



EDA:

Results-driven

Performance



United States Department of Commerce

Economic Development Administration

Fiscal Year 2009

CONGRESSIONAL Budget Request

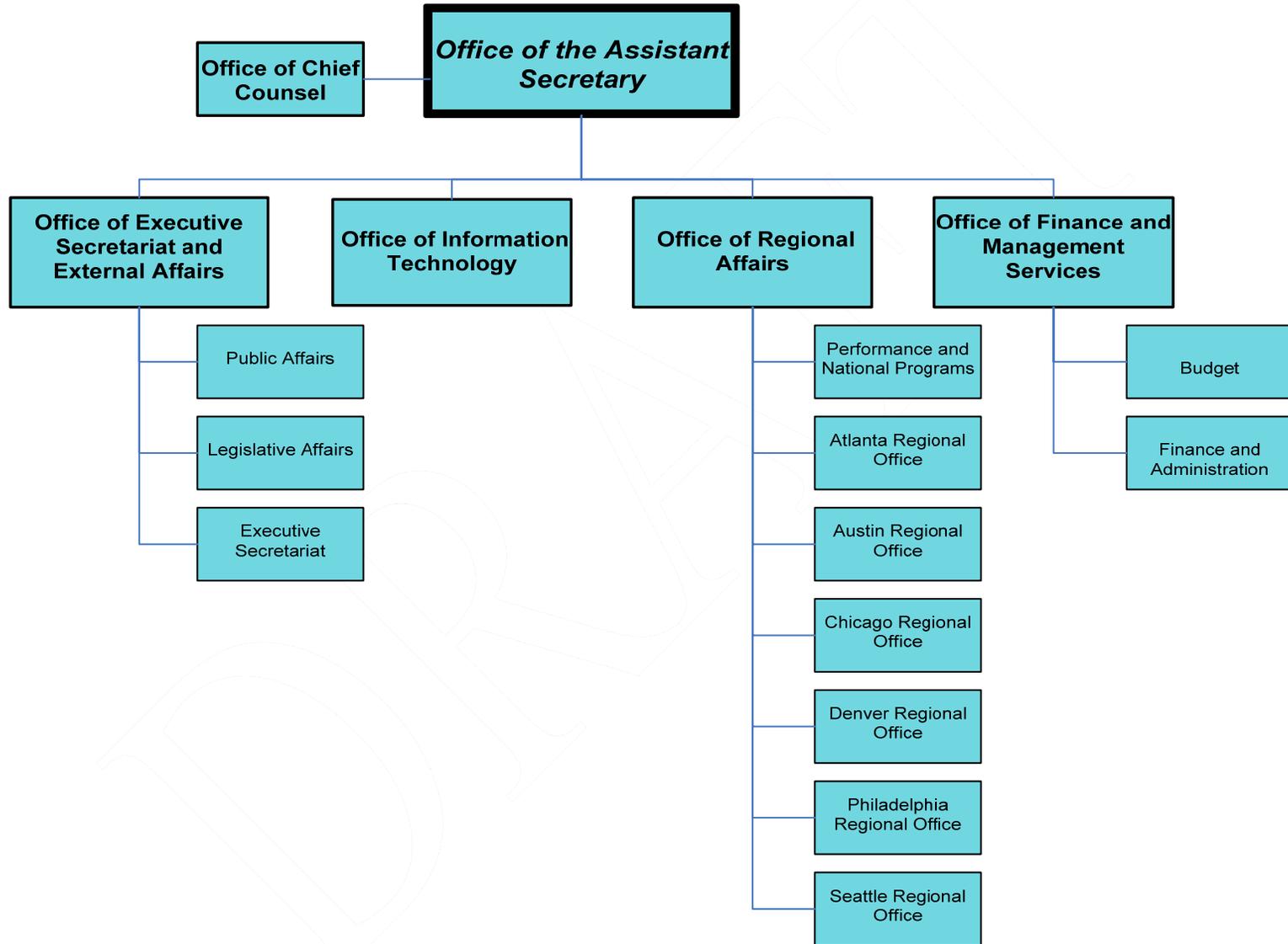
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**Department of Commerce
Economic Development Administration
BUDGET ESTIMATES, FISCAL YEAR 2009
OMB SUBMISSION**

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Department of Commerce
Economic Development Administration
ORGANIZATION CHART



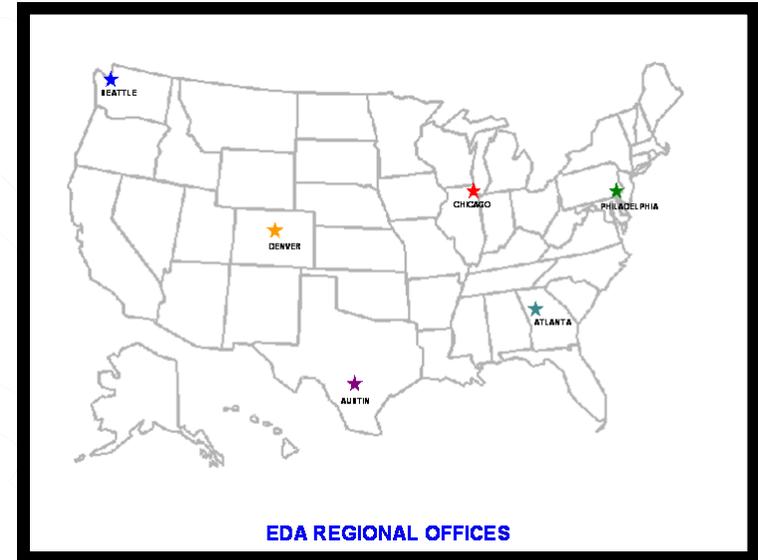
Department of Commerce
Economic Development Administration
Budget Estimates, Fiscal Year 2009

EXECUTIVE SUMMARY

General Statement

Since 1965, the Economic Development Administration (EDA) has played an integral role in helping distressed communities address sudden and severe dislocations, emergencies, and other unanticipated impacts on local economic conditions in order to compete in the world-wide economy. In the globalized economy of the 21st century, EDA will promote regional economic development that benefits distressed communities, especially rural communities. Proposals that support long-term, coordinated and collaborative regional economic development approaches, support innovation and competitiveness, create or retain high-value-added jobs in the United States, and encourage entrepreneurship will be given priority for EDA funding.

In FY 2009, EDA will continue to fully fund the university centers, its network of economic development districts and Indian tribes, the Trade Adjustment Assistance program and the research program. EDA will fund the Global Climate Change Mitigation Initiative at a rate that is consistent with FY 2008 based on the total estimated construction funding. EDA will allocate the majority of the remaining funds to the Economic Adjustment Assistance program, (EDA’s most flexible program) while still providing some funding for the Public Works program.



EDA will focus staff resources on outreach and technical assistance to distressed communities by helping communities analyze and understand socioeconomic and demographic data from a wide variety of sources, and how that data can be used to develop strategies to achieve global competitiveness. EDA staff will help communities cultivate relationships with key business, civic community, academia, and local government partners to achieve regional economic development opportunities, foster innovation and support entrepreneurship. By pooling resources and developing unified regional development strategies, regions and economic development clusters can capitalize on resources and aid communities to compete in the world-wide marketplace.

EDA will fund investments that exhibit demonstrable, committed multi-jurisdictional support from leaders across all sectors, including public (mayors, city councils, county executives, senior state leadership); institutional (institutions of higher learning); non-profit (chambers of commerce, development organizations); and private (leading regional businesses, significant regional industry associations). EDA recognizes the importance of building upon existing strengths and assets in communities and regions to attract private sector investment and achieve sustainable economic prosperity. EDA’s regional offices have developed substantive regional investment strategies for FY 2009. The strategies contain a statistical study of each economic region and use analyses of each region’s strengths, weaknesses, opportunities and threats (SWOT analyses) to develop tangible goals for each region. In conjunction with the Comprehensive Economic Development Strategies (CEDs) developed through a local planning process which includes EDA-funded Economic Development Districts (EDDs) and Indian Tribes, the regional offices have identified opportunities that will produce significant economic benefits in distressed communities.

Funding priority will be given to proposals that respond to sudden and severe economic dislocations (e.g., major layoffs and/or plant closures, disasters), and to proposals that enable Base Realignment and Closure (BRAC) impacted communities to transition from a military to a civilian economy. The devastation caused by the 2005 Gulf Coast hurricanes was widespread: over 200,000 houses were destroyed, significant numbers of small and medium sized businesses were lost, and the fishing industry was virtually wiped out. The Department of Commerce plays a key role in rebuilding the Gulf Coast economy and placing the region on a path to become stronger than it was before the 2005 hurricane season. In 2006, EDA invested \$1,250,000 in the development of the New Orleans BioInnovation Center (NOBIC, Inc.). The investment will construct a 135,000 square foot facility in the medical district of downtown New Orleans, Louisiana. The center will house a wet lab business incubator, as well as a clean room space that will be home to the Louisiana Gene Therapy Research Consortium (LGTRC) [Figure 1]. NOBIC, Inc. is spearheading the effort, which will be a vital component to revitalizing the New Orleans Medical District and the broader New Orleans economy in the aftermath of Hurricane Katrina. The total private investment of \$20,000,000 is projected as a result of the grant, as well as 200 new jobs.

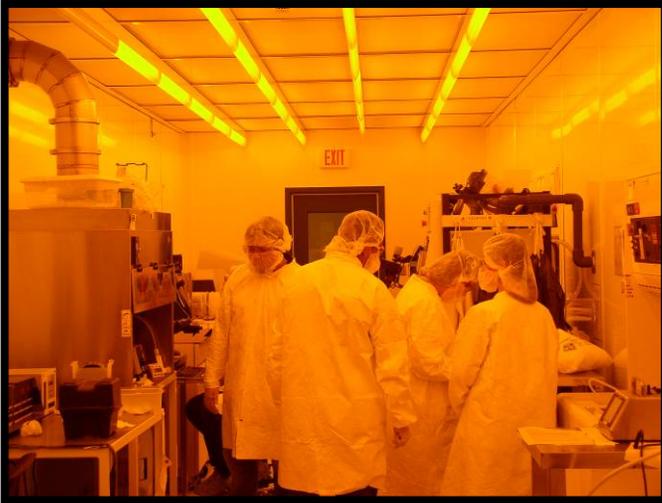


Figure 1: Clean Room

Since 2001, EDA has invested \$933.8 million, or 53%, of its Public Works, Economic Adjustment and Local Technical Assistance funds in rural communities. It has invested \$52.4 million dollars from those programs in Native American communities. In 2007, EDA awarded \$476,925 to The Water and Light Commission of the rural Town of Greeneville and Green County in Tennessee. The region is currently in the process of replacing jobs that were lost in the late 1990's. As in many parts of the country, the local textile and manufacturing industries moved to Mexico and Europe and caused higher unemployment rates throughout the region. Due to the decline in the manufacturing industry, the region needs to diversify its economy to offset job losses. The EDA investment in wastewater treatment improvements to serve industry is expected to create 305 new manufacturing jobs. Four existing industries within the Commission's sewer service area are expanding their operations. These companies will collectively invest an estimated \$11,070,000 in capital, buildings, and equipment in this rural area over the next three years.

EDA is helping communities build strategic development plans based on inherent regional competitive advantages. Since 2001, EDA has invested over \$545 million in forward-looking, technology-related development projects to support innovation. EDA invested \$3,450,600 with the City of Duluth, Minnesota to partner in the construction of a city-owned building at the Duluth International Airport [Figure 2]. This project, which supports advanced aircraft manufacturing, is expected to provide 350 higher-skills, higher-wage employment opportunities in this area hard-hit by a declining iron mining industry.

Proposals that advance the goals of linking historic preservation and economic development as outlined by Executive Order 13287, Preserve America, as well as projects that revitalize brownfields, and address rural and Native American economic development issues will also receive favorable consideration.



Figure 2: Duluth International Airport

EDA, through its network of six regional offices, headquarters, and state-based Economic Development Representatives (EDRs) will work with its economic development partners to utilize web-based software tools, including grants.gov, to streamline the approval process by enabling the receipt of online, paperless applications for funding. In FY 2009, EDA will further streamline its application process with comprehensive, simplified procedures that facilitate user-friendly access for applicants.

EDA maintains robust accountability standards to ensure that federal dollars are achieving results and that regions served achieve their goal of global competitiveness. EDA will also work with other federal economic and community development programs to develop and implement a common performance framework, which will consist of a shared set of goals, standards, and indicators.

EDA is proud of its 40-year record contributing to economic growth in the U.S. and its territories. EDA welcomes inquiries from all eligible organizations. Interested parties may learn more about the programs offered by the agency by accessing EDA's website at www.eda.gov.

Summary of FY 2009 Appropriation Request and Proposed Changes

EDA requests \$32.8 million for Salaries and Expenses (S&E) and \$100 million for Economic Development Assistance Programs (EDAP) in this Fiscal Year 2009 Budget Request.

Salaries and Expenses

The FY 2009 budget request of \$32.8 million for S&E represents a \$2.0 million increase over the FY 2008 President's Budget. However, it does include a \$1.2 million restoration of base, plus an additional \$0.8 million for adjustments-to-base (ATBs). The administration of EDA's Economic Development Assistance Programs (EDAP) is carried out through an organization network consisting of a headquarters office located in Washington, DC, six regional offices located in Atlanta, Austin, Chicago, Denver, Philadelphia, and Seattle, and 17 field-based EDRs.

Economic Development Assistance Programs

The FY 2009 Budget Request of \$100 million for Economic Development Assistance Programs (EDAP) represents a \$149.1 million decrease from the enacted FY 2008 Appropriation Act. In FY 2009, EDA will limit the scope of its Public Works investments program in order to focus on communities that have more recently experienced severe economic distress and dislocation. With regard to Planning, Trade Adjustment Assistance, and Research and Evaluation, the FY 2009 Budget Request is consistent with the FY 2007 and FY 2008 EDAP budgets. However, the Public Works and Economic Adjustment Assistance Programs were reduced by \$139.2 million and \$2.0 million respectively, and reflect current budget priorities and constraints. Additionally, EDA will fund Global Climate Change Mitigation Incentive at a rate that is consistent with FY 2008 based on the total estimated construction funding for Public Works and Economic Adjustment Assistance funded projects. The FY 2009 EDAP budget request incorporates the principles of the FY 2006 budget proposal to streamline the Federal delivery system for economic and community development programs across the Federal government. EDA's updated program will build on existing authorities and expertise and focus strongly on the need for economic regions in America to collaborate on economic development strategies and implementation.

In formulating the FY 2009 Budget request, EDA's six regional offices analyzed their Regional Economic Overviews, surveyed their Economic Development District (EDD) partners, reviewed the Comprehensive Economic Development Strategies (CEDs), and analyzed the Department of Defense's Base Realignment and Closure 2005 (BRAC 2005) plan for closures and realignments in their regions. The results were used to compile detailed information regarding investment funding needed for FY 2009.

The **Global Climate Change Mitigation Incentive** will attempt to address the mounting concerns with regard to the effect of global climate change. It supports policies and strategies which contribute to sustainable "green" construction and resource conservation. As part of its application process, EDA will include criteria that will allow it to recognize proposals which incorporate technologies and strategies which would reduce energy consumption, reduce harmful gas emissions, and contribute to sustainability. In compliance with FY 2008 Omnibus, EDA will fund Global Climate Change Mitigation Incentive at a rate that is consistent with FY 2008 based on the total estimated construction funding for Public Works and Economic Adjustment Assistance funded projects.

Public Works and Economic Development (PW) investments help distressed communities to revitalize, expand, and upgrade their physical infrastructure. This enables the communities to accomplish the following: attract new industry; encourage business expansion; diversify local economies; generate or retain long-term, private sector jobs and investment through the acquisition or development of land and infrastructure improvements needed for the successful establishment or expansion of industrial or commercial enterprises in distressed regions. Public Works investments help facilitate the transition of communities from being distressed to becoming competitive in the worldwide economy by the development of key public infrastructure such as technology-based facilities that utilize distance learning networks, smart rooms, and smart buildings; multi-tenant manufacturing and other facilities; business and industrial parks with fiber optic cable; and telecommunications infrastructure and development facilities. EDA continues to also invest in its traditional PW projects including water and sewer system improvements, industrial parks, business incubator facilities, expansion of port and harbor facilities, skill-training facilities, and the redevelopment of brownfields.

Planning investments encourage and support professional planning and related services through local development organizations. Planning is a vital component in assessing how to best revitalize an area, utilize the available assets and attract new resources. It is a key factor in bridging the gap between distressed and non-distressed regions. EDA's Partnership Planning programs help support local organizations (Economic Development Districts, Indian Tribes, and other eligible areas) with their long-term planning efforts, outreach to communities and development of comprehensive economic development strategies (CEDs). Active EDD and Indian Tribe involvement is critical to leveraging a successful, motivated regional competitive advantage.

Technical Assistance investments help communities assess the potential success of economic development investments, provide technical expertise lacking in communities, and develop innovative demonstration projects. Local Technical Assistance is a vital element that helps communities identify and activate their underutilized assets to enhance their competitiveness. EDA University Centers, funded through the Local Technical Assistance Program, provide university resources to assist state and local governments in their planning and capacity building efforts. University-led economic development helps regions better leverage university resources to commercialize technology-based research, and thereby comprehensively address high unemployment, underemployment, and poverty. National Technical Assistance is used to provide current information, data, and know-how to the economic development community across the country to promote development in economically distressed regions nationwide.

The Research and Evaluation Program supports research of leading-edge, and world class economic development practices. Research and Evaluation investments provide critical, cutting-edge research and best practices to regional, state, and local practitioners in the economic development field, thereby enhancing economic development throughout the country. EDA also constantly evaluates the impacts and outcomes of its various programs as a means of identifying policy and program modifications that will increase the bureau's effectiveness.

Trade Adjustment Assistance for Firms Program investments under Title II, Chapters 3 and 5, of the Trade Act of 1974, as amended (19 U.S.C. 2341 et seq.), fund a national network of eleven Trade Adjustment Assistance Centers (TAACs) to help U.S. manufacturing and production firms, which have lost domestic sales and employment due to increased imports of similar or competitive goods, become more competitive in the global community. TAACs help firms complete the required certification process, assist them in preparing an adjustment proposal for submission to EDA for approval, and cost-share up to 75 percent with the firms in paying for consultants hired to implement the technical assistance tasks outlined in the approved adjustment proposals.

The **Economic Adjustment Assistance Program (EA)** provides a flexible portfolio of investment assistance to communities facing the most severe of economic crises, namely a major change in the area's structural economic base. Radical economic change at the local level remains common in today's economy and is

caused by both long-term trends and sudden economic events. These devastating economic impacts include disasters and plant closures. Additionally, the EA program helps manufacturing and natural resource dependent regions diversify their economies.

EA investments can address sudden economic dislocation from plant closures at the point the closures are announced. Using this program, communities are able to develop a regional strategy that rethinks their economic future; develop action plans to stabilize their local economies; and grow in new and sustainable directions. Once the regional strategy is in place, EDA provides assistance to implement critical portions of the local action plans with technical assistance for business transitions, local capacity-building, essential infrastructure and revolving loan funds to restructure the economy.

In addition, EDA will fund investments to respond to communities impacted by military base realignments and closures. The FY 2005 round of BRAC, which became law on November 9, 2005, included 24 major closures, 24 major realignments and over 760 other discrete actions, making it the most extensive and comprehensive BRAC round in U.S. history. Major closures will precipitate significant adverse economic effects on many regions, while growth resulting from BRAC 2005 and other Defense restructuring will greatly impact areas receiving new military bases. In both situations, communities will require EDA support during the FY 2009 to FY 2012 timeframe for critical investments in new public infrastructure, job creation and assistance for businesses as they implement their economic adjustment strategies.

EDA will continue to assist distressed communities in revitalizing, expanding and upgrading their physical infrastructure to attract new industry, encourage business expansion, diversify local economies and generate or retain long-term, private sector jobs and investments as well as vital entrepreneurial and innovative investments. Concentrating EDA's funding priorities will help distressed communities and regions build their regional capacity. Enhancing their ability to adapt and create new technologies and opportunities through innovation and entrepreneurship will strengthen their position in the world-wide marketplace.

FY 2009 Annual Performance Plan
Economic Development Administration

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Mission Statement

To lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy.

Section 1. Mission

This mission directly supports the Department of Commerce’s goal to maximize U.S. competitiveness and enable economic growth for American industries, workers and consumers with the objective to foster domestic economic development as well as export opportunities. A strategy developed to achieve this objective is the promotion of a favorable business environment through EDA’s strategic investments in public infrastructure. These investments help attract private capital investment and jobs that address problems of high unemployment, low per capita income, and sudden, severe economic challenges. Economic development is a local process, although the Federal government plays an important role by helping distressed communities build capacity to identify and overcome barriers that inhibit economic growth. EDA supports local planning and long-term partnerships with state and regional organizations that can assist distressed communities with strategic planning and investment activities. This process helps communities set priorities, determine the viability of projects, leverage outside resources to improve the local economy, and sustain long-term economic growth.

Section 2. Corresponding DoC Strategic Goal and Objective / Outcome

EDA Performance Outcome 1: *Promote private enterprise and job creation in economically distressed communities and regions*

Corresponding DOC Strategic Goal and Objective:

Strategic Goal 1: Maximize U.S. competitiveness and enable economic growth for American industries, workers, and consumers.

Objective 1.1: *Foster economic development as well as export opportunities.*

Rationale for Performance Outcome 1

EDA's Performance Outcome 1 promotes private enterprise and job creation in economically distressed communities and regions. EDA encourages the private sector to make capital investments to produce goods and services and increase productivity, thereby providing higher-skill, higher-wage jobs that offer opportunity for all Americans. EDA investment focus supports long-term, coordinated and collaborative regional economic development approaches, sustains innovation and competitiveness, and encourages entrepreneurship. EDA's investment guidelines set standards to achieve its performance goals of promoting private investment and job creation in distressed communities and regions. Potential investments must be market-based and proactive; maximize private capital investment; create higher-skill, higher-wage jobs; offer a positive return on the taxpayer's investment, and concentrate on locally-developed, regionally-based initiatives that directly contribute to the regional and national economic growth.

Within the framework of this goal, EDA focuses on two of its programs, the Public Works and Development program (PW), and the Economic Adjustment Assistance program (EA). EDA investments serve as catalysts for other public and private investments to establish or expand commercial and industrial facilities in distressed communities. EDA also provides economic adjustment investments for infrastructure improvements and revolving loan funds (RLF) to help communities and businesses respond to severe economic dislocations caused by major layoffs, plant shutdowns, trade impacts, natural disasters, and the closure of military bases and labs, and similar actions that adversely affect local economies. Potential investments must demonstrate a high commitment through strong participation from local government or non-profit matching funds and private sector leverage; clear and unified organizational leadership and support by local elected officials; and strong cooperation and collaboration among the business sector, relevant regional partners, and local, state, and federal governments. Potential investments must be relevant to the regional economy, market-based, diverse, and results-driven; advance productivity, innovation, and entrepreneurship; and anticipate economic changes by looking beyond the immediate economic horizon.

The PW program assists distressed communities revitalize, expand, and upgrade their physical infrastructure to attract new industry, encourage business expansion, diversify local economies, and generate or retain long-term private sector jobs and investments. Examples of funded projects include: smart buildings, bio-research facilities, alternative energy research, software testing laboratories, clean rooms for microsystem devices, water, sewer, fiber optics, access roads, redeveloped "brownfields" sites, industrial and business parks, business incubator and skill training facilities, and port improvements. The Economic Adjustment program is designed to assist state and local entities in designing and implementing strategies to adjust or bring about change to an economy. The program focuses on areas that have experienced or are under threat of serious structural damage to the underlying economic base. The program also provides flexible investments to communities, via revolving loan funds (RLFs) for making loans to local businesses to create jobs and leverage private investment while helping a community to diversify and stabilize its economy. Factors that threaten the economic survival of local communities include mass layoffs resulting from plant closures, military base closures or realignments, defense laboratory or contractor downsizing, natural disasters, natural resource depletion, population out-migration, underemployment, and localized negative impacts of foreign trade.

EDA's long-term program outcome performance targets are based on nine-year projections of private dollars invested, and jobs created or retained. Performance data is obtained at three-year intervals to provide snapshots of current progress in achieving the full nine-year performance projection. Since most investments are completed an average of three years after the award, EDA monitors performance results at three, six, and nine years after investment award. FY 2000 was the first year for which data was available for long-term outcomes. According to a Rutgers's University performance evaluation of EDA's PW program (Rutgers et. al. 1997), infrastructure investment impacts "generally increase with time." The Rutgers study found that "jobs resulting six years after completion [generally about nine years after investment award] were, on average, twice the number witnessed at project completion [generally about three years after award]". Realizing that the Rutgers study is becoming dated, EDA commissioned a new study which is being conducted by Grant Thornton, LLP. The results of the new study are expected by the mid to end of FY 2008 and revisions to EDA forecasting methods will be made, as appropriate.

EDA Performance Outcome 2: *Build Community Capacity to Achieve and Sustain Economic Growth*

Corresponding DOC Strategic Goal & Objective:

Strategic Goal 1: Maximize U.S. competitiveness and enable economic growth for American industries, workers, and consumers.

Objective 1.1: *Foster economic development as well as export opportunities.*

Rationale for Performance Outcome 2

EDA's Performance Outcome 2 is to build community capacity to achieve and sustain economic growth. EDA accomplishes this through the Partnership Planning Program. EDA's Partnership Planning Program helps support local organizations (District Organizations, Indian Tribes, and other eligible recipients) with their long-term planning efforts and their outreach to the economic development community on EDA's programs and policies. This performance goal also includes the Trade Adjustment Assistance for Firms program.

EDA is proud of its work with economic development partners at the state, regional, and local levels. The partnership approach to economic development is integral to effectively and efficiently addressing the economic development challenges facing U.S. communities. EDA, therefore, continues to build upon its partnerships with local development officials; District Organizations; University Centers; faith-based and community-based organizations; and local, state, and federal agencies. But more importantly, EDA will forge strategic working partnerships with private capital markets and look for innovative ways to spur development.

EDA Partnership Planning funds support the preparation of Comprehensive Economic Development Strategies (CEDs) that guide EDA PW and EA implementation investments, including revolving loan funds (RLF) grants. Sound local planning also attracts other federal, state, and local funds plus private sector investments to implement long-term development strategies. Evaluations of EDA's PW and EA programs show that EDA capacity-building programs play a significant role in the successful outcomes of its infrastructure and RLF projects.

Some of the outcomes that EDA anticipates as a result of the programs include an increase in the amount of private sector dollars invested in economically distressed communities, and an increase in the number of jobs created or retained in distressed communities.

The strategy investment component of the Economic Adjustment Assistance Program provides flexible investment support to develop economic adjustment strategies for communities facing sudden or severe economic distress. Under this program, states, cities, counties, and other eligible entities can receive investment assistance to assess the dislocation and develop an economic adjustment plan to generate private sector investments and create and/or retain jobs.

Section 3. PART Summary

In FY 2002, OMB conducted its first performance assessment of EDA. EDA requested another PART assessment in FY 2004 to assess its progress. The result was an increased score, while still maintaining its rating of “Moderately Effective.” EDA significantly improved program design to increase its impact in communities suffering economic distress and established investment policy guidelines focused on results rather than process. Application of these guidelines encourages regionally oriented investments in America’s communities based on expected return on the taxpayer’s investment. EDA continues to implement the FY 2002 and FY 2004 PART recommendations to further improve its program performance.

Specific steps taken to address recommendations identified through the PART assessments include:

- New authority in EDA’s reauthorization to reward performance by grant recipients who succeed in carrying out projects that creates jobs;
- Continued program performance that exceeds performance targets based on 3, 6, and 9 year reviews of private sector investment and job creation;
- Initiative to refine the target forecasting model contract for an effectiveness study of EDA’s Public Works and Economic Adjustment construction programs has been awarded in FY 2007 and will serve to refine target models and improve performance measurement;
- Continued program performance that meets or exceeds targets addressed to increasing community capacity to achieve and sustain economic growth;
- Regionalism analysis and education efforts have been pursued through investment awards in EDA’s Research & Evaluation and National Technical Assistance programs.

PART Table

Program:	Year:	Score:	2007 Funding Estimate	2008 Funding Estimate	2009 Funding Estimate
Competitive Grant Program	2004	Moderately Effective	\$250,741	\$249,100	\$100,000
1. EDA continues to meet or exceed performance targets, which are based on 3, 6, and 9-year reviews of private sector investment and job creation. For example, while EDA projected that only 10% of total jobs would be created in the first three years after initial investment, recent performance data shows that 20% of total projected jobs were created during the first three years.			From regular EDAP appropriation: \$900,000	No awards projected at this time.	No awards projected at this time.
2. Shifting EDA's focus to promoting regional economic development solutions in distressed communities through a comprehensive study on regionalism and the development of credible measures.			From regular EDAP appropriation: \$1,145,011	Estimate not yet determined.	Estimate not yet determined.
3. Design and implement a new common framework for goals and performance measures for federal economic development programs, and create an interagency council to assess, strengthen, and coordinate their efforts.			Funded through regular EDAP appropriation.	Funded through regular EDAP appropriation.	Funded through regular EDAP appropriation.
4. EDA is in the process of implementing a single application procedure.			Funded through regular EDAP appropriation.	Funded through regular EDAP appropriation.	Funded through regular EDAP appropriation.

Section 4. Priorities / Management Challenges

EDA continues to pursue and implement management improvements and initiatives that make good business sense and improve EDA's business processes while supporting the President's vision for management reform. These initiatives include the following discussion on how priorities and management challenges affect the budget.

▪ **Budget and Performance Integration**

To further pursue the effective integration of the budgeting and performance evaluation processes, EDA analyzes Government Performance and Results Act of 1993 (GPRA) results on a quarterly basis and reports these analyses to both its Regional Directors and the Executive Management Team. Efficiency measures associated with the performance measures for creating and retaining jobs and generating private investment are now in place, and performance results as well as Program Assessment Rating Tool (PART) analyses (discussed in Section 3 above under "PART Summary") are used in the budget submissions to the Secretary, OMB, and Congress.

▪ **Balanced Scorecard**

EDA's Balanced Scorecard (BSC) is a management tool that has helped the agency focus on a strategy for achieving its goals and priorities, and provided real-time measurement tools to assess its effectiveness in doing so. The Balanced Scorecard provided the framework that helped translate strategy into operational objectives that successfully drove both behavior and performance at the operational level. Through use of the BSC, EDA sharply increased the number of projects started and completed on time, realized a major increase jobs created and private investment (as projected by recipients), and promoted a greater emphasis on technology focused investments. EDA is in the final stages of updating its corporate and regional scorecards, and HQ scorecard development. Implementation will begin the second quarter of FY 08.

Revolving Loan Fund (RLF) Program

EDA leadership noted significant management challenges concerning the revolving loan fund (RLF) program over several years and in 2001 requested the Office of the Inspector General (OIG) to review the operation of a number of individual RLFs. A subsequent March 2007 OIG review and report made recommendations focused on EDA's management of the program, including capital utilization, reporting, monitoring of existing accounts, and region-to-region operation of the program. EDA has issued internal program and procedural guidance for administering and managing its RLF portfolio, for consolidating and recapitalizing RLF grants; developed an interim automated tracking system, and has awarded a contract for the development of a web-based reporting and management system. EDA is currently in the process of incorporating new RLF management metrics into the EDA Balanced Scorecard; has conducted intensive training for all staff that manages the RLF portfolio; will provide training for RLF operators during FY 2008, and explore whether additional statutory authority is needed to improve the program. The measures taken to date have met all the milestones negotiated between EDA and OIG, and have significantly improved program oversight and data reliability.

▪ **Business Process Reengineering**

EDA has initiated a comprehensive business process analysis and reengineering effort. To date, EDA has analyzed, streamlined and standardized business processes for the RLF program and the construction post-approval process. EDA has drafted and published updated and synchronized standard terms and conditions, internal policies and procedures and grant recipient guidance for these processes and programs. In support of the pre-approval construction and non-construction processes, EDA will streamline its application process through use of an automated single application used in conjunction with a two part approval process that can be submitted through Grants.gov or by a traditional paper submission. EDA will also publish internal pre-approval policies and procedures and applicable guidance for applicants.

- **Strategic Human Capital**

EDA is conducting business process reengineering, standardizing position descriptions and performance plans for employees, identifying skill gaps in mission critical occupations, and implementing training programs. As of FY 2007, EDA started training its grants management staff in grants management and administration, provided single audit, revolving loan, and leadership training, and in FY 2008, EDA will begin a training curriculum in economic development topics beginning with Know Your Region, Innovation, and report generation from Census data. EDA is also implementing succession planning strategies to ensure it has a knowledgeable and skilled leadership cadre.

- **Competitive Sourcing**

EDA continuously reviews its administrative processes to determine ways of performing these services in the most efficient and effective manner, resulting in some administrative processes being performed in-house, while others are performed by other bureaus within the Department of Commerce. In addition EDA has private sector contracts in the areas of Information Technology, Human Resources, and Accounting.

- **Improved Financial Performance**

EDA continues to score well on all financial management indicators and did not have any material weaknesses, reportable conditions, or notifications of finding and recommendation in the FY 2007 financial statement audit. In response to the revised OMB Circular A-123, Management Accountability and Control, procedures for grant administration and accounting processes were assessed and revised as necessary. EDA continues to strengthen its internal control over programmatic and business processes by performing more comprehensive risk assessments and developing detailed test plans for each control.

- **Information Dissemination**

- EDA will continue its Information Dissemination Campaign, which it began in 2002, that provides timely information on “best practices and ideas” in economic development to over 7,000 economic development practitioners across the nation from: state economic development offices; nationwide regional councils and economic development districts that represent local governments and their elected boards of directors; workforce development agencies; chambers of commerce; and university centers.
- The current Information Dissemination Campaign is a result of EDA’s partnership with the International Economic Development Council (IEDC) and the National Association of Regional Councils (NARC), and includes:
 - Six “Economic Development Today” live satellite television shows, with nationally-recognized economic development leaders;
 - Four quarterly issues of Economic Development America, a four-color high-quality magazine;
 - Twelve issues of EDA Update, a monthly electronic newsletter that provides updates on the activities of EDA and its partners; and
 - Regional symposia throughout the nation to highlight cutting-edge economic development practices.

- **E-Government**

- EDA has implemented the grants.gov initiative so grant applications for its programs may be received online. EDA has participated in several unit-specific and Department-wide requirements analyses on the potential use of NOAA's Grants Online system or an alternate solution for consolidating Commerce-wide grants systems. The results of those analyses are still under review in the Department pending further instructions from OMB on the use of Centers of Excellence for grants processing systems. In a parallel effort, EDA has submitted to OMB and received approval of its Paperwork Reduction Act (PRA) information collection, necessitated by new regulations and expiring forms. EDA also continues to place high emphasis on improving its certification and accreditation (C&A) process by instituting measures that monitor and mitigate vulnerabilities in a timely matter.
- In late FY 2006, the Department of Commerce reviewed a Grants Notification System that had been developed by Bowhead contractors for the Department of Transportation. The decision to buy and then customize the product for DOC was made at the end of the fiscal year. Full deployment of the

Grants Notification System will save EDA human resource hours in both the regions and headquarters. Old manual methods of notifying stakeholders via fax or individual e-mails will be replaced by automated e-mail notifications. EDA staff will receive confirmations that the stakeholders were notified, or will be able to make corrections to recipient information when delivery is not completed. Paperwork will be dramatically decreased, as e-mail delivery verifications will replace fax paperwork. A true audit trail will be provided by the software. EDA began full implementation in August, 2007.

Other Government Agencies:

EDA builds effective partnerships with federal, state, and local entities on program delivery and information dissemination. At the federal level, major partners include:

- Office of the Federal Coordinator for Gulf Coast Rebuilding – Development, evaluation and counseling of long-term economic redevelopment principles and strategies following the Gulf Coast hurricanes of 2005.
- Federal Emergency Management Agency (FEMA) -- Early response, coordination, mitigation, and economic recovery efforts following major disasters.
- Department of Defense Office of Economic Adjustment (OEA) -- Economic adjustment strategies and investments for base reuse and communities affected by Base Realignment and Closure Commission (BRAC) decisions.
- Department of Energy (DOE) -- Economic adjustment assistance to communities affected by closures of federal energy labs and facilities.
- Appalachian Regional Commission (ARC) -- Community and economic development assistance for economically distressed areas in the 13 state Appalachian regions.
- Department of Labor (DOL) – Workforce Innovation in Regional Economic Development (WIRED) Dislocated Worker Program and National Apprenticeship Program, Trade Adjustment Assistance for Workers Program.
- Department of Agriculture (USDA), Rural Development/Rural Utilities (RD/RU) -- Infrastructure and business financing for enterprise development in rural areas.
- Department of Transportation (DOT) -- Improvements to highway, port, rail, and airport facilities to support private investment in distressed communities.
- Department of Housing and Urban Development (HUD) -- Coordination of Community Development Block Grants (CDBG) funds for economic development at the state and local levels; support for Empowerment Zones and Renewal Communities.
- Delta Regional Authority (DRA) – Leverages federal and state programs focused on basic infrastructure development and transportation improvements, business development, and job training services in a federal-state partnership serving a 240-county/parish area in an 8-state region to help economically distressed communities.
- Council on Environmental Quality (CEQ) – American Heritage Rivers.
- Advisory Council on Historic Preservation (ACHP) – Preserve America Initiative.
- Denali Commission – Assistance in creating diversified and sustainable economies in Alaska.
- Environmental Protection Agency (EPA), Department of Housing and Urban Development Community Development Block Grants (HUD CDBG) and Office of Management and Budget (OMB) – Joint Development Outcomes Measures for Brownfields.

- Maritime Administration (MARAD) – An MOU allows for cooperative efforts on port conveyances of surplus property for port facility purposes.

Government/Private Sector:

EDA reviewed interagency agreements and supported GAO’s review of cross cutting federal programs for state and local economic development projects. EDA will provide leadership to improve federal assistance for economic development programs in distressed communities. Under the Trade Adjustment Assistance for Firms Program, EDA uses a national network of eleven Trade Adjustment Assistance Centers to help manufacturers and producers affected by increased imports prepare and implement strategies to guide their economic recovery.

External Factors and Mitigation Strategies:

GAO has recognized that measuring the performance of economic development programs is difficult because of the many external factors that can influence local economies. To ensure strong program performance, EDA targets assistance to projects that can provide direct and lasting benefits to economically distressed communities and regions. EDA programs are not intended to work alone, but to increase the availability of outside capital (both public and private) for sustainable development strategies to create and retain private enterprise and jobs in economically distressed areas. In doing so, EDA recognizes that many factors can influence the level of distress, the rate of investment and job creation or retention, and the availability of other public funding and private entities. For example:

- National or regional economic trends, such as slowdowns in the national economy, can cause firms to delay or postpone investments in new products, markets, plants, equipment, and workforce development. Such trends can affect the rate at which jobs are created or retained.
- Changes in business climate and financial markets can impact the level of private capital and degree of risk associated with investment decisions, particularly for firms considering establishing or expanding operations in highly distressed areas.
- Downturns in the national or regional economy can increase the demand for EDA assistance and reduce the availability of state and local funding. EDA regulations provide for waivers or reductions of the non-federal share, allowing EDA to cover a higher share of total project costs depending on the level of distress demonstrated by the local community.
- Natural disasters and other major events can dramatically impact local economies and create an unanticipated demand for EDA assistance. This can affect performance in several ways, increasing the number of areas that are eligible for assistance and the number of areas in highest distress. Such emergencies can alter funding priorities under regular EDA programs and at times result in emergency supplemental funding.

Mitigation Strategies include:

- Strengthening local, state, and sub state partnerships to assess and respond to long term economic trends, sudden and severe dislocations, emergencies, and other unanticipated impacts on local economic conditions.
- Establishing flexible program and funding authorities that respond to local priorities.
- Developing effective partnerships with other federal agencies to improve assistance for distressed communities.
- Working directly with distressed communities, through experienced field staff and with state and local officials to achieve long term development objectives and address sudden and severe economic dislocations.

Section 5. Target and Performance Summary / FY 2009 Target Description / Measure Descriptions

Outcome 1 - Promote private enterprise and job creation in economically distressed communities and regions							
Measure 1A: Private sector dollars invested in distressed communities as a result of EDA investments	Investment Year Target (dollars in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual/Tgt	FY 2008 Target	FY 2009 Target
Private investment reported from grants awarded three (3) years from FY	2001 (\$480 M) 2002 (\$390 M) 2003 (\$320 M) 2004 (\$330 M)	\$947 M	\$1,791 M	\$1,669 M	\$810 M		
Private investment reported from grants awarded six (6) years from FY	1998 (\$650 M) 1999 (\$1,040 M) 2000 (\$1,020 M) 2001 (\$1,200 M)	\$1,740 M	\$1,787 M	\$1,059 M	\$2,118 M		
Private investment reported from grants awarded nine (9) years from FY	1997 (\$1,162 M) 1998 (\$1,350 M)	N/A N/A	N/A N/A	\$2,331 M N/A	\$1,937 M		
Private investment target three (3) years from FY					\$258 M	\$245 M	\$49M
Private investment target six (6) years from FY					\$646 M	\$611 M	\$122M
Private investment target nine (9) years from FY					\$1,293 M	\$1,223 M	\$246M
Description: The formula driven calculation projects investment data at 3, 6, and 9 year intervals from the investment award. The formula is based on a study done by Rutgers University, which compiled and analyzed the performance of EDA Public Works projects after nine years. Based on this formula, EDA initially estimated that 10% of the 9 year projection would be realized after 3 years, and 50% after 6 years.							

Explanation for data differences between Performance Measures Tables and the Performance Accountability Report (PAR) for Measure 1A, “From investments awarded six (6) years from FY,” FY 2005 Actual.

In the table above, FY 2005 actual private sector dollars invested in distressed communities as a result of EDA investments awarded six years from the FY is stated to be \$1,787 million. This number differs from what the figure cited in the FY 2005 PAR of \$1,781 million. The reason these amounts are not consistent is at the time of final reporting for the year, additional projects had been inputted into EDA’s main database, totaling approximately \$6 million in additional private sector dollars. When the PAR was updated at the end of FY 2005, the latest six year private investment figure was inadvertently replaced with the older figure.

Outcome 1 - Promote private enterprise and job creation in economically distressed communities and regions								
Measure 1B: Jobs created or retained in distressed communities as a result of EDA investments	Investment		FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
	Year	Target	Actual	Actual	Actual	Actual/Tgt	Target	Target
Jobs created or retained from grants awarded three (3) years from FY	2001	14,400	21,901	19,672	11,833	16,274		
	2002	11,500						
	2003	9,170						
	2004	8,999						
Jobs created or retained from grants awarded six (6) years from FY	1998	27,000	68,109	47,374	42,958	49,806		
	1999	28,400						
	2000	28,200						
	2001	36,000						
Jobs created or retained from grants awarded nine (9) years from FY	1997	50,400	N/A	N/A	50,546	73,559		
	1998	54,000	N/A	N/A	N/A			
Jobs created or retained target three (3) years from FY						6,628	6,256	1,269
Jobs created or retained target six (6) years from FY						16,570	15,640	3,173
Jobs created or retained target nine (9) years from FY						33,141	31,280	6,346
<p>Description: The formula driven calculation projects investment data at 3, 6, and 9 year intervals from the investment award. The formula is based on a study done by Rutgers University, which compiled and analyzed the performance of EDA Public Works projects after nine years. Based on this formula, EDA initially estimated that 10% of the 9 year projection would be realized after 3 years, and 50% after 6 years.</p>								

Outcome 2 - Build community capacity to achieve and sustain economic growth						
Measure 2A: Percentage of Economic Development Districts (EDDs) and Indian Tribes implementing economic development projects from the Comprehensive Economic Development Strategy (CEDs) process that lead to private investment and jobs.	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
	Actual	Actual	Actual	Actual	Target	Target
	95%	97%	96%	95%	95%	95%
<p>Description: This measure provides an indication of whether the CEDs process is market based and whether EDA is helping to create an environment conducive to the creation and retention of higher skill, higher wage jobs. Research conducted on FY 2002 data established a baseline measure for subsequent years.</p>						
<p>Comments on Changes to Targets: N/A</p>						
Relevant Program Changes: None	Title: Planning Program				Exhibit 13	

Outcome 2 - Build community capacity to achieve and sustain economic growth						
Measure 2B: Percentage of sub-state jurisdiction members actively participating in the Economic Development District (EDD) program.	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Target	FY 2009 Target
	90%	91%	90%	89-93%	89-93%	89-93%
Description: Economic Development Districts (EDDs) generally consist of three or more counties that are considered member jurisdictions. Sub-state jurisdiction participation indicates the District's responsiveness to the area it serves and shows that the services it provides are of value. Active participation was defined as either attendance at meetings or financial support of the economic development district during the reporting period. Sub-state jurisdiction members are independent units of government (cities, towns, villages, counties, etc.) and eligible entities substantially associated with economic development, as set forth by the District's by laws or alternate enabling document.						
Comments on Changes to Targets: N/A						
Relevant Program Changes: None	Title: Planning Program					Exhibit 13

Outcome 2 - Build community capacity to achieve and sustain economic growth						
Measure 2C: Percentage of University Center clients taking action as a result of the assistance facilitated by the University Center.	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Target	FY 2009 Target
	78%	79%	76%	75%	75%	75%
Description: This measure determines the perceived value added by the University Centers to their clients. EDA funds 59 University Centers that provide technical assistance and specialized services (for example, feasibility studies, marketing research, economic analysis, environmental services, and technology transfer) to local officials and communities. This assistance improves the community's capacity to plan and manage successful development projects. University Centers develop client profiles and report findings to EDA, which evaluates the performance of each center once every three years and verifies the data. "Taking action as a result of the assistance facilitated" means to implement an aspect of the technical assistance provided by the University Center in one or several areas: economic development initiatives and training session development; linkages to crucial resources; economic development planning; project management; community investment package development; geographic information system services; strategic partnering to public or private sector entities, increased organizational capacity, feasibility plans, marketing studies; technology transf						
Comments on Changes to Targets: N/A						
Relevant Program Changes: None	Title: Technical Assistance Program					Exhibit 13

Outcome 2 - Build community capacity to achieve and sustain economic growth						
Measure 2D: Percentage of those actions taken by University Center clients that achieved the expected results.	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
	Actual	Actual	Actual	Actual	Target	Target
	88%	87%	82%	80%	80%	80%
<p>Description: This measure is a follow up to measure 2C, A percentage of University Center clients taking action as a result of the assistance facilitated by the University Center. This measure determines if the assistance provided by the University Center is market based and results in desired outcomes. University Centers develop client profiles and report to EDA, which will evaluate and verify the performance of each University Center once every three years.</p>						
<p>Comments on Changes to Targets: N/A</p>						
<p>Relevant Program Changes: None</p>	<p>Title: Technical Assistance Program</p>				<p>Exhibit 13</p>	

Outcome 2 - Build community capacity to achieve and sustain economic growth						
Measure 2E: Percentage of Trade Adjustment Assistance Center (TAAC) clients taking action as a result of the assistance facilitated by the TAAC.	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
	Actual	Actual	Actual	Actual	Target	Target
	90%	99%	90%	90%	90%	90%
<p>Description: This measure determines the value added of the assisted TAAC to its clients. Eleven EDA funded TAACs work with U.S. firms and industries that have been adversely impacted as a result of increased imports of similar or competitive goods to identify specific actions to improve each firm's competitive position in world markets. "Taking action as a result of the assistance facilitated" means to implement an aspect of the Trade Adjustment Assistance provided by the TAAC. The TAACs provide three main types of assistance to firms: help in preparing petitions for certification (which must be approved by EDA in order for the firm to receive technical assistance), analysis of the firm's strengths and weaknesses and development of an adjustment proposal, and in depth assistance for implementation of the recovery strategy as set forth in the adjustment proposal.</p>						
<p>Comments on Changes to Targets: N/A</p>						
<p>Relevant Program Changes: None</p>	<p>Title: Trade Adjustment Assistance Program</p>				<p>Exhibit 13</p>	

Outcome 2 - Build community capacity to achieve and sustain economic growth						
	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Target	FY 2009 Target
Measure 2F: Percentage of those actions taken by TAAC clients that achieved the expected results.	98%	97%	96%	95%	95%	95%
Description: This is a follow up to measure 2E, "Percentage of TAAC clients taking action as a result of the assistance facilitated by the TAAC." This measure will determine if the assistance facilitated by the TAACs is market based and results in desired outcomes. The centers conduct client surveys and report findings to EDA.						
Comments on Changes to Targets: N/A						
Relevant Program Changes: None	Title: Trade Adjustment Assistance for Firms Program				Exhibit 13	

Section 6. FY2009 Program Changes

FY 2009 PROGRAM CHANGES
(Dollars in Thousands)

Program Change:	Accompanying GPRA		Base		Increase / Decrease		Page of Exhibit 13 Discussion
	APP Page #	Performance Measure #	FTE	Amount	FTE	Amount	
Global Climate Change Mitigation Incentive		TBD		\$9,400		(\$7,900)	EDA-33
Public Works		1A, 1B		\$146,430		(\$139,230)	EDA-38
Economic Adjustment Assistance		1A, 1B		\$42,300		(\$1,970)	EDA-55

Section 7. Resource Requirements Summary

(Dollar amounts in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Enacted	FY 2009 Base	Increase/ Decrease	FY 2009 Request
Performance Outcome 1: Promote Private Enterprise and Job Creation in Economically Distressed Communities and Regions								
Salaries and Expenses	\$19.5	\$19.6	\$19.3	\$17.3	\$19.0	\$21.3	\$0.0	\$21.3
Economic Development Assistance Programs								
Global Climate Change Mitigation Incentive	0.0	0.0	0.0	0.0	9.4	9.4	(7.9)	1.5
Public Works and Economic Development ¹	203.5	161.5	158.1	177.0	146.5	146.4	(139.2)	7.2
Economic Adjustment Assistance	31.8	31.4	30.9	29.6	24.2	24.5	(1.1)	23.4
Total Funding Performance Outcome 1³	254.8	212.5	208.3	223.9	199.1	201.7	(148.3)	53.4
IT Funding ²	[0.8]	[0.8]	[0.8]	[0.8]	[0.8]	[1.3]		[1.3]
FTE	137.0	139.0	128.0	132.0	140.0	140.0	6.0	146.0
Performance Outcome 2: Build Community Capacity to Achieve and Sustain Economic Growth								
Salaries and Expenses	10.5	10.5	10.4	12.6	11.8	11.5	0.0	11.5
Economic Development Assistance Programs								
Global Climate Change Mitigation Incentive	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Planning	23.9	23.7	27.0	27.0	27.7	27.0	0.0	27.0
Technical Assistance	9.2	8.1	8.2	8.8	10.3	9.4	0.0	9.4
Research and Evaluation	0.5	0.3	0.5	0.8	1.5	0.5	0.0	0.5
Trade Adjustment Assistance	10.4	11.8	12.8	12.9	14.1	14.1	0.0	14.1
Economic Adjustment Assistance	12.8	13.6	13.2	21.4	17.5	17.8	(0.8)	16.9
Total Funding Performance Outcome 2³	67.3	68.0	72.1	83.5	82.9	80.2	(0.8)	79.4
IT Funding ²	[0.5]	[0.4]	[0.4]	[0.4]	[0.4]	[0.3]		[0.3]
FTE	80.0	74.0	32.0	33.0	35.0	35.0	1.0	36.0
Appropriation Total								
Salaries and Expenses	30.0	30.1	29.7	29.9	30.8	32.8	0.0	32.8
Economic Development Assistance Program	295.5	292.8	250.7	277.5	251.2	249.1	(149.1)	100.0
TOTAL, EDA³	325.5	322.9	280.4	307.4	282.0	281.9	(149.1)	132.8

¹ FY 2006 Public Works and Economic Development includes \$0.7M transferred from EDAP to S&E

² Not included in S&E or EDAP totals

³ Totals reflect direct obligations, including prior year unobligated carry forward, refunds and recoveries for EDAP programs and S&E; totals do not include one-time disaster investments or reimbursable funding. Figures contained in the FY 2007 PAR *do not* include S&E, prior year unobligated carry forward, recoveries, or refunds.

Section 8. Data Validation and Verification Table / Internal Control Information

DATA VALIDATION AND VERIFICATION AND INTERNAL CONTROLS

EDA validates annual performance results of private sector investment and job creation upon receipt of the data. For FY 2003 investment results reported in FY 2006, the Regional Offices verified 86 percent of the private sector investment and 59 percent of the jobs created. The Regional Offices directly contacted those investment recipients to request supporting information. Reports were completed that identified how the data was verified and the person or business contacted to verify the data. During FY 2006, EDA conducted validation site visits on six investments. The sample included one investment in each region. The site visits were divided between investments made during FY 1997, FY 2000, and FY 2003. At the time of the visits, the investments were reviewed utilizing the data report outline below. In all cases, the private investments and jobs created were verified. The verified data generally exceeded the values originally reported.

EDA processing procedures specify that staff verify proposed private investments and jobs. Proposals for EDA investments are reviewed by Regional Investment Review Committees (IRC) and then forwarded to the Headquarters' Budget and Performance Evaluation Division for quality assurance review. The quality assurance process was implemented to determine whether the IRC-endorsed investments satisfy the regulatory requirements and Investment Policy Guidelines, as amended. Once an applicant has been invited to submit a formal application for an investment, the application includes a signed "Assurances of Compliance with Civil Rights and Other Legal Requirements" (Exhibit V.B.1.b).

DATA VALIDATION AND VERIFICATION CHART

<i>Performance Measure</i>	<i>Data Source</i>	<i>Frequency</i>	<i>Data Storage</i>	<i>Verification</i>	<i>Data Limitations</i>	<i>Actions to be Taken</i>
Measure 1a: Private Sector Dollars Invested in Distressed Communities as a Result of EDA Investments and Measure 1b: Jobs Created or Retained in Distressed Communities as a Result of EDA Investments	Investment Recipient performance reports	At three-year intervals (typically three, six, and nine years after investment award)	EDA Management Information System	To validate data, EDA regions contacted recipients, or confirmed with engineers or project officers who had been on site. EDA will perform regional validation on-site visit with some recipients.	Universe - Regular Appropriation for PW and EA implementation and revolving loan fund investments. Private investment may vary along with economic cycles.	EDA will continue to monitor investment and job creation data.
Measure 2a: Percentage of Economic Development Districts and Indian Tribes Implementing Economic Development Projects from the CEDS Process that Lead to Private Investment and Jobs	Investment Recipient Performance Evaluations and Comprehensive Economic Development Strategy	Annually	EDA Management Information System	EDA will conduct periodic performance reviews and site visits	Universe - EDA Partnership Planning investments only. This measure may vary with economic cycles due to limited local resources during downturns for project investments.	Baseline established from FY 2002 data. EDA will continue to monitor and develop trend data.

<i>Performance Measure</i>	<i>Data Source</i>	<i>Frequency</i>	<i>Data Storage</i>	<i>Verification</i>	<i>Data Limitations</i>	<i>Actions to be Taken</i>
Measure 2b: Percentage of Sub-state Jurisdiction Members Actively Participating in the Economic Development District Program	Investment Recipient Performance Evaluations	Annually	EDA Management Information System	EDA conducts performance reviews and site visits on approximately one-third of the District and Indian Tribe investments per year.	Universe - EDA Partnership Planning investments only. This measure shows the value-added of the Economic Development Districts in which EDA invests. While an Economic Development District may be effective, members still may not participate for other reasons.	EDA will continue to monitor compliance with the new definition of sub-state member jurisdictions in FY 2008.
Measure 2c: Percentage of University Center Clients Taking Action as a Result of the Assistance Facilitated by the University Center	University Center client profiles	Annually	EDA Management Information System	Performance data will be verified by the University Centers. EDA headquarters will annually review profile data.	Universe - EDA Local Technical Assistance investments. This measures the value of the University Centers; however, while the assistance may be valued, clients may choose not to act for other reasons.	Baseline established from FY 2002 data. EDA will continue to monitor and develop trend data.
Measure 2d: Percentage of Those Actions Taken by University Center Clients that Achieved the Expected Results	University Center client profiles	Annually	EDA Management Information System	Performance data will be verified by the University Centers. EDA headquarters will annually review data.	Universe - EDA Local Technical Assistance investments only. Outside mitigating factors such as the local economy may affect the measure.	Baseline established from FY 2002 data. EDA will continue to monitor and develop trend data.
Measure 2e: Percentage of Trade Adjustment Assistance Center Clients Taking Action as a Result of the Assistance Facilitated by the TAAC	Trade Adjustment Assistance Center client profiles	Annually	EDA Management Information System	Performance data will be verified for the Trade Adjustment Assistance Centers. EDA headquarters will annually review data.	Universe - EDA Trade Adjustment Assistance investments only. Outside mitigating factors such as the local economy may affect the measure.	Baseline established from FY 2002 data. EDA will continue to monitor and develop trend data.
Measure 2f: Percentage of Those Actions Taken by Trade Adjustment Assistance Center Clients that Achieved the Expected Results	Trade Adjustment Assistance Center client reports	Annually	EDA Management Information System	Performance data will be verified by the Trade Adjustment Assistance Centers. EDA headquarters will annually review data.	Universe - EDA Trade Adjustment Assistance investments only. Outside mitigating factors such as the local economy may affect the measure.	Baseline established from FY 2002 data. EDA will continue to monitor and develop trend data.

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**Department of Commerce
Economic Development Administration
Economic Development Assistance Programs
SUMMARY OF RESOURCE REQUIREMENTS**
(Dollar amounts in thousands)

	FTE	BUDGET AUTHORITY	DIRECT OBLIGATION
FY 2008 Omnibus Appropriation	0	249,100	251,196
FY 2008 Unobligated balance rescission.....	0	-5,700	0
Less: Obligations for Prior Years.....	0		(7,796)
Restoration of unobligated balance rescission.....	0	5,700	5,700
2009 Base Request	0	249,100	249,100
Plus: Program Change.....	0	<u>(149,100)</u>	<u>(149,100)</u>
2009 Estimate	0	100,000	100,000

COMPARISON BY ACTIVITY			2007 Actual	2008 Enacted	2009 Base	2009 Estimate	Increase/ (Decrease)
			Amount	Amount	Amount	Amount	Amount
EDA-32	Global Climate Change Mitigation Incentive	BA	0	9,400	9,400	\$1,500	(7,900)
		Obl	0	9,400			
EDA-35	Public Works	BA	158,089	146,430	146,430	7,200	(139,230)
		Obl	177,005	146,517			
EDA-44	Planning	BA	27,000	27,000	27,000	27,000	0
		Obl	26,953	27,691			
EDA-48	Technical Assistance	BA	8,203	9,400	9,400	9,400	0
		Obl	8,120	10,290			
EDA-53	Research & Evaluation	BA	481	470	470	470	0
		Obl	833	736			
EDA-57	Trade Adjustment Assistance	BA	12,814	14,100	14,100	14,100	0
		Obl	12,913	14,100			
EDA-60	Economic Adjustment Assistance	BA	44,154	42,300	42,300	40,330	(1,970)
		Obl	50,979	41,704			

COMPARISON BY ACTIVITY		2007	Actual	2008	2009 Base	2009 Estimate	Increase/ (Decrease)
		Amount		Amount	Amount	Amount	Amount
Tri-State Floods	BA			\$0	\$0	\$0	\$0
	Obl	0		0	0	0	0
Hurricane Andrew/Northridge Earthquake	BA			0	0	0	0
	Obl	13			0	0	0
Hurricane Floyd/Fran/Defense Adj. Asst.	BA			0	0	0	0
	Obl	0		644	0	0	0
Norton Sound/AK Fisheries/ NE Fisheries/ Emerg Response Supp/ Grants to States	BA			0	0	0	0
	Obl	637		113	0	0	0
Total Budget Authority	BA	250,741		249,100	249,100	100,000	(149,100)
	Obl	277,453		251,196	0	0	0
Adjustments to Obligations:							
Recoveries		(20,680)		0	0	0	0
Unobligated balance, start of year		(13,828)		(7,796)	0	0	0
Unobligated balance, transferred		0			0	0	0
Unobligated balance, end of year		7,796		0	0	0	0
Transfer to other accounts (+)				0	0	0	0
Unobligated Balance Rescission		0		5,700	0	0	0
Appropriations		250,741		249,100	249,100	100,000	(149,100)

*EDA's Reauthorization Act states that "...not less than \$27,000,000 shall be made available for grants provided under section 203..." (EDA's Planning program). The FY 2008 Commerce, Justice, State, the Judiciary, and Related Agencies Appropriations Conference Report, included as part of FY 2008 Omnibus Appropriations Conference Report (HR 110-124), states \$25,380,000 is for Planning." Notification of the reprogramming from the Public Works program to the Planning program is being processed.

**Department of Commerce
Economic Development Administration
Economic Development Assistance Programs
SUMMARY OF FINANCING**
(Dollar amounts in thousands)

COMPARISON BY ACTIVITY		2007 Actual		2008 Enacted		2009 Base		2009 Estimate		Increase/ (Decrease)	
		Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount
Global Climate Change Mitigation Incentive	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl	0	0	0	0	0	0	0	0	0	0
Public Works	Pos./BA	0	0	0	-21	0	0	0	0	0	0
	FTE/Obl	0	0	0	0	0	0	0	0	0	0
Planning	Pos./BA	0	0	0	52	0	0	0	0	0	0
	FTE/Obl	0	0	0	0	0	0	0	0	0	0
Technical Assistance	Pos/BA	0	0	0	9	0	0	0	0	0	0
	FTE/Obl	0	0	0	0	0	0	0	0	0	0
Research & Evaluation	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl	0	0	0	0	0	0	0	0	0	0
Trade Adjustment	Pos/BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl	0	0	0	0	0	0	0	0	0	0
Economic Adjustment	Pos./BA	0	16,948	0	17,603	0	16,000	0	24,000	0	0
	FTE/Obl	0	0	0	0	0	0	0	0	0	0
Reimbursable Obligations	Pos./BA	0	16,948	0	17,643	0	16,000	0	24,000	0	0
	FTE/Obl	0	0	0	0	0	0	0	0	0	0

Department of Commerce
Economic Development Administration
Economic Development Assistance Programs
SUMMARY OF FINANCING
(Dollar amounts in thousands)

	2007	2008	2009	2009	Increase/
	Actual	Enacted	Base	Estimate	(Decrease)
	Amount	Amount	Amount	Amount	Amount
Total Obligations	\$292,758	\$268,839	\$265,100	\$124,000	(\$149,100)
Financing	0	0	0	0	0
Offsetting collections from					
Federal funds	(16,948)	(16,000)	(16,000)	(24,000)	0
Trust funds	0	0	0	0	0
Non-Federal sources	0	0	0	0	0
Recoveries	(20,649)	0	0	0	
Unobligated balance, start-of-year	(13,859)	(9,439)	0	0	0
Unobligated balance rescission	0	5,700	0	0	0
Unobligated balance, end-of-year	9,439	0	0	0	0
Budget Authority	250,741	249,100	249,100	100,000	(149,100)
Transferred to/from other accounts					
Rescission		5,700			
Appropriation	250,741	249,100	249,100	100,000	(149,100)

Department of Commerce
Economic Development Administration
Economic Development Assistance Programs
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
 (Dollar amounts in thousands)

ACTIVITY: Global Climate Change Mitigation Incentive		2007 Actual	2008 Enacted	2009 Base	2009 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Global Climate Change Mitigation Incentive	BA	\$0	\$9,400	\$9,400	\$1,500	(\$7,900)
	Obl.	\$0	\$9,400	\$9,400	\$1,500	(\$7,900)

Department of Commerce
Economic Development Administration
Economic Development Assistance Programs
JUSTIFICATION OF PROGRAM AND PERFORMANCE

EDA Performance Goals Annual Performance Targets (\$000)	Performance Goal 1: <i>To Be Determined</i>		
	FY 2007	FY 2008	FY 2009
Global Climate Change Mitigation Initiative	\$0	\$9,400	\$1,500
Long-Term Outcomes			
<p><i>In light of the mounting concerns with regard to the effect of global climate change, the Global Climate Change Initiative supports policies and strategies which contribute to sustainable "green" construction and resource conservation. As part of its application process, EDA will include criteria that will allow it to recognize proposals which incorporate technologies and strategies which would reduce energy consumption, reduce harmful gas emissions, and contribute to sustainability.</i></p>			

**Department of Commerce
Economic Development Administration
Economic Development Assistance Programs
PROGRAM CHANGE FOR FY 2009**
(Dollar amounts in thousands)

		2009 Base	2009 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount
Global Climate Change	BA	\$9,400	\$1,500	(\$7,900)
	Obl.	\$9,400	\$1,500	(\$7,900)

Proposed FY 2009 Program Changes

The FY 2009 Budget Request of \$100 million for Economic Development Assistance Programs (EDAP) represents a \$149.1 million decrease from the FY 2008 Enacted. This request includes \$1.5 million for Global Climate Change Mitigation Incentive. EDA will fund this program at a rate that is consistent with FY 2008 based on the total estimated construction funding for Public Works and Economic Adjustment Assistance funded projects.

Department of Commerce
Economic Development Administration
Economic Development Assistance Programs
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
 (Dollar amounts in thousands)

ACTIVITY: PUBLIC WORKS		2007 Actual	2008 Enacted	2009 Base	2009 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Public Works	BA	\$158,089	\$146,430	\$146,430	\$7,200	(\$139,230)
	Obl.	\$177,005	\$146,517	\$146,430	\$7,200	(\$139,230)



**Department of Commerce
Economic Development Administration
Economic Development Assistance Programs
JUSTIFICATION OF PROGRAM AND PERFORMANCE**

Activity: Public Works and Economic Development Program

Base Program

The Public Works and Economic Development Program (PW) empowers distressed communities to revitalize, expand, and upgrade their physical infrastructure to attract new industry, encourage business expansion, diversify regional economies, and generate or retain long-term, private sector jobs and investment. The PW program addresses the most basic building block of an economy, namely infrastructure, which is required to support the growth and economic development of distressed regions.

Putting Brownfields Back Into Action

EDA has been a longtime supporter of the Environmental Protection Agency's (EPA) Brownfields Initiative. The redevelopment of brownfields revitalizes old industrial sites and older commercial regions of distressed communities rather than consuming new "greenfield" sites. EPA and EDA work together to enhance coordination with prospective applicant beneficiaries. This level of cooperation between two federal agencies, with markedly different missions, has established a model for intergovernmental collaboration and effective delivery of assistance to local communities.

Establishing Links through Technology Infrastructure

EDA has had tremendous success in establishing vital links between distressed communities and high-tech communities by funding telecommunications infrastructure as a fundamental component to bridging the technology gap. Possible technological infrastructure investments may include, among other things, broadband deployment, infrastructure for distance learning networks, smart-rooms, technologically advanced research and manufacturing facilities, and business and industrial parks pre-wired with fiber optic cable, as well as other types of telecommunications infrastructure and development facilities needed to create economic opportunity. Studies have found that the absence of internet accessibility is a significant impediment to the development of distressed rural communities.

EDA funding supports high-technology investment opportunities that link innovation with commercialization. For example, EDA recently awarded \$3 million for the Infotonics Technology Center, Inc. in New York. The investment will renovate 8,000 square feet of incubator space and fund construction of a 15,000 square foot pilot product manufacturing facility, the Commercialization Center. The investment complements a Department of Labor WIRED Initiative and will create 200 jobs and generate \$130 million in private investment.

Enabling a Skilled Workforce for the 21st Century

A theme that is present in almost every economically distressed area is the lack of an adequately trained workforce. The American Assembly of Columbia University cites the lack of skill training as one of the principal reasons for the decrease in the economic competitiveness for some of the nation's cities and rural communities. Rural communities in particular suffer from continued out-migration. Employers are reluctant to invest in areas where a skilled workforce does not

already exist, while young workers leave rural communities in search of better opportunities. The cycle of out-migration will continue unless investment in worker training occurs. EDA has received a large number of investment requests over the years from communities that, when partnering with private firms, realize that much of the available local labor force lacks the training necessary to perform the jobs the industries need. This has resulted in a number of awards to applicants to build state-of-the-art training facilities. Applicants and their educational institution partners, together with input from the private industries, design and operate training programs to meet the needs of the industries. These programs are proving to be a key economic engine for both rural and urban regions.

Historic Preservation—on a Glidepath to Recovery and Stability

Preserve America is a White House initiative that, in cooperation with the Advisory Council on Historic Preservation and in partnership with various government agencies including the Department of Commerce, promotes the preservation of natural treasures and American historic sites. The U.S. Secretary of Commerce has directed EDA to support and promote Preserve America projects as potential investment opportunities that can also promote job creation and spur private-sector investment.

Shifting Economies from Natural Resource Dependency

Many communities continue to face erosion of natural resources as a dependable economic base. Even in areas where coal mining, wood harvesting, fishing, and agricultural business have remained relatively strong, mechanization and automation are necessary to reduce costs, gain efficiency, and increase profit margins. Unfortunately, these actions result in significant job losses and create long-term high unemployment. Through the Public Works program, EDA provides assistance in the form of infrastructure improvements made to provide improved rail access and off-loading facilities, workforce retraining, upgrading industrial infrastructure, long-term economic analysis, and attracting new private capital.

Border, Delta, Appalachian and Rural Regions Experience Economic Decline

Border, Delta, Appalachian and Rural regions continue to experience high distress and economic decline, and face barriers to economic diversification. In the Border regions, increased truck, barge, and rail traffic threaten the adequacy of transportation infrastructure. Forty-two percent of the Appalachian population is rural, compared with 20 percent of the national population. Appalachia's economic fortunes were based on natural resource extraction and manufacturing. The modern economy of the region is gradually diversifying, with a heavier emphasis on services and widespread development of tourism, especially in more remote areas where there is no other viable industry. The majority of the Delta region remains rural and agricultural. Transportation and logistics generated by shipping commodities out of the region challenge the existing transportation infrastructure.

Centuries Old Water and Sewer Systems and Economic Sustainability

Basic infrastructure in the downtown regions, particularly water and sewer systems, is often over a century old. This infrastructure is not adequate to support the needs of growing businesses. In rural regions, water management and coordinated planning and implementation of water/wastewater infrastructure is key to unlocking economic sustainability. The inadequacy of basic public water and sewer infrastructure has proven to be a significant impediment to the growth of new businesses.

**Department of Commerce
Economic Development Administration
Economic Development Assistance Programs
JUSTIFICATION OF PROGRAM AND PERFORMANCE**

Measure 1A: Private sector dollars invested in distressed communities							
Measure 1B: Jobs created or retained in distressed communities							
APP page #s 18 & 19	Fiscal Year	FY 2007	FY 2008	FY 2009	FY 2010**	FY 2011**	FY 2012**
PUBLIC WORKS	Amount (\$000)	\$158,089	\$146,430	\$7,200	\$7,200	\$7,200	\$7,200
Long-Term Outcomes							
Private sector dollars invested in distressed communities.	Target (\$000)	\$1,115,476	\$1,033,210	\$50,803	\$50,803	\$50,803	\$50,803
Jobs created or retained in distressed communities.	Target	28,557	26,367	1,298	1,298	1,298	1,298
<p>Note: 1) Jobs created or retained and private sector dollars invested for projects awarded in FY 2009 are projected to be fully realized by FY 2018. 2) Long term outcomes are based solely on direct jobs. Prior budgets included indirect job projections. The use of only direct jobs and private investments to calculate EDA projections is consistent with GAO recommendations and EDA stakeholder comments on the difficulty of retaining reliable sources for induced and indirect affects of EDA investments. 3) Long-term outcomes are based on findings from the Public Works Program Performance Evaluation (Rutgers University, et al. 1997).</p>							
<p>** Measure 1A and 1B targets for fiscal years 2010, 2011, and 2012 are based on the FY 2009 PW appropriation and FY 2009 target calculation formula. These targets will change once the FY 2010, 2011, and 2012 target calculation formulas are available.</p>							

**Department of Commerce
Economic Development Administration
Economic Development Assistance Programs
PROGRAM CHANGE FOR FY 2009**
(Dollar amounts in thousands)

		2009 Base	2009 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount
Public Works	BA	\$146,430	\$7,200	(\$139,230)
	Obl.	\$146,430	\$7,200	(\$139,230)

Proposed FY 2009 Program Changes

The FY 2009 Budget Request of \$100 million for Economic Development Assistance Programs (EDAP) represents a \$149.1 million decrease from the FY 2008 Enacted. This request includes \$7.2 million for Public Works investments, a reduction of \$139.2 million.

Department of Commerce
Economic Development Administration
Economic Development Assistance Programs
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
 (Dollar amounts in thousands)

ACTIVITY: PLANNING		2007 Actual Amount	2008 Enacted Amount	2009 Base Amount	2009 Estimate Amount	Increase/ (Decrease) Amount
Planning	BA	\$27,000	\$27,000	\$27,000	\$27,000	\$0
	Obl.	\$26,953	\$27,691	\$27,000	\$27,000	\$0

**Department of Commerce
Economic Development Administration
Economic Development Assistance Programs
JUSTIFICATION OF PROGRAM AND PERFORMANCE**

Activity: Planning

Base Program

Comprehensive, market-based, local and regional planning is an essential component of successful economic development. Effective planning creates a road map for community growth and development with a focused approach towards creating higher-skill, higher-wage jobs. The Planning program provides a foundation for EDA's infrastructure investments, which are designed to stimulate economic growth in distressed regions. The planning process supports an assessment of the region's economic conditions and the development of a Comprehensive Economic Development Strategy (CEDS) to guide resource allocation and project development. The key value of this process is that it is locally determined and involves participation from all the diverse interests in the community.

The CEDS, as explained in 13 C.F.R. § 303.7, is designed to bring together the public and private sectors in the creation of an economic roadmap to diversify and strengthen regional economies. The CEDS analyzes the regional economy and serves as a guide for establishing regional goals and objectives, developing and implementing a regional plan of action, identifying investment priorities and funding sources, and assigning lead organizations responsibilities for execution of the strategy. Public and private sector partnerships are critical to the implementation of the integrated elements of a CEDS. As a performance-based plan, the CEDS serves a critical role in a region's efforts to defend against economic dislocations due to global trade, competition and other events that would result in the loss of jobs and private investment. Once EDA approves a CEDS, the planning organization may qualify for an implementation investment award through EDA's Public Works or Economic Adjustment Assistance programs to aid in the construction of infrastructure, planning, and technical assistance projects set out in the CEDS. In making subsequent investments, EDA is reacting to locally determined priorities and initiatives.

Critical to the economic analysis is the comparison of the range of programs and activities supported by the District Organization, and the extent the CEDS integrates the concerns of stakeholders, including businesses, and State, local and Federal government agencies. The CEDS must contain performance measures that will be used to evaluate the District Organization's successful development and implementation of the CEDS, including but not limited to, the number and types of investments undertaken in the region, the number of jobs created, jobs retained, and amount of private sector investment in the region after the implementation of the CEDS, and changes in the economic environment of the region. Most District Organizations will benefit from developing additional quantitative and qualitative measures that will evaluate progress toward achieving the important goals identified in the CEDS.

Currently, the performance measures for the EDA Planning program include the percentage of District Organizations and Indian Tribes who implement CEDS projects, and the percentage of sub-state political jurisdiction members that actively participate in the Economic Development District program. EDA will continue to monitor and develop trend data for these measures developed in part from FY 2002 baseline data. EDA conducts a peer evaluation of each District Organization at least every three years as required by the Economic Development Administration Reform Act of 1998. In its FY 2007 Performance and Accountability Report prepared as part of the Government Performance and Results Act of 1993, EDA reported that 92.0 percent of EDD member jurisdictions actively participated in their EDDs through financial support, participation at meetings, or both.

**Department of Commerce
Economic Development Administration
Economic Development Assistance Programs
JUSTIFICATION OF PROGRAM AND PERFORMANCE**

Measure 2A: Percentage of District Organizations and Indian Tribes implementing economic development projects from the Comprehensive Economic Development Strategy (CEDS) process that contribute to private investment and jobs. Measure 2B: Percentage of sub-state jurisdiction members actively participating in the Economic Development District (EDD) program.							
APP page #s 19 & 20	Fiscal Year	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
PLANNING	Amount (\$000)	\$27,000	\$27,000	\$27,000	\$27,000	\$27,000	\$27,000
Long-Term Outcomes							
Percentage of District Organizations and Indian Tribes implementing economic development projects from the Comprehensive Economic Development Strategy (CEDS) process that contribute to private investment and jobs.	Target	95%	95%	95%	95%	95%	95%
Percentage of sub-state jurisdiction members actively participating in the Economic Development District (EDD) program.	Target	89-93%	89-93%	89-93%	89-93%	89-93%	89-93%

Department of Commerce
Economic Development Administration
Economic Development Assistance Programs
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
 (Dollar amounts in thousands)

ACTIVITY: TECHNICAL ASSISTANCE		2007 Actual Amount	2008 Enacted Amount	2009 Base Amount	2009 Estimate Amount	Increase/ (Decrease) Amount
Technical Assistance	BA	\$8,203	\$9,400	\$9,400	\$9,400	\$0
	Obl.	\$8,120	\$10,290	\$9,400	\$9,400	\$0

**Department of Commerce
Economic Development Administration
Economic Development Assistance Programs
JUSTIFICATION OF PROGRAM AND PERFORMANCE**

Activity: Technical Assistance

Base Program

EDA's University Center Economic Development (UC) program and Local and National technical assistance programs are designed to address two major impediments to economic development - the lack of information on new trends and practices in economic development and inadequate technical knowledge. Technical assistance programs, which help to fill these knowledge gaps, improve the capacity of these leaders to assess alternative economic development options and to implement those which provide the greatest benefits for their constituents.

EDA oversees three technical assistance programs (University Center, National and Local) that promote economic development and alleviate unemployment, underemployment, and out-migration in distressed regions. These programs provide funds to: (1) invest in institutions of higher education to establish and operate University Centers to provide technical assistance to public and private sector organizations with the goal of enhancing local economic development; (2) support innovative approaches to stimulate economic development in distressed regions; (3) disseminate information and studies of economic development issues of national significance; and (4) finance local feasibility studies, planning efforts, and other projects leading to local economic development. These programs aid the long-range economic development of regions with severe unemployment and low per capita income.

Institutions of higher education have extensive resources, including specialized research and outreach/technology transfer capabilities, exemplified by recognized faculty expertise, sophisticated laboratories and methods that often are not utilized by struggling communities and small business. The EDA-supported UC program is specifically designed to marshal the resources located within colleges and universities to support local economic development in regions of severe chronic and acute economic distress. University Centers, which EDA considers long-term partners in economic development, are required to devote the majority of their funding to responding to technical assistance requests originating from organizations outside the sponsoring institution. EDA also expects a UC to give priority to technical assistance requests from organizations located in the economically distressed portions of their service regions. EDA currently funds 59 University Centers, of which 13 are at minority serving institutions.

Most UCs focus their efforts on assisting units of local governments and non-profit organizations in planning and implementing economic development programs and projects. Typical activities provided by these University Centers include conducting preliminary feasibility studies, analyzing data, and convening customized seminars and workshops on topics such as strategic planning and capital budgeting. Other UCs focus their efforts on helping private sector firms with technology transfer assistance. Typical activities conducted by these University Centers include identifying appropriate off-the-shelf technology to solve specific problems encountered by firms, and recommending changes in current operating procedures to improve production efficiencies, reduce energy usage, and decrease the volume of raw materials lost in the production process.

University Centers have a long history of helping to promote and facilitate economic development in their service regions. They have been among the first to recognize emerging technical assistance needs. EDA-funded UCs, as early as FY1980, were among the first to recognize and respond to the needs of small and medium manufacturers and processors for technology transfer assistance. A University Center launched one of the Nation's first venture capital networks, a process which links entrepreneurs with private investors.

Similar networks have since been replicated by other institutions of higher education and non-profit organizations.

The Local technical assistance program, one of EDA's smallest programs in terms of funding, is an extremely flexible and useful economic development tool. The most common purpose of a Local technical assistance project has been to analyze the feasibility of a potential economic development project, such as an industrial park or a high-technology business incubator. Feasibility studies are an effective tool for determining whether the market will support a particular activity or site. While local technical assistance investments are typically small in size and scope, they can prevent costly mistakes and misguided investments. Economically distressed communities often have a pre-disposition towards the same type of industry that have historically been employers in an area, while market forces may be moving in another direction all together. Costly infrastructure investments to support obsolete industries are neither an efficient nor effective use of public resources, and they will not support the long-term economic interests of local communities. Targeted market feasibility studies can help communities overcome these hurdles and identify tomorrow's higher-skill, higher-wage employers. As a result of these feasibility studies, many communities have received funding under EDA's public works program or other federal or state funded programs to implement those projects.

The National Technical Assistance program assists in formulating and implementing new economic development tools that will support local governments' efforts to partner with private industry and attract private investment to revitalize regions and local communities. It seeks to provide timely information on best practices in economic development that is critical to practitioners' efforts to alleviate economic distress and promote economic development. This is accomplished, in some instances, through cooperative agreements with national organizations. EDA also conducts demonstrations of promising economic development tools and techniques and disseminates the results to state and local organizations and urban, rural and Native American communities. This program identifies and funds the collection and dissemination of new knowledge, analysis, and technical information which helps communities assess their economic development opportunities and supports the overall EDA strategy of enhancing regional cooperation, fostering innovation, increasing productivity, and developing industry clusters.

**Department of Commerce
 Economic Development Administration
 Economic Development Assistance Programs
 JUSTIFICATION OF PROGRAM AND PERFORMANCE**

Measure 2C: Percentage of University Center clients taking action as a result of the assistance facilitated by the University Center. & Measure 2D: Percentage of those actions taken by University Center clients that achieved the expected results.							
APP page #s 20 & 21	Fiscal Year	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
TECHNICAL ASSISTANCE	Amount (\$000)	\$8,203	\$9,400	\$9,400	\$9,400	\$9,400	\$9,400
Long-Term Outcomes							
Measure 2C: Percentage of University Center clients taking action as a result of the assistance facilitated by the University Center.	Target	75%	75%	75%	75%	75%	75%
Measure 2D: Percentage of those actions taken by University Center clients that achieved the expected results.	Target	80%	80%	80%	80%	80%	80%

Department of Commerce
Economic Development Administration
Economic Development Assistance Programs
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
 (Dollar amounts in thousands)

ACTIVITY: RESEARCH & EVALUATION		2007 Actual Amount	2008 Enacted Amount	2009 Base Amount	2009 Estimate Amount	Increase/ (Decrease) Amount
Research and Evaluation	BA	\$481	\$470	\$470	\$470	\$0
	Obl.	\$833	\$736	\$470	\$470	\$0

**Department of Commerce
Economic Development Administration
Economic Development Assistance Programs
JUSTIFICATION OF PROGRAM AND PERFORMANCE**

Activity: Research and Evaluation

Base Program

Through the **Research and Evaluation** program, EDA helps build the knowledge base for sound, market-driven, effective regional and local economic development, so that EDA's initiatives and investments are consistent with the best thinking and best practices of economic development in the 21st century. Methodologically sound program evaluations help measure the return on taxpayer investment, private capital investment leveraged, and the creation of higher-skill, higher-wage jobs. As EDA embraces a strategy based on enhancing regional competitiveness, fostering innovation, increasing productivity, and developing industry clusters, the Research and Evaluation program helps provide the vital economic information and data and cutting-edge research critical in developing sound investment strategies. It is also central to EDA's ability to evaluate program impact and measure program performance. The Research and Evaluation program is carried out through investments and cooperative agreements, as well as through studies conducted in-house by EDA research staff, to maximize the impact of this modestly funded program.

Through the Research and Evaluation Program, EDA funded the report "Unlocking Rural Competitiveness: The Role of Regional Clusters." This report by Purdue and Indiana Universities developed a database and method to assess regional economic competitiveness in rural areas of the United States. The research was organized into two major projects: Project 1 was built a comprehensive database for cluster studies, Project 2 uses the database developed in Project 1 to analyze the cluster structure of regions. While research was done to the highest standards of academic rigor, the work product is widely recognized for its practitioner accessibility. Rather than the usual 400 page tome, the practitioner can access the information they need from a 'cookbook' format contained on a searchable CD. The data and assessment tools contained in the CD allow the practitioner to utilize sophisticated methods without incurring unnecessary administrative burden; the practitioner can access sophisticated technology easily, leaving her free to add value born of her local knowledge and expertise.

EDA is also conducting an extensive study into the evaluation of the effectiveness of economic development programs, in cooperation with 25 sister agencies. The effort involves the application of sophisticated analytical methods to the problem of economic development outcome measurement. The effort is being led by a team from Grant Thornton and involves methodological discussions with recognized academic experts and our federal colleagues at OMB and GAO. The collaboration and involvement of our sister agencies, and OMB and GAO analysts in this effort is unique and is the key to success of this ambitious project, which will produce a replicable model utilizing publicly available open source data rather than relying upon the administratively burdensome collection of self-reported data from grant beneficiaries.

**Department of Commerce
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Economic Development Assistance Programs
JUSTIFICATION OF PROGRAM AND PERFORMANCE**

Performance Outcome 2: Build Community Capacity to Achieve and Sustain Economic Growth							
APP page #: N/A	Fiscal Year	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
RESEARCH AND EVALUATION	Amount (\$000)	\$481	\$470	\$470	\$470	\$470	\$470
Outcomes Measures: None							
Description: There are no measures for this program.							

Department of Commerce
Economic Development Administration
Economic Development Assistance Programs
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
 (Dollar amounts in thousands)

ACTIVITY: TRADE ADJUSTMENT ASSISTANCE		2007 Actual Amount	2008 Enacted Amount	2009 Base Amount	2009 Estimate Amount	Increase/ (Decrease) Amount
Trade Adjustment Assistance	BA	\$12,814	\$14,100	\$14,100	\$14,100	\$0
	Obl.	\$12,913	\$14,100	\$14,100	\$14,100	\$0

**Department of Commerce
Economic Development Administration
Economic Development Assistance Programs
JUSTIFICATION OF PROGRAM AND PERFORMANCE**

Activity: Trade Adjustment Assistance for Firms

Base Program

International trade opening agreements are generally considered beneficial to the Nation overall, but the costs and benefits of these agreements are not uniformly shared by all U.S. firms. Some firms benefit almost immediately through increased access to foreign markets that were previously closed to them. Other firms, however, face shrinking profits as their domestic markets are eroded by increased competition from foreign firms. It has become important to support firms which bear the costs evolving from changing trade patterns. The Congressional Research Service reports that in FY 06, the latest year for which figures are available, TAA assisted 137 firms that had average sales of \$10 million and 91 employees. TAA provided an average of \$48,905 of assistance for trade impacted firms.

EDA's Trade Adjustment Assistance (TAA) for Firms Program is authorized under chapter 3 of title II of the Trade Act of 1974, as amended. The TAA Program provides technical assistance to help U.S. firms experiencing a decline in sales and employment, resulting in important part from the increase in imports of like or directly competitive articles, to become more competitive in the global marketplace. The TAA Program is a trade remedy mechanism which, rather than relying on tariffs, quotas or duties, supports free trade by helping trade import-impacted firms and industries regain their economic competitiveness. EDA funds and works in partnership with a national network of 11 Trade Adjustment Assistance Centers (TAACs).

A firm seeking assistance under the TAA Program first must submit a petition, which requires the firm to document the import-impacted sales and employment decreases. The TAAC provides assistance at no-cost to firms in completing and submitting the petition to EDA. If EDA determines a firm meets the legal requirements for TAA Program eligibility, the firm is certified as eligible to apply for trade adjustment assistance. Within 2 years of the date of certification, a firm must submit an adjustment proposal (AP) to EDA. Typically, the TAAC works with the firm to prepare the adjustment proposal and the firm must pay at least 25 percent of the preparation costs. The AP analyzes the strengths, weaknesses, threats, and opportunities of the firm, compares it to other firms in the same industry, and outlines specific technical assistance tasks, which if implemented would assist the firm to regain its economic competitiveness in the global marketplace. EDA must approve the adjustment proposal; thereafter, the firm and TAAC work together to locate suitable consultants. A firm must pay between 25 and 50 percent of the total consultant costs to implement the technical assistance tasks outlined in the adjustment proposal with EDA and the TAAC funding the remaining costs.

In 1998, The Urban Institute published a report of evaluating a sampling of firms certified under the TAA Program that implemented one or more tasks outlined in their approved adjustment proposal and found that these firms survived at a statistically significant higher rate, achieved greater increases in sales, and hired more workers. In December 2000, the Government Accountability Office (GAO) published a report entitled Trade Adjustment Assistance—Impact of Federal Assistance to Firms is Unclear (GAO-01-12) and, while overall not as favorable as The Urban Institute Report, GAO-01-12 found that of the non-random survey of 54 firms that were certified as eligible to apply for trade adjustment assistance and that subsequently implemented one or more tasks outlined in their approved adjustment proposal: 53 firms indicated they were satisfied with the services provided by the TAACs, 51 firms indicated that they were satisfied with the services provided by third-party consultants, 40 firms reported that the TAA Program had an overall positive impact on sales and 31 firms reported that the TAA Program had an overall positive impact on firm employment. Beginning in October 2007, EDA implemented a management information system that tracks information on TAA clients and, combined with DUNS data will be used to improve program evaluation.

**Department of Commerce
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JUSTIFICATION OF PROGRAM AND PERFORMANCE**

Measure 2E: Percentage of Trade Adjustment Assistance Center (TAAC) clients taking action as a result of the assistance facilitated by the TAAC. & Measure 2F: Percentage of those actions taken by TAAC clients that achieved the expected results.							
APP page #s 21 & 22	Fiscal Year	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
TRADE ADJUSTMENT ASSISTANCE	Amount (\$000)	\$12,814	\$14,100	\$14,100	\$14,100	\$14,100	\$14,100
Long-Term Outcomes							
Measure 2E: Percentage of Trade Adjustment Assistance Center (TAAC) clients taking action as a result of the assistance facilitated by the TAAC.	Request does not affect target	90%	90%	90%	90%	90%	90%
Measure 2F: Percentage of those actions taken by TAAC clients that achieved the expected results.	Request does not affect target	95%	95%	95%	95%	95%	95%

Department of Commerce
Economic Development Administration
Economic Development Assistance Programs
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
 (Dollar amounts in thousands)

ACTIVITY: ECONOMIC ADJUSTMENT ASSISTANCE		2007 Actual Amount	2008 Enacted Amount	2009 Base Amount	2009 Estimate Amount	Increase/ (Decrease) Amount
Economic Adjustment Assistance	BA	\$44,154	\$42,300	\$42,300	\$40,330	(\$1,970)
	Obl.	\$50,979	\$41,704	\$42,300	\$40,330	(\$1,970)

**Department of Commerce
Economic Development Administration
Economic Development Assistance Programs
JUSTIFICATION OF PROGRAM AND PERFORMANCE**

Activity: Economic Adjustment

Base Program

The **Economic Adjustment** program targets a flexible portfolio of investment assistance to communities facing the most severe of economic crises, a major change in the area's structural economic base. Radical economic change at the local level remains common in today's economy and is caused by both long-term trends and sudden economic events. These devastating economic impacts may be more readily recognized by other labels such as post disaster long-term economic recovery, the Pacific Northwest Timber Initiative, the Northeast Fisheries economic crisis and the Appalachian region coal industry decline.

The major objective of the Economic Adjustment program is to address the needs of distressed communities experiencing adverse economic changes that may occur suddenly or over time, and generally result from industrial or corporate restructuring, new Federal laws or requirements, reduction in defense expenditures, depletion of natural resources, or natural disaster. Economic Adjustment Assistance investments are intended to enhance a distressed community's ability to compete economically by stimulating private investment in targeted areas. Current investment priorities include proposals that promote comprehensive, entrepreneurial, and innovation-based economic development efforts that enhance the competitiveness of regions in the global economy. The investments will be part of a long-term strategy to promote a region's success in achieving a rising standard of living by supporting existing industry clusters, developing emerging new clusters, or attracting new regional economic drivers; support technology-led economic development and reflect the important role of linking universities and industry and technology transfers; and advance community-and faith-based social entrepreneurship in redevelopment strategies for regions of chronic economic distress.

Economic Adjustment funds will be utilized to meet the bureau's funding priorities and to address the sudden and severe economic impacts related to major plant closures, base closures, or structural economic change brought about by major dislocations in resource-based economies, or because of Federal actions such as limiting timber or fishery harvests. The major advantage of this program is that it has the authority to put together a variety of program tools such as planning and technical assistance, public infrastructure, and revolving loan financing in varying combinations to assist economically distressed communities. Awards may be used for activities such as developing and updating a CEDS or for implementing a CEDS by carrying out projects for site acquisition and preparation, construction, rehabilitation, equipping facilities, technical assistance, market or industry research and analysis, and other activities.

Revolving Loan Fund Program

Four decades ago, EDA created the revolving loan fund (RLF) Program to make grants to State and local governments and nonprofit organizations to establish lending programs that make capital available to small businesses in distressed regions at below-market rates, or when funds are otherwise unavailable from private lenders. RLF grants and lending authority exist in perpetuity as long as loans are repaid. Although EDA cannot make direct investments to businesses, an RLF investment provides funding to a locally operated program that can make loans to area businesses. RLFs fill the critical financing gap faced by businesses located in regions struggling with economic recovery, and can help implement the business assistance portion of an area's comprehensive economic recovery strategy. Existing EDA RLFs are receiving increased attention and more rigorous oversight by EDA in terms of performance management, beginning with sharper monitoring for the submission of timely and accurate semi-annual/annual RLF reports. EDA is incorporating new RLF management metrics into the EDA Balanced Scorecard.

**Department of Commerce
Economic Development Administration
Economic Development Assistance Programs
JUSTIFICATION OF PROGRAM AND
PERFORMANCE**

Measure 1A: Private sector dollars invested in distressed communities Measure 1B: Jobs created or retained in distressed communities														
APP page #s 18 & 19	INFRASTRUCTURE Amount in (\$000)							CAPITAL ACCESS Amount in (\$000)						
	INFRASTRUCTURE Performance Target	FY 2007	FY 2008	FY 2009*	FY 2010**	FY 2011**	FY 2012**	CAPITAL ACCESS Performance Target	FY 2007*	FY 2008*	FY 2009*	FY 2010**	FY 2011**	FY 2012**
ECONOMIC ADJUSTMENT ASSISTANCE		\$24,806	\$26,670	\$27,384	\$27,384	\$27,384	\$27,384		\$767	\$825	\$847	\$847	\$847	\$847
Long-Term Outcomes														
Private sector dollars invested in distressed communities.	Target (\$000)	\$175,030	\$188,185	\$193,222	\$193,222	\$193,222	\$193,222	Target (\$000)	\$1,343	\$1,443	\$1,482	\$1,482	\$1,482	\$1,482
Jobs created or retained in distressed communities.	Target	4,481	4,802	4,935	4,935	4,935	4,935	Target	103	110	114	114	114	114
<p>Note: 1) Jobs created or retained and private sector dollars invested for projects awarded in FY 2009 are projected to be fully realized by FY 2018. 2) Long term outcomes are based solely on direct jobs. Prior budgets included indirect job projections. The use of only direct jobs and private investments to calculate EDA projections is consistent with GAO recommendations and EDA stakeholder comments on the difficulty of retaining reliable sources for induced and indirect affects of EDA investments. 3) Long-term outcomes are based on findings from the Public Works Program Performance Evaluation (Rutgers University, et al. 1997).</p>														
<p>** Measure 1A and 1B targets for fiscal years 2010, 2011, and 2012 are based on the FY 2009 EA appropriation and FY 2009 target calculation formula. These targets will change once the FY 2010, 2011, and 2012 target calculation formulas are available.</p>														

**Department of Commerce
Economic Development Administration
Economic Development Assistance Programs
PROGRAM CHANGE FOR FY 2009**
(Dollar amounts in thousands)

		2009 Base	2009 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount
Economic Adjustment Assistance	BA	\$42,300	\$40,330	(\$1,970)
	Obl.	\$42,300	\$40,330	(\$1,970)

Proposed FY 2009 Program Changes

The FY 2009 Budget Request of \$100 million for Economic Development Assistance Program (EDAP) includes a request of \$40.3 million for Economic Adjustment Assistance investments, a decrease of \$2 million. This request will fund technical assistance, planning and re-use strategies, construction and other implementation projects for communities impacted by sudden and severe economic dislocation.

The types of construction projects expected to be funded focus on initiatives to diversify the local economy, including technology-transfer efforts, support for entrepreneurship, efforts to promote innovation, training facilities, as well as basic infrastructure, industrial parks or sites, business incubators and technology centers. Selection factors include the extent to which the proposed activities will contribute to facilitating private-sector investment in the enterprises and industry sectors that will diversify and strengthen the economic base of the area.

**Department of Commerce
Economic Development Administration
Economic Development Assistance Programs
SUMMARY OF REQUIREMENTS BY OBJECT CLASS**
(Dollar amounts in thousands)

OBJECT CLASS	2007 Actuals	2008 Enacted	2009 Base	2009 Estimate	Increase/ (Decrease)
Personnel Compensation	0	0	0	0	0
Full-time permanent	0	0	0	0	0
Other than full-time permanent	0	0	0	0	0
Other personnel compensation	0	0	0	0	0
Total personnel compensation					
Civilian personnel benefits	0	0	0	0	0
Benefits for former personnel	0	0	0	0	0
Travel and transportation of persons	0	0	0	0	0
Transportation of things	0	0	0	0	0
Rental payments to GSA	0	0	0	0	0
Rental payments to others	0	0	0	0	0
Communications, utilities and miscellaneous charges	0	0	0	0	0
Printing and reproduction	0	0	0	0	0
Other services	0	0	0	0	0
Supplies and materials	0	0	0	0	0
Equipment	0	0	0	0	0
Grants	\$250,741	\$249,100	\$249,100	\$100,000	(\$149,100)
Subtotal Direct Obligations	250,741	249,100	249,100	100,000	(149,100)
Reimbursable Obligations	16,948	17,643	16,000	24,000	8,000
TOTAL OBLIGATIONS	267,689	266,743	265,100	124,000	(141,100)

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**Department of Commerce
Economic Development Administration
Salaries and Expenses
SUMMARY OF RESOURCE REQUIREMENTS**
(Dollar amounts in thousands)

	FTE	BUDGET AUTHORITY	BUDGET OBLIGATIONS
2008 Omnibus Appropriation	170	30,832	32,408
Restoration of Base Reductions	0	1,183	1,183
Plus: Adjustment to Base.....	0	785	785
Less: Unobligated balance, Start of Year	0	<u>0</u>	<u>-1,576</u>
2009 Base Request.....	170	32,800	32,800
Plus: Program Change.....	<u>5</u>	<u>0</u>	<u>0</u>
2009 Estimate.....	175	32,800	32,800

COMPARISON BY ACTIVITY		2007 Actuals		2008 Enacted		2009 Base		2009 Estimate		Increase/ (Decrease)	
		Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount
Salaries and expenses, direct	Pos./BA	160	\$29,882	170	\$30,832	175	\$32,800	175	\$32,800	0	\$0
	FTE/Obl	160	29,468	170	32,408					0	0
Adjustments to obligations:											
Recoveries			0								
Unobligated balance, start of year			(1,766)		(1,576)						
Unobligated balance transferred			0								
Unobligated balance, end of year			1,576								
Unobligated balance expiring			604								
Transfer from other accounts (-)			0								
Transfer to other accounts (+)			0								
Rescission											
APPROPRIATION		160	29,882	170	30,832	175	32,800	175	32,800	0	0

**Department of Commerce
Economic Development Administration
Salaries and Expenses
SUMMARY OF FINANCING
(Dollar amounts in thousands)**

	2007 Actual	2008 Enacted	2009 Base	2009 Estimate	Increase/ (Decrease)
	Amount	Amount	Amount	Amount	Amount
Total Obligations	\$30,724	\$34,351	\$33,800	\$33,800	\$0
Financing:					
Offsetting collections from:					
Federal funds	(1,313)	(1,000)	(1,000)	(1,000)	0
Trust funds					
Non-Federal sources					
Recoveries	(128)				
Unobligated balance, start-of-year	(2,524)	(2,519)			
Unobligated balance transferred	0				
Unobligated balance, end-of-year	2,519				
Unobligated balance expiring	604				
Unobligated balance lapsing					
Budget Authority	29,882	30,832	32,800	32,800	0
Rescission					
Appropriation	29,882	30,832	32,800	32,800	0

**Department of Commerce
Economic Development Administration
Salaries and Expenses
SUMMARY OF ADJUSTMENTS TO BASE AND BUILT-IN CHANGES
(Dollar amounts in thousands)**

<u>ADJUSTMENTS:</u>	<u>FTE</u>	<u>Amount</u>
Restoration of Base Reductions:	<u>5</u>	1183
Annualization of 2008 Pay Raise.....	0	231
2009 Pay Raise.....	0	386
Full-year cost in 2009 of positions financed for part year in 2008.....	0	0
Payment to the Working Capital Fund.....	0	22
Changes in Compensable Days.....	0	(70)
Civil Service Retirement System (CSRS).....	0	11
Federal Employees' Retirement System (FERS).....	0	(17)
Thrift Savings Plan.....	0	(3)
Employee Compensation Fund.....	0	(27)
Federal Insurance Contribution Act (FICA) - OASDI.....	0	(11)
Health Insurance.....	0	12
NARA.....	0	1
Postage.....	0	3
Travel and transportation of persons:		
Mileage.....	0	25
Per Diem.....	0	13
Rental payments to GSA.....	0	50
Printing and reproduction.....	0	2
Other Services:		
General pricing level adjustment: Rental payments to others \$4,503; Other Services \$79,040; Supplies and Materials \$8,645; Equipment \$6,593; Transportation of Things \$703;.....	0	100
Working Capital Fund.....	<u>0</u>	<u>57</u>
Subtotal, other changes.....	0	785
Total, adjustments to base.....	0	785

**Department of Commerce
Economic Development Administration
Salaries and Expenses
JUSTIFICATION OF ADJUSTMENTS TO BASE AND BUILT-IN CHANGES
(Dollar amounts in thousands)**

ADJUSTMENTS:

Restoration of Base Reductions:

	<u>FTE</u>	<u>Amount</u>
5	\$1,183	

OTHER CHANGES:

Pay Raise.....

\$0	\$639
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2008 Pay Raise:

Pay raise of 3.5% was effective January on 1, 2008.

Total cost in 2009 of 2008 pay raise.....	\$646
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Less amount funded in 2008.....	<u>-415</u>
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Amount requested in FY 2009 for FY 2008 Pay raise.....	\$231
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2009 Pay Increase and Related Costs:

A general pay raise of 3.0 percent is assumed to be effective January 1, 2009.

Total cost in 2009 of pay increase.....	386
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Payment to Working Capital Fund.....	<u>22</u>
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Amount requested for FY 2009 Pay Raise.....	408
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Changes in Compensable Days.....

(\$70)

There will be one less compensable day in 2009 compared to 2008. Decreased costs due to changes in compensable days are calculated by dividing the 2008 estimated personnel compensation (\$15,283,000) and applicable benefits (\$3,127,000) by 262 compensable days. The decreased cost of one less compensable day is \$70,267.

Civil Service Retirement System (CSRS).....

\$11

The estimated percentage of payroll for employees covered by CSRS increased from 36.50% in 2008 to 37.50% for 2009 for regular employees. The contribution rates will stay at 7% in 2009. This will result in an increase of \$10,698 in the cost of CSRS contributions.

FY 2009 cost: \$15,283,000 x 37.50 % x 7.00%	\$401
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FY 2008 cost: \$15,283,000 x 36.50 % x 7.00%	<u>\$390</u>
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Total, adjustment to base	11
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JUSTIFICATION OF ADJUSTMENTS TO BASE AND BUILT-IN CHANGES

(Dollar amounts in thousands)

Federal Employees Retirement System (FERS)..... (\$17)

The estimated percentage of payroll for employees covered by FERS will decrease from 63.50% in 2008 to 62.50% in 2009 for regular employees. The contribution rate for FERS employees will stay at 11.20% .

FY 2009 cost: \$15,283,000 x 62.5% x .11.2%	\$1,070
FY 2008 cost: \$15,283,000 x 63.5% x .11.2%	<u>\$1,087</u>
Total, adjustment to base	-\$17

Employee Compensation Fund..... (\$27)

Payments to the employees Compensation Fund will decrease by \$27,000 based on an actual billing from the Department of Labor

Thrift Savings Plan (TSP)..... (\$3)

The cost of EDA's contributions to the Thrift Savings Plan will decrease as FERS participation decreases. The contribution rate is expected to remain at 2.0%.

FY 2009 cost: \$15,283,000 x 62.5% x 2.0%	\$191
FY 2008 cost: \$15,283,000 x 63.5% x 2.0%	<u>\$194</u>
Total, adjustment to base	-\$3

Federal Insurance Contribution Act (FICA)..... (\$11)

The percentage of payroll covered by FERS has decreased, resulting in a decrease in OASDI contribution. The OASDI rate will remain at 6.2% in 2009.

JUSTIFICATION OF ADJUSTMENTS TO BASE AND BUILT-IN CHANGES

(Dollar amounts in thousands)

Total, adjustment to base	-\$11	
<u>Other Salaries</u>		
FY 2009 cost: \$210,000 x 62.5% x 93.3% x 6.2%	\$8	
FY 2008 cost: \$210,000 x 63.5% x 93.7% x 6.2%	\$8	
Total, adjustment to base	\$0	
<u>Health insurance</u>		\$12
Effective January 2007, EDA's contributions to Federal employees' health insurance premiums increased by an average of 1.5%. Applied against the 2008 estimate of \$818,000, the additional amount required is \$12,270.		
<u>Travel and transportation of persons</u>		\$38
<u>Mileage</u> : The reimbursement rate for privately-owned automobiles increased from 44.5 cents to 48.5 cents. The percentage increase of 9.0% was applied to the 2008 estimate of \$280,000 to arrive at an increase of \$25,200.	\$25	
<u>Per Diem</u> : The General Services Administration issued revised travel per diem rates, resulting in a 2.8% increase to EDA. This percentage was applied to the 2008 estimate of \$473,000 resulting in an increase of \$13,544.	\$13	
<u>Rental payments to GSA</u>		\$50
The General Service Administration has provided a preliminary estimated increase of 2.4% over the 2008 cost of \$2,094,000 for currently occupied space. This results in an increase of \$50,256.		
<u>Printing and reproduction</u>		\$2
GPO has provided an estimated rate increase of 2.0%. This percentage was applied to the 2008 estimate of \$106,000 to arrive at an increase of \$2,120.		
<u>Working Capital Fund</u>		\$57
An additional \$72K is required to fund cost increases in the Departmental Management's Working Capital Fund.		
<u>NARA</u> : NARA costs are expected to increase by \$1,000.		\$1
<u>Postage</u>		\$3
Effective May 14, 2007, Governors of the Postal Service implemented a rate increase of 5.1%. This percentage was applied to the FY 2008 estimate of \$51,000 to arrive at an increase of \$2,601.		

This request applies assumptions for 2009 of 1.9% to sub-object classes where the prices that the Government pays are established through the market system. Rental Payments to Others \$4,503; Other services \$78,927; Supplies and materials \$8,645; Equipment \$6,593; Transportation of Things \$703.

Subtotal, other changes.....	<u>\$785</u>
Total, adjustments to base.....	\$785

**Department of Commerce
Economic Development Administration
Salaries and Expenses
JUSTIFICATION OF PROGRAM AND PERFORMANCE**

Activity: Executive Direction

Goals and Objectives

Goals: To manage the Agency effectively and efficiently in achieving the objectives of the Administration and Congress.

Objectives: To provide essential policy guidance and management to ensure program effectiveness and the maximum utilization of all funds.

Base Program

The Assistant Secretary directs the Agency's programs and is responsible for the conduct of all economic development activities, including overall direction and coordination of the Regional Offices of EDA, subject to the policies and directives prescribed by the Secretary of Commerce.

The Deputy Assistant Secretary and Chief Operating Officer assists the Assistant Secretary in all matters affecting EDA and performs the duties of the Assistant Secretary during the latter's absence.

**Department of Commerce
Economic Development Administration
Salaries and Expenses
JUSTIFICATION OF PROGRAM AND PERFORMANCE**

Activity: Office of Chief Counsel

Goals and Objectives

Goals: To provide legal guidance to ensure that all agency actions comply with the requirements of law.

Objectives: To serve as primary legal counsel to the agency, prepare pertinent documents, and to provide legal review of documents to ensure consistency with the requirements of law and to serve as the FOIA and Privacy Act Officer for the agency.

Base Program:

The Office of Chief Counsel (OCC) prepares and reviews legal documents to ensure consistency with applicable legal requirements imposed on agency programs by statute, regulation, executive order, OMB circular or controlling policy document. The Chief Counsel directs and supervises the activities of the OCC, including those of EDA's six regional counsels. In addition, the Assistant Secretary has delegated to the Chief Counsel responsibility to serve as the primary agency official for purposes of complying with the Freedom of Information Act and the Privacy Act.

Responsibilities include drafting changes to EDA's underlying statutory authorities, the Public Works and Economic Development Act of 1965, as amended, and the Trade Act of 1974, as amended, upon occasion and in connection with reauthorization of the agency's program authorities; revising agency regulations to implement statutory and other changes at title 13, Code of Federal Regulations; assisting in Paperwork Reduction Act and grants.gov matters; responding to inquiries regarding environmental and civil rights statutes; reviewing the legal sufficiency of petitions for certification of eligibility under the Trade Adjustment Assistance for Firms program; updating standard terms and conditions and other documents critical to award of assistance; drafting and reviewing memoranda of understanding; drafting announcements of federal funding opportunities; revising EDA's directives system to implement policy changes; and preparing decision documents to resolve audit matters on appeal and to respond to settlement offers. In addition, regional counsels provide a full range of legal services incident to approval of applications, such as reviewing the acceptability of title to property and sufficiency of diverse property-related agreements, and a full range of legal services incident to post-approval matters, such as resolving complex property issues relating to the use and disposition of project assets.

**Department of Commerce
Economic Development Administration
Salaries and Expenses
JUSTIFICATION OF PROGRAM AND PERFORMANCE**

Activity: Office of Information Technology

Goals and Objectives

Goals: To ensure that the Economic Development Administration has the technological tools and support necessary to accomplish its mission and goals.

Objectives: To provide comprehensive information technology and data processing support to EDA.

Base Program

The Office of Information Technology (OIT) develops and manages strategic information technology plans, annual IT operating plans and budgets, and IT capital asset plans and budgets. The Chief Information Officer directs and supervises the activities of the IT Office, including system and application development, information security, maintenance, and oversight of day-to-day operations.

The base program budget includes costs for providing Information Technology and Computer System Support for EDA. This support includes the development, information security, maintenance, installation, operation, and support for all major information systems, networks, data bases, computers and office automation tools used in the Agency by its executives, managers, and employees.

The base program budget also establishes maintenance and support of the local and wide area computer networks (LAN and WAN) connecting personal computers, printers, other devices and fileshares, in and among the EDA offices (headquarters, the regional offices, and the remote Economic Development Representatives offices). The network provides the electronic mail system and the communications to others in the Department and to the Internet. The technical expertise and support costs necessary for the establishment, enhancement, and maintenance of the EDA public and internal Web sites are also included in the base program costs.

**Department of Commerce
Economic Development Administration
Salaries and Expenses
JUSTIFICATION OF PROGRAM AND PERFORMANCE**

Activity: Office of Finance and Management Services

Goals and Objectives

Goals: To provide comprehensive financial, budgetary, human capital, COOP and administrative services and support to all EDA components.

Objectives: To provide the support EDA components need to execute programs, develop and monitor an effective budgeting process (formulation and execution), and carry out the fiduciary responsibilities of the agency consistent with the intent of the Administration, the Secretary of Commerce, the Office of Management and Budget (OMB), and the Congress.

Base Program

The Chief Financial Officer and Chief Administrative Officer also serves as the Internal Control Coordinator, EEO Officer, and Senior Official for Management and Procurement. The CFO/CAO is responsible for managing EDA's budgetary, financial and accounting activities, coordinating and evaluating internal financial management control systems; managing EDA's continuity of operations program, providing the full range of administrative services, human capital management, awards, and training, unless otherwise provided at the Departmental level, for EDA headquarters and, overseeing these activities for the Regional Offices; administering old EDA loans and guarantees requiring servicing; and developing and implementing policies, standards, and procedures for collecting or taking other actions to resolve debts arising from investments made by EDA.

The Finance and Administration Division provides the full range of finance and non-financial administrative services, unless otherwise provided at Department level, for EDA headquarters, and is responsible for oversight of Regional Office administrative activities. The Division provides records and property management, human capital management, awards, training, audit oversight and resolution management, procurement management, security oversight, loan management, accounting, financial statement preparation, and general financial management, as well as continuity of operations planning.

The Budget Division, in concert with agency and Departmental officials, develops, prepares, and executes the annual EDA budget. The Division is responsible for the fiscal aspects of EDA programs, including programs entrusted to other Federal agencies; monitoring fiscal controls for program and administrative expenses consistent with the requirements of the Anti-Deficiency Act, including allotment of funds, operating budgets, staffing limitations, and analysis of reports and resource proposals. The division coordinates with Performance Evaluation to analyze performance measures and results to demonstrate the benefits of funds expended, and to derive and adjust EDA's budget requests based on performance outcomes.

**Department of Commerce
Economic Development Administration
Salaries and Expenses
JUSTIFICATION OF PROGRAM AND PERFORMANCE**

Activity: Office of Executive Secretariat and External Affairs

Goals and Objectives

Goals: To ensure that the mission, goals, objectives, and programs of the Economic Development Administration are broadly disseminated to expand the reach of EDA programs and to provide technical assistance to economic development practitioners at all levels - local, regional, state and federal.

Objectives: To provide coordinated direction of EDA activities related to Congressional relations, inter and intra-governmental relations, public affairs, and internal and external communications.

Base Program

The Deputy Assistant Secretary for Executive Secretariat and External Affairs coordinates EDA public affairs, legislative affairs and executive secretariat activities, provides information on the goals, objectives, policies, programs, and activities of EDA and acts as point of contact for members of Congress, Congressional staff, other Federal agencies, state and local governments, the media, and the general public.

The Public Affairs Division coordinates all EDA Public Affairs activities, including press releases, media events, and public appearances of the Assistant Secretary. The Public Affairs staff interacts with the public on behalf of the Agency, focusing on the Economic Development Coalition members, private and public economic developers, and national interest groups, creates the message to communicate EDA's vision, mission, and goals, and is responsible for the form, appearance, and content of all materials and information provided to EDA stakeholders, partners, customers, and the general public.

The Legislative Affairs Division coordinates all activities relating to Agency relations and interactions with members of Congress, Congressional staff, other federal agencies, state and local elected officials, and other governmental and non-governmental organizations through all manner of written and verbal communication. The Division communicates the Administration's legislative agenda regarding economic development matters, manages, directs, researches and analyzes legislative proposals affecting EDA, and provides leadership of all intergovernmental affairs activities.

The Executive Secretariat Division provides appropriate and comprehensive bureau information necessary to respond to Secretarial, Congressional, intergovernmental, other Federal agency, and public requests, and prepares and processes controlled correspondence relating investment proposals and other bureau business. The Division is also responsible for the final preparation, clearance, and announcement of all EDA investments.

**Department of Commerce
Economic Development Administration
Salaries and Expenses
JUSTIFICATION OF PROGRAM AND PERFORMANCE**

Activity: Office of Regional Affairs

Goals and Objectives

Goals: To ensure that the execution of EDA programs achieve the mission, goals and objectives of the Economic Development Administration, and to provide management and stakeholders direct evidence of program effectiveness and efficiency.

Objectives: To provide at the national, regional and local levels, coordinated program implementation, outreach and assistance to existing and potential grantees; develop and implement program policies, guidance, procedures and directives; develop and monitor an effective performance measurement system; and evaluate the effectiveness and economic impact of economic development programs, projects, methods and techniques.

Base Program

The Deputy Assistant Secretary for Regional Affairs oversees program operations in the six regional offices and the Performance and National Programs Division; ensures an agency-wide focus on programmatic priorities and achieving programmatic outcome and performance targets; and the development and implementation of adequate internal controls to ensure EDA exercises adequate fiduciary oversight of its programs.

The Office of Regional Affairs focuses on improved program operations at the regional and national level, and provides oversight and ensures consistency across the six regional offices. The Office of Regional Affairs more closely integrates regional office operations with performance analysis efforts and strengthens links between Balanced Scorecards and GPRA measures. Improved analytical activities include outcome-funding trends to improve program targeting and the development of more useful outcome measures. Enhanced linkages between regional offices and EDA performance staff will boost budget and performance integration, provide more robust target calculations, improve internal controls, and promote best practices that will result in improved program performance.

The Performance and National Programs Division, based in Headquarters, measures EDA program performance, and provides the agency's senior management with enhanced tools in the service of program improvement. The Performance and National Programs staff is also responsible for providing stakeholders with evidence of the benefits and cost-effectiveness of EDA program expenditures in a way that is both accurate and transparent. This Division also manages the Trade Adjustment Assistance Program for firms, the National Technical Assistance Program, and EDA's Research Program.

The six Regional Offices include the six Regional Directors and their supporting operational, technical, and administrative personnel. Regional Directors are responsible for the implementation of EDA's programs within specific geographic regions, the management of regional resources and the processing, monitoring, and servicing of projects. The Regional Offices are staffed with Regional Counsels who provide the legal reviews required to execute and administer EDA investments. The Regional staffs review and process applications for economic development assistance and monitor and service approved projects at the local level. Economic Development Representatives and regional office staff provide outreach and assistance at the local level.

Department of Commerce
Economic Development Administration
Salaries and Expenses
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

OBJECT CLASS		2007 Actual	2008 Enacted	2009 Base	2009 Estimate	Increase/ (Decrease)
11	Personnel Compensation					
11.1	Full-time permanent	\$15,047	\$15,283	\$16,666	\$16,666	0
11.3	Other than full-time permanent/WCF	0	0	22	22	0
11.5	Other personnel compensation includes Lump Sum	210	210	210	210	0
11.9	Total personnel compensation	15,257	15,493	16,898	16,898	0
12.1	Civilian personnel benefits	3,658	4,070	4,386	4,386	0
13.0	Benefits for former personnel	0	0	0	0	0
21.0	Travel and transportation of persons	999	976	1,016	1,016	0
22.0	Transportation of things	29	37	38	38	0
23.1	Rental payments to GSA	1,973	2,094	2,144	2,144	0
23.2	Rental payments to others	260	237	236	236	0
23.3	Communications, utilities and miscellaneous charges	456	328	331	331	0
24.0	Printing and reproduction	34	106	108	108	0
25.2	Other services	2,196	2,196	2,275	2,275	0
25.3	Purchase of goods and services from Government Accounts	3,607	4,493	4,550	4,550	0
25.7	Operations and maintenance of equipment	0	0	0	0	0
26.0	Supplies and materials	567	455	464	464	0
31	Equipment	432	347	354	354	0
99.0	Subtotal Direct Obligations	29,468	30,832	32,800	32,800	0
99.0	Unobligated Balance, Start of year	(1,766)	1,576			
99.0	Unobligated Balance, expiring	604				
99.0	Unobligated Balance, End of Year	1,576	0			
99.9	TOTAL OBLIGATIONS	29,882	32,408	32,800	32,800	0

**Department of Commerce
 Economic Development Administration
 Salaries and Expenses
 SUMMARY OF REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)**

PERSONNEL DATA	2007 Actual	2008 Enacted	2009 Base	2009 Estimate	Increase/ (Decrease)
Full-Time Equivalent Employment:	Amount	Amount	Amount	Amount	Amount
Full-time permanent	160	170	175	175	0
Other than full-time permanent	0	0	0	0	0
Total	160	170	175	175	0
Positions:					
Full-time permanent	160	170	175	175	0
Other than full-time permanent	0	0			0
Total	160	170	175	175	0

**Department of Commerce
Economic Development Administration
Salaries and Expenses
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)**

	OBJECT CLASS	2009 Adjustment to Base	2009 Base	2009 Estimate	Increase/ (Decrease)
11	Personnel Compensation				
11.1	Full-time permanent:				
	Executive Level	\$4	\$149	\$149	\$0
	Senior Executive Service (SES)	42	1,404	1,404	0
	General Schedule	1337	15,113	15,113	0
	Subtotal	1,383	16,666	16,666	0
11.3	Other than full-time permanent/WCF		0		
	General schedule (part-time permanent)	22	22	22	0
11.5	Other personnel compensation:				
	Overtime	0	40	40	0
	Other		0	0	0
	Cash awards	0	170	170	0
	Subtotal	0	210	210	0
11.9	Total personnel compensation	1,405	16,898	16,898	0
12.1	Civilian personnel benefits:				
	Civil Service Retirement System and offset	57	554	554	0
	Federal Employees' Retirement System	104	1,439	1,439	0
	Thrift Savings Plan	26	362	362	0
	OASDI	48	688	688	0
	Medicare	21	249	249	0
	Health insurance	69	887	887	0
	Life insurance	2	27	27	0
	Employees' Compensation Fund	(20)	110	110	0
	Cost of Living Allowance (COLA)	4	70	70	0
	Other	0	0	0	0
	Subtotal	311	4386	4,386	0

	2007 Estimate	2009 Adjustments to Base	2009 Base	2009 Estimate	Increase/ (Decrease)
	Severance pay	0	0	0	0
21	Travel and transportation of persons:				
	Common carrier	0	223	223	0
	Per diem/actual expenses	13	486	486	0
	Privately-owned vehicles	25	305	305	0
	Commercially-rent vehicles	0	0	0	0
	Other	0	0	0	0
	Subtotal	38	1014	1014	0
22	Transportation of things	1	38	38	0
23.1	Rental payments to GSA	50	2,144	2,144	0
23.2	Rental payments to others	4	236	236	0
23.3	Communications, utilities and miscellaneous charges:				
	Federal Telecommunications System	0	272	272	0
	Other telecommunications services	0	5	5	0
	Postal services by USPS	3	54	54	0
	Subtotal	3	331	331	0
24	Printing and reproduction:				
	Publications	2	108	108	0
	Subtotal	2	108	108	0
25.2	Other services:				
	Training:				
	Office of Personnel Management	0	167	167	0
	Maintenance of equipment	0	40	40	0
	Other non-Government contracts	79	1,797	1,797	0
	Other	0	271	271	0
	Subtotal	79	2,275	2,275	0
25.3	Purchases of goods and services from Government accounts	57	2,592	2,592	0
	Other: Contractual Services	0	1,059	1,059	0
	Other	2	900	900	0
	National Archives and Records Administration (NARA)	0	1	1	0
	Subtotal	59	4,552	4,552	0
25.7	Operation and maintenance of equipment	0	0	0	0

OBJECT CLASS		2009 Adjustments to Base	2009 Base	2009 Estimate	2009 Increase/Decrease
	Office supplies	0	125	125	0
	ADP supplies	9	117	117	0
	Other	0	222	222	0
	Subtotal	9	464	464	0
31	Equipment	7	354	354	0
99	Subtotal Direct Obligations	1,968	32,800	32,800	0
99	Reimbursable Obligations		1,000	1,000	0
100	TOTAL OBLIGATIONS (GROSS BA)	1,968	33,800	33,800	0

**Department of Commerce
Economic Development Administration
Salaries and Expenses
SUMMARY OF INFORMATION TECHNOLOGY RESOURCES**
(Dollar amounts in thousands)
(Budget Authority)

**IT Projects by
activity/subactivity:**

<u>with totals by activity</u>	<u>Unique Project Identifier</u>	<u>IT Investment Title</u>	<u>2007 Estimate</u>	<u>2008 President's Budget</u>	<u>2009 2009 Estimate</u>	<u>Increase/ (Decrease)</u>
Financial Management	006-06-04-00-01-6001-00-015-011	EDA Loan Billing Management System (LBMS)	149	158	167	9
Grants Management	006-06-04-00-01-6001-00-015-011	EDA Operations Planning and Control System (OPCS)	446	472	500	28
Infrastructure and Office Automation Infrastructure	006-00-02-00-02-6125-00-000-000	EDA Input to DOC Consolidation	962	986	1,010	24
Total			1,557	1,616	1,677	61

*Notes: EDA does not have a separate line item included in the FY 2009 Exhibit 53 for Infrastructure Costs.

Beginning with the FY 2009 budget submission, EDA Operating Unit Infrastructure Costs will be submitted via ECPIC to the Department for inclusion in the DOC Consolidated Infrastructure Exhibit 300.

**Department of Commerce
Economic Development Administration
APPROPRIATION SUMMARY STATEMENT**

Appropriation: Salaries and Expenses

The Salaries and Expenses appropriation finances salaries, benefits and other expenses for personnel engaged in the administration of economic development assistance programs authorized by the Public Works and Economic Development Act of 1965, as amended and the administration of Trade Adjustment Assistance authorized by title II of the Trade act of 1974, as amended. This appropriation also finances the costs of services provided to EDA by other Federal and non-Federal sources, and for other related direct and indirect administrative costs incurred in operating the Agency.

The funds requested support an economic development program which includes: (1) planning assistance to local communities; (2) technical assistance in the formulation and coordination of economic development proposals and applications; (3) financing of those investments with the greatest program returns which meet the technical, financial and statutory requirements of the legislation; (4) project monitoring and implementation assistance to assure effectiveness in project execution; (5) evaluation of EDA projects to develop more effective ways to provide assistance; and (6) internal and external economic research designed to meet both planning and operating needs related to economic development. The funds also support the administration of the Trade Adjustment Assistance for Firms program which assists U.S. firms injured by increased imports of competitive products become more competitive in the global marketplace. The funds further support the monitoring and close-out of projects approved pursuant to the title I of the Public Works and Employment Act of 1976 (42 U.S.C. 6701 *et seq.*) and the Community Emergency Drought Relief Act of 1977 (42 U.S.C. 5184 note).

The "Salaries and Expenses" appropriation is comprised of five major subactivities: 1) Executive Direction; 2) Office of Management Services; 3) Office of Information Technology; 4) Office of Executive Secretariat and External Affairs; and 5) Office of Regional Affairs. The Executive Direction, Office of Information Technology, Office of Management Services and Office of Executive Secretariat and External Affairs subactivities are located in Washington, D.C. The Office of Regional Affairs subactivity is comprised of a headquarters staff section, and six regional offices.

**Department of Commerce
Economic Development Administration
Salaries and Expenses
APPROPRIATION LANGUAGE AND CODE CITATIONS**

1. For necessary expenses of administering the economic development assistance programs as provided for by law,

42 U.S.C. 3214(c), 3231

42 U.S.C. 3214(c) - Authorizes the transfer of appropriated funds from other Federal agencies, if such funds are used for the purpose for which (and in accordance with the terms under which) they are specifically authorized and appropriated.

42 U.S.C. 3231 - Authorizes funds to be appropriated to carry out 42 U.S.C. 3121 et seq. through fiscal year 2008, to remain available until expended.

2. Provided, that these funds may be used to monitor projects approved pursuant to title I of the Public Works Employment Act of 1976, as amended,

42 U.S.C. 6710

42 U.S.C. 6710 - Authorized appropriations for the administration of the Local Public Works Capital Development and Investment Act of 1976.

3. Title II of the Trade Act of 1974, as amended, and

19 U.S.C. 2346(b)

19 U.S.C. 2346(b)-Authorizes appropriations to carry out adjustment assistance for firms.

4. The Community Emergency Drought Relief Act of 1977 (including monitoring and close out).

42 U.S.C. 5184 note

42 U.S.C. 5184 note - Authorized appropriations to carry out those provisions of the Community Emergency Drought Relief Act of 1977.

**Department of Commerce
Economic Development Administration
Salaries and Expenses
AVERAGE GRADE AND SALARIES**
(Dollar amounts in thousands)

	<u>2007 Actual</u>	<u>2008 Estimate</u>	<u>2009 Estimate</u>
Average GS Grade	11.3	11.3	11.3
Average GS Salary	\$92,613	\$95,854	\$99,209