



NATIONAL  
**ECONOMIC  
DEVELOPMENT  
WEEK** MAY 7-12  
**2018**





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Welcoming Remarks

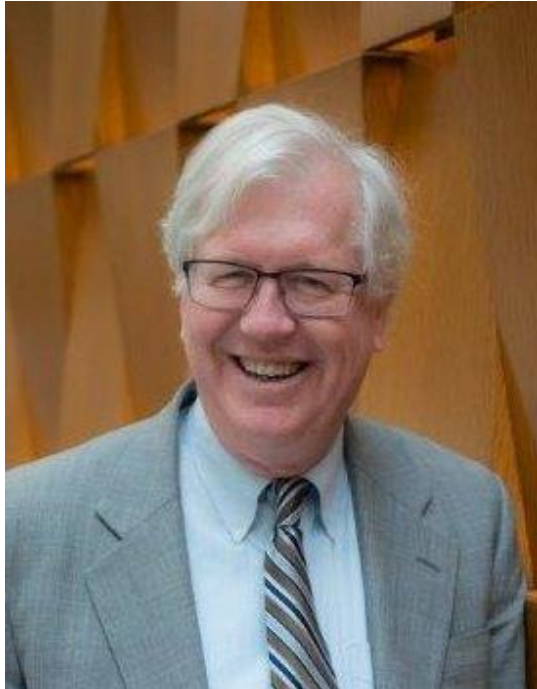
**Trayce McDaniel**

Founder & CEO, McDaniel  
Strategy Ecosystems

2018 Vice Chair, IEDC  
Board of Directors



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Webinar Speaker

**Jeffrey A. Finkle, CEcD**

President & CEO

International Economic  
Development Council



## Road Map

- Taxes and budgets and appropriations (oh my)
- Rescissions – should we be worried?
- Everyone wants to build infrastructure
- Trade and economic development
- The coming elections
- Why Invest v. 2.0



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# Taxes and Budgets and Appropriations





## Taxes and budgets and appropriations

- Tax Overhaul
  - \$1.5 trillion tax cut
  - Decreased corporate rate to 21% from 35%
  - Extended New Markets
  - Preserved tax exemption for muni bonds
  - Created 'Opportunity Zones' program



## Taxes and budgets and appropriations

- Budget Deal
  - Signed in early February
  - Sets top-line budget for fiscal 2018 and 2019
  - Includes \$300 billion in additional budget authority
  - Spreads increases across military and non-military priorities
  - Included latest disaster recovery funding
    - \$90 billion in total
      - \$600 million for EDA
      - \$28 billion for CDBG-DR



## Taxes and budgets and appropriations

- 2018 Appropriations
  - 11% increase versus previous years funding
    - EDA: around \$300 million
    - CDBG: \$3.3 billion
    - TIGER: (now BUILD): \$1.5 billion
    - ETA: \$145 million for apprenticeships





## Taxes and budgets and appropriations

- 2019 Appropriations
  - New leadership in the Senate Approps Committee
  - Sub-committees are moving bills
  - No budget resolution yet, though topline set in previous budget deal
  - Expect about a 3% increase over current year according to budget deal
  - Mid-term elections may throw a wrench in the process – campaign trails calling!



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## Rescissions – should we be worried?



## Rescissions – should we be worried?

- White House has proposed \$15.4 billion in rescissions
- All from previous – including FY 2017 – years appropriations
- Reasoning is a mixture of:
  - Very old money
  - Not consistent with President's priorities
  - Program is ineffective, duplicative or otherwise bad



## Rescissions – should we be worried?

- USDA includes around \$130 million in economic development related rescissions
  - Rural Housing Service
  - Rural Utility Service
  - Rural Cooperative-Business Service
- EDA
  - \$30 million from the Economic Development Assistant Program (EDAP)
  - On top of \$10 million in rescissions already taken this year



## Rescissions – should we be worried?

- Energy
  - \$4 billion from the Advanced Vehicle Manufacturing Loan Program
- Labor
  - \$23 million from National Emergency Grants (NEGs)



## Rescissions – should we be worried?

- Transportation
  - \$178 million from Federal Highway Authority
  - \$53 million from Federal Railway Authority
  - \$46 million from Federal Transit Authority
- Treasury
  - \$174 million from CDFI





## Rescissions – should we be worried?

- Not much appetite to visit this issue now
- Rescissions are common, typically within appropriations legislation
- White House has indicated more to come – specifically related to current fiscal year spending



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# Everybody wants to build infrastructure



## Infrastructure

- White House released proposal earlier this year
  - \$1.2 trillion plan
  - \$200 billion in direct spend over 10 years
  - Supposed to trigger \$1 trillion in state/local and private-sector investments
  - Did not include legislative text
  - Did not address various trust funds financial limitations



## Infrastructure

- Senate Democrats released their own proposal
  - \$1 trillion in federal direct spend
  - Creates est. 15 million jobs
  - Paid for through changes to corporate and individual tax rates
  - No corresponding legislative text



## Infrastructure

- Everybody wants to do it, so what's the hangup?
  - Funding funding funding – multiple sources, but no cohesive plan on how to leverage
  - Timing timing timing – mid-terms
- Stay tuned!



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# Trade & Economic Development

Additional Content





## Trade & Economic Development

- Trade Agreements
  - NAFTA, Trans-Pacific Partnership (TPP), Transatlantic Trade & Investment Partnership (T-TIP)
    - NAFTA is in active renegotiation
    - U.S. pulled out of TPP talks, but may want back in on the deal
    - T-TIP is effectively dead as U.S. moves away from multi-lateral agreements in favor of bilateral agreements
  - Agreements are comprehensive, covering:
    - Tariffs, intellectual property, country of origin, labor, environment and many, many other issues



## Trade & Economic Development

- Tariffs
  - Everybody charges tariffs
  - Trade agreements limit tariffs to benefit businesses and consumers
  - Also used to enforce agreements and as punishment for violating fair trade practices
    - See recent steel and aluminum tariffs
- Impact?
  - Hits supply chains, manufacturers and consumers – even and especially small and medium-sized enterprises



## Trade & Economic Development

- Is NAFTA going away?
  - Probably not!
  - Whatever is negotiated must also pass Congress and be signed by the President
  - BUT that doesn't mean changes aren't in the works
    - Negotiations themselves can impact trade
    - NAFTA 2.0 might happen – which isn't necessarily bad



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# WHY INVEST *in* ECONOMIC *Development?*

An overview of federal economic development organizations and programs

2018 National Economic Development Week

#EconDevWeek





## Why Invest 2.0

- No matter what happens, you'll need to continue to engage elected officials!
  - Why Invest 2.0 will help!
  - New Data points
  - Updated information based on fiscal 2018 and 2019 funding
  - Available for download now on our homepage and in hardcopy at IEDC conferences



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**Thanks for Joining Us!**

**Follow-up with Matt Mullin  
at [mmullin@iedconline.org](mailto:mmullin@iedconline.org)**



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