



Statement of
ASSISTANT SECRETARY OF COMMERCE FOR ECONOMIC DEVELOPMENT
SANDY K. BARUAH
REGARDING THE PRESIDENT'S 2009 BUDGET PROPOSAL TO CONGRESS
February 4, 2008

Given that every government agency would like more resources, the President's budget request of \$100 million in program funds is perhaps less than some would like to see. However, just like our family household budgets, we must prioritize spending given the very real limits of available funds. I believe the President has properly prioritized our National and Homeland Security – which are functions that *only* the federal government can perform, and are of course critical to our economic security. The President has also prioritized budget discipline and reducing the deficit, which is critical to America's economic competitiveness.

Considering that the President has prioritized spending restraint, it is heartening to know that the President continues to support EDA and our work on behalf of America's economic regions. Some programs that are considered low performing were eliminated in the President's budget request and I am very pleased that as a result of EDA's strong performance, as demonstrated by GPRA and the Balanced Scorecard, our agency has not been targeted for elimination.

The fact that we retain the President's support is clear in the language used in the budget request; it focuses on EDA's flexible and scalable nature, which indicates an openness to future increases in budget requests and certainly indicates support for our continued work – at a lower funding level for 2009.

It is also important to keep in mind that the President and the Congress must come together and agree on a budget. The President's budget proposal released today, which I support, is the opening point of a discussion with the Congress. As you know, there have frequently been differences between the President and the Congress regarding EDA funding – some years the President has asked for more than the Congress has appropriated – and some years, such as 2008, the Congress appropriated more than the President requested. So today's proposal is the first step in the budget process for 2009, not the last step.

Finally, I'd like to draw your attention to the fact the President has requested a strong salary and expenses (S & E) level for EDA. Just like for 2008, the President asked for \$32.8 million, which provides for robust staffing levels at EDA. In 2008, the Congress appropriated less than the President's request (\$30.8 million). For 2009, the President has once again asked Congress for the larger amount of \$32.8 million to support sufficient EDA staffing. This level of S & E funding will help ensure that EDA retains the capability to meet the current needs of our customers and stakeholders and the ability to scale up in the event of future budget increases.

EDA will continue to fill vacant positions in 2008, particularly in our regional offices, up to the agency's 175 FTE full operating level utilizing funds currently available. Of course, maintenance of these staffing levels in 2009 and beyond is dependent on receipt of the President's requested S & E level.

It is my continued honor to lead the Economic Development Administration and I sincerely appreciate the efforts of all EDA team members in making EDA one of the most effective federal agencies. While the budget process in Washington will take several months to resolve, the most important thing you can do is to remain focused on your job meeting the needs of the economic regions we serve. You serve EDA, our stakeholders, and yourself best by maintaining your focus on excellent work and service.

Later this week, EDA senior management will meet for our annual Leadership Meeting and Training Session, where the issue of EDA's budget will be discussed. In addition, I am pleased that I will be in all our regional offices in February for another round of regional office town hall sessions. I look forward to seeing all of you again and continuing the open dialog that we have established over the past few years.

#####