

"The coming economic recovery following this global crisis will be led by economic developers."

This is the message your elected officials in Washington — and in your state houses and city halls — need to hear loud and clear. And the very economic developers who are stepping up to help businesses and communities endure right now and prepare for what will be a challenging recovery are in trouble.

We are hearing from our members throughout the U.S. that with their funding in jeopardy, layoffs and furloughs aren't just a possibility, but that they have begun to happen. Economic developers need access to aid right now.

Congress is already in the process of developing what will be the 4th COVID-19 related supplemental aid bill. The last bill included \$2.3 trillion for individuals, businesses and communities. Desperately needed funding that is now painfully, obviously not enough. The details of what will be included in the next bill are not yet known, but may include additional funding for the SBA's PPP program, infrastructure spending, jobs funding, more resources for existing programming, and resources for new programming.

Economic developers and economic development programs need support from Washington now more than ever before — and your voices are essential to securing that support in the next rounds of legislation responding to COVID-19.

It is critical that you reach out today to your elected officials and ask them to support economic development in the 4th COVID-19 bill.

We urge you to consider telling your elected officials to:

- Fix the mistake of excluding 501(c)(6)'s from eligibility in SBA's PPP assistance
- Eliminate match requirements for EDA grants and loans
- Provide direct assistance to economic development organizations to keep them working and fund more organizations than just university centers, development districts and revolving loan funds
- Support reshoring medical equipment and pharmaceutical manufacturing to help jumpstart the economy
- 'Defederalize' eligible Revolving Loan Funds (RLF's) administered by the Economic Development Administration to unleash their full potential in support of our economic recovery
- Develop, fund and implement a robust public health scheme that focuses on vaccine development & deployment, aggressive monitoring, rapid testing, contact tracing, a robust,

visible strategic stockpiling of medical equipment and pharmaceuticals, aid for hospitals, and a plan for surging healthcare professionals during a crisis.

Include a provision allowing for 501(c)(6) tax-exempt organizations — which includes many chambers of commerce and business councils that serve as their community’s lead economic development organization — to access all federal assistance available to nonprofit organizations, including SBA’s PPP.

- Congress clearly intended for nonprofit organizations to access this funding, a critical acknowledgment of the key role nonprofits play in our communities
- This funding is essential because it will allow many economic development organizations to access operational funding, which is needed to keep staff working to help our businesses and prepare for the recovery
- Without this critical gap funding, a critical loss of services and institutional knowledge will occur. This is an unacceptable risk and cannot be easily reversed.

Eliminate all match requirements for grant funding available from the Economic Development Administration, including the \$1.5 billion the agency received in the 3rd COVID-19 bill (CARES Act), the previous 3 fiscal years disaster and direct appropriations, and the next 3 fiscal years of disaster and direct appropriations.

- Most communities and organizations do not and will not have the resources necessary to meet any grant match requirements, thus reducing the efficacy of EDA's considerable resources.
- Communities and organizations that do have the resources to meet a grant match requirement can surely find better uses for those resources at this time and for the foreseeable future.
- The CARES Act included several instances of match waivers and other waivers, so it is clear that Congress intends for federal agencies to have maximum flexibility to aid communities as quickly as possible.
- Regulatory flexibility is not enough. Statutory direction to waive match requirements will provide the absolute certainty communities, businesses, and economic development organizations need in a crisis.

Establish and fund a formula grant program to keep economic development organizations working.

- Economic development organizations' funding is in jeopardy, resulting in loss of staff and services to communities and businesses.
- Funding for economic development organizations can come from multiple sources: municipal funding, taxes, business, fees for services, foundations — all are or will soon be experiencing severe revenue losses, leading to similarly severe cuts to the programs they fund. *There will be nowhere for economic development organizations to go to fill the gap.*
- Economic development services are delivered through an array of public and non-profit entities. Formula grants should include all economic development entities, public and non-profit.
- A formula grant administered by the Economic Development Administration could rapidly deploy needed funding via two avenues: provide an immediate injection of funding for existing recipients of EDA funding and provide formula driven funding to the lead state-level economic development organization for distribution to local and regional economic development organizations.
- The purpose of the funding would be to support operations of economic development organizations, including payroll, benefits, utilities, mortgage and rent. This is consistent with eligible expenses in other federal COVID-19 response efforts.

Support reshoring medical equipment and pharmaceutical manufacturing to the United States and Puerto Rico.

- Create a Medical Equipment Manufacturing Initiative (MEMI) via the Economic Development Administration that provides forgivable loans to manufacturers to produce in-demand medical equipment such as Personal Protective Equipment and ventilators and trains and hires unemployed or underemployed workers.
- Reinstate and create new tax incentives that support reshoring medical equipment and pharmaceutical manufacturing to the United States and its territories. Puerto Rico was the home for pharmaceutical manufacturing for many years. Bring that back to US shores.
- Invest in workforce development training programs to upskill manufacturing workers and create a talent pipeline to support medical equipment and pharmaceutical companies and put workers back to work.

Include 'defederalization' of Revolving Loan Funds in EDA's portfolio that have exhibited best practices and outcomes for a period of 7 years.

- Defederalizing RLF's will increase the efficiency and effectiveness of this program during and after the current crisis.
- Currently, EDA RLF operators must report on funding received from EDA "in perpetuity," meaning that they must continue reporting on the funding forever, even if they made the loans decades ago. This is an unnecessarily burdensome requirement that costs time and money which RLF operators could instead be using to help small businesses and local organizations affected by this crisis.
- This reporting burden may also dissuade local RLF operators from being willing to make the kind of small loans that small businesses need most during this crisis.
- Making this change will further allow RLF's to leverage funds with other funding sources, maximizing the economic potential of the initial federal investment.

Restore faith in our public health mechanisms' ability to suppress, respond to, control, and contain future outbreaks.

- The most critical component, the one which all other efforts rely on succeeding, is defeating COVID-19 and restoring the conditions in which our economy may recover.
- Our economy will not fully recover, or even enter down a path to full recovery, until the public believes it is safe to once again venture out, carry on with their lives, and conduct commerce.
- Faith in our health systems is essential to achieving this restoration, and robust federal leadership and resources are needed to develop and deploy a vaccine, offer rapid and reliable testing, quickly trace contacts, create a visible national strategic stockpile of medical equipment and pharmaceuticals, shore up hospital's capacity to respond, and provide a national framework for surging healthcare professionals in future outbreaks.

Three things you can do right now to take action:

1. Call your elected officials and staff. Phone calls make a difference. You can follow-up by sending an email, but make sure you make the call. House numbers [here](#) and Senate numbers [here](#).
2. Sign on to [our letter](#) supporting these actions to be sent to leaders in the House and Senate.
3. Send your own letter to elected officials using the draft provided [here](#).

Our economic recovery now and in the future is dependent on support for economic developers and economic development organizations, as well as resources for economic development programs. Never before has your work been so vital in your communities, and your voice so needing to be heard here in Washington. Reach out today.