***Stewardship Investments***

Stewardship investments are substantial investments made by the federal government for the benefit of the nation, but are not physical assets owned by the federal government. Though treated as expenses when incurred to determine the Department’s Net Cost of Operations, these items merit special treatment so that users of federal financial reports know the extent of investments that are made for the long-term benefit of the nation.

***Investments in Non-federal Physical Property:***

Non-federal physical property investments are expenses included in the Department’s Net Cost of Operations for the purchase, construction, or major renovation of physical property owned by state and local governments. Based on a review of the Department’s programs, EDA has significant investments in non-federal physical property.

EDA’s investments in non-federal physical property for FY 2023 and FY 2024 are as follows (in millions):

|  |  |  |
| --- | --- | --- |
| **Program** | **FY 2024** | **FY 2023** |
| Public Works | $ 0.0  | $ 126.7 |
| Economic Adjustment Assistance | 0.0 | 10.2 |
| Assistance to Coal Communities  | 0.0 | 44.3 |
| Assistance to Nuclear Closure Communities | 0.0 | 0.0 |
| Disaster Recovery | 0.0 | 63.5 |
| COVID-19 Relief | 0.0 | 0.8 |
| **Total** | **$ 0.0**  | **$ 245.5** |

*Please explain any significant increase or decrease in investments in Non-federal physical property between FY 2023 and FY 2024.*

EDA investments in non-federal physical property, other than Disaster Recovery and COVID-19 relief, require matching funds by state and local governments of 20 to 50 percent. Disaster Recovery and COVID-19 relief grants do not require matching funds and can be up to 100 percent of the investment costs.

**Public Works:** The Public Works program promotes long-term economic development in distressed areas by providing investments for vital public infrastructure and development facilities. These critical investments enables communities to attract new, or support existing, businesses that will generate new jobs and income for unemployed and underemployed residents.

**Economic Adjustment Assistance:** The Economic Adjustment Assistance program provides flexible investments for communities facing sudden or severe economic distress to diversify and stabilize their economies. EDA's investments in non-federal physical property include key public infrastructure, such as technology-based facilities that utilize distance learning networks, smart rooms, and smart buildings; multitenant manufacturing and other facilities; business and industrial parks with fiber optic cable; and telecommunications and development facilities. In addition, EDA invests in traditional public works projects, including water and sewer systems improvements, industrial parks, business incubator facilities, expansion of port and harbor facilities, skill-training facilities, and brownfields redevelopment.

**Assistance to Coal Communities:** This program competitively awards grants to coalitions of regionally driven economic development and workforce development organizations anchored in impacted coal communities. These grants enable grantees to take deliberate and measured steps to build economic resilience, industry diversification, promote new job creation opportunities.

**Assistance to Nuclear Closure Communities:** This program competitively awards grants to coalitions of regionally-driven economic development and workforce development organizations anchored in impacted nuclear communities. These grants enable grantees to take deliberate and measured steps to build economic resilience, industry diversification, and promote new job creation opportunities.

**Disaster Recovery:** EDA supports the repair of infrastructure and economic development-related facilities damaged by floods and other natural disasters. Funding for Disaster Recovery is generally through supplemental appropriations from Congress for recovery efforts to save, sustain, and preserve private enterprise and job creation in economically distressed communities.

**COVID-19 Relief:** EDA received supplemental appropriations to prevent, prepare for, and respond to COVID-19, domestically or internationally through programs authorized under Economic Adjustment Assistance, for which EDA also receives annual appropriations. The program funding received for COVID-19 relief expired at the end of FY 2022 so there are no obligations in FY 2023 but there is one upward adjustment of $769 thousand.