Policy from the Lyndon Baines Johnson School of Public Affairs, University of Texas at Austin; and a Juris Doctorate from American University, Washington College of Law.

TRANSPORTATION & INFRASTRUCTURE

- The Biden Administration has elevated infrastructure as a key priority. The administration initially released two infrastructure proposals: the [American Jobs Plan](#) proposal (March 2021) and the [American Families Plan](#) proposal (April 2021). A [rural fact sheet](#) can be found here.
- In August, the Senate passed a \$1 trillion [bipartisan infrastructure bill](#), the *Infrastructure Investment and Jobs Act (IIJA)*, which contains \$550 billion in new spending primarily for highways, bridges, transit, and broadband.
- The Biden Administration and Congressional Democrats has also been negotiating a [\\$3.5 trillion budget framework](#) which includes more of the Biden administration's "human infrastructure" priorities. Notably, the House Transportation and Infrastructure Committee's reconciliation markup includes [\\$9.5 billion for EDA](#). However, Democrats are facing pushback and the \$3.5 trillion amount will be reduced during ongoing negotiations. Ultimately, Democrats hope to pass this along party lines using the budget reconciliation process.

GOOD NEWS: NO CHANGE TO OMB MSA DEFINITION

- An [OMB Federal Register Notice](#) published on January 19, 2021 requested public comment on a proposal to change the definition of a **Metropolitan Statistical Area (MSA)**
- The notice proposed changing the MSA population definition **from 50,000 to 100,000** minimum.
- **NADO submitted comments** in response to the Federal Register Notice **opposing this change.**
- Fortunately, OMB recently announced that they will maintain the minimum urban area population needed to qualify as an MSA at the current threshold level for 50,000. OMB will **NOT** raise the threshold.

NADO IS MONITORING: CENSUS URBAN AREAS PROPOSED CHANGE

- Another recently published [Federal Register Notice](#) requests comment on the **Census Bureau's** proposed criteria on **Urban Areas** (notice published in February 19 Federal Register)
- The proposed change is a shift away from the “Urbanized Area” population-based definition (50,000+) and a shift toward a housing unit density-based definition
- Potential implications of this notice:
 - Much like the OMB MSA issue, this proposed change could also have *potential* wide-reaching impacts, and NADO will be keeping a close watch on this issue as well
 - USDOT definitions of MPO/RPO/RTPOs would likely **NOT be affected** by the Census proposal (this is because the number “50,000” is explicitly written in statute as the basis for MPO/RPO/RTPO definitions.
 - However, this is something NADO is keeping a close watch on, especially with FAST Act (surface transportation) reauthorization on the horizon
- NADO submitted comments and is monitoring this issue closely



Advocacy Resources



**Congressional Action Requested:
Increase EDA “Partnership Planning” in FY 2022 Appropriations Legislation**

What are Economic Development Districts (EDDs)?

Economic Development Districts (EDDs) are locally-based, multi-county/multi-jurisdictional entities that are designated by the U.S. Department of Commerce Economic Development Administration (EDA) and are tasked with carrying out certain EDA-mandated responsibilities related to facilitating local and regional economic development planning. EDDs are EDA’s core frontline partners at the local level. EDDs are often based or housed within existing Regional Development Organizations (RDOs), often referred to be EDA as “District Organizations,” and often known locally by other names such as Councils of Government (COGs), Planning and Development Districts (PDDs), Regional Planning Councils (RPCs), Area Development Districts (ADDs) or Local Development Districts (LDDs).

There are **392 EDDs** across the country.¹ One of the key responsibilities these EDDs are tasked with by EDA is to lead a regionally-driven economic development planning process which leverages the involvement of public, private, and non-profit sectors. EDDs are responsible for developing strategic “roadmap” for economic development and regional collaboration. This “roadmap” is known as a Comprehensive Economic Development Strategy (CEDS), which is a strategic plan and a guiding document for regional economic development. In order to create a CEDS, the EDD must conduct a regionally-driven planning process. Ultimately, the CEDS is designed to guide the economic prosperity and resiliency of an area or region. The CEDS provides a coordinating mechanism for individuals, organizations, local governments, and private industry to engage in a meaningful conversation and debate about the economic direction of their region.

How Much Do EDDs Receive to Carry Out the “Partnership Planning” Process?

EDA provides “Partnership Planning” awards to designated District Organizations serving EDA-designated EDDs to support the development, implementation, revision, or replacement of their CEDS plan.

Each individual EDD only receives about **\$70,000 annually**² in the form of “Partnership Planning” dollars from EDA to carry out the planning process. This amount is barely enough to cover one full-time staff person who is tasked with overseeing the CEDS process, leading the public input process, assisting local community stakeholders with EDA grant applications, and conducting other planning and local government advisory services. A typical EDD covers numerous counties, cities, and towns, so one staff person covering this entire region is already stretched thin. The dollar amount that each EDD receives from EDA has not increased in well over a decade. Furthermore, in order to receive this annual amount, EDDs much provide matching funds.³

¹ As of March 2021 there are 392 EDA-designated EDDs across the country.
² Median dollar amount of EDA Partnership Planning investments is approximately \$70,000 annually as described within the EDA planning NOFO on page 7 https://eda.gov/files/programs/eda-programs/FY21-23-Planning-and-LTA-NOFO_FINAL.pdf
³ Match requirements for EDA planning programs described in the EDA Planning NOFO on pages 8-9 https://eda.gov/files/programs/eda-programs/FY21-23-Planning-and-LTA-NOFO_FINAL.pdf

Congressional Action Needed: Increase EDA “Partnership Planning” in FY 2022 Appropriations Legislation

The “Partnership Planning” program is one of EDA’s core programs that supports its core institutional partners and their most essential function: developing and updating the regional CEDS plan and facilitating regional economic development. However, the table below shows that although EDA’s appropriation has increased steadily over the years, most of this increase has not gone toward this core function. **“Partnership Planning” has either been held level or only increased incrementally** in recent years.

EDDs each receive their approximately \$70,000 annual allotment through EDA’s Partnership Planning program. Over the years, although EDA’s overall Congressional appropriation has grown, the “Partnership Planning” category of EDA funding has barely increased at all. **Congress should increase the “Partnership Planning” program to at least \$40 million** in FY 2022 appropriations legislation.

| EDA Appropriation FY 2018 – FY 2020 (Budget figures are in millions) | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---|---------|---------|---------|---------|
| Economic Development Administration Overall Appropriation | \$301.5 | \$304 | \$333 | \$346 |
| Total – Economic Development Assistance Programs | \$262.5 | \$265 | \$292.5 | \$305.5 |
| Partnership Planning | \$33 | \$33 | \$33 | \$33.5 |

EDA Breakdown of Congressionally Appropriated Funds

EDA uses the Congressionally appropriated “Partnership Planning” category to make multiple kinds of planning awards, including traditional “Partnership Planning” awards for EDDs, as well as “Short-Term Planning” awards and “State Planning Awards.” The table below shows the breakdown of how EDA allocated funding in its FY 2021-FY 2023 Planning Notice of Funding Opportunity (NOFO).⁴

| Total FY 2021 Congressional appropriation for EDA Partnership Planning | \$33.5 million |
|--|----------------|
| EDA breakdown of funds: | |
| EDA Partnership Planning Awards | \$30.7 million |
| EDA Short-Term and State Planning Awards | \$2.8 million |

Contact NADO

For more information please contact Mirielle Burgoyne, Deputy Executive Director/Director of Government Relations at the National Association of Development Organizations (NADO) at mburgoyne@nado.org

⁴ Breakdown of EDA funding streams provided using the Congressionally-appropriated “Partnership Planning” line item is explained on EDA planning NOFO on page 7, item 1: “What funding is available under this announcement?” https://eda.gov/files/programs/eda-programs/FY21-23-Planning-and-LTA-NOFO_FINAL.pdf



2021 NADO Transportation Priorities

1. Strengthen the **roles of Rural Development Organizations (RDOs) and Regional Transportation Planning Organizations (RTPOs) in the statewide transportation planning process** and in surface transportation reauthorization legislation, and **strengthen existing planning processes** through which regional and rural planning is already occurring.
2. **Increase funding** for planning **(PL) funds**, the Surface Transportation Block Grant Program **(STBGP)**, State Planning and Research **(SPR)**, and other funding programs that Metropolitan Planning Organizations (MPOs), RTPOs, and RDOs use.
3. Maintain current **population thresholds**, whereby MPOs are designated within urbanized areas with populations of **50,000** or more, while RTPOs and RDOs are designated in other areas.
4. For the duration of the COVID-19 emergency and for at least three years thereafter, planning funds and other funding that MPOs, RTPOs, and RDOs utilize should be provided at **100% federal share** (no local match).
5. Provide increased federal funding to allow communities to plan, coordinate, rehabilitate, and maintain highways, public transportation, non-motorized transportation, short line rail, and road safety improvements that benefit **underserved and rural regions**.
6. Provide increased federal funding for affordable, accessible **telecommunications** services and **high-speed broadband connectivity** in underserved rural areas, and use existing transportation planning processes – with an emphasis on working through RTPOs and RDOs – to plan and deliver increased broadband access to traditionally underserved and rural areas.
7. Support the application of **new and emerging technologies** in transportation to improve safety and mobility in rural and small metropolitan communities.

For more information about RTPOs and RDOs, please contact: Mirielle Burgoyne, NADO Deputy Executive Director/Director of Government Relations at mburgoyne@nado.org

Economic Development Administration (EDA) Stakeholder Coalition

EDA Reauthorization Priorities for the 117th Congress

- ENHANCE EDA'S ROLE IN CAPACITY BUILDING:
 - **Increase EDA funding for Partnership Planning and enhance the scope of related activities:**
 - As communities continue to respond to the COVID-19 pandemic, they will need to reevaluate and revise their existing regional development plans and Comprehensive Economic Development Strategies (CEDS). Congress should significantly increase EDA funding for planning assistance for communities as they endeavor to build stronger and more resilient economies.
 - **Increase EDA funding for Research and National Technical Assistance (RNTA) and enhance the scope of related activities:**
 - Congress should enhance EDA's role and increase EDA funding for national technical assistance that helps support the ultimate success of economic development projects.
 - **Increase EDA funding for Public Works and enhance the scope of related activities, particularly related to broadband and resiliency:**
 - Congress should include direction for EDA to support both broadband access and adoption. Broadband is an essential missing piece in many communities with struggling economies. EDA is uniquely positioned to provide strategic direction and funding for broadband access and adoption and should be given further flexibility to seek out new capabilities and partnerships in this realm. Emphasis should be placed on ensuring equitable resource allocation among urban and rural communities.
 - In support of EDA's role in disaster resiliency and impact mitigation, Congress should also direct the agency to take the current and future impacts of climate change into consideration for Public Works projects. In addition, a separate fund should be established within the Public Works program that is expressly dedicated to projects mitigating the impacts of climate change.
 - **Create a new EDA Capacity-Building Grant Program:**
 - Communities taking advantage of EDA's planning resources often lack the human and financial resources to implement those plans. **Congress should establish a grant program within EDA to fund three-year positions for qualified economic development professionals** to execute CEDS or economic development strategic plans and dedicated funding for economic development project pre-development work.
 - Communities often struggle to move from economic development concept to economic development reality due to a lack of funding at the earliest stages of a project. Known as "pre-development" work, these items must be completed before a project can move forward or even secure financing and partners. A dedicated funding source for pre-development work at EDA would spark numerous economic development projects that would otherwise never advance.
 - Many communities lack the human resources necessary to implement their CEDS or execute their strategic plans. Providing funding for communities to hire staff and engage professional consultants would allow projects to move forward with competent, sustained oversight and direction, dramatically increasing the chances for lasting success. This funding would be available to any organization or entity otherwise eligible to receive EDA funding.

- REASSESS AND RECONSTITUTE EDA'S ECONOMIC DISTRESS FORMULA:
 - **Reassess and reconstitute EDA's economic distress formula and consider reducing local match requirements permanently.** Currently, EDA's economic distress formula requires communities to invest as much as 50 percent of the total project cost via matching funds, with EDA providing federal funding for the remaining 50 percent of the total project cost. For the most distressed communities, EDA's standard Notice of Funding Opportunity (NOFO) guidance dictates that the maximum allowable federal investment rate is 80 percent, which still requires very distressed communities to contribute 20 percent of the project's overall cost via matching funds, except in rare cases when the EDA Assistant Secretary deems that an applicant has exhausted its taxing and borrowing capacity.¹ Congress should include direction for EDA's economic distress formula to be reconstituted so that all communities with eligible projects -- and especially distressed communities -- are eligible to receive a higher overall percentage of federal funding.
 - Reducing EDA's matching fund requirements is important also because communities will be recovering from the COVID-19 pandemic for an extended duration of time. This reality should be taken into consideration and EDA's formula funding approach should be overhauled accordingly. We encourage eliminating local match requirements for the remainder of the declared COVID-19 Public Health Emergency (PHE) and for at least 3 years following its culmination.
- CODIFY EDA'S ROLE IN DISASTER RESILIENCY AND RECOVERY:
 - **Congress should amend the Public Works and Economic Development Act (PWEDA) to formally outline and designate EDA's significant role in post-disaster assistance for impacted communities.**
 - In EDA's reauthorization, Congress should establish an EDA Office of Disaster Resilience & Recovery to preserve institutional knowledge and leadership in the economic disaster resilience and recovery realm. Enhancing EDA's disaster recovery leadership and resources will help communities prepare for and mitigate negative economic impacts associated with disasters. **Congress should authorize a dedicated fund with annual appropriations for immediate responses to economic crises associated with declared disasters or states of emergency.**
 - In cases where a major disaster or emergency has been declared under the Stafford Act, EDA should be required to increase the federal share to 100 percent of the project cost, waiving all match requirements for any funding appropriated for the purpose of disaster or emergency response.
 - EDA has successfully utilized the flexible hiring authority Congress provided to the agency to aid in EDA's response to COVID-19. This authority was based in part on similar authorities provided to other disaster response agencies and **should be made a permanent authority.** Disasters and emergencies require increased resources to ensure timely delivery of services while the agency continues to provide vital services and resources through their normal, non-emergency related work.

¹ Source: <https://www.grants.gov/web/grants/view-opportunity.html?oppld=321695> EDA's FY20 NOFO, document name: "FY20 PWEEA NOFO including NCC and CARES.pdf" PDF page 12 of 45



NADO Advocacy Accomplishments 2020-2021

NADO ADVOCACY ACCOMPLISHMENTS 2020-2021

- **March 2020:** CARES Act includes \$1.5 billion in funding for EDA
- **May 2020:** EDA provides direct, automatic non-competitive funding directly to EDDs. EDA also recapitalizes EDA RLFs in good standing. 100% federal, 0% match.
- **October 2020:** EDA RLF defederalization legislation enacted
- **July 2021:** American Rescue Plan Act includes \$3 billion for EDA
- **July 2021:** Proposed changes to OMB MSA population thresholds not adopted

NADO ADVOCACY PROGRESS: EDA

- **April 2021:** NADO board members testify during hearing on EDA reauthorization
- **May 2021:** President's FY 2022 budget proposes \$382.5 million for EDA, a nearly \$50 million increase above FY 2021 levels; includes a proposed increase of \$3.5 million above FY 2021 for planning grants
- **July 2021:** House CJS Appropriations Subcommittee recommends \$36 million in EDA Partnership Planning funding for FY 2022, an increase of \$2.5 million over FY 2021 EDA Partnership Planning levels
- **June 2021:** Senate-passed U.S. Innovation and Competition Act includes \$10 billion for Department of Commerce
- **April-August 2021:** Budget reconciliation portion of infrastructure framework proposes inclusion of EDA funding (originally proposed within Biden Administration's American Families Plan)

NADO ADVOCACY PROGRESS: TRANSPORTATION/INFRASTRUCTURE

- **August 2021:** Senate-passed bipartisan infrastructure/transportation bill includes 30% increase in PL funds
- **2021:** NARC, AMPO, NADO, NLC, and NACo work together on joint transportation advocacy letters
- **February 2021:** NADO voices opposition to Census urban areas federal register notice
- **August 2021:** Senate-passed bipartisan infrastructure bill creates a \$42.45 billion “*Broadband Equity, Access, and Deployment Program*” to be administered by the Department of Commerce NTIA

NADO ADVOCACY PROGRESS: REGIONAL COMMISSIONS

- **August 2021:** Senate-passed bipartisan infrastructure bill, the *Infrastructure Investment and Jobs Act (IIJA)*, contains:
 - \$1 billion for Appalachian Regional Commission over 5 years
 - \$150 million for Delta Regional Authority (until expended)
 - \$150 million for Northern Border Regional Commission
 - \$75 million for Denali Commission
 - \$5 million for Southeast Crescent Regional Commission
 - \$1.2 million for Southwest Border Regional Commission



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