



**U.S. DEPARTMENT OF COMMERCE
ECONOMIC DEVELOPMENT ADMINISTRATION
FY 2007 BUDGET REQUEST**

The FY 2007 Economic Development Administration (EDA) program continues to promote regional economic development that fosters innovation and promotes entrepreneurship to enable distressed communities to achieve competitiveness and participate in the nation's growing economy. Bolstered by \$47 million in additional funding, EDA's programs will support and complement the programs of President Bush's new American Competitiveness Initiative (ACI) by assisting distressed communities to integrate their development strategies with the activities of the ACI, which include investment in R&D, science, education and workforce training, and support for business environments that encourage entrepreneurship.

Building on its existing legislative authorities the Economic Development Administration will advance the core principles outlined in the FY 2006 Strengthening America's Communities Initiative (SACI) and incorporate the recommendations of the Strengthening America's Communities Secretarial Advisory Committee's report issued June 2005, whose members included mayors of urban and rural municipalities, economic development practitioners and recognized national experts in the field of economic development. Among the principles of the Advisory Committee include:

- Better target federal assistance to communities with higher levels of economic distress;
- Reduce the administrative burden on communities;
- Reduce program duplication and bureaucracy;
- Increase focus on accountability and economic outcomes.

In addition to its continued application of these principles in its own programs, EDA plans to work with the Department of Housing and Urban Development's Community Development Block Grant Program, as well as the Department of Labor and its workforce development programs, to explore the implementation of complementary program performance goals and metrics.

To achieve these principles, EDA's Economic Development Assistance Programs will undergo the following changes:

- Dissolution of the program boundaries between Public Works, Economic Adjustment, and Technical Assistance, replaced by a new unified "Regional Development Account" (RDA). By removing program boundaries, the RDA will enable communities to apply for a single grant that covers multiple activities over a number of years, thereby providing communities with better control over funding of key economic development activities.

- Refinement of EDA’s funding priorities to promote more directly the development of functioning economic regions focused on developing regional competitive advantage through collaboration and innovation. This will ensure that rural and distressed areas integrate into the larger economic region and participate in the growing national economy.

EDA’s new Regional Development Account will support the development of economic regions and help move communities from the current fragmented approach to economic development toward a regional, collaborative approach by providing:

- A national education program targeted at state and local officials and economic development professionals to advance the capabilities of these on-the-ground implementers of economic development policy and advance the knowledge of the “hows”, “whats” and “whys” of regional development strategies.
- Planning, strategy development and technical assistance services made available for communities and regions that have already recognized the need to work in a collaborative and integrated fashion, but have not yet developed the formalized links to each other and key regional institutions. Program services will help regions move from conceptual acceptance of the advantages of regional development strategies to the development of functioning economic regions, as well as strategies to foster innovation and encourage entrepreneurship.
- Support of established economic regions in America through an array of services spanning strategic planning to infrastructure development, focused on enhancing regional partnerships and addressing lagging areas within economic regions.

EDA Total Budget = \$297 million

REGIONAL DEVELOPMENT ACCOUNT (RDA) \$257 MILLION	PARTNERSHIP PLANNING \$27 MILLION	TAA FOR FIRMS \$13 MILLION
<p>Capacity Building Investments:</p> <ul style="list-style-type: none"> • Research • Education and competitiveness tools and training • Analysis of linkages and competitive advantages • Understanding role of innovation and entrepreneurship in development strategy <p>Multi-Component Investments:</p> <ul style="list-style-type: none"> • Multiple activities (strategy, planning, technical assistance, public works), multi-year – single grant • Support regional innovation initiatives and efforts to bolster entrepreneurship <p>Leading Edge Investments:</p> <ul style="list-style-type: none"> • Same activities as “Multi-Component” program, but grantees are broad geographic, multiple entity consortia, perhaps between more than one state, and activities may be more expansive 	<p>Continued support for Partnership Planning program funding Districts to develop and execute Comprehensive Economic Development Strategies (CEDDS)</p> <p>Incentives for Districts to participate in broader regional development efforts</p>	<p>Continued support for network of Trade Adjustment Assistance Centers to help manufacturers and producers respond to the world-wide marketplace</p> <p>Focus on industrial innovation</p>