



*The Top 5 Reasons
The Economic Development Administration (EDA)
Should Be Reauthorized for 5 Years*

1. ***EDA helps create higher-skill, higher-wage jobs:*** Between EDA's 2004 reauthorization and the end of this year, the agency will have helped America's rural and urban communities create over 350,000 higher-skill, higher-wage jobs at an average cost of \$2,500 per job.
2. ***EDA helps American communities create linkages with the worldwide marketplace:*** No other U.S. Government economic development agency has done more to help communities tap into the opportunities offered by expanding worldwide markets. In a recent national survey among city and state economic development officials, integrating rural and urban economies into the worldwide economy was identified as one of their most important issues.
3. ***EDA supports a critical nationwide network of Economic Development Districts (EDDs) and University Centers:*** EDA's network of 375 EDDs helps to guide the economic development planning process for America's economically distressed communities. EDA's network of University Centers assists in making the vast resources of universities available to economic development communities.
4. ***EDA spends taxpayer dollars wisely:*** EDA targets its investments to partner with the private sector to create higher-skill, higher-wage jobs. On average, every dollar in taxpayer money that EDA has invested since 2002 has attracted \$31 in private sector investment.
5. ***EDA focuses on results-based performance:*** EDA received the second highest performance rating by the Office of Management and Budget's (OMB) Program Assessment and Rating Tool (PART), and was inducted into the *Balanced Scorecard Hall of Fame*. The agency also meets or exceeds the targets for government performance and results as set by the Government Performance and Results Act (GPRA).



Overview: The Economic Development Administration (EDA) Reauthorization Act of 2008 proposes to extend the authorization for appropriations under the Public Works and Economic Development Act through fiscal year 2013. Under current law, the authorization expires September 30, 2008.

How does EDA's 2008 reauthorization bill differ from its 2004 reauthorization?

The content of this legislative proposal builds on the EDA Reauthorization Act of 2004 by proposing four technical changes, including two designed to enhance local control of EDA-assisted investments (outlined below).

How does the 2008 reauthorization bill's Revolving Loan Fund (RLF) provision affect RLFs?

The Revolving Loan Fund (RLF) Program makes grants to state and local governments and nonprofit organizations to establish lending programs that make capital available in distressed regions at below-market rates or when funds are otherwise unavailable from private lenders. Currently, RLF operators may use the funds only for loans to small businesses. To better meet the needs of distressed communities, EDA proposes to give the RLF operators the flexibility to shift assets to additional uses by allowing the sale of assets and accumulation of capital in accordance with a strategic re-use plan. EDA will approve the conversion of RLF assets in this manner only if the recipient agrees to reinvest proceeds in projects that are consistent with EDA's statute.

How does the provision changing the federal interest for construction grants affect investment recipients?

Currently, full payback of the federal interest (the percent of the project that EDA financed multiplied by the fair market value) is required if an EDA-financed building is sold prior to the expiration of the estimated useful life of the infrastructure. Shortening the period of time subject to full repayment of the federal interest recognizes the changing needs of the grant recipient by allowing the sale or conversion of property to a more productive use with less financial encumbrance. EDA proposes an "amortized" schedule to value the federal interest based on the age of its investment starting after the project's tenth year.

What other provisions are included in the 2008 reauthorization bill?

Excellence in Economic Development Assistance Awards

The EDA bill provides an express statutory basis for the Excellence in Economic Development Assistance Awards program that recognizes eight categories of best practices in economic development.

RLF Administration

The 2008 bill also provides a dedicated source of funding for the administration of the RLF program for the first time. As the RLF program portfolio consists of 584 reporting units with assets valued at almost \$850 million, it is vital that EDA has funds to administer the RLF program.