Federal Resources for State and Local Economic Development

February 12, 2021
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Congress has authorized over 130 economic development programs administered by over 20 departments and agencies. These programs support efforts to improve job opportunities, tax bases, individual or community wealth, and quality of life measures; contribute to economic growth; create reinforcing industrial clusters; and reduce economic inequality. In contrast to centrally-planned approaches, most federal programs in the United States are designed to strengthen the national economy by supporting the plans and strategies established by state and local stakeholders.

The range of economic development programs approved by Congress reflects shifting priorities, changing global market trends, and a variety of theories about what drives local and regional economies. Before World War II, federal investment in economic development programs focused on expanding infrastructure, access to public services, and industrial development. Over time Congress has authorized additional, flexible programs that support a wider array of strategies—including strategies designed to respond to structural changes in the U.S. and regional economies. State and local stakeholders also have responded to shifting priorities and markets by implementing entrepreneurial initiatives to improve competitiveness, foster innovation, and reduce capital, market, and other barriers.

The federal departments, agencies, and programs primarily associated with economic development include the Departments of Agriculture (USDA), Commerce, Housing and Urban Development (HUD), Labor, and the Treasury; the Small Business Administration (SBA); and federal regional commissions and authorities. The Departments of Defense (for its Office of Local Defense Community Cooperation programs), the Interior (for its Bureau of Indian Affairs and reclamation programs), HHS (for its Office of Community Services programs), and Transportation (for its infrastructure programs), and the Environmental Protection Agency (for its state revolving funds and brownfields program) are also sometimes included in classifications of federal agencies involved in economic development.

Federal resources administered by these agencies are primarily delivered to state and local stakeholders through technical assistance and financial assistance programs (e.g., grants, credit assistance, and tax policy). These programs vary by purpose, eligibility criteria, and the types of activities supported. Some forms of federal assistance are targeted to specific scenarios or disruptions (e.g., assistance in response to economic dislocations or shocks, or assistance for ongoing conditions of economic distress). Federal programs often have a geographic dimension that targets assistance to a specific area. Some programs direct assistance to individuals, disadvantaged individuals in specific areas, or types of recipients, beneficiaries, or regions (e.g., low- and moderate-income neighborhoods, rural areas, workers, students, small businesses, regions with resource-based industries). Many current federal programs support infrastructure, workforce development, and business assistance activities. Others fund planning, technical assistance, economic adjustment assistance, disaster recovery, innovation, entrepreneurship, the development of scientific research capabilities, and other activities.

As priorities shift and as regional and global economies change, Congress may consider policy options for addressing economic disparities between stakeholder groups, assisting lagging regions, and providing disaster assistance and economic relief to individuals and businesses. Continued interest in economic development may also warrant more extensive analysis of the role of the federal government, the level of federal assistance, how federal programs are administered and coordinated across agencies, and the accessibility, impact, and distribution of existing programs. Congress may seek to evaluate the criteria, vehicles, priorities, and other allocation methodology for the overall portfolio of federal programs as well as for individual programs.
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Introduction

Congress currently supports funding for over 130 programs to meet varied economic development challenges and conditions, create opportunities for economic growth and job creation, and assist a range of economic sectors, geographic regions and localities, and demographic groups. These programs are administered by multiple federal departments and independent federal agencies—typically in partnership with state and local stakeholders—and oversight of them is assigned to multiple congressional committees. Many current federal programs support infrastructure, workforce development, and business assistance activities. Others fund planning, technical assistance, economic adjustment assistance, disaster recovery, entrepreneurship, the development of scientific research capabilities, and other activities.¹

The term “economic development” lacks a common definition and can refer both to a policy objective as well as a set of tools to achieve that objective.² The Department of Commerce Economic Development Administration (EDA), for instance, describes economic development as creating

the conditions for economic growth and improved quality of life by expanding the capacity of individuals, firms, and communities to maximize the use of their talents and skills to support innovation, lower transaction costs, and responsibly produce and trade valuable goods and services.³

Economic development is also described both as a long-term process and a practice designed to create jobs and economic activity, and as efforts designed to address equity and create wealth at various levels (e.g., local, regional, state, national).⁴

In the absence of a standard definition for economic development, goals and success are measured by a range of metrics and at a variety of levels of practice.⁵ Economic development


⁵ By example, the EDA’s Economic Development Logic Model distinguishes between shorter-term and longer-term
goals, and the tools to achieve them, can vary depending on the perspective of the stakeholder and other factors. Some analysts note that broadly-shared improvements in economic well-being and quality of life are common goals of economic development. Still others include job quality, equity, environmental sustainability, housing, community development, education, and similar social objectives as goals of economic development. In practice, some of these goals may be in conflict with each other.

Historically, Congress has generally supported economic development programs that facilitate outcomes such as changes in job-related measures, levels of private investment, tax base, and business growth. As noted below, Congress may also support policies that seek to improve outcomes related to community conditions or services that may indirectly contribute to economic growth outcomes.

The federal economic development policy landscape is composed of multiple programs across several federal agencies, employing a variety of approaches. This report highlights federal programs associated with state and local economic development strategies that have been identified in the following resource directories and reports:

- The Office of Management and Budget’s budget functional classification system, which includes programs involved in community and regional development in the federal budget under category 450;

outcomes, and involves measures that are in addition to jobs and investment. Longer-term, regional-level outcomes could include business growth/survival, job growth, wage growth, revenue/sales growth, opportunities/equity, and increased share of cluster activity. Shorter-term outcomes could include changes in metrics related to product, production, processes, and business capacities; markets and business networks; innovation, technology transfer, and commercialization; financing and investment; human capital and workforce development; and organizational capacity. See EDA, “Economic Development Logic Model,” https://www.eda.gov/files/performance/EDA-New-Evaluation-System.pdf.

EDA, for instance, in accordance with the Government Performance and Results Act of 1993 that, as amended by the GPRA Modernization Act of 2010, “collects and analyzes performance measures in compliance with the Government Performance and Results Act (GPRA), as amended by the Government Performance and Results Act Modernization Act of 2010 (GPRAMA).” According to EDA, the agency’s performance data are divided into two primary goals: (1) promoting private investment and job creation in economically distressed communities and regions through infrastructure investments and (2) building community capacity to achieve and sustain regional competitiveness and economic growth through non-infrastructure investments.” See EDA, “EDA Performance Measurement and Program Evaluation,” https://www.eda.gov/performance/

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- Federal agency resource directories associated with economic development and business development;¹¹ and
- Other government reports, which analyze aspects of federal departments, agencies, or programs associated with economic development.¹²

This report provides a broad overview of available resources and potential metrics that Congress can use to compare various programs. Following a brief, abbreviated history of economic development policy, this report discusses the characteristics of major federal programs and services that assist with state and local activities. This report concludes with considerations for policymakers. The report includes a variety of resource lists:

- **Table 1** is a summary of selected federal agencies, and **Table A-1** in the [Appendix](#) lists federal programs for state and local economic development activities, including planning, technical assistance, infrastructure, and revitalization activities.
- **Table 2** lists the four active federal regional commissions and their missions and service areas.
- **Table 3** provides a summary of programs to assist with economic adjustment assistance and post-disaster economic recovery.
- **Table 4** provides a summary of selected workforce development programs designed to help individuals achieve longer-term economic outcomes, such as higher income or education or skill levels through education and job training activities.

Budget Committee, the three largest tax expenditures are the New Markets Tax Credit, Opportunity Zones, and exclusion of interest for public activity bonds. Budget subfunctions within budget category 450 include 451 (community development) and 452 (regional development). Budget category 450 also includes subfunction 453 for disaster relief and insurance programs such as FEMA’s Disaster Relief Fund (DRF), which are not covered in this report. For more information on budget category 450, see U.S. Congress, House Committee on the Budget, “Focus on Function 450 – Community and Regional Development,” [https://budget.house.gov/](https://budget.house.gov/); and CRS Report R47776, “Discretionary Budget Authority by Subfunction: An Overview,” by D. Andrew Austin.

¹¹ By example, EDA’s Economic Development Integration initiative compiled a directory of selected federal programs that can support state and local economic development and related strategies. The directory includes 131 programs administered by 23 federal departments and independent federal agencies (https://www.eda.gov/edi/). The USDA Rural Development’s “Business Programs” directory includes 13 Rural Development programs (https://www.rd.usda.gov/programs/services/all-programs/business-programs).

¹² Reports by GAO on federal economic development programs have identified multiple federal agencies, departments, and programs. For instance, GAO’s 2019 analysis of economic adjustment assistance included programs administered by the Departments of Agriculture, Commerce, Defense, Labor, and the Treasury and by one of the federal regional commissions (see [Economic Adjustment Assistance: Federal Programs Intended to HelpBeneficiaries Adjust to Economic Disruption](https://www.gao.gov/assets/700/697222.pdf), March 5, 2019, GAO-19-85R). Additionally, GAO’s 2011 report on economic development programs included four federal agencies—Agriculture, Commerce, HUD, and the Small Business Administration (SBA) (see [Efficiency and Effectiveness of Fragmented Economic Development Programs Are Unclear](https://www.gao.gov/products/GAO-11-477R), May 2011, p. 2, GAO-11-477R); and GAO’s 2006 report on rural economic development included programs administered by the Departments of Agriculture, Commerce, Defense, HUD, Health and Human Services (HHS), the Interior, Labor, and Transportation; the SBA; the Environmental Protection Agency (EPA); and three federal regional commissions (see [Rural Economic Development, More Assurance Is Needed That Grant Funding Information Is Accurately Reported](https://www.gao.gov/assets/250/249113.pdf), February 2006, GAO-06-294).
Table 5 provides a summary of programs for business technical assistance. Several programs provide assistance to businesses or to intermediary support organizations and other stakeholders that support business development efforts.

Disaster assistance programs for businesses and individuals, as well as other programs designed primarily to serve individuals or workers are beyond the scope of this report. Housing, community development, and most education programs are also excluded from this report, but are considered major components of economic development planning by many policymakers, practitioners, and researchers.

The Diversification of Economic Development over Time

Changes in economic development policy reflect changes in markets, industries, and demographics as well as shifting priorities and ideas about what drives economic growth. The following abbreviated review of economic development in the United States provides context for the current portfolio of federal programs and the federalism that underpins most strategies.

From the mid-19th through the mid-20th century, the approach to economic development supported by federal policy and state and local practices focused on physical infrastructure, business recruitment, and industrial growth. Investments were episodic and the number of communities receiving assistance was limited. During this time, federal assistance helped establish and expand basic infrastructure by constructing or improving land, roads, railroads, utility systems, and buildings. Congress also authorized programs and established agencies to expand rural economic development and provide electricity service to rural areas.


Examples of federal involvement in state and local economic development during this time include the land grant universities in the nineteenth century, the establishment of the U.S. Department of Agriculture (USDA) in 1862, the Snyder Act of 1921, and the Housing Acts of 1937 and 1949, among others. Early rural programs included the Rural Resettlement Administration, as well as the USDA’s Rural Electrification Administration, Rural Development Assistance Program, Rural Utilities Service, and Farmers Home Administration, and the Tennessee Valley Authority (est. 1933).

For additional information, see Peter K. Eisinger, The Rise of the Entrepreneurial State: State and Local Economic Development Policy in the United States, Robert M. La Follette Institute of Public Affairs (Madison, WI: University of
development programs at the local, state, and federal levels generally supported efforts to create a favorable business climate by lowering production costs and taxes or incentivizing capital investment in specific locations. State and local strategies during this time often prioritized recruiting a firm or industry to a new area through tax credits, incentives, and business site improvements over other activities, such as human capital development or entrepreneurial assistance. The emphasis on industrial development and business recruitment is often referred to as “smokestack chasing.”

Following World War II, the types of federal development assistance available to state and local stakeholders shifted and programs expanded. State and local economic development practitioners increasingly sought to expand capital sources and new markets for goods and services in order to facilitate business growth. This marked a shift from attraction-based strategies that primarily sought to improve an area’s competitive position—often through incentives, subsidies, or capital, land, or labor enhancements. Through these changes, many viewed the government as having a role in facilitating and anticipating opportunities.

During the 1950s, 1960s, and 1970s, Congress authorized programs and appropriated funding for several urban redevelopment/urban renewal, regional planning, and related programs that targeted economically distressed areas. In addition, the Small Business Act of 1953 created the Small Business Administration to “aid, counsel, assist and protect, insofar as is possible, the interest of small business concerns.” In 1965, Congress passed legislation authorizing both the Appalachian Regional Commission (ARC) and the Economic Development Administration (EDA). In 1965, Congress also established the Department of Housing and Urban Development (HUD), and appropriated funds for area development, housing, and urban redevelopment/renewal programs. In 1974, Congress consolidated several HUD programs into the Community Development Block...

20 The Appalachian Regional Commission (ARC) was authorized by the Appalachian Regional Development Act (ARDA) (P.L. 89-4). EDA was authorized by the Public Works and Economic Development Act of 1965 (P.L. 89-136).
21 HUD programs associated with urban renewal/redevelopment from this time period include the Model Cities and the Urban Development Action Grant (UDAG) programs, among others. The Demonstration Cities and Metropolitan Development Act of 1966 (P.L. 89-754) authorized the Model Cities program. The Housing and Community Development Act of 1977 (P.L. 95-128) authorized HUD’s UDAG program for “severely distressed cities and urban counties to help alleviate physical and economic deterioration.” Some scholars have noted that although the law that authorized UDAG did not include the term “economic development” it conveyed a strategy focused on attracting private investment to urban areas. See The Rise of the Entrepreneurial State: State and Local Economic Development Policy in the United States, Robert M. La Follette Institute of Public Affairs (Madison, WI: University of Wisconsin Press, 1988), p. 114.
Grant (CDBG) program. In the late 1960s and early 1970s, Congress also authorized legislation for many of USDA’s current grant and loan programs that support rural economic development.

Following World War II, the level of federal development assistance to state and local stakeholders expanded, and then decreased in the 1980s and 1990s. In the following decades, state and local strategies as well as federal programs evolved to incorporate efforts to address structural changes in the U.S. economy caused by demographic shifts, increased levels of global trade, and the shift from manufacturing to service sectors. Government programs focused on efforts that increased or developed capital sources and new markets for goods and services, and that supported new businesses and business growth. In the 1990s, Congress authorized programs at several federal agencies for regional efforts to develop and expand industry clusters. In the 1990s and 2000s, state and local economic development practitioners increasingly networked, coordinated, and brokered information in order to promote regional economic competitiveness in light of challenges presented by globalization, trade policies, and other factors affecting the U.S. and regional economies in new ways.

Over time, the strategies for economic development have increased and diversified. Federal economic development policies continue to support state and local strategies for infrastructure development, but also include business recruitment and retention, workforce development, and capital access activities. At the same time, new and modified federal programs seek to support knowledge and technology industries, build globally competitive regions, develop resilient networks and “ecosystems” of various distinctions (e.g., entrepreneurial, capital, innovation), and build capacity at multiple levels. Current economic development programs continue to be state and local government-centered with “decentralized federal participation,” and aim to assist state

22 See the Housing and Community Development Act of 1974 (P.L. 93-383).
25 Clusters are often defined as geographic concentrations of interconnected companies and institutions located in a specific area that may both cooperate and compete. The connections and/or proximity of the clusters can be considered advantageous for companies if they leverage workforce, human capital, supply chain, and other spillovers. For more information, see Michael E. Porter, “Clusters and the New Economics of Competition,” Harvard Business Review, vol. 76, no. 6 (November-December 1998), pp. 77-90, https://hbr.org/1998/11/clusters-and-the-new-economics-of-competition; and Ryan Donahue, Joseph Parilla, and Brad McDearman, “Rethinking Industry Clusters,” Brookings Institution, July 25, 2018, https://www.brookings.edu/research/rethinking-cluster-initiatives/.
and local stakeholders in their efforts to attract private investment, create jobs, build wealth, address inequities, diversify their tax bases, and related goals.  

**Strategies and Activities**

The parameters of what constitutes economic development—as well as its benefits and limitations—are defined differently depending on the stakeholder, the context of implementation, and other factors. The process and practice of economic development may occur at the local, state, regional, or federal level, and can be carried out by public and private sector stakeholders and institutions. State and local stakeholders generally utilize federal financial assistance and other resources to implement economic development strategies, including, but not limited to:

- investment in infrastructure, community amenities, and utilities;
- industrial development and recruitment;
- support for small- and medium-sized business formation, including entrepreneurial assistance, business support, acceleration, and incubation strategies;
- existing industry and capital expansion;
- trade promotion;
- regional industry specialization and network development;
- regional economic diversification;
- workforce development and human capital development;
- planning, technical assistance, capacity-building, and leadership training;
- technology- and innovation-based economic development; and
- the promotion of natural, cultural, and historic assets.

Given that many federally supported economic development projects originate at the state and local levels, the capacity of state and local stakeholders to address economic drivers and global market trends, among other factors, is increasingly recognized as a critical factor in determining the relative success of federal programs. The EDA-commissioned report, “Economic Development: A Definition and Model for Investment,” issued in 2016, suggests that developing

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the *capacity* of stakeholders (e.g., firms, individuals, industries, institutions) broadly aids in economic development because it expands the capabilities of economic actors.\textsuperscript{31} EDA uses the terms “capacities” and “capacity building” to “refer to the public sector’s role in investing in new ideas, knowledge transfer, and infrastructure to build a foundation so that the private sector can flourish (i.e., enable economic development to promote regional prosperity).”\textsuperscript{32}

### How Are Federal Economic Development Resources Distributed?

#### Federal Partnership Model

Federal assistance for state and local economic development is often based on the principle that the national economy represents a “summation of the performance of hundreds of local economies.”\textsuperscript{33} In recognition that the economic development needs vary, sometimes greatly, from place to place and from sector to sector, most federal economic development programs now assist with projects developed from state and local plans, priorities, and input. In establishing the EDA, the Public Works and Economic Development Act of 1965 (P.L. 89-136), as amended, recognized economic development as an “inherently local process,” and the role of the federal government as a key partner.\textsuperscript{34} In its Value Proposition, EDA notes that “instead of a Washington-knows-best approach, EDA works hand-in-hand with local economic development partners to advance their locally-developed projects which are linked to the region’s long-term, sustainable economic development strategy.”\textsuperscript{35} Other federal agencies generally take a similar approach whereby economic development projects typically originate at state and local levels and nonfederal stakeholders select strategies or industries to pursue in order to address their community-specific needs and opportunities.\textsuperscript{36}

#### Federal Economic Development Programs and Agencies

Because economic development is a complex, multi-faceted process and practice, Congress has authorized multiple agencies and programs to meet its economic development policy goals. Federal economic development programs are designed to meet several goals, including federal

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\textsuperscript{34} 42 U.S.C. §3121.


Stakeholders are frequently state governments and units of local governments, but can include regional development organizations (RDOs), community development corporations (CDCs), community development financial institutions (CDFIs) or other financial institutions, educational institutions, or non-profit or for-profit organizations with economic development missions.
objectives related to promoting interstate commerce and national economic growth. Economic development may be an agency’s primary mission or it may be more indirectly related. The Department of Commerce (DOC) Economic Development Administration (EDA) is the only federal agency with economic development as its exclusive mission. The Departments of Agriculture (USDA), Commerce, and Housing and Urban Development (HUD), and the Small Business Administration (SBA) also administer economic development programs and are generally considered core federal economic development agencies. Additionally, the Department of Labor (DOL) and the Department of the Treasury administer programs that support workforce and business development, which are often considered integral components of economic development.

Table 1. Selected Federal Agencies that Administer Programs with Economic Development Objectives

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<tr>
<th>Agency</th>
<th>Selected Programs</th>
<th>Mission</th>
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<tr>
<td>USDA, various agencies including Rural Development and its mission areas:</td>
<td>The agency administers multiple programs, including:</td>
<td>To help improve the economy and quality of life in rural America.</td>
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<tr>
<td>• Rural Business Service (RBS)</td>
<td>• RBS’s Business; Cooperative; Energy; and Community and Economic Development programs</td>
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<tr>
<td>• Rural Utilities Service (RUS)</td>
<td>• RUS’s Electric; Telecommunications; and Water and Environmental programs</td>
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<tr>
<td>• Rural Housing Service (RHS)</td>
<td>• RHS Community Facilities programs</td>
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<tr>
<td>Commerce, Economic Development Administration (EDA)</td>
<td>EDA administers multiple programs, including:</td>
<td>To lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy.</td>
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<td></td>
<td>• Build to Scale/Regional Innovation Strategies</td>
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<td>• Economic Adjustment Assistance</td>
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<td>• Local Technical Assistance</td>
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<td>• Partnership Planning</td>
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<td>• Public Works</td>
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<td>• STEM Talent Challenge</td>
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<td>• Trade Adjustment Assistance for Firms</td>
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<td>• University Centers</td>
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<td></td>
<td>• Other programs and services that support technical assistance, innovation, and research initiatives.</td>
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<th>Agency</th>
<th>Selected Programs</th>
<th>Mission</th>
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<tr>
<td>Commerce, additional agencies (other than EDA)</td>
<td>Programs and services administered by Commerce include: International Trade Administration (ITA), National Institute of Standards and Technology (NIST), National Telecommunications and Information Administration (NTIA), Minority Business Development Agency (MBDA), and others.</td>
<td>To create the conditions for economic growth and opportunity.</td>
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</table>
| Housing and Urban Development (HUD), Office of Community Planning and Development (CPD) | CPD administers multiple programs, including:  
  - Community Development Block Grant (CDBG)  
  - Section 108 Loan Guarantee Program and others | To develop viable communities by promoting integrated approaches that provide decent housing, a suitable living environment, and expand economic opportunities for low- and moderate-income persons. The primary means towards this end is the development of partnerships among all levels of government and the private sector, including for-profit and non-profit organizations. |
| Labor, Employment and Training Administration (ETA) | ETA administers multiple employment and training programs authorized under the Workforce Innovation and Opportunity Act (WIOA; P.L. 113-128). Under WIOA, Title I (Workforce Development Activities) programs include:  
  - State formula grants for employment and training activities for youth, adults, and dislocated workers  
  - National Dislocated Worker Grants  
  - Programs for specific populations, such as Job Corps; YouthBuild; Native American Employment and Training; National Farmworker Jobs program; and others  
  Additional employment and training programs and services administered by ETA include: Community Service Employment for Older Americans, the Employment Service, Trade Adjustment Assistance (TAA) for Workers, among others. | To contribute to the more efficient functioning of the U.S. labor market by providing high-quality job training, employment, labor market information, and income maintenance services primarily through state and local workforce development systems. |
| Treasury, Community Development Financial Institutions (CDFI) Fund | Treasury/CDFI administers multiple programs, including:  
  - Capital Magnet Fund  
  - Native Initiatives  
  - CDFI Bond Guarantee Program  
  - CDFI Program  
  - Bank Enterprise Award Program  
  - New Markets Tax Credit Program and others | To expand economic opportunity for underserved people and communities by supporting the growth and capacity of a national network of community development lenders, investors, and financial service providers. |
Agency | Selected Programs | Mission
--- | --- | ---
Small Business Administration (SBA) | The SBA administers multiple programs, including:
- Entrepreneurial development programs, such as the Small Business Development Centers, Native American Outreach, Veterans Outreach, Microloan Technical Assistance, SCORE, and others
- Capital access programs, such as the 7(a) Loan Guarantees, 504 Certified Development Company Loans, international trade and export promotion programs, Microloan program, and others
- Contracting programs, such as the 8(a) program, the Historically Underutilized Business Zones (HUBZones) program, Service-Disabled Veteran-Owned Small Business programs, Women-Owned Small Business programs, and others
- Capital Investment Programs, such as the Small Business Investment Corporation (SBIC), Small Business Innovation Research/Small Business Technology Transfer, and others
- Disaster assistance
To maintain and strengthen the nation’s economy by enabling the establishment and viability of small businesses and by assisting in the economic recovery of communities after disasters.


Notes: As noted, the categorization of federal departments, agencies, and programs associated with economic development varies. This report includes many of the programs associated with planning, technical assistance, physical infrastructure, workforce development, business development (including entrepreneurship and innovation), and economic adjustment assistance programs, and excludes most community development, housing, and education programs. Workforce development programs include the employment and training programs authorized by Title I of the Workforce Innovation and Opportunity Act (WIOA; P.L. 113-128), the primary federal workforce development law. Title I authorizes many of WIOA’s workforce development activities through the Adult, Dislocated Worker, and Youth programs administered by DOL. Congress authorized Titles II-IV of WIOA to address adult education, the Employment Service, and vocational rehabilitation, which are not listed here. Additionally, Congress has authorized other employment and training, vocational rehabilitation, postsecondary career and technical education (CTE), and related programs that are administered by EDA, the Department of Education, HUD, HHS, DOL, the Department of the Interior, SBA, the Social Security Administration, USDA, the Department of Veterans’ Affairs, and other agencies.

Federal Regional Commissions
The four active federal regional commissions (the Appalachian Regional Commission, the Denali Commission, the Delta Regional Authority, and the Northern Border Regional Commission) also focus on economic development (see Table 2). Federal regional commissions receive partial federal funding and are considered independent federal agencies. For more information, see CRS
Table 2. Active Federal Regional Commissions

<table>
<thead>
<tr>
<th>Agency</th>
<th>Areas Served/Eligibility</th>
<th>Mission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appalachian Regional Commission (ARC)</td>
<td>420 designated counties in Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia</td>
<td>To innovate, partner, and invest to build community capacity and strengthen economic growth in Appalachia.</td>
</tr>
<tr>
<td>Delta Regional Authority (DRA)</td>
<td>252 designated counties and parishes in Alabama, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee</td>
<td>To improve regional economic opportunity by helping to create jobs, build communities, and improve the lives of the 10 million people.</td>
</tr>
<tr>
<td>Denali Commission</td>
<td>The state of Alaska</td>
<td>To provide infrastructure, job training and to support economic development.</td>
</tr>
<tr>
<td>Northern Border Regional Commission (NBRC)</td>
<td>60 counties in northern Maine, New Hampshire, Vermont, and New York</td>
<td>To catalyze regional, collaborative, and transformative community economic development approaches that alleviate economic distress and position the region for economic growth.</td>
</tr>
</tbody>
</table>

Source: Compiled by CRS from the Appalachian Regional Commission, the Denali Commission, the Delta Regional Authority, and the Northern Border Regional Commission websites.

Note: Three additional federal regional commissions are authorized, but are not active. See CRS Report R45997, Federal Regional Commissions and Authorities: Structural Features and Function, by Michael H. Cecire.

Related Agencies

In addition to the federal agencies, federal regional commissions, and programs noted in “Program Structures and Purposes,” Congress has authorized other agencies to administer programs that create conditions to support economic development outcomes. These programs may incentivize private investment; contribute to a community’s quality of place; improve individuals’ wellbeing, income, or job prospects; or advance other measures of economic development. The Departments of Defense (DOD), Education (ED), Energy (DOE), Health and Human Services (HHS), the Interior (DOI), and Transportation (DOT) as well as the U.S. Environmental Protection Agency (EPA) and other agencies may also support economic development. Programs administered by these agencies are primarily authorized to address other purposes such as land use, transportation, education, environmental remediation, health, livability, and other amenities, conditions, or events. For instance, infrastructure investments funded by the Department of Transportation contribute to local, state, and national economic development goals.

Program Structures and Purposes

Congress has authorized both people- and place-based implementation approaches for economic development programs. In economic development, these approaches are sometimes framed as people-to-jobs or jobs-to-people policies.

Programs that have a geographic dimension targeting assistance to a specific area are often referred to as place-based policies. Place-based policies tend to target assistance towards labor markets, neighborhoods, regions, and specific geographies, rather than by providing support directly to individuals. Place-based policies often, but not always, target the geographic and spatial dimension of economic distress and poverty. Place-based policies may include infrastructure programs, revitalization programs, and certain tax policies that incentivize investment in a specific area, among others. Place-based people policies include initiatives that seek to address the markets, conditions, or policies in or near areas where disadvantaged people live and are considered a subset of place-based policies.

Programs that direct assistance to individuals or disadvantaged individuals are referred to as people-based programs. Analysts frame people-based approaches as tools that offer a direct line of assistance to individuals, generally without conditions tied to a place or individuals’ locations. People-based policies include some forms of workforce development, job training, and education assistance programs, among others.

Programs for Distressed Areas

As noted, place-based policies include initiatives designed to address conditions of long-term economic distress (e.g., persistent poverty, high unemployment levels, and other socioeconomic indicators) in specific geographic areas. Conditions of long-term economic distress can have a long-term impact on individuals, the state and local tax base, the workforce, health outcomes, and more. Initiatives to address conditions of long-term economic distress may involve multiple forms of assistance due to the sustained impacts of jobs loss and disinvestment on the social and economic health of a regional economy.

Congress has authorized several programs designed to help state and local stakeholders address conditions of long-term economic distress, in addition to the programs designed to address

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42 The Earned Income Tax Credit (EITC) is often cited as an example of a people-based policy that targets disadvantaged individuals. For more information about the EITC, see CRS Report R43805, The Earned Income Tax Credit (EITC): How It Works and Who Receives It, by Margot L. Crandall-Hollick, Gene Falk, and Conor F. Boyle. For an example of a people-based strategy, see Michael R Strain, “Pay Workers to Leave Depressed Towns,” Bloomberg Opinion, December 23, 2019.

economic recovery needs following an economic shock, dislocation, or disaster event (see Table 3). These programs may base eligibility on geographic designations by Congress or by other state or federal agencies or officials, or by economic distress criteria:

- CDFI Fund programs and tax credit policies often target distressed areas or zip codes.
- Prospective participants in the Opportunity Zones program must direct investment to designated census tracts nominated by the state’s governor and meet specified economic criteria.45
- The programs administered by regional commissions and authorities seek to build economic resiliency or support economic restructuring in economically distressed regions, such as the Delta and Appalachia areas.46
- Projects are generally eligible for EDA’s Public Works and Economic Adjustment Assistance (EAA) funding if the service areas meet the criteria for economic distress and other criteria.47
- The programs administered by the Department of the Interior, Bureau of Indian Affairs, Office of Indian Energy and Economic Development and HUD’s Indian Community Development Block Grant (ICDBG) program are available to tribal entities. Some programs may provide assistance to areas that have experienced long-term economic distress.

As noted, Congress may also approve legislation that directs assistance from existing programs to economically distressed areas (e.g., areas with high unemployment or high poverty levels for a certain period of time). For instance, appropriations for select programs authorized in the American Recovery and Reinvestment Act of 2009 (ARRA, P.L. 111-5) and other programs in subsequent appropriations bills have included provisions to address persistent poverty counties. The “10-20-30” provision was designed to direct 10% of federal funds for specific programs to counties with 20% poverty rates or more for the past 30 years.48

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44 Community economic distress is often measured by persistent levels of poverty, high unemployment, low household or individual incomes, or similar metrics.

45 To become a qualified Opportunity Zone, a census tract must be nominated by the state’s governor to the Secretary of the Treasury and “must have been either (1) a qualified low-income community (LIC), using the same criteria as eligibility under the New Markets Tax Credit (NMTC), or (2) a census tract that was contiguous with a nominated LIC if the median family income of the tract does not exceed 125% of that contiguous, nominated LIC.” For additional information, see CRS Report R45152, Tax Incentives for Opportunity Zones, by Sean Lowry and Donald J. Marples.

46 As noted, federal regional commissions and authorities, such as the Appalachian Regional Commission, the Delta Regional Authority, the Denali Commission, and the Northern Border Regional Commission, provide assistance only to projects in congressionally-designated counties in their service area. For more information, see CRS Report R45997, Federal Regional Commissions and Authorities: Structural Features and Function, by Michael H. Cecire.

47 The criteria for economic distress are determined by the area’s unemployment rate, per capita income, or a special need. 42 U.S.C. §3161. Other criteria include project alignment with an EDA-approved economic development strategy. 42 U.S.C. §3162.

48 For more information, see CRS Report R45100, The 10-20-30 Provision: Defining Persistent Poverty Counties, by Joseph Dalaker.
**Programs for Economic Adjustment Assistance and Post-Disaster Economic Recovery**

Several federal grant programs are designed to assist state and local stakeholders with economic adjustment, economic recovery, revitalization, restructuring, rebuilding, and other activities following economic dislocation or disaster events. A selection of these programs are listed in Table 3. The programs offer flexibility to state and local stakeholders to address a range of construction and non-construction activities in efforts to restructure or build resiliency in regional economies. Congress has authorized ongoing and supplemental appropriations to support economic adjustment or recovery in response to economic shocks and disaster events. For instance, existing EDA programs received regular supplemental appropriations in response to natural disasters beginning in the 1990s and in response to the Coronavirus Disease 2019 (COVID-19) pandemic in FY2020. Congress also authorized programs to assist communities impacted by the Base Realignment and Closure (BRAC) process and other defense activities.

**Table 3. Selected Grant Programs for Economic Adjustment Assistance and Post-Disaster Economic Recovery**

<table>
<thead>
<tr>
<th>Agency, Program</th>
<th>Program Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appalachian Regional Commission, Partnerships for Opportunity and Workforce and Economic Revitalization (POWER) Initiative</td>
<td>The POWER Initiative provides economic development funding and technical assistance to address economic distress caused by the effects of energy transition principally in coal-impacted communities. The POWER initiative is not permanently authorized by Congress. For more information, see CRS Report R46015. The POWER Initiative: Energy Transition as Economic Development, by Michael H. Cecire.</td>
</tr>
<tr>
<td>Department of Defense (DOD), Office of Local Defense Community Cooperation (OLDCC) (formerly the Office of Economic Adjustment) programs</td>
<td>In response to Base Realignment and Closure (BRAC) and other defense-related activities, OLDCC’s financial and technical assistance programs support planning and implementation activities. For more information about BRAC, see CRS Report R45705. Base Closure and Realignment (BRAC): Background and Issues for Congress, by Christopher T. Mann.</td>
</tr>
</tbody>
</table>

49 GAO developed the following definition of economic adjustment: “Economic adjustment assistance programs and tax expenditures are those whose primary purpose includes helping or preparing workers, businesses/firms, or communities to adjust to economic disruption, where disruption is defined as significant changes in the economy that reduce the demand for certain workers. Examples of these changes include, but are not limited to, U.S. or international policy decisions related to trade, defense, or energy, and other economic forces that drive changes in immigration, globalization, automation, or cause a prolonged cyclical downturn.” See GAO, Economic Adjustment Assistance, GAO-19-85R, March 5, 2019, https://www.gao.gov/assets/700/697222.pdf. For a discussion of economic shocks, conditions of ongoing economic distress, and economic resilience faced by urban regions, see Harold Wolman, Howard Wial, Travis St. Clair, and Edward Hill, *Coping with Adversity* (Ithaca: Cornell University Press, 2017).

50 The EDA defined resilience in the context of economic development as “the ability of a community or region to anticipate, withstand, and bounce back from various disruptions to its economic base” in the FY2019 EDA Disaster Supplemental Notice of Funding Opportunity (NOFO), p. 4, at https://www.grants.gov/web/grants/view-opportunity.html?oppId=319126. According to the EDA, economic disruptions, or shocks, manifest in various ways.


Federal Economic Development assistance is generally delivered to state and local stakeholders through grant, credit assistance, and tax policy programs. Funding strategies vary depending on the program eligibility criteria and funding considerations.

Program Eligibility Criteria and Funding Considerations

Federal economic development assistance is generally delivered to state and local stakeholders through grant, credit assistance, and tax policy programs. Funding strategies vary depending on the program eligibility criteria and funding considerations.


Notes: Programs listed provide technical or financial assistance for economic recovery assistance in response to economic shocks, base realignment or closure events, or disaster events. Programs listed are for public sector stakeholders, including units of tribal, state, local, and regional government; non-profit organizations; and certain educational institutions. Workforce development, business assistance, and individual assistance programs to address economic recovery efforts are not included. For information about short-term, economic relief—often to certain small businesses and nonprofits—see CRS Report R44412, SBA Disaster Loan Program: Frequently Asked Questions, by Bruce R. Lindsay. See also CRS Report R45864, Tax Policy and Disaster Recovery, by Molly F. Sherlock and Jennifer Teefy.

the type of policy vehicle. For instance, many grant programs rely on congressional appropriations. Among other considerations, federal direct loan and federal loan guarantee programs must consider the expenses incurred by the government, or subsidy costs, when borrowers default. Alternatively, if the loan programs create profit for the government—for example, through fees and other assessments—they may generate negative subsidy costs. Among other considerations, many tax policies rely on foregone tax claims.

Program eligibility criteria also vary. As noted, some forms of federal assistance are targeted to specific scenarios or disruptions (e.g., disaster recovery and economic adjustment assistance or assistance for ongoing conditions of economic distress); types of recipients or beneficiaries (e.g., low- and moderate-income neighborhoods, workers, rural areas, students, or small businesses); and regions or communities (e.g., areas served by federal regional commissions or tribal areas or communities). For instance, USDA Rural Development programs target rural communities with eligibility based on population thresholds and other program requirements. For HUD’s CDBG program, grantees must use funds to meet one of three national objectives and at least 70% of those funds must benefit low- or moderate-income persons.

Grant Programs

“Federal grant programs” or “federal domestic assistance programs”—commonly referred to as grants—are forms of financial assistance that provide money, property, services, or other items of value for goals authorized by Congress, including economic development. Unlike most credit programs, recipients of grant assistance are not required to repay funds. Congress has approved categorical grants and block grants for federal economic development programs. Agencies allocate funds using both competitive and formula methods. Depending on the statute, federal grants for economic development may require recipients to contribute matching funds. Cost share requirements vary by program and may depend on criteria such as levels of economic distress, type of applicant, and other conditions. Economic development programs typically have other

community and economic development through grants, loans, and tax expenditures.”

Some researchers classify technical assistance and government contracting as additional types of federal assistance. See Peter Bassine et al., Big Ideas for Small Businesses, Yale Institution for Social and Policy Studies Working Paper, ISPS20-21, 2020. https://isps.yale.edu/research/publications/isps20-21. In this report, the “Business Assistance and Development” section highlights the federally-supported technical assistance programs that are frequently associated with providing services to business stakeholders. The role of federal procurement in business development is also noted in the “Business Assistance and Development” section. For more information about federal small business contracting, see CRS Report R45576, An Overview of Small Business Contracting, by Robert Jay Dilger. For information about federal procurement, see CRS Report RS22536, Overview of the Federal Procurement Process and Resources, by L. Elaine Halchin.


55 42 U.S.C. §5301 et seq.

56 In addition to grants, some programs utilize contracts and cooperative agreements to meet agency and program objectives. For more information about federal grants, see CRS Report R42769, Federal Grants-in-Aid Administration: A Primer, by Natalie Keegan.

57 Block grants have fewer administrative requirements than categorical grants. For more information, see CRS Report R40486, Block Grants: Perspectives and Controversies, by Joseph V. Jarosca, Julie M. Lawhorn, and Robert Jay Dilger. For general information on grant resources, see CRS Report RL34012, Resources for Grantseekers, by Maria Kreiser.
federal administrative requirements and, in some instances, performance metrics to ensure that the funds are used in ways that meet federal objectives.

Examples of economic development grant programs include:

- **U.S. Department of Agriculture (USDA) Rural Development programs**
  USDA Rural Development administers several categorical grant programs to support the construction or renovation of community infrastructure and facilities; broadband planning and development; business development, credit, and assistance; and other activities in rural communities.\(^{58}\)

- **Public Works and Economic Adjustment Assistance (PWEAA) programs, administered by the DOC, Economic Development Administration**
  The PWEAA programs are categorical grants awarded on a competitive basis to support both construction and non-construction projects for economically distressed communities.\(^{59}\) Congress may approve supplemental appropriations for the Economic Adjustment Assistance and other programs to address disasters, pandemics, and specific regional issues or conditions.\(^{60}\) PWEAA grants serve urban and rural communities.

- **Community Development Block Grant (CDBG) program, administered by the Department of Housing and Urban Development (HUD)**
  CDBG is a formula-based program. CDBG provides grants for a broad range of community and economic development activities including housing, public facilities, infrastructure, and projects to expand economic opportunities. The CDBG program serves urban and rural communities.\(^{61}\)

- **Programs administered by federal regional commissions and authorities**
  Federal regional commissions and authorities work with states and other partners to administer grants for economically distressed areas in congressionally determined regions.\(^{62}\)

### Credit Assistance Programs

The goal of many economic development credit assistance programs is to address private market capital gaps.\(^{63}\) For economic development, finance experts categorize federal credit programs as follows: (1) capital to businesses; (2) capital for development finance institutions; (3) project

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59 Economic distress is determined by the area’s unemployment rate, per capita income, or a special need. 42 U.S.C. §3161.


61 Most rural communities are considered nonentitlement communities and do not receive funds directly from HUD. Instead, most rural communities apply for funding through state-administered CDBG programs. For more information about the CDBG and its formula allocation, see CRS Report R43520, *Community Development Block Grants and Related Programs: A Primer*, by Joseph V. Jaroscak.

62 The Appalachian Regional Commission, the Denali Commission, the Delta Regional Authority, and the Northern Border Regional Commission are the four active federal regional commissions. For more information about regional commissions, see *Table 2* and CRS Report R45997, *Federal Regional Commissions and Authorities: Structural Features and Function*, by Michael H. Cecire.

finance; and (4) technical assistance and support activities. Credit programs may be designed to lend directly to the ultimate recipients (e.g., units of local government, businesses) or they may be designed to pass capital through intermediary organizations or financial institutions (e.g., regional development organizations (RDOs), community development corporations (CDCs), community development financial institutions (CDFIs)).

Federal credit assistance programs expand access to capital through federal loan guarantee and direct loan programs. Loan guarantees may be defined as “a loan or security on which the federal government has removed or reduced a lender’s risk by pledging to repay principal and interest in case of default by the borrower.” Loan guarantees may be used in a range of federal policy settings. A direct loan is “a disbursement of funds by the government to a nonfederal borrower under a contract that requires the repayment of such funds with or without interest.” Federal loan programs for economic development may have below-market, zero, or other interest rate requirements. Some federal loan programs may be designed to provide partial principal forgiveness.

Examples of federal credit assistance programs include:

- The Small Business Administration (SBA) programs provide loans and loan guarantees through private lenders to assist small businesses that are otherwise unable to access credit on reasonable terms. These programs are designed to promote competition in private markets.
- HUD’s Section 108 loan guarantee program allows local and state governments to leverage their CDBG allocation as a loan guarantee for large-scale development projects.
- The USDA administers direct loans and federal loan guarantees for both public and private sector borrowers located in rural areas.
- The Department of Treasury’s Community Development Financial Institutions (CDFI) Fund administers several programs designed to expand credit to development finance institutions, which then provide credit and other services to underserved individuals and communities.

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68 This is not intended to be a comprehensive list of federal credit assistance programs. See Table 5 and Table A-1 for additional examples. Additional agencies administer credit assistance programs that support economic development objectives.
69 For more information, see CRS Report RL33243, *Small Business Administration: A Primer on Programs and Funding*, by Robert Jay Dilger and Sean Lowry. SBA’s “lender match” tool can help businesses find potential lenders for loan programs (https://www.sba.gov/funding-programs/loans/lender-match).
EDA, USDA, HUD, ARC, and other agencies make grants to entities that administer revolving loan funds (RLFs) to provide credit assistance in underserved markets.  

**Incentives Through Tax Policies**

Tax policies (e.g., exemptions, preferential rates, credits) are a form of financial incentives that can be designed to facilitate economic development objectives.  

Section 3(3) of the Congressional Budget and Impoundment Control Act of 1974 specifically defines tax expenditures as:

> those revenue losses attributable to provisions of the Federal tax laws which allow a special exclusion, exemption, or deduction from gross income or which provide a special credit, a preferential rate of tax, or a deferral of tax liability.

In addition to policies that incentivize investment in specific geographic areas, the federal government supports tax policies that may indirectly incentivize economic development through research and development (R&D) and innovation initiatives.

Examples of federal tax policies that are intended to encourage capital investment in low-income or distressed communities include:

- **New Markets Tax Credit program.** The Treasury’s Community Development Financial Institutions Fund certifies entities and designates areas for the New Markets Tax Credit program.
- **Opportunity Zone program.** The CDFI Fund also certifies areas (nominated by state governors) that are eligible for Opportunity Zone tax incentives.

**Common Strategies Supported by Federal Economic Development Programs**

Infrastructure, workforce development, and business assistance activities are frequent components of many state and local economic development plans. They also constitute distinct policy domains of their own, and are supported by separate federal programs. The partnerships, finance mechanisms, and implementation strategies associated with these activities may overlap.

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72 For more information, see CRS In Focus IF11449, Economic Development Revolving Loan Funds (ED-RLFs), by Julie M. Lawhorn.


74 31 U.S.C. §1302. For analysis of tax expenditures and spending programs, including discretionary grant programs, see CRS Report R44530, Spending and Tax Expenditures: Distinctions and Major Programs, by Grant A. Driessen.

75 This is not intended to be a comprehensive list of incentives provided through federal tax policy. See Table 5 for additional examples. For more information, see CRS Report RL34402, New Markets Tax Credit: An Introduction, by Donald J. Marples and Sean Lowry; and CRS Report R45152, Tax Incentives for Opportunity Zones, by Sean Lowry and Donald J. Marples.
Although the programs and objectives may vary, the administration of the different activities may be overseen by the same federal, state, or local agency. The following sections highlight basic connections between economic development and infrastructure, workforce development, and business assistance activities. Other policy tools also frequently overlap with economic development objectives, but are beyond the scope of this report.

**Infrastructure**

State and local stakeholders frequently include infrastructure and revitalization efforts in strategies designed to achieve both short-term and long-term development goals. Federal economic development policies have historically supported these efforts through programmatic assistance for public utilities (e.g., electricity, telecommunications, drinking water, and wastewater), water resources management infrastructure, and transportation, freight, and transit projects.

Congress continues to support infrastructure activities in economic development policies. Funding for infrastructure activities is primarily authorized through programs administered by the DOT, EPA, EDA, HUD, USDA, and federal regional commissions, among others. Although some of the federally-funded infrastructure programs provided by these agencies may be designed to support economic development outcomes, many programs administered by other federal agencies, such as EPA, are designed to meet other distinct policy goals, such as environmental remediation or health and human safety outcomes. In addition to grants, other common tools to finance public infrastructure investments include bonds, loans, tax credits, and private-public partnerships (among other policies). Additionally some federal agencies such as the U.S. Army Corps of Engineers (USACE) and the Department of the Interior Bureau of Reclamation are responsible for projects involving federally owned infrastructure, which may impact state and local economic development. For instance, the USACE assists with federal harbor maintenance involving ports and other waterways, planning and constructing new navigation channels, and other roles.

Table A-1 in the Appendix provides a summary of selected federal programs that support more general economic development, including infrastructure and revitalization activities.

**Workforce Development**

Workforce development programs provide a combination of education and training services to prepare individuals for work and help them improve their prospects in the labor market. In the broadest sense, workforce development efforts include secondary and postsecondary education, on-the-job and employer-provided training, and the publicly funded system of job training and

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76 State and local governments often administer and/or implement programs. Other stakeholders may include regional development organizations (RDOs), community development corporations (CDCs), community development financial institutions (CDFIs) or other financial institutions, educational institutions, or non-profit or for-profit organizations with economic development missions, among others.

77 For more information about the current federal role in infrastructure investment, see CRS In Focus IF10592, *Infrastructure Investment and the Federal Government*, by William J. Mallett.

78 State and local stakeholders plan and implement most land-side (or on land) port infrastructure activities. Land-side port infrastructure includes terminals, docking areas, power supplies, storage, and rail depots and other infrastructure. Federal agencies maintain and construct water-side (or in the water) port infrastructure, which involves activities to maintain and improve harbor channels, dams, coastal waterways, and inland waterways (e.g., dredging and dam and lock repair).
employment services. By leveraging federal and other resources, state and local stakeholders implement individual, organization, and community strategies and coordinate training and resources across both public and private sectors.

The Workforce Innovation and Opportunity Act (WIOA; P.L. 113-128) is the primary federal workforce development law and includes provisions for individual, organization, and community levels of policy implementation. WIOA supports a decentralized system of programs in which federal workforce development funding is administered by state and local stakeholders. Programming decisions related to training and coordination are made locally. Workforce Development Boards and American Job Centers/One-Stop Centers are the governance and delivery entities for WIOA-funded programs, which offer classes, workshops, and assistance with job searches in cooperation with units of government, organizations, and businesses. WIOA support for individuals includes job and training services for adults, dislocated workers, and youth. WIOA provides the foundation of the core federal workforce development strategy. Other federal agencies may administer employment and training programs for specialized aspects of specific industries or communities, but are generally not considered components of the core federal framework for workforce development.

See Table 4 for a summary of federal programs associated with state and local workforce development strategies.

**Table 4. Selected Programs for Workforce Development**

<table>
<thead>
<tr>
<th>Grant Programs (CFDA No.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Labor (DOL) Employment and Training Administration (ETA) and the Department of Education jointly administer and coordinate WIOA and other programs in cooperation with other federal agencies. WIOA, Title I (Workforce Development Activities) programs include:</td>
</tr>
<tr>
<td>• State formula grants for employment and training activities for youth (17.259), adults (17.258), and the National Dislocated Worker Grants—Employment Recovery (17.277) programs</td>
</tr>
<tr>
<td>• National Dislocated Worker Grants (17.278)</td>
</tr>
<tr>
<td>• Programs for specific populations, such as Job Corps (17.287); YouthBuild (17.274); Native American Employment and Training (17.265); National Farmworker Jobs Program (17.264); among others</td>
</tr>
<tr>
<td>• Additional employment and training programs and services administered by ETA include Community Service Employment for Older Americans (17.235), the Employment Service (17.207), Trade Adjustment Assistance (TAA) for Workers (17.245), among others</td>
</tr>
</tbody>
</table>

The federal funding coordinated through the WIOA framework is outlined in CRS Report R44252, *The Workforce Innovation and Opportunity Act and the One-Stop Delivery System*, by David H. Bradley.

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81 The EDA, the Department of Education, EPA, HUD, HHS, DOL, the Department of the Interior, the Department of Justice, SBA, the Social Security Administration, USDA, the Department of Veterans’ Affairs, and other agencies administer other employment and training, vocational rehabilitation, postsecondary career and technical education (CTE), and related programs for specific populations, industries, and initiatives. The four active federal regional commissions and authorities provide financial and technical assistance to support workforce development. See Table 2. For a list of federal employment and training programs, by agency in FY2017, see GAO, “Employment and Training Programs: Department of Labor Should Assess Efforts to Coordinate Services Across Programs,” GAO-19-200, March 28, 2019, p.11, https://www.gao.gov/products/GAO-19-200.
Grant Programs (CFDA No.)

The EDA, the Department of Education, EPA, HUD, HHS, DOL, the Department of the Interior, the Department of Justice, SBA, the Social Security Administration, USDA, the Department of Veterans’ Affairs, and other agencies administer other employment and training, vocational rehabilitation, postsecondary career and technical education (CTE), and related programs for specific populations, industries, and initiatives.

The four active federal regional commissions and authorities provide financial and technical assistance to support workforce development. See Table 2.

Sources: Department of Labor, Employment and Training Administration (https://www.dol.gov/agencies/eta); and CRS Report R44252, The Workforce Innovation and Opportunity Act and the One-Stop Delivery System, by David H. Bradley.

Notes: Workforce development programs include the employment and training programs authorized by Title I of the Workforce Innovation and Opportunity Act (WIOA; P.L. 113-128), the primary federal workforce development law. Title I authorizes many of WIOA’s workforce development activities through the Adult, Dislocated Worker, and Youth programs administered by DOL. Congress authorized Titles II-IV of WIOA to address adult education, the Employment Service, and vocational rehabilitation, which are not listed here.

CFDA No. refers to the Catalog of Federal Domestic Assistance, a searchable database of federal domestic assistance programs. Each program is identified by name and a five-digit number (https://beta.sam.gov).

Business Assistance and Development

Businesses are generally viewed as a significant generator of economic activity. Business assistance and development strategies involve capital access programs; technical, export, and networking assistance initiatives; federal procurement regulations; and tax policies. These initiatives seek to improve conditions for business formation, retention, or expansion in a defined region or to improve the competitiveness of individual firms or sectors. With some exceptions, federal economic development programs generally do not provide direct financial assistance to for-profit businesses for start-up, operational, or debt expenses. Instead, many agencies assist businesses through programs and services tailored to state and local market or industry conditions. Examples of federal programs and policies for business assistance and development include:

- **Capital access programs.** Programs that seek to address business capital needs include the Department of Treasury’s Community Development Financial Institutions Fund, USDA, Appalachian Regional Commission (ARC) and EDA

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85 The CDFI Fund’s programs do not provide assistance directly to businesses. The CDFI Fund provides financial and technical assistance to support the CDFIs that are engaged in efforts to promote economic and community development in low-income and distressed communities. For more information, see CRS Report R42770, *Community Development Financial Institutions (CDFI) Fund: Programs and Policy Issues*, by Sean Lowry.
funding for targeted revolving loan fund (RLF) programs; and SBA and USDA loan and loan guarantee programs.

- **Technical assistance programs.** Many programs also offer technical assistance to businesses, including:
  - DOC Manufacturing Extension Partnerships (MEPs) program,\(^86\)
  - DOC Minority Business Development Agency (MBDA),\(^87\)
  - EDA’s Trade Adjustment Assistance for Firms (TAAF),\(^88\)
  - EDA’s Economic Adjustment Assistance, University Centers, and Build to Scale programs,\(^89\)
  - USDA business assistance programs; and
  - Small Business Administration’s Small Business Development Centers (SBDCs), Women Business Centers (WBCs), SCORE, and other SBA small business management and technical assistance programs.\(^90\)

- **Export assistance and foreign direct investment assistance programs.** Export assistance and foreign direct investment assistance programs include DOC International Trade Administration programs, such as the SelectUSA program\(^91\) and select USDA programs.

- **Federal procurement policies.** Additionally, some federal procurement regulations seek to enhance small business contracting opportunities, specifically for “small businesses, Historically Underutilized Business Zones (HUBZones) small businesses, women-owned small businesses (WOSBs), and service disabled veteran-owned small businesses (SDVOSBs).”\(^92\)

- **Tax policies.** As aforementioned, incentive programs may attract investment to targeted areas or projects through tax policies, such as the Opportunity Zones and the New Markets Tax Credit programs.\(^93\) See “Credit Assistance Programs.”

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\(^86\) For more information, see CRS Report R44308, *The Hollings Manufacturing Extension Partnership Program*, by John F. Sargent Jr.


\(^88\) For more information, see CRS Report RS20210, *Trade Adjustment Assistance for Firms*, by Rachel F. Fefer.

\(^89\) Programs designed to build on aspects of agglomeration economies often use network and cluster-based strategies. Since the 1990s and the publication of Michael Porter’s book, *The Competitive Advantage of Nations* (1989), several federal agencies have supported regional efforts to develop and expand industry clusters. Clusters are often defined as geographic concentrations of interconnected companies and institutions located in a specific area that may both cooperate and compete. The connections and/or proximity of the clusters are considered advantageous for companies if they leverage workforce, human capital, supply chain, and other spillovers. For more information, see Michael E. Porter, “Clusters and the New Economics of Competition,” *Harvard Business Review*, vol. 76, no. 6 (November December 1998), pp. 77-90, https://hbr.org/1998/11/clusters-and-the-new-economics-of-competition; and Ryan Donahue, Joseph Parilla, and Brad McDearman, “Rethinking Industry Clusters,” The Brookings Institution, July 25, 2018, https://www.brookings.edu/research/rethinking-cluster-initiatives.

\(^90\) For more information, see CRS Report R41352, *Small Business Management and Technical Assistance Training Programs*, by Robert Jay Dilger.

\(^91\) For more information, see CRS In Focus IF10674, *SelectUSA Program: U.S. Inbound Investment Promotion*, by Shayerah I. Akhtar.

\(^92\) For more information about federal procurement practices, see CRS Report R45576, *An Overview of Small Business Contracting*, by Robert Jay Dilger.

\(^93\) For more information, see CRS Report RL34402, *New Markets Tax Credit: An Introduction*, by Donald J. Marples
Entrepreneurship and Innovation

In recent decades, state and local stakeholders have expanded initiatives to promote innovation and entrepreneurship. These initiatives are frequently developed in response to concerns about increased global competition and a growing interest in the economic development potential of small- and medium-sized enterprises. These initiatives are further distinguished from long-standing industrial attraction-based strategies.

Entrepreneurship, in the context of economic development, focuses on developing and fostering new businesses. Select federal programs may assist public and private sector stakeholders in developing the skills, services, and business climate to support entrepreneurial growth. Several of the MBDA, Treasury/CDFI, and SBA programs noted above and in Table 5 include business-level technical and financial support for individual entrepreneurs. Programs administered by the EDA, USDA Rural Development, and other DOC agencies fund programs for intermediaries that foster entrepreneurship and innovation at the community or institution levels.

In the context of economic development, innovation involves the “development and adoption of new products, processes, and business models.” Innovation-focused efforts to foster business growth and investment generally target technology- and knowledge-based industries, and may include technology transfer, business incubation, targeted technical assistance, and capital access initiatives, among others. Federal programs include the DOC National Institute of Standards and Technology (NIST), Manufacturing Extension Partnerships (MEPs) program, Manufacturing USA; the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs; and others.

and Sean Lowry; and CRS Report R45152, Tax Incentives for Opportunity Zones, by Sean Lowry and Donald J. Marples.


100 For more information, see CRS Report R44308, The Hollings Manufacturing Extension Partnership Program, by John F. Sargent Jr.

101 For more information, see CRS Report R43695, Small Business Research Programs: SBIR and STTR, by Marcy E. Gallo.
Science- and Technology-Based Economic Development

Federal, state, and local efforts to support research and development (R&D) may also facilitate economic development. Congress may seek to advance the interests of the national economy through investment in R&D,102 metrology, standards activities, technology transfer, commercialization,103 industrial competitiveness, and related initiatives through R&D or other business assistance programs, including programs that involve university and public private partnerships.104 Programs at the Departments of Defense, Commerce, Energy, Health and Human Services, and Transportation, and other agencies fund R&D and other activities designed to spur innovation, train the workforce, or attract technology-related or targeted industry investments.105 Additionally, the National Science Foundation’s (NSF’s) Established Program to Stimulate Competitive Research (EPSCoR) program administers grants to help enhance research competitiveness and impact economic development in select states through improvements to the scientific infrastructure, research capabilities, and education and training capacities of their institutions. DOD, DOE, NASA, the National Institutes of Health (NIH), and USDA administer programs similar to the NSF EPSCoR program.106

Table 5. Selected Programs for Business Development, Including Entrepreneurship Assistance, Export Assistance, and Access to Capital Activities

<table>
<thead>
<tr>
<th>Grant Programs (CFDA No.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Agriculture, Rural Development programs</td>
</tr>
<tr>
<td>• Business programs, such as the Rural Business Development Grant (10.351), Rural Cooperative Development Grant (10.771), Value-Added Producer Grants (10.352), and others</td>
</tr>
<tr>
<td>• Energy programs, such as the Rural Energy for America Program (REAP) (10.868) and others</td>
</tr>
<tr>
<td>• Other programs. For information about USDA Rural Development’s “Programs and Services,” see the agency’s directory of financial assistance programs for rural applications at <a href="https://www.rd.usda.gov/programs-services">https://www.rd.usda.gov/programs-services</a>.</td>
</tr>
</tbody>
</table>

For more information, see CRS Report RL31837, An Overview of USDA Rural Development Programs, by Tadlock Cowan.

102 For more information, see CRS Report R46341, Federal Research and Development (R&D) Funding: FY2021, coordinated by John F. Sargent Jr.

103 David B. Audretsch et al., “The Economics of Science and Technology,” The Journal of Technology Transfer, vol. 27, no. 2 (2002), pp. 155-203. Commercialization is defined by the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Statute (15 U.S.C. §638) as “(A) the process of developing products, processes, technologies, or services; and (B) the production and delivery (whether by the originating party or by others) of products, processes, technologies, or services for sale to or use by the Federal Government or commercial markets.” According to a report by the Congressional Budget Office (CBO), “broadly speaking, an innovation is a new or significantly improved product or process.” See CBO, Federal Policies and Innovation, November 2014, p. 5, https://www.cbo.gov/sites/default/files/113th-congress-2013-2014/reports/49487-Innovation.pdf.


105 For more information, see CRS Report R42688, Science, Technology, and Innovation Policy: CRS Experts, by John F. Sargent Jr.

106 For more information, see CRS Report R44689, Established Program to Stimulate Competitive Research (EPSCoR): Background and Selected Issues, by Laurie A. Harris; and https://www.nsf.gov/od/iaa/programs/epscor/index.jsp.
Department of Commerce, Economic Development Administration
- Build to Scale (BTS)/Regional Innovation Strategies (11.020)
- Local Technical Assistance (11.303)
- Partnership Planning (11.302)
- Public Works and Economic Adjustment Assistance (11.300 and 11.307)
- SPRINT Challenge (11.307)
- Science, Technology, Engineering, and Mathematics (STEM) Talent Challenge Program (11.023)
- University Centers (11.303)

Department of the Interior, Bureau of Indian Affairs
- Division of Energy and Mineral Development, Energy and Mineral Development Program (EMDP) (15.038)
- Division of Energy and Mineral Development, Tribal Energy Development Capacity (TEDC) Program (15.148)
- Native American Business Development Institute (NABDI) Grant (15.133)

Department of the Treasury
- Community Financial Development Institutions (CDFI) Fund (21.020)
- Community Financial Development Institutions (CDFI) Fund, Native Initiatives (21.012)
- Other programs that support financial service providers
For more information, see CRS Report R42770, *Community Development Financial Institutions (CDFI) Fund: Programs and Policy Issues*, by Sean Lowry.

Multi-agency Research and Technology Programs
- Eleven federal agencies participate in the Small Business Innovation Research (SBIR) program: the Departments of Agriculture (USDA), Commerce (DOC), Defense (DOD), Education (ED), Energy (DOE), Health and Human Services (HHS), Homeland Security (DHS), and Transportation (DOT); the Environmental Protection Agency (EPA); the National Aeronautics and Space Administration (NASA); and the National Science Foundation (NSF).
- Five federal agencies participate in the Small Business Technology Transfer (STTR) program: DOD, DOE, HHS, NASA, and NSF.
For more information, see CRS Report R43695, *Small Business Research Programs: SBIR and STTR*, by Marcy E. Gallo.

National Credit Union Administration
- Community Development Revolving Loan Fund grant and loan program (44.002)
For more information, see CRS Report R46360, *The Credit Union System: Developments in Lending and Prudential Risk Management*, by Darryl E. Getter.

**Credit Assistance Programs (CFDA No.)**

Department of Agriculture, Rural Development programs address business development and business capital, including:
- Business programs, such as Business and Industry Loan Guarantees (10.768), Intermediary Relending Program (IRP) (10.767), Rural Economic Development Loans and Grants (10.854), Rural Microentrepreneur Assistance Program (RMAP) (10.870), and others
- Energy Programs, such as the Rural Energy for America Program (REAP) (10.868) and others
For more information, see CRS Report RL31837, *An Overview of USDA Rural Development Programs*, by Tadlock Cowan.
Department of Commerce, Economic Development Administration
- Economic Adjustment Assistance (EAA) for Revolving Loan Funds (11.307)
- Multiple EDA programs noted in Table A-I may support state and local efforts to expand access to capital markets

For more information, see CRS In Focus IF11449, Economic Development Revolving Loan Funds (ED-RLFs), by Julie M. Lawhorn.

Department of Interior, Bureau of Indian Affairs
- Indian Loan Guarantee, Insurance and Interest Subsidy Program (15.124)

Export-Import Bank administers credit assistance programs. For more information, see CRS Report R43581, Export-Import Bank: Overview and Reauthorization Issues, by Shayerah Ilias Akhtar.

National Credit Union Administration
- Community Development Revolving Loan Fund grant and loan program (44.002)

For more information, see CRS Report R46360, The Credit Union System: Developments in Lending and Prudential Risk Management, by Darryl E. Getter.

Small Business Administration
- 504 Certified Development Company Loans (59.041)
- 7(a) Loan Guarantees (59.012)
- Microloan Program (59.046)
- Small Business Investment Corporation (SBIC) program (59.011)
- Veterans Outreach Program (59.044)
- Women’s Business Ownership Assistance (59.043)

This is not a comprehensive list of SBA credit assistance programs. For more information on credit assistance and other programs, see CRS Report RL33243, Small Business Administration: A Primer on Programs and Funding, by Robert Jay Dilger and Sean Lowry.

Department of the Treasury
- CDFI Bond Guarantee Program (BGP) (21.014)

Federal Programs that Provide Technical Assistance and Other Support (CFDA No.)

<table>
<thead>
<tr>
<th>Department of Agriculture programs include technical assistance programs for businesses and other business development activities, including:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of Partnerships and Public Engagement (OPPE), Outreach and Assistance for Socially Disadvantaged and Veteran Farmers and Ranchers (10.443)</td>
</tr>
<tr>
<td>Rural Development, Rural Business Investment Program (RBIP)</td>
</tr>
<tr>
<td>Rural Development, Rural Cooperative Development Grants (10.771)</td>
</tr>
<tr>
<td>Rural Development, Socially-Disadvantaged Groups Grant (10.871)</td>
</tr>
</tbody>
</table>

Department of Commerce, Economic Development Administration (EDA) programs, including:
- Build to Scale (BTS)/Regional Innovation Strategies (11.020)
- Economic Adjustment Assistance (11.307)
- Local Technical Assistance (11.303)
- Partnership Planning (11.302)
- SPRINT Challenge (11.307)
- Trade Adjustment Assistance for Firms (TAAF) (11.313)
- University Centers (11.303)

For more information, see CRS Report RS20210, Trade Adjustment Assistance for Firms, by Rachel F. Fefer; and CRS Report R41241, Economic Development Administration: A Review of Elements of Its Statutory History, by Julie M. Lawhorn.
Department of Commerce, Minority Business Development Agency (MBDA)
- Minority Business Development Business Centers (11.805)
- Minority Business Development Business Centers, American Indian, Alaska Native, and Native Hawaiian projects (AIANNH) (11.804)
For more information, see CRS Report R45015, Minority Business Development Agency: An Overview of Its History and Current Issues, by Julie M. Lawhorn.

Department of Commerce, National Institute of Standards and Technology (NIST) administers several programs and coordinates cross-agency initiatives, including:
- Manufacturing USA in partnership with the Departments of Defense, Energy, and other agencies as well as with private industry and academic institutions. For more information about Manufacturing USA, see https://www.manufacturingusa.com/about-us.
- Manufacturing Extension Partnerships (MEP) program (11.611)

Department of Commerce, International Trade Administration (ITA) programs, including:
- SelectUSA
For more information, see CRS In Focus IF10674, SelectUSA Program: U.S. Inbound Investment Promotion, by Shayerah Ilias Akhtar.

Department of Defense
- Defense Logistics Agency (DLA), Procurement Technical Assistance Centers (12.002)
For more information, see “The Roles of Other Procurement Officers and Offices” in CRS Report R45576, An Overview of Small Business Contracting, by Robert Jay Dilger.

Small Business Administration (SBA)
- District offices and SBA-funded Small Business Development Centers (SBDCs), Women Business Centers (WBCs), SCORE, and other SBA small business management and technical assistance programs
For more information, see CRS Report R41352, Small Business Management and Technical Assistance Training Programs, by Robert Jay Dilger.

Department of the Treasury
- Community Financial Development Institutions (CDFI) Fund (21.020)
For more information, see CRS Report R42770, Community Development Financial Institutions (CDFI) Fund: Programs and Policy Issues, by Sean Lowry.

### Select Incentive Programs

Department of Treasury, Opportunity Zones. For more information, see CRS Report R45152, Tax Incentives for Opportunity Zones, by Sean Lowry and Donald J. Marples.

Department of Treasury, New Markets Tax Credits (NMTC). For more information, see CRS Report RL34402, New Markets Tax Credit: An Introduction, by Donald J. Marples and Sean Lowry.

Department of Homeland Security, Citizenship and Immigration Services, EB-5 Immigrant Investor Visa Program. For more information, see CRS Report R44475, EB-5 Immigrant Investor Visa, by Holly Straut-Eppsteiner.


**Sources:** Programs included in this table are selected from the following directories and reports: EDA’s Matrix of Selected Federal Programs That Can Assist Economic Development Strategies (https://www.eda.gov/files/edi/Federal-Economic-Development-assistance-Matrix.xlsx); USDA Programs and Services (https://www.rd.usda.gov/programs-services) and Business Programs (https://www.rd.usda.gov/programs-services/all-programs/business-programs); the Department of Interior Bureau of Indian Affairs (https://www.bia.gov/as-ia/eed); and the Department of Defense Office of Local Defense Community Cooperation (OLDCC) (formerly the Office of Economic Adjustment) (https://www.oea.gov/program-overview).
Notes: In addition to the programs in Table A-1 and Table 4, state and local stakeholders can access the programs in Table 5 to support business development and business assistance strategies, including entrepreneurship assistance, export assistance, and access to capital activities. The programs may support strategies to address credit, market, training, or other barriers. However, this table is not intended to be comprehensive. It excludes most community development, housing, and education programs. Agencies other than those identified may provide assistance that results in economic development outcomes, but are designed to meet other distinct policy goals. For example, in addition to Rural Development other USDA agencies such as the Agricultural Marketing Service, Farm Services Agency, Foreign Agricultural Service, Forest Service, and the Natural Resources Conservation Service administer programs that support landowners, businesses, and agricultural trade, producers, and processors. These programs may include economic development as a related goal or activity; however, it is not the primary function of the program. For information about USDA Rural Development’s “Programs and Services,” see the agency’s directory of financial assistance programs for rural applications (https://www.rd.usda.gov/programs-services) and business programs (https://www.rd.usda.gov/programs-services/all-programs/business-programs). Additionally, SelectUSA’s online directory also provides a searchable database of federal business programs and incentives (https://www.selectusa.gov/programs-and-incentives). The four active federal regional commissions and authorities also provide financial and technical assistance to support economic development strategies in their congressionally-designated regions (see Table 2). CFDA No. refers to the Catalog of Federal Domestic Assistance, a searchable database of federal domestic assistance programs. Each program is identified by name and a five-digit number (https://beta.sam.gov).

a. Agencies may use multiple CFDA numbers for SBIR and STTR programs.

Policy Considerations

The federal role in economic development policy has evolved and diversified over time to meet changing economic circumstances. Multiple policies—administered by many agencies, programs, and partners across sectors—comprise the generally decentralized federal approach to current economic development policy. Congressional interest in federal economic development policy frequently focuses on promoting economic growth and job creation. Focusing economic development on outcomes solely related to economic growth remains a matter of ongoing research and policy consideration. In addition to facilitating growth, economic development policies may be designed to reduce regional disparities or socioeconomic inequality. Policies may also be designed to improve outcomes related to community conditions, amenities, or services that may contribute to economic growth outcomes. Such policies may integrate outcomes related to community development, equity, wealth creation, human capital development, environmental sustainability, job types, job quality, and others.

The federal role in economic development also remains a topic of perennial policy debate. Some have advocated for a greater emphasis on economic development policies that actively support and incentivize the private market while others advocate for less emphasis on federal involvement, arguing that government-led economic development programs are either unnecessary or distort the dynamics of the private market. They favor fewer federal spending programs or limited interventions for economic development. Proponents of limited federal assistance for state and local programs also argue that federal economic development programs are duplicative, have primarily local (as opposed to national) impacts, have overlapping

objectives, lack effective federal coordination, and often do not have valid and reliable performance metrics.110

Proponents of continued federal assistance for state and local programs suggest a government role may be warranted for the purposes of building capacity, especially when the private market may be unable or unwilling to advance economic development activities.111 Still others view the role of federal assistance primarily as a complement to private resources or a catalyst for private investment.112 Proponents of expanded federal assistance have called for updating existing programs or creating new economic development initiatives that foster human capital, resiliency, entrepreneurship, innovation, technology, and connectivity. Some practitioners and researchers call for revised or new policy approaches due to shifts in employment sectors, demographic changes, and advances in technology.113

Consideration of whether economic development programs should target assistance to specific beneficiaries, how, and who the beneficiaries should be continue to shape the development of federal policy today. Some advocate for targeting socially disadvantaged and economically distressed areas, some advocate for policies that address rural and urban economic development


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initiatives separately, while others suggest that assistance should be distributed regardless of socioeconomic conditions or to individuals directly (as opposed to places).\textsuperscript{114} Several GAO reports on federal economic development programs have evaluated how economic adjustment assistance, small business assistance, and entrepreneurial assistance programs may coordinate with, duplicate, overlap, or complement each other.\textsuperscript{115} Others have examined the accessibility, impact, and distribution of existing programs in order to understand how federal resources are distributed relative to levels of economic distress, population size or density, and other factors.\textsuperscript{116}

Congress may want to consider factors that may affect the reach and extent of federal resources. When macroeconomic and trade policies, major events, and economic shocks impact local, state, and regional economies, their effects may extend beyond the influence of economic development policies and programs. Economic development strategies generally are not fully replicable because they are condition- and context-specific, and there is no one-size-fits-all solution or federal program that is guaranteed to produce economic development outcomes. Because federal economic development programs are decentralized and vary in terms of scale, eligibility, timelines, and other terms of assistance, state and local stakeholders often apply for funding from multiple agencies simultaneously in order to implement planning, technical assistance, infrastructure, business development, workforce development, and revitalization strategies.\textsuperscript{117}

Congress may wish to consider the extent and the forms of assistance that are designed to facilitate a stronger national economy through investment in state and local economic development activities. Congress may wish to consider the overall federal role as well as the framework and mechanisms for administering assistance. For instance, there may be continued interest in determining how the current set of programs coordinate, complement, or overlap. There may also be continued interest in examining the efficacy and impact of the programs in achieving their stated objectives individually and as a portfolio of programs.\textsuperscript{118} Additionally,


\textsuperscript{118} Coordination of federal economic development programs is addressed in several government reports, and was recently discussed in the U.S. Congress, House Committee on Transportation, Subcommittee on Economic Development, Public Buildings, and Emergency Management, hearing on \textit{Building Prosperity: EDA’s Role in Economic Development and Recovery}, 116th Cong., 1st sess., April 9, 2019 (Washington, DC: GPO, 2019). Additionally, in 2016, the Office of Management and Budget designated EDA as the lead federal agency for integration of federal economic development programs. EDA then established the Division of Economic Development Integration
Congress may consider options for addressing economic disparities, assisting lagging regions, and providing disaster assistance and economic relief to individuals and businesses adversely affected by the COVID-19 pandemic and related economic impact through existing or new programs.

Appendix. Federal Assistance for State and Local Economic Development Activities

Table A-1. Selected Programs for General Economic Development, Including Infrastructure and Revitalization Activities

<table>
<thead>
<tr>
<th>Grant Programs (CFDA No.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Agriculture, Rural Development assistance supports water resources, wastewater, utilities, telecommunications, community facilities, and other economic development and revitalization activities, including, but not limited to:</td>
</tr>
<tr>
<td>• Rural Development (RD) Community Facilities programs</td>
</tr>
<tr>
<td>• Community Facilities Loans and Grants (10.766)</td>
</tr>
<tr>
<td>• Rural Community Development Initiative (RCDI) grants (10.446)</td>
</tr>
<tr>
<td>• Tribal College Initiative Grants (10.222)</td>
</tr>
<tr>
<td>• RD Water and Environmental programs</td>
</tr>
<tr>
<td>• Emergency Community Water Assistance Grants (10.763)</td>
</tr>
<tr>
<td>• Solid Waste Management Grant Program (10.762)</td>
</tr>
<tr>
<td>• Water and Waste Disposal Loan and Grant Program, including grants to alleviate health risks on Tribal lands and colonias (10.760 and 10.770)</td>
</tr>
<tr>
<td>• RD Telecommunications programs</td>
</tr>
<tr>
<td>• Community Connect Program (10.863)</td>
</tr>
<tr>
<td>• Distance Learning and Telemedicine Grants (10.855)</td>
</tr>
<tr>
<td>• ReConnect (10.752)</td>
</tr>
<tr>
<td>• Rural Broadband Access Loan and Grant Program (10.886)</td>
</tr>
<tr>
<td>• Additional programs support economic development activities, including grants administered through the Cooperative Services, Electric, Energy, and other programs. For information about USDA Rural Development’s “Programs and Services,” see the agency’s directory of financial assistance programs for rural applications at <a href="https://www.rd.usda.gov/programs-services">https://www.rd.usda.gov/programs-services</a>.</td>
</tr>
</tbody>
</table>

For more information, see CRS Report RL31837, An Overview of USDA Rural Development Programs, by Tadlock Cowan. For wastewater and water supply infrastructure programs, see CRS Report R46471, Federally Supported Projects and Programs for Wastewater, Drinking Water, and Water Supply Infrastructure, coordinated by Jonathan L. Ramseur. For more on the ReConnect program, see CRS In Focus IF11262, USDA's ReConnect Broadband Pilot Program, by Alyssa R. Casey.

| Department of Commerce, Economic Development Administration (EDA) programs support infrastructure and economic development activities, including: |
| • Build to Scale (BTS)/Regional Innovation Strategies (11.020)                           |
| • Local Technical Assistance (11.303)                                                   |
| • Partnership Planning (11.302)                                                        |
| • Public Works and Economic Adjustment Assistance (11.300 and 11.307)                   |
| • SPRINT Challenge (11.307)                                                            |
| • Science, Technology, Engineering, and Mathematics (STEM) Talent Challenge Program (11.023) |
| • University Centers (11.303)                                                          |


| Department of Defense |
| • Office of Local Defense Community Cooperation (OLDCC) (formerly the Office of Economic Adjustment) programs for base realignment and closure (BRAC) communities and other defense-related activities |

Multiple Environmental Protection Agency (EPA) programs support brownfield site assessment, remediation, and planning, and other related activities, including:

- Brownfields grants
  - Brownfields Site Assessment, “Cleanup” (i.e., remediation), and Planning Grants (66.818)
  - Environmental Workforce Development and Job Training Grants (66.815)
  - Technical Assistance, Training, and Research Grants (66.814)
  - State and Tribal Response Program Grants (66.817)


Federal Communications Commission (FCC) Universal Services Fund (USF) programs support telecommunications and broadband activities including:

- Connect America Fund (32.002)
- Lifeline Program (32.003)
- Rural Digital Opportunity Fund (RDOF) (32.002)
- Rural Health Care Program (32.005)
- Schools and Libraries (E-Rate) Program (32.004)


Department of Health and Human Services (HHS)

- Administration for Children and Families, Administration for Native Americans
  - Social and Economic Development Strategies - Growing Organizations (93.612)
- Office of Community Services (OCS) administers multiple programs, including:
  - Community Economic Development (CED) (93.570)
  - Rural Community Development (RCD) (93.570)

OCS also administers the Community Services Block Grant (CSBG) program (93.569), which supports local antipoverty agencies. For more information on CSBG, CED, and RCD, see CRS Report RL32872, *Community Services Block Grants (CSBG): Background and Funding*, by Libby Perl. Indian Health Service (IHS), an agency within HHS, administers grant programs for colleges and universities that encourage health care services to tribal communities.

Housing and Urban Development (HUD) Community Development Block Grant (CDBG) state and entitlement programs (14.228 and 14.218) and the Indian Community Development Block Grant (ICDBG) program (14.862). Economic development is one of many eligible CDBG and ICDBG activities. For more information, see CRS Report R43520, *Community Development Block Grants and Related Programs: A Primer*, by Joseph V. Jaroscak.

National Endowment for the Arts (NEA) programs support place-making initiatives, including:

- Our Town (45.024)

Department of the Interior

- Office of Surface Mining, Reclamation, and Enforcement (OSMRE)
  - Abandoned Mine Land Reclamation Economic Development Pilot Program (AML Pilot Program) for six selected Appalachian states and three designated tribes (Crow and Hopi Tribes and Navajo Nation). The pilot program supplements grants from the Abandoned Mine Reclamation Fund for reclamation projects that are prioritized based on human health, public safety, and environmental risks, but that also may facilitate land reuse or redevelopment.

Department of Transportation (DOT), several DOT programs support highway, public transportation, rail, and aviation infrastructure, including:

- Federal Aid Highway Program
- Federal Public Transportation Program
- Federal Civil Aviation Program
- Amtrak Program


### Credit Assistance Programs (CFDA No.)

Department of Agriculture, Rural Development programs support water resources, wastewater, utilities, telecommunications, community facilities, and other economic development and revitalization activities, including:

- Community Facilities Loans and Grants and Loan Guarantees (10.766)
- Electric Infrastructure Loan and Loan Guarantees (10.850)
- Telecommunications Infrastructure Loans and Guarantees (10.851)
- Water and Waste Disposal Loan and Grant Program and Loan Guarantee Program (10.760 and 10.770)
- Additional programs support economic development activities, including loans and loan guarantees administered through the Cooperative Services, Electric, Energy, and other programs. For information about USDA Rural Development’s “Programs and Services,” see the agency’s directory of financial assistance programs for rural applications at [https://www.rd.usda.gov/programs-services](https://www.rd.usda.gov/programs-services).


Environmental Protection Agency (EPA) programs support drinking water and wastewater infrastructure improvements and other activities, including:

- Clean Water State Revolving Fund program (66.458)
- Water Infrastructure Finance and Innovation Act program (66.958)

For wastewater and water supply infrastructure programs, see CRS Report R46471, *Federally Supported Projects and Programs for Wastewater, Drinking Water, and Water Supply Infrastructure*, coordinated by Jonathan L. Ramseur.

Department of Housing and Urban Development (HUD)

- CDBG Section 108 Loan Guarantees (14.248) and the CDBG state and entitlement programs (14.228 and 14.218)

For more information, see CRS Report R43520, *Community Development Block Grants and Related Programs: A Primer*, by Joseph V. Jaroscak.

Department of Transportation (DOT)

- Transportation Infrastructure Finance and Innovation Act (TIFIA) Program (20.223)

For more information, see CRS Report R45516, *The Transportation Infrastructure Finance and Innovation Act (TIFIA) Program*, by William J. Mallett.

Department of Treasury

- Community Financial Development Institutions (CDFI) Fund, Capital Magnet Fund (21.011)
- Community Financial Development Institutions (CDFI) Fund, Financial Assistance program (21.020)
- Other programs that support financial service providers

For more information, see CRS Report R42770, *Community Development Financial Institutions (CDFI) Fund: Programs and Policy Issues*, by Sean Lowry.


Notes: This table is not intended to be comprehensive. The table excludes assistance designed to improve federally-owned infrastructure and most community development, housing, and education programs. Agencies other than those identified may provide assistance that results in economic development outcomes, but are designed to meet other distinct policy goals. For example, in addition to Rural Development other USDA agencies such as the Agricultural Marketing Service, Farm Services Agency, Foreign Agricultural Service, Forest Service, and the Natural Resources Conservation Service administer programs that support landowners, businesses, and agricultural trade, producers, and processors. These programs may include economic development as a related goal or activity; however, it is not the primary function of the program. For information about USDA Rural Development’s “Programs and Services,” see the agency’s directory of financial assistance programs for rural applications (https://www.rd.usda.gov/programs-services).

The four active federal regional commissions and authorities provide financial and technical assistance to support economic development strategies, including infrastructure and other activities, in their congressionally-designated regions (see Table 2).

CFDA No. refers to the Catalog of Federal Domestic Assistance, a searchable database of federal domestic assistance programs. Each program is identified by name and a five-digit number (https://beta.sam.gov).

Author Information

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Key Policy Staff

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<td>Megan Stubbs (USDA, Natural Resources Conservation Service programs)</td>
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