



EDA:
Results-driven
Performance



United States Department of Commerce

Economic Development Administration

Fiscal Year 2014

Congressional Budget Request

PRIVILEGED

The information contained herein must not be disclosed outside the Bureau until made public by the President or by the Congress.

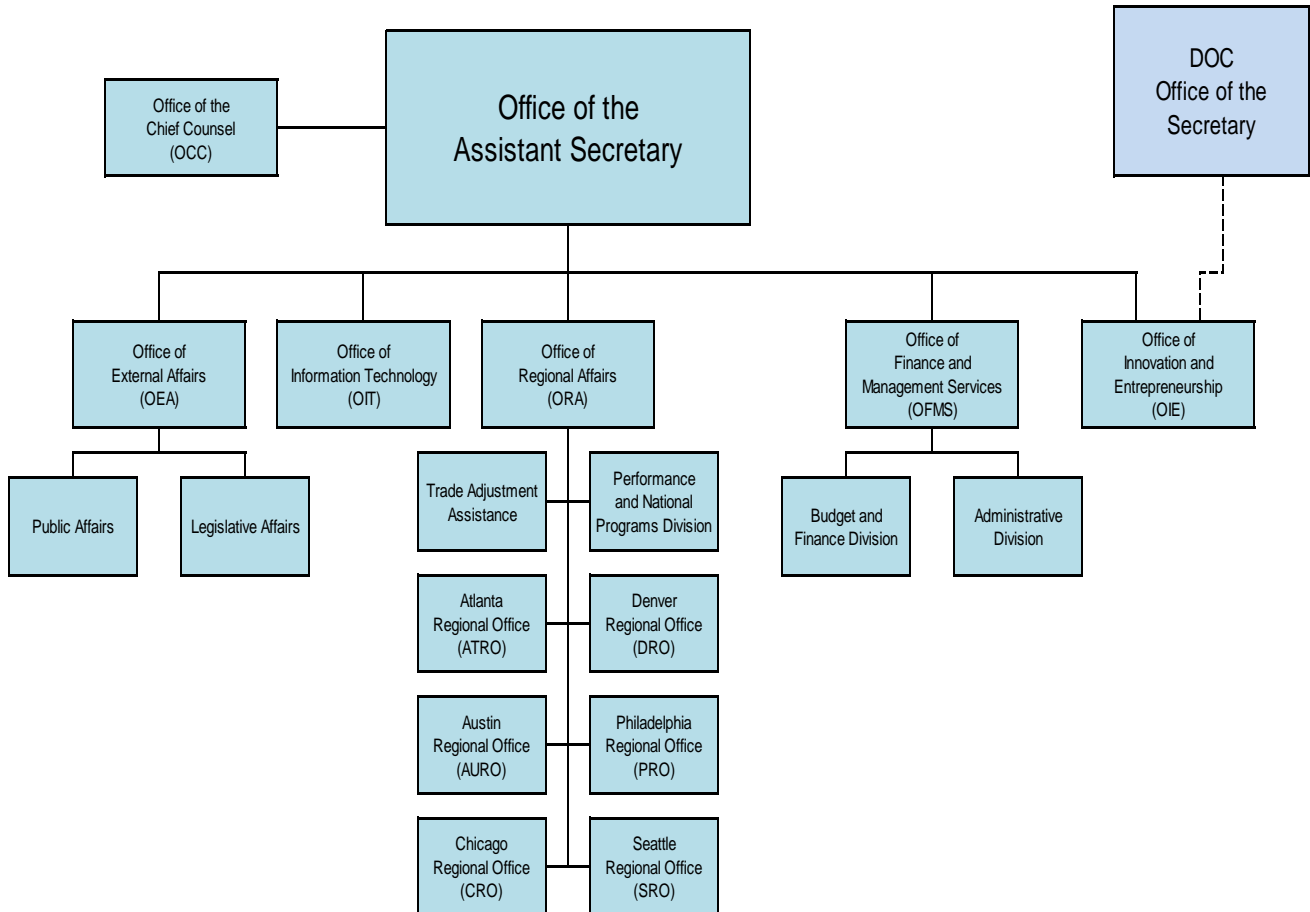
[THIS PAGE INTENTIONALLY LEFT BLANK]

**Department of Commerce
Economic Development Administration
BUDGET ESTIMATES, FISCAL YEAR 2014
CONGRESSIONAL BUDGET REQUEST
TABLE OF CONTENTS**

<u>Exhibit</u>	<u>Page Number</u>
Exh. 1:	TABLE OF CONTENTS.....3
Exh. 2:	ORGANIZATION CHART.....5
Exh. 3:	EXECUTIVE SUMMARY.....7
Exh. 3A:	SUMMARY OF PERFORMANCE GOALS AND MEASURES/ANNUAL PERFORMANCE PLAN.....15
Exh. 4:	PRIORITY RANKING OF CHANGES.....35
Exh. 5:	SUMMARY OF RESOURCE REQUIREMENTS.....41
Exh. 7:	SUMMARY OF FINANCING.....43
Exh. 10:	PROGRAM PERFORMANCE DIRECT OBLIGATIONS.....44
Exh. 12-15:	BUDGET PROGRAM: PUBLIC WORKS PROGRAM.....45
Exh. 10:	PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS.....50
Exh. 12-15:	BUDGET PROGRAM: PARTNERSHIP PLANNING PROGRAM.....51
Exh. 10:	PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS.....55
Exh. 12-15:	BUDGET PROGRAM: TECHNICAL ASSISTANCE PROGRAM.....56
Exh. 10:	PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS.....58
Exh. 12-15:	BUDGET PROGRAM: RESEARCH AND EVALUATION PROGRAM.....59
Exh. 10:	PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS.....61
Exh. 12-15:	BUDGET PROGRAM: TRADE ADJUSTMENT ASSISTANCE PROGRAM.....62
Exh. 10:	PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS.....66
Exh. 12-15:	BUDGET PROGRAM: ECONOMIC ADJUSTMENT ASSISTANCE PROGRAM.....67
Exh. 10:	PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS.....74
Exh. 12-15:	BUDGET PROGRAM: INVESTING IN MANUFACTURING COMMUNITIES FUND PROGRAM.....75
Exh. 10:	PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS.....79
Exh. 12-15:	BUDGET PROGRAM: REGIONAL EXPORT CHALLENGE PROGRAM.....80
Exh. 16:	SUMMARY OF REQUIREMENTS BY OBJECT CLASS.....83
Exh. 5:	SUMMARY OF RESOURCE REQUIREMENTS: SALARIES AND EXPENSES.....85
Exh. 7:	SUMMARY OF FINANCING: SALARIES AND EXPENSES.....87
Exh. 9:	JUSTIFICATION OF ADJUSTMENTS TO BASE AND BUILT IN CHANGES.....89
Exh. 10:	PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS.....93
Exh. 12-15:	BUDGET PROGRAM: SALARIES AND EXPENSES.....94
Exh. 16:	SUMMARY OF REQUIREMENTS BY OBJECT CLASS: SALARIES AND EXPENSES.....101
Exh. 32:	JUSTIFICATION OF PROPOSED LANGUAGE CHANGES.....103
Exh. 33:	APPROPRIATION LANGUAGE AND CODE CITATIONS: SALARIES AND EXPENSES.....104
Exh. 36:	AVERAGE GRADE AND SALARIES: SALARIES AND EXPENSES.....107

[THIS PAGE INTENTIONALLY LEFT BLANK]

Department of Commerce
Economic Development Administration
BUDGET ESTIMATES, FISCAL YEAR 2014
CONGRESSIONAL BUDGET REQUEST
ORGANIZATION CHART



[THIS PAGE INTENTIONALLY LEFT BLANK]

**Department of Commerce
Economic Development Administration
BUDGET ESTIMATES, FISCAL YEAR 2014
CONGRESSIONAL
BUDGET REQUEST
EXECUTIVE SUMMARY**

As the nation continues its economic recovery, we have a unique opportunity to address our fiscal challenges while also prioritizing strategic investments that foster job creation and long-term economic prosperity, including critical infrastructure assets, regional planning and strategies, and projects that spur entrepreneurship and innovation. Progress in these areas is crucial to ensuring that the United States is on a trajectory to out-innovate and out-complete other nations, and is vital to the long term competitiveness of the nation. In support of these goals, the Economic Development Administration's (EDA) FY 2014 budget request is designed to provide the tools necessary to foster the competitiveness of regions across the United States and help build a 21st Century economy that will drive future growth and prosperity.

As the only Federal government agency focused exclusively on economic development, EDA plays a critical role in fostering regional economic development efforts in communities across the nation. Through the agency's diverse programs, EDA can provide a wide array of construction, technical assistance, financing, and strategic planning tools that local and regional entities utilize to support their communities' unique economic development goals.

Supporting Advanced Manufacturing Jobs through Co-Investments in Public Infrastructure

Commonwealth Center for Advanced Manufacturing, Petersburg, Virginia

In 2011, EDA made a \$3.7 million investment with the University of Virginia and Virginia Tech to help build the Commonwealth Center for Advanced Manufacturing (CCAM) within Virginia's Advanced Manufacturing Zone in distressed Prince George's County, Virginia. The CCAM facility will provide a world-class materials analysis capability that will integrate into a jet engine disk advanced manufacturing facility and other nearby facilities. According to grantee estimates, this project will create 128 jobs, increase business presence in advanced manufacturing, and generate \$22 million in private investment.

(EDA program: Public Works Program)

The Bureau's model for awarding grant co-investments that build on and advance strong regional economic development strategies makes it critical for communities across the nation: unlike most government programs that provide formulaic assistance to states and communities based on given thresholds, EDA provides assistance directly to distressed communities based on the merit of their proposals and their capacity to achieve the proposed objectives. This direct relationship enables EDA to make strategic investments in partnership with local entities that maximize regional opportunities as they arise to drive regional economic development objectives, support job creation, and enhance regional prosperity.

In addition to fulfilling important regional economic needs, EDA's investments are designed to be catalytic drivers of economic changes and advancement within their communities. Guided by the basic principle that communities must be empowered to develop and implement their own economic development and revitalization strategies, EDA works directly with local economic development officials through a bottom-up approach that both supports and relies upon a well-established network of local and regional economic development professionals. This collaborative approach results in grant co-investments that are well-defined, timely, and

linked to a long term sustainable economic development strategy. Linking EDA's investments to a community's strategic economic development plan enables the federal government to better leverage public and private sector investments in order to meet achievable economic development goals. EDA's flexible programs and nimble operations allow the Bureau to respond to the changing economic needs and conditions faced by regions across the country.

Alignment with Department of Commerce Goals

EDA's FY 2014 budget proposal continues to support the Department of Commerce's goals of promoting advanced manufacturing, helping U.S. companies increase exports, and encouraging more companies to invest in or expand operations in the United States.

Facilitating U.S. Exports

Ware County and the Okenfenokee Area Development Authority, Waycross, Georgia

In 2010, EDA awarded \$1.3 million to Ware County, Georgia, and the Okenfenokee Area Development Authority of Waycross, Georgia, to fund a rail spur project in 2010. This project serves Georgia Biomass LLC, a new fuel wood pellet manufacturing facility located within the Waycross/Ware County Industrial Park. This infrastructure improvement will support the creation of 108 jobs and generate \$120 million in private investment, according to grantee estimates. Already, Georgia Biomass has begun exporting fuel wood pellets to Europe via Savannah, Georgia.

(EDA program: Public Works Program)

EDA's programs are designed to provide a full range of tools and resources that advance key Departmental priorities and can help communities capitalize on their full economic potential - whether by addressing an immediate critical infrastructure need, assisting with the development of a regional strategic plan, or helping a community connect to the worldwide marketplace. **EDA's programs offer a complementary, balanced portfolio of tools that are designed to help rural and urban communities evolve through the economic development process to become robust regional engines for business creation and job growth.**

Recognizing the challenge facing the country to meet dual national priorities of reducing the national debt and supporting catalytic investments that will help spur job creation in order to reduce the unemployment rate facing the nation, EDA's FY 2014 budget requests resources to provide a balanced portfolio which the agency can utilize to meet strategic regional economic development needs while also being fiscally prudent. In this request, EDA recognizes the important role that both hard and soft innovation infrastructure investments and traditional and regional innovation strategy challenge competitions play in stimulating immediate and long-term economic growth in communities across the country. In addition, EDA recognizes current challenges and opportunities for investment in U.S.

The U.S. is on the cusp of resurgence in business investment, particularly in the manufacturing sector, due to continued increases in the productivity of American workers, new opportunities created by the expansion of domestic energy resources, and rising costs abroad. While these factors are promising, a number of issues need to be addressed at a local level to ensure that our communities are positioned to attract investment and make that investment lasting by building the public goods needed to provide a productive industrial ecosystem.

Many mid-size communities are struggling to re-orient their local economy to attract new manufacturing facilities and supply chain firms after the dislocation of the past decades; and many communities have limited local resources. Additionally, Federal economic development

assistance designed to help states and communities attract inbound investment is not optimized to drive coordinated strategic planning within a community. If the U.S. is to maintain global leadership, it is crucial that this nation compete successfully for major global investments in the years ahead.

In order to ensure the success of the Bureau's policy framework and accelerate the creation of jobs, sustained economic prosperity, and global competitiveness, EDA must:

- **Support access to critical infrastructure through Public Works co-investments** needed to cultivate innovation and regional competitiveness. Examples of such investments made with funding from EDA and local partners include: basic industrial infrastructure, science and research parks, smart grid technology, business incubators and accelerators, high-tech shipping and logistics facilities, workforce training facilities, as well as co-investments that support value-added innovations in a range of industries, from agriculture to bio-tech to advanced manufacturing.
- **Promote strategies to advance economic resiliency to foster long-term regional prosperity**, EDA plays a critical role in helping communities develop resiliency strategies and respond to the sudden and severe impacts to a region; as evident through the Bureau's involvement in supporting communities severely impacted by automotive industry restructuring, National Aeronautic and Space Administration closures, Base Realignment and Closure (BRAC) events, significant events that cause economic dislocations, and various natural and man-made disasters.
- **Encourage investments which support the Administration's objective of increasing the export potential of US firms** by assisting regions with the development and implementation of robust and sustainable export action plans that support jobs and enhance their area as a center for international business and export expansion.
- **Cultivate innovation and entrepreneurship** through strategic investments and partnerships that create the economic development ecosystem required for globally competitive regions. These investments include proof of concept centers, science and research parks, regional innovation accelerator networks, and capitalization of revolving loan funds.
- **Establish EDA as a center of world class thought leadership on economic development** in order to help the Bureau more effectively define and lead the Federal economic development agenda.

Attracting Investment in America

Choctaw TechParc, Philadelphia, Mississippi

In 2009, EDA made a \$1.1 million investment with the Mississippi Band of Choctaw Indians to support the renovation of an existing 120,000 square foot industrial facility in the Choctaw TechParc, located on the Choctaw Reservation. According to the grantee's estimates, EDA's investment will create 220 new jobs and leverage \$1.5 million in private investment through the expansion of facilities for two existing industries, Real Time Laboratories and Applied Geo Technologies. Real Time Labs is an Israeli-owned company engaged in defense-related manufacturing of such products as air conditioning systems and aircraft parts. Applied Geo Technologies is an advanced manufacturer that produces robotic mobile cameras and wire harnesses.

(EDA program: Public Works Program)

Considered together, EDA's programs facilitate investments to overcome the challenges faced by American regions, communities, and firms in the 21st century's global economy, propelling them on a course of sustainable economic growth.

Advancing Job Creation and Economic Prosperity through Strengthening Regional Economies

The American economy is really a collection of regional economies; therefore, focusing on strengthening regional economies means greater national economic prosperity and job creation. Over the past several years, EDA has conducted many coordinated interagency competitions funded under the Economic Adjustment Assistance program designed to strengthen regional prosperity across the nation. These competitions have helped break down silos in the federal government and foster greater collaboration in regions across the country. In FY 2014 EDA will create two new initiatives to advance these efforts, achieve greater impact on regional economic prosperity and job creation, help position regions to compete for global investment, and further advance the Bureau's ability to support Department of Commerce priority goals. EDA's new Regional Export Challenge (REC) and Investing in Manufacturing Communities (IMC) Fund will directly support exporting and inward investment, two major engines of economic growth and job creation in the United States.

To fully implement these national strategies, EDA will coordinate with local communities and regions in which the hubs of manufacturing, supply chains, and providers of goods and services are located to drive export and inward investment growth. Too often, local communities have not developed their own robust and sustainable exporting and inward investment strategies, thereby forgoing the economic growth that follows. The REC will assist regions in the development and implementation of sustainable export action plans that proactively identify and support firms and sectors with greatest export potential. Similarly, the IMC Fund will incentivize communities and regions to invest in public goods like infrastructure, education, and training in order to create the innovation-sustaining industrial ecosystem that is required to attract and support lasting business investment. A community's successful application of these new programs will result in sustained increases in new business investment, generating substantial net gains in employment (with a newly specialized skilled workforce), per capita income, and local and state government revenues (to reinvest in public goods including research institutions, infrastructure, schools). Program progress will be measured according to short, medium, and long term metrics.

Job and Investment Growth Through Strategic Regional Innovation

Portland Regional Clean Tech Advance Initiative, Portland, Oregon

Through the 2011 Jobs and Innovation Accelerator Challenge, the Portland Regional Clean Tech Advance (CTA) Project was awarded \$2.2 million to fund an initiative that will help accelerate innovation and production in the region's clean technology sector. This will better equip companies in the region—which encompasses cities and counties in both Oregon and Washington—to compete globally in this growing sector. EDA-funded activities include programs to help clean tech companies secure private investment, identify new revenue sources, and better position themselves to compete for federal Small Business Innovation Research and Small Business Technology Transfer grants. This project is expected to create up to 2,000 jobs.

(EDA program: Economic Adjustment Assistance Program)

Inter-agency challenge grants represent an important mechanism for encouraging regional economic development: by articulating a clear vision and challenging communities to reach this

vision, EDA is able to help a broader array of communities take steps that lead to regional collaboration, increased public-private partnerships, and job creation. EDA has positioned itself as a leader in the Federal government in creating and implementing coordinated, inter-agency challenge competitions that leverage existing, complementary resources from multiple Federal agencies in order to advance significant regional economic, workforce, and community initiatives.

In FY 2014, EDA will build on the success of its *Jobs and Innovation Accelerator* and *i6 Challenge* inter-agency competitions to strengthen regional economic ecosystems and accelerate job creation and improved economic prosperity. Importantly, these efforts are complementary to the Bureau's historic which fosters place-based investments that spur job creation through its Economic Development Assistance Programs (EDAP), and they represent a key component to the balanced portfolio that affords a diverse toolkit of services which EDA can utilize to nimbly respond to the various regional needs facing communities across the nation.

Promoting the Innovation Potential of Regions through the successful implementation of the i6 Challenge

In FY 2014, EDA will continue to build on the success of the *i6 Challenge* Competition series in order to boost the commercialization of cutting edge research which leads to new jobs and business formation. EDA launched the inaugural *i6 Challenge* in FY 2010. The first *i6 Challenge* was a \$12 million innovation competition, led by EDA in partnership with the National Institutes of Health and the National Science Foundation, to award the most innovative ideas to drive commercialization and entrepreneurship in regions across the country and foster stronger collaboration among entrepreneurs, investors, universities, private sector companies, non-profits, and state and local governments.

Investing in Infrastructure for New Technologies

Innovation Works, Pittsburgh, Pennsylvania

A winner of the 2010 *i6 Challenge*, Innovation Works and Carnegie Mellon University have used \$1 million in EDA funding to create the *i6 Agile Innovation System* to accelerate the commercialization of technologies developed in the region's universities and small businesses. As of the end of FY2012, the *Agile Innovation System* has evaluated 252 technology ideas, awarded 28 translational research grants, formed 12 companies, launched 27 products, and created 30 jobs.

(EDA program: Economic Adjustment Assistance Program)

In June of 2012, EDA launched the third *i6 Challenge*, building on the successful brand and outcomes of the previous rounds of competitions. This round focused on increasing commercialization of research through proof of concept centers at universities, research institutes and non-profits. Proof of concept centers have been shown to accelerate innovation infrastructure for promoting 21st century economic development. One winner of the 2012 *i6 Challenge* was the University of California, Davis and the Sacramento Area Regional Technology Alliance (SARTA), which is partnering to create a Proof of Concept Center to catalyze the commercialization of sustainable agriculture technologies in the six-county Sacramento region. Another winner is a consortium of the University of Virginia, Virginia Tech and SRI International, which is collaborating to bring innovation to rural parts of Virginia.

Advancing Regional Innovation through Inter-Agency Collaboration

EDA is engaging in strategic inter-agency collaborations, such as the White House Taskforce for the Advancement of Regional Innovation Clusters (TARIC), which is a partnership with the White House, the U.S. Department of Commerce's EDA, International Trade Administration, National Institute of Standards and Technology and three other Federal agencies. TARIC is an inter-agency partnership designed to more effectively leverage complementary Federal resources to expand regional innovation in order to propel job creation and business expansion.

In FY 2010, TARIC launched its first pilot, which was the development and implementation of the Inter-Agency energy regional innovation cluster (eRIC) competition. In FY 2011, EDA led TARIC's efforts to further advance the Administration's Regional Innovation Clusters (RIC) initiative by announcing the Jobs and Innovation Accelerator Challenge (Jobs Accelerator) competition in partnership with SBA and DOL's Employment and Training Administration (ETA), along with 13 other agencies, to support complementary Federal investments in cluster initiatives across the country.

Building upon the success of FY 2011, EDA led this partnership to implement and announce two additional Jobs Accelerator competitions in FY 2012 with multiple federal agencies: one, the Rural Jobs Accelerator, is a collaboration with USDA Rural Development, the Appalachian Regional Commission and the Delta Regional Authority that provided \$9 million in funding to a total of 13 rural regions to help them to spur job creation and economic growth; and the other, the Advanced Manufacturing Jobs Accelerator, is a collaboration with the National Institute of Standards and Technology Manufacturing Extension Partnership, the U.S. Department of Energy, the U.S. Department of Labor's ETA, the U.S. Small Business Administration, and the National Science Foundation that provided \$20 million in funding to a total of 10 regions to help revitalize American manufacturing and encourage companies to invest in the United States.

In FY 2014, EDA will continue this model to advance collaboration and innovation across the country and expand the scale of investment through the Investing in Manufacturing Communities (IMC) Fund. The *IMC Fund* is the logical significant step in a progression of initiatives by the Administration. Over the past three years, the Administration has proven, through "modest" pilots (*Jobs and Innovation Accelerator Challenges*, *i6 Challenges*, and other regional economy initiatives), the success of the model of coordinated, streamlined, multi-agency national challenges that leverage federal resources in a highly effective way and that focus on regional economies and specific sectors.

This successful approach is breaking down silos in Washington and at the regional level. The past three years have proven this model creates new, effective regional partnerships - new partners are at the table that would not be there without this model. Partners are doing together what they would not do alone. Federal, local, business, and higher-education resources are being leveraged like never before. The new model addresses what our "new" economic landscape demands.

EDA's interagency collaborations are built upon the understanding that place matters. The businesses that create the best-paying, most sustainable jobs are found in advanced manufacturing facilities, science and technology parks, laboratories and business incubators—all places where entrepreneurs, scientists, product developers and venture capitalists are clustered and can work together. These are places where innovations can not only be developed, but also brought to market. EDA's interagency initiatives are intended to accelerate economic growth in these areas, resulting in stronger, more resilient economies.

Place-Based Investments to Advance Economic Resiliency

In FY 2014, EDA plans to continue building on the Bureau's long history of supporting place-based investments and fostering economic resiliency. This place-based focus is consistent with EDA's history of strategically investing resources to support a wide array of critical economic development projects that help communities prepare for and respond to various economic stimuli and compete in an increasingly globalized economy.

Assisting Communities Affected by Natural Disasters

East Central Iowa Council of Governments, Cedar Rapids, Iowa

In 2011, EDA made a \$2.9 million grant to the East Central Iowa Council of Governments to provide business assistance and gap financing to companies still recovering from floods in Cedar Rapids in 2008. The investment recapitalized the Council's Revolving Loan Fund Business Assistance Program to increase access to capital for local small businesses and entrepreneurs. It is expected to create or retain 600 jobs and leverage nearly \$75 million in additional funding, according to grantee estimates. In 2008, EDA awarded the Council \$1.5 million to first establish the revolving loan fund in response to this disaster, which was the worst flood in Cedar Rapids' history. With that funding, the Council awarded a microloan to Ovation Networks. Since returning to their downtown location, the company has hired 25 employees and has plans to hire approximately 63 more employees.

(EDA Program: Disaster Assistance Program)

Resiliency is key to the success of communities in the current economic climate: all communities, whether those in positions likely to weather significant natural disasters or those dealing with immediate or pending economic transformations, must be able to develop strategies that can mitigate the causes of an economic downturn and support long-term recovery efforts. Central to this is the incorporation of resiliency into regional planning efforts.

In addition to supporting economic development planning that promotes resiliency, EDA is working to implement the Administration's new National Disaster Recovery Framework by collaborating with other Federal agencies to help communities effectively and efficiently increase and use their capacities to plan for and ultimately respond to man-made and natural disasters. EDA currently has teams of staff supporting the implementation of the Economic Recovery Support Function in New York and New Jersey in response to Hurricane Sandy. Their efforts are focused on conducting an initial economic impact assessment which will help inform the development of long-term economic plans for the region.

[THIS PAGE INTENTIONALLY LEFT BLANK]

**SUMMARY OF PERFORMANCE GOALS
AND MEASURES/ANNUAL PERFORMANCE PLAN
Economic Development Administration**

Table of Contents

Section 1. Agency Information..... 15
Section 2. Cross-Agency Priority Goals..... 16
Section 3. Corresponding DOC Strategic Themes and Goals..... 16
Section 4. Strategic Objectives..... 20
Section 5. Target and Performance Summary Table/Validation and Verification. 25
Section 6. Resource Requirements Table..... 33
Section 7. Agency Priority Goals 35
Section 8. Other Information 35

Section 1. Agency Information

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.

The Economic Development Administration’s (EDA) mission directly supports the Department of Commerce’s (the Department) goal to maximize U.S. competitiveness, enhance manufacturing, increase exports, and foster regional economic growth to support job creation and foster prosperity for communities across the nation.

As the only federal agency with economic development as its exclusive mission, EDA strengthens the economic ecosystems in which jobs are created through a wide range of technical assistance, planning, public works, and infrastructure investments. EDA strives to advance global competitiveness, foster the creation of high-paying jobs, and leverage public and private resources strategically.

EDA’s investments establish a foundation for sustainable job growth and the building of durable regional economies throughout the United States. Guided by the basic principle that communities must be empowered to develop and implement their own economic development and revitalization strategies, EDA works directly with a large network of local economic development officials to: support bottom up, regionally-owned economic development initiatives that serve as the platform for strategic, catalytic seed investments; attract and leverage private capital investment; and, emphasize innovation, entrepreneurship, and regional competitiveness.

EDA’s network includes local and state officials, University Centers, Economic Development Districts, Indian Tribes, non-profits, and economic development practitioners and thought leaders from across the nation. Working in collaboration with these entities, EDA is able to

develop and deploy effective policies which result in grant co-investments that are well defined, timely, and linked to long term sustainable economic development strategies.

EDA administers the vast majority of its grant programs through its network of six regional offices, which is supported by a Headquarters office based in Washington, DC. Additional information on EDA's structure, operations, organizational structure, and number of employees can be found in the Exhibits 12 – 15 in the section on Salaries and Expenses.

Section 2. Cross-Agency Priority Goals

Through extensive cross-agency efforts, EDA is building stronger relationships with a wider network of organizations (Federal, State, private, and local) which can be leveraged to provide more strategic, and complementary resources to drive the realization of economic development goals and objectives. This collaborative model is an important component of EDA's effort to ensure the efficiency of government operations, leverage complementary resources, break down silos, highlight best practices, and ultimately yield a high return on investment.

While EDA has long practiced a collaborative approach to developing policy and administering grant awards, recent years have witnessed a substantial increase in the number of strategic multi-agency collaborations the Bureau is leading. These initiatives include a range of new grant programs, such as the i6 Challenge, the Jobs and Innovation Accelerator Challenge, and the Strong Cities, Strong Communities Visioning Challenge, as well as a number of strategic inter-agency policy efforts, such as managing the Secretary's National Advisory Council on Innovation and Entrepreneurship (NACIE) to encourage the development and implementation of policies that cultivate technology commercialization and coordinating the Department's response on the Economic Annex for the National Disaster Recovery Framework (NDRF).

Section 3. Corresponding DOC Strategic Themes and Goals

Link between DOC Strategic Goals, EDA Objectives/Outcomes, APP and Balance Scorecard Measures

EDA's balance scorecard measures align with the Bureau's existing performance outcomes of promoting private enterprise and job creation in economically distressed communities, and building community capacity to achieve and sustain economic growth.

EDA's balance scorecard measures leverage EDA's existing Government Performance and Result Act (GPRA) performance measures in order to ensure continuity of performance evaluation as the Bureau moves forward.

Section 3A of this budget document, the Annual Performance Plan, exclusively reflects EDA's performance against its GPRA targets. Measures included in Sections 12 and 13 include both GPRA and select balance scorecard measures.

The following section details how EDA's existing GPRA measures align with the Departmental and Bureau themes, goals, and objectives.

DOC Theme/Strategic Goal b: Economic Growth/Market Development and Commercialization



Rationale for Performance Outcome 1

EDA's Public Works, Economic Adjustment Assistance, Trade Adjustment Assistance, Investing in Manufacturing Communities Fund, and Regional Export Challenge Programs support the Department's goal of creating globally competitive regions by fostering market development and commercialization.

EDA investments support long-term collaborative regional economic development approaches, enhance innovation and competitiveness, encourage entrepreneurship, and connect regional economies with the worldwide marketplace. 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 build on a region's existing assets, support sustainable economic growth, offer a positive return on the taxpayer's investment, generally include a local co-investment, and mitigate the causes of an area's economic distress.

The Public Works Program provides, through strategic co-investments with local partners, the critical innovation infrastructure necessary to ensure that regions can successfully compete in a global, knowledge-driven economy.

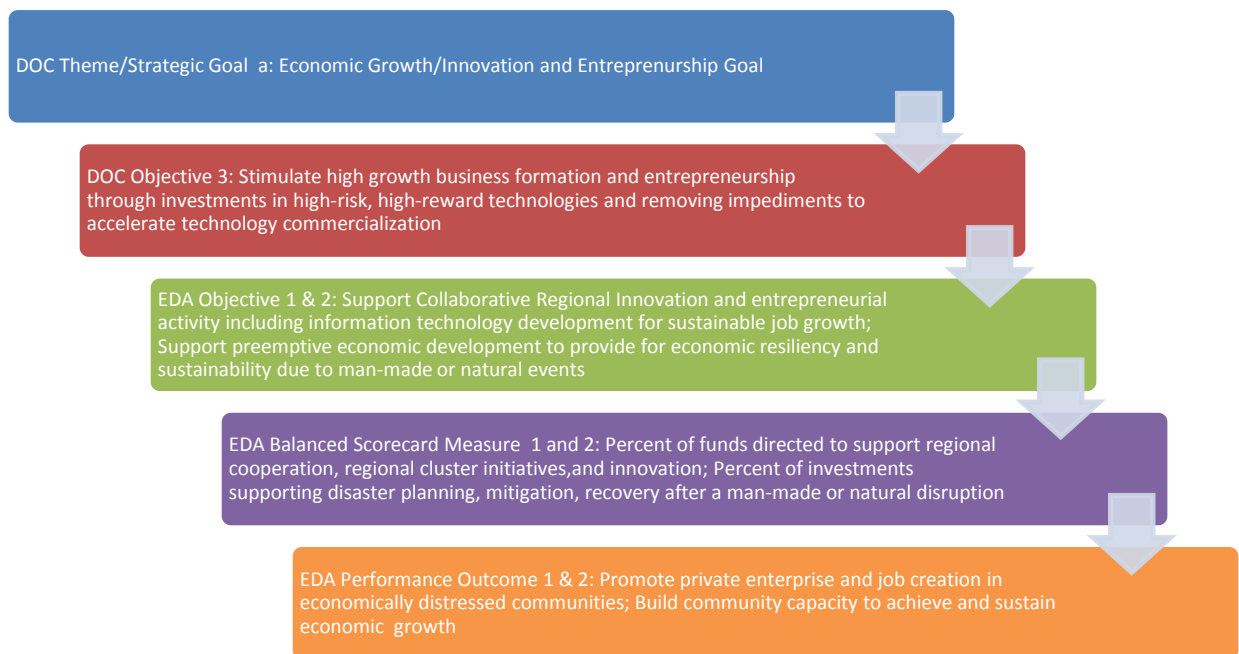
The Economic Adjustment Assistance Program provides regions, through strategic co-investments with local partners, with resources to plan and implement projects that increase the innovation potential of their locale.

The Trade Adjustment Assistance for Firms Program provides technical assistance to help U.S. firms experiencing negative impacts due to the increase in imports of like or directly competitive articles, to become more competitive in the global marketplace.

The Investing in Manufacturing Communities Fund provides strategic assistance to advance large construction and technical assistance projects that will help attract investment in the region and support job creation and long-term prosperity.

The Regional Export Challenge Program assists communities in the development of robust and sustainable export action plans that support jobs, international business and export expansion and provides coordinated resources to help regions leverage a broad array of Federal resources to cultivate their unique regional assets and fully maximize their economic potential.

DOC Theme/Strategic Goal a: Economic Growth/ Innovation and Entrepreneurship



Rationale for Performance Outcome 1

EDA's Public Works, Economic Adjustment Assistance Programs, and Investing in Manufacturing Communities Fund Programs support the Department's goal of spurring innovation and entrepreneurship.

EDA investments support long-term collaborative regional economic development approaches, enhance innovation and competitiveness, encourage entrepreneurship, and connect regional economies with the worldwide marketplace. 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 build on a region's existing assets, support sustainable economic growth, offer a positive return on the taxpayer's investment, and mitigate the area's distress.

The Public Works Program provides, through strategic co-investments with local partners, the critical infrastructure necessary to ensure that regions can successfully compete in a global, knowledge-driven economy.

The Economic Adjustment Assistance Program provides regions, through strategic co-investments with local partners, with resources to plan and implement projects that increase the innovation potential of their locale.

The Investing in Manufacturing Communities Fund provides strategic assistance to advance large construction and technical assistance projects that will help attract investment in the region and support job creation and long-term prosperity.

DOC Theme/Strategic Goal b: Economic Growth/Market Development and Commercialization



Rationale for Performance Outcome 2

EDA's Partnership Planning, Technical Assistance, Research and Evaluation, and Investing in Manufacturing Communities Fund support the Department's goal of spurring innovation and entrepreneurship.

EDA's Partnership Planning Program provides resources to enable communities to conduct planning investments that encourage and support professional planning critical for the subsequent development of innovation infrastructure.

The Technical Assistance Program provides strategic resources at the local, regional, and national level to create and disseminate innovative new tools that can enhance economic development decision-making.

The Research and Evaluation Program funds investments to conduct research in emerging economic development concepts. The results of these investments offer insights that are disseminated through National Technical Assistance to help practitioners support growth of their region. The Research and Evaluation Program has examined topics such as regional collaboration, incubators and science parks, triple bottom line metrics, and regional innovation.

The Investing in Manufacturing Communities Fund provides strategic assistance to advance large construction and technical assistance projects that will help attract investment in the region and support job creation and long-term prosperity.

Section 4: Strategic Objectives

A. Strategic Objective Statement

EDA continues to pursue and implement management improvements and initiatives that make good business sense and support the Bureau's mission and its Strategic Objectives. EDA is committed to achieving its mission of fostering economic development in communities throughout the nation while also achieving four key objectives that inform our approach to the Balanced Scorecard: (1) supporting effective outcomes, (2) implementing and managing programs and initiatives in an efficient operational manner, (3) leading the economic development agenda by supporting thought leadership that can inform and drive effective decision making by economic development practitioners and policymakers across the nation, and (4) acting as a responsible steward of the taxpayer investment.

B. Strategies

In order to meet its strategic objectives, EDA's Balanced Scorecard focuses on the following key areas:

- Cultivating the resiliency and sustainability of regional innovation ecosystems;
- Encouraging job creation and leveraging of private investment;
- Increasing exports and attract foreign direct investment;
- Providing responsive, effective feedback to applicants; and,
- Promoting organizational excellence.

To advance the progress toward these goals, EDA utilizes an array of traditional quantitative measures, as well as an array of qualitative measures designed to assess progress towards the implementation and realization of significant, long-term objectives that are not easily

quantified. This combination of both types of measures provides a comprehensive perspective the EDA Senior Managers can utilize to assess progress on achieving goals, evaluate and shift resources to support the successful accomplishment of critical milestones, and learn and improve operations and policy.

To advance this effort, and guide the Agency's overarching work toward supporting these Strategic Objectives, EDA has established the following investment priorities:

Collaborative Regional Innovation

Initiatives that support the development and growth of innovation ecosystems based on existing regional competitive strengths. Initiatives must engage stakeholders; facilitate collaboration among urban, suburban and rural (including Tribal) areas; provide stability for economic development through long-term intergovernmental and public/private collaboration; and, support the growth of existing and emerging industries.

Public/Private Partnerships

Investments in projects that include both public and private sector resources and leverage complementary investments by other government/public entities and/or non-profits.

National Strategic Priorities

Initiatives that encourage job growth and business expansion in clean energy; green technologies; sustainable manufacturing; information technology (e.g., broadband, smart grid) infrastructure; communities severely impacted by automotive industry restructuring; natural disaster mitigation and resiliency; access to capital for small and medium sized and ethnically diverse enterprises; and, innovations in science, health care, and alternative fuel technologies.

Global Competitiveness

Investments that support high-growth businesses and innovation-based entrepreneurs to expand and compete in global markets.

Environmentally-Sustainable Development

Investments that encompass best practices in "environmentally sustainable development," broadly defined, to include projects that enhance environmental quality and develop and implement green products, processes, and buildings as part of the green economy.

Economically Distressed and Underserved Communities

Investments that strengthen diverse communities that have suffered disproportionate economic and job losses and/or are rebuilding to become more competitive in the global economy.

C. Major Management Challenges

EDA is committed to building and retaining a world-class workforce capable of efficiently and effectively implementing various initiatives and awarding and managing grant investments to achieve the organization's mission. In order to achieve this, EDA is engaging in an internal

review of position descriptions of key positions to ensure that they are revised and consistent throughout the organization to clarify expectations and responsibilities necessary to help the Agency succeed. In addition, EDA is working closely with OPM to provide Leadership training to approximately 25 percent of the EDA workforce –divided between current Executives, Supervisors and Aspiring Leaders – in order to help operationalize the organization's succession plan and build a cadre of leaders to successfully lead the organization in the future.

While the Agency is working ardently to strengthen the workforce excellence of the organization, recent Congressional appropriation language has directed EDA to prioritize filling regional office vacancies over those at headquarters. This direction has created significant challenges for EDA as the Bureau has had to sustain several critical vacancies at headquarters. Being unable to fill these critical positions has continued to impede the Bureau's ability to meet the demands for various data and information inquiries as well as meeting deadlines for various reporting requirements.

The Government Accountability Office 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 projects that can provide direct and lasting benefits to economically distressed communities and regions. EDA programs are not intended to work alone. Rather, they are designed 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. These events 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.

[THIS PAGE INTENTIONALLY LEFT BLANK]

Section 5: Target and Performance Summary Table/Validation and Verification

Objective 1 - Promote private enterprise and job creation in economically distressed communities									
Measure 1A: Private sector dollars invested in distressed communities	Investment Year	Target (dollars in millions)	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual*	FY 2013 Target*	FY 2014 Target*	
	2006	\$265	\$484						
	2007	\$259		\$1,544					
	2008	\$245			\$1,475				
	2009	\$437				\$437			
	2003	\$810	\$855						
	2004	\$824		\$2,281					
	2005	\$674			\$1,617				
	2006	\$662				\$662			
	2000	\$2,040	\$2,210						
	2001	\$2,410		\$2,758					
	2002	\$1,940			\$3,960				
	2003	\$1,620				\$1,620			
Private investment target 3 years from FY						\$210	\$207	\$233	
Private investment target 6 years from FY						\$525	\$518	\$581	
Private investment target 9 years from FY						\$1,051	\$1,036	\$1,163	
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 construction investments after 9 years. This approach was reviewed and validated by third-party analysis conducted by Grant Thornton in 2008. Based on this formula, EDA estimates that 20% of the 9-year projection would be realized after 3 years, 50% after 6 years, and 100% after 9 years.									
*Comments on Changes to Targets: EDA re-calculates outcome forecasts throughout the budget cycle as input values change, hence the forecast herein differs from prior iterations. GPRA targets are outcome forecasts based on the final appropriation. The FY 2013 and FY 2014 figures represent a forecast. Actual targets are established once EDA receives final Congressional Appropriation and the final Spend Plan is approved. FY 2012 Actuals are actually estimates as of November 15, 2012. EDA expects to release final 2012 performance data later in FY 2013.									
Relevant Program Changes:	\$57.8 M Increase	Title: EDA's Public Works Program, Economic Adjustment Assistance Program, and Investing in Manufacturing Communities Fund Program					Exhibit 13 Page Nos: 47, 70, & 77		
Validation and Verification									
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken				
Investment Recipient performance reports	At 3-year intervals (typically 3, 6, and 9 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 Public Works, EAA implementation and revolving loan fund investments, and construction investments made through the Investing in Manufacturing Communities Program. Targets of private investment and job creation may be impacted by broad macroeconomic economic cycles.	EDA will continue to monitor investment and job creation data.				

Objective 1 - Promote private enterprise and job creation in economically distressed communities							
Measure 1B: Jobs created or retained in distressed communities	Investment Year Target	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual*	FY 2013 Target*	FY 2014 Target*
	2006	7,019	9,137				
	2007	6,628		9,159			
	2008	6,256			14,842		
	2009	11,183				11,183	
	2003	22,900	24,533				
	2004	22,497		26,695			
	2005	18,193			26,416		
	2006	17,548				17,548	
	2000	56,500	45,866				
	2001	72,000		66,527			
	2002	57,800			56,058		
	2003	45,800				45,800	
Jobs created or retained target 3 years from FY						4,939	5,397
Jobs created or retained target 6 years from FY						12,348	13,492
Jobs created or retained target 9 years from FY						24,697	26,985
<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 construction investments after 9 years. This approach was reviewed and validated by third-party analysis conducted by Grant Thornton in 2008. Based on this formula, EDA estimates that 20% of the 9-year projection would be realized after 3 years, 50% after 6 years, and 100% after 9 years.</p> <p>*Comments on Changes to Targets: EDA re-calculates outcome forecasts throughout the budget cycle as input values change, hence the forecast herein differs from prior iterations. GPRA targets are outcome forecasts based on the final appropriation. The FY 2013 and FY 2014 figures represent a forecast. Actual targets are established once EDA receives final Congressional Appropriation and the final Spend Plan is approved. FY 2012 Actuals are actually estimates as of November 15, 2012. EDA expects to release final 2012 performance data later in FY 2013.</p>							
Relevant Program Changes:	\$57.8 M Increase	Title: EDA's Public Works Program, Economic Adjustment Assistance Program, and Investing in Manufacturing Communities Fund Program				Exhibit 13 Page Nos: 47, 70, & 77	
Validation and Verification							
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken		
Investment Recipient performance reports	At 3-year intervals (typically 3, 6, and 9 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 Public Works, EAA implementation and revolving loan fund investments, and construction investments made through the Investing in Manufacturing Communities Program. Targets of private investment and job creation may be impacted by broad macroeconomic economic cycles.	EDA will continue to monitor investment and job creation data.		

Objective 2 - Build community capacity to achieve and sustain economic growth							
Measure 2A: Percentage of Economic Development Districts (EDDs) and Tribes implementing economic development projects from the Comprehensive Economic Development Strategy (CEDS) process that lead to private investment and jobs.	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Target	FY 2014 Target	
	92.9%	89.1%	86.0%	90.0%	95.0%	95.0%	
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.							
Note: Due to reporting schedules, certain quarters may have a low number of reporting Tribes and EDDs. As such, the overall percentage may easily be impacted by those that do not meet their goals.							
Relevant Program Changes:	\$2.0 M Decrease	Title: Partnership Planning Program				Exhibit 13 Page No: 52	
Validation and Verification							
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken		
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 data.		

Objective 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 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Target	FY 2014 Target
	92.2%	87.1%	85.0%	87.0%	89.0%	89.0%

Description: 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 EDD 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.

Note: Due to reporting schedules, certain quarters may have a low number of reporting Tribes and EDDs. As such, the overall percentage may easily be impacted by those that do not meet their goals.

Relevant Program Changes:	\$2.0 M Decrease	Title: Partnership Planning Program	Exhibit 13 Page Nos: 52
----------------------------------	---------------------	--	-----------------------------------

Validation and Verification

<i>Data Source</i>	<i>Frequency</i>	<i>Data Storage</i>	<i>Internal Control Procedures</i>	<i>Data Limitations</i>	<i>Actions to be Taken</i>
Investment Recipient Performance Evaluations	Annually	EDA Management Information System	EDA conducts performance reviews and site visits on approximately one-third of the EDDs and Indian Tribe investments per year.	Universe - EDA Partnership Planning investments only. This measure shows the value-added of the EDD in which EDA invests. While an EDD 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.

Objective 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 (UC).	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Target	FY 2014 Target	
	69.7%	75.9%	68.0%	70.0%	75.0%	75.0%	
<p>Description: This measure determines the perceived value added by the UCs to their clients. EDA funds UCs to 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. UCs develop client profiles and report findings to EDA, which evaluates the performance of each center once every 3 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 UC in one of 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 transfer; new company, product, or patent development; and other services.</p>							
<p>Note: Due to reporting schedules, certain quarters may have a low number of reporting UCs. As such, the overall percentage may easily be impacted by those that do not meet their goals, as was the case in FY 2009 and FY 2011.</p>							
Relevant Program Changes:	NA	Title: Technical Assistance Program				Exhibit 13 Page No: NA	
Validation and Verification							
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations		Actions to be Taken	
UC client profiles	Annually	EDA Management Information System	Performance data will be verified by the UCs. EDA headquarters will annually review profile data.	Universe - EDA Local Technical Assistance investments. This measures the value of the UCs; 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.	

Objective 2 - Build community capacity to achieve and sustain economic growth							
Measure 2D: Percentage of Those Actions Taken by University Center (UC) Clients that Achieved the Expected Results.	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Target	FY 2014 Target	
	92.2%	89.8%	83.0%	82.0%	80.0%	80.0%	
Description: This measure is a follow up to measure 2C, a percentage of UC clients taking action as a result of the assistance facilitated by the UC. This measure determines if the assistance provided by the UC is market based and results in desired outcomes. UCs develop client profiles and report to EDA, which will evaluate and verify the performance of each UC once every three years.							
Note: Due to reporting schedules, certain quarters may have a low number of reporting UCs. As such, the overall percentage may easily be impacted by a limited number of UCs that do not meet their goals.							
Relevant Program Changes:	NA	Title: Technical Assistance Program				Exhibit 13 Page No: NA	
Validation and Verification							
<i>Data Source</i>	<i>Frequency</i>	<i>Data Storage</i>	<i>Internal Control Procedures</i>	<i>Data Limitations</i>	<i>Actions to be Taken</i>		
UC client profiles	Annually	EDA Management Information System	Performance data will be verified by the UCs. 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.		

Objective 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 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Target	FY 2014 Target
	87.6%	82.2%	73.0%	85.0%	90.0%	90.0%
Description: This measure determines the value of assistance provided by 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.						
Relevant Program Changes:	\$5.8 million decrease	Title: Trade Adjustment Assistance				Exhibit 13 Page No: 63
Validation and Verification						
<i>Data Source</i>	<i>Frequency</i>	<i>Data Storage</i>	<i>Internal Control Procedures</i>	<i>Data Limitations</i>	<i>Actions to be Taken</i>	
TAAC client profiles	Annually	EDA Management Information System	Performance data will be verified for the TAAC. 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.	

Objective 2 - Build community capacity to achieve and sustain economic growth							
Measure 2F: Percentage of those actions taken by TAAC clients that achieved the expected results.	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Target	FY 2014 Target	
	93.4%	100.0%	100.0%	100.0%	95.0%	95.0%	
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.							
Relevant Program Changes:	\$5.8 million decrease	Title: Trade Adjustment Assistance				Exhibit 13 Page No: 63	
Validation and Verification							
<i>Data Source</i>	<i>Frequency</i>	<i>Data Storage</i>	<i>Internal Control Procedures</i>	<i>Data Limitations</i>	<i>Actions to be Taken</i>		
TAAC client profiles	Annually	EDA Management Information System	Performance data will be verified by the TAAC. 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.		

Section 6. Resource Requirements Table

(Dollar amounts in millions)	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Enacted	FY 2013 Estimate	FY 2014 Base	Increase/ Decrease	FY 2014 Request
DOC Objective 7: Promote the vitality and competitiveness of our communities and businesses, particularly those that are disadvantaged or in distressed areas.								
Salaries and Expenses (S&E)	\$16.2	\$18.0	\$17.7	\$30.0	\$19.9	\$19.9	(\$0.3)	\$19.6
Economic Development Assistance Programs (EDAP)								
Partnership Planning	15.5	15.5	14.5	14.5	14.5	14.5	(1.0)	\$13.5
Technical Assistance	4.9	4.9	7.4	2.3	2.3	2.3	(0.0)	\$2.3
Research and Evaluation	0.0	0.8	0.7	0.8	0.8	0.8	0.0	\$0.8
Public Works	69.0	66.6	0.0	65.6	65.6	65.6	(41.8)	\$23.8
Economic Adjustment Assistance	93.0	19.3	35.0	7.5	7.5	7.5	15.9	\$23.4
Investing in Manufacturing Communities Fund					0.0	0.0	56.5	\$56.5
Regional Export Challenge					0.0	0.0	12.0	\$12.0
Trade Adjustment Assistance	13.9	15.8	15.8	15.8	15.8	15.8	(5.8)	\$10.0
Disaster Relief Assistance (Category B - New)				200.0	0.0	0.0	0.0	\$0.0
EDAP Objective 7	196.2	122.8	73.4	306.5	106.5	106.5	35.8	142.3
Total EDA Objective 7	212.3	140.8	91.1	336.5	126.4	126.4	35.5	161.9
IT Funding	1.4	1.1	1.2	2.3	1.2	1.2	0.0	\$1.2
FTE	78.5	92.5	95.5	163.9	108.7	108.7	(4.4)	104.3

DOC Objective 3: Stimulate high growth business formation and entrepreneurship through investments in high-risk, high-reward technologies and removing impediments to accelerate technology commercialization.								
Salaries and Expenses (S&E)	\$16.2	\$18.0	\$17.7	\$5.1	\$8.4	\$8.4	\$7.2	\$15.6
Economic Development Assistance Programs (EDAP)								
Partnership Planning	15.5	15.5	14.5	14.5	14.5	14.5	(1.0)	\$13.5
Technical Assistance	4.9	6.7	7.4	7.4	7.4	7.4	(0.0)	\$7.4
Research and Evaluation	0.0	0.7	0.7	0.7	0.7	0.7	0.0	\$0.7
Public Works	69.0	44.4	0.0	0.0	0.0	0.0	0.0	\$0.0
Economic Adjustment Assistance	93.0	39.4	35.0	35.0	35.0	35.0	0.1	\$35.1
Investing in Manufacturing Communities Fund					0.0	0.0	56.5	\$56.5
EDAP Objective 3	182.3	106.6	57.7	57.7	57.6	57.6	62.0	113.2
Total EDA Objective 3	198.5	124.6	75.4	62.8	66.0	66.0	62.0	128.8
IT Funding	1.3	1.0	1.1	0.4	1.4	1.4	0.0	\$1.4
FTE	79.5	95.5	28.1	28.1	46.0	46.0	37.2	83.2

(Dollar amounts in millions)	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Enacted	FY 2013 Estimate	FY 2014 Base	Increase/ Decrease	FY 2014 Request
DOC Objective 6: Promote the advancement of sustainable technologies, industries and infrastructure.								
Salaries and Expenses (S&E)	\$1.3	\$3.9	\$2.5	\$2.4	\$9.2	\$9.2	(\$5.5)	\$3.7
Economic Development Assistance Programs (EDAP)								
Global Climate Change Mitigation Incentive Fund	14.7	25.0	16.5	0.0	0.0	0.0	0.0	\$0.0
Technical Assistance	0.0	0.0	0.0	2.3	2.3	2.3	0.0	\$2.3
Public Works	0.0	0.0	0.0	46.0	46.0	46.0	(29.3)	\$16.7
Economic Adjustment Assistance	0.0	0.0	0.0	7.5	7.5	7.5	0.0	\$7.5
Regional Export Challenge					0.0	0.0	0.0	\$0.0
EDAP Objective 6	14.7	25.0	16.5	55.8	55.8	55.8	0.0	26.5
Total EDA Objective 6	16.0	28.9	19.0	58.2	65.0	65.0	(5.5)	30.2
IT Funding	0.1	0.2	0.2	0.2	0.3	0.3	0.0	\$0.3
FTE	6.0	15.0	14.0	13.0	50.3	50.3	(30.8)	19.5
Total EDAP	393.1	254.4	147.6	420.0	220.0	220.0	85.0	282.0
Total S&E	33.6	39.9	37.9	37.5	37.5	37.5	1.4	38.9
TOTAL, EDA	426.8	294.4	185.5	457.5	257.5	257.5	85.0	320.9

Section 7. Agency Priority Goals

EDA is committed to helping advance economic development initiatives that help achieve the Department's goals of fostering competitiveness, advancing regional ecosystems to drive job creation and leverage private investment, and supporting thought leadership initiatives that help encourage informed decision making at all levels of government. To honor this commitment, EDA equally prioritizes all of the goals outlined in Section 4, and closely monitors progress towards achieving these goals through the Balanced Scorecard, A-123 reviews, compliance reviews, site visits, and monitoring of project work plans for key initiatives.

Section 8. Other Information

A. Management Reviews

Kaplan and Norton's acclaimed series on Building Strategy Focused Organizations outlines a framework consisting of five key principles for aligning an organization's measurement and management systems to strategy, including:

1. Mobilize change through executive leadership;
2. Translate strategy into operational terms;
3. Align the organization to the strategy;
4. Motivate to make strategy everyone's job; and,
5. Govern to make strategy a continual process.

As EDA works to make and manage investments which align with Administration and Department priorities that will stimulate economic development and regional prosperity in communities across the nation, the Bureau also aims to do so in an operationally efficient and effective manner. To guide this work, EDA recently developed a logic model documenting the key activities, outputs, and outcomes for each program, and is engaging in an extensive multi-year review of this model and its performance measures and methods to ensure that there is alignment throughout the organization and, where necessary, that adjustments to both performance assessment and policy focus can be implemented to ensure the agency is able to realize its specific vision and mission.

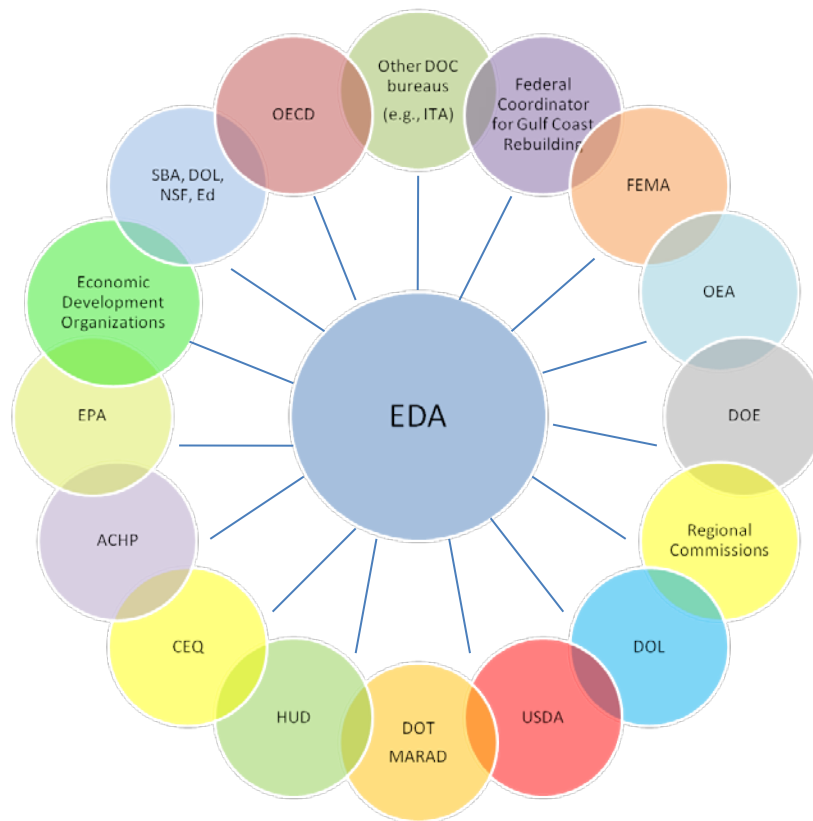
EDA recently updated its Departmental Organizational Order (DOO 45-1) to clarify and effectively delineate the roles and responsibilities of each office. EDA's senior staff members engage on a bi-weekly basis to discuss key agency priorities and operational issues, and to determine where additional resources, focus, or clarity may be needed to ensure successful realization of priorities. High level priorities are also identified and tracked on a quarterly basis through the Bureau's Balance Scorecard. The measures within this Scorecard are linked to the performance plans for all senior executive staff, and cascade down to the individual performance plans, and are consistent with individual position descriptions. As part of the Bureau's ongoing commitment to organizational optimization and management excellence, EDA is also engaging in internal work to review, clarify, and where appropriate standardize key operational and policy documents. Further, EDA is engaging in an extensive review of its

workforce to support operational excellence objectives, including assessing training needs of staff and development appropriate training curriculums to meet specific needs, and developing and implementing current, aligned position descriptions for all positions across the Bureau.

B. Cross Agency Collaborations

Economic development is a common term used for many types of activities. In its most distilled form, economic development traditionally focuses on the creation of jobs. However, creating these jobs requires the engagement of a variety of actors at every level within the public and private sectors as well as many inputs, including: infrastructure, housing, social and community development, a skilled workforce, entrepreneurial talent, technology, and access to capital. In the Federal government, the term economic development has become synonymous with all of these things. Ensuring that the American public benefits from robust economic development requires investments in the many economic activities. While Federal agencies may appear to make similar types of investments based on these categories, because the goals of each agency and program differ, their outcomes are ultimately distinct. At the same time, these investments complement each other in such a way as to maximize the economic potential of the U.S. For example, while the U.S. Small Business Administration (SBA) may provide technical assistance to help firms start and grow individual businesses within a business incubator, EDA could provide assistance to support the construction and operation of the incubator itself. While both of these could be labeled business incubator investments, and therefore overlapping or duplicative, in reality, the EDA and SBA investments in this case represent a collaborative partnership that bolsters the overall health and growth of the businesses that rely on the incubator.

The Administration has articulated a wide array of national strategic priorities to promote the competitiveness and prosperity of the U.S. Achieving these priorities necessitates that Federal Agencies replace their traditional soloed frameworks with collaborative efforts that leverage complementary initiatives and enhance the Federal response. EDA is engaged in numerous collaborations with a wide array of Federal, state, and local entities to accomplish its mission. Some of the most common partners include:



- Coordinated work with the U.S. Department of Education (DOE), U.S. Department of Labor (DOL), Small Business Administration, U.S. Department of Energy, U.S. Department of Agriculture, National Science Foundation, U.S. Department of Appalachian Regional Commission and Delta Regional Authority Strong Cities, Strong Communities – EDA participates in this interagency working group that is aimed at creating new partnerships between federal agencies and localities to spark economic development in communities that have faced significant long-term economic challenges.
- Department of Energy (DOE) – EDA is working with DOE on accelerating commercialization of research in DOE labs and supporting clean tech entrepreneurship through its recent Advanced Manufacturing Jobs and Innovation Accelerator Challenge.
- Federal Emergency Management Agency (FEMA) – EDA is working with FEMA to provide complementary assistance to communities impacted by significant disasters in order to support rebuilding and enhance the resilience of the effected community.
- Department of Defense (DOD) Office of Economic Adjustment (OEA) – Economic adjustment strategies and investments for base reuse in communities affected by Base Realignment and Closure Commission (BRAC) actions.
- Regional Commissions - Appalachian Regional Commission (ARC), the Denali Commission, the Delta Regional Authority (DRA), the Northern Great Plains Regional Authority, the Southeast Crescent Regional Commission, the Southwest Border

Regional Commission, and the Northern Border Regional Commission – EDA works with these Commissions to provide complementary tools that can support the community and economic development assistance needs of economically distressed areas. In addition, both the Appalachia Regional Commission and the Delta Regional Authority recently partnered with EDA and USDA in providing funding for the Rural Jobs and Innovation Accelerator Challenge.

- Department of Labor (DOL) –EDA partners with the Employment and Training Administration (ETA) and Trade Adjustment Assistance for Workers Program to develop policies, share best practices, and support investments that support both the educational and economic needs of distressed communities. In addition, ETA partnered with EDA, NIST MEP, DOE, and SBA on the 2012 Advanced Manufacturing Jobs and Innovation Accelerator Challenge providing funds to develop a skilled and diverse advanced manufacturing workforce through targeted training and employment activities that move workers up and along a career pathway and support the needs of employers in emerging and growing regions.
- Department of Agriculture (USDA), Rural Development/Rural Utilities (RD/RU) – EDA partners with USDA on a number of local projects, and recently collaborated with them to develop and deliver the Rural Jobs and Innovation Accelerator Challenge.
- Department of Housing and Urban Development (HUD) Community Development Block Grants (CDBG) and Office of Management and Budget (OMB) – EDA has been working closely with EPA, DOT, and HUD as part of the larger Federal Sustainable Communities Initiative to align Planning Program objectives across the Federal government, and shares and disseminates information with EPA related to the redevelopment of brownfields.
- Council on Environmental Quality (CEQ) – EDA is exploring opportunities to engage with CEQ to support environmental issues while fostering disaster recovery planning and coordination, especially in light of recent droughts.
- Advisory Council on Historic Preservation (ACHP) – EDA continues to collaborate with the ACHP to implement and monitor construction projects, as appropriate.
- Environmental Protection Agency (EPA), HUD CDBG and Office of Management and Budget (OMB) – EDA has been working closely with EPA as part of the larger Federal Sustainable Communities Initiative to align Planning Program objectives across the Federal government, and shares and disseminates information with EPA related to the redevelopment of brownfields.
- Maritime Administration (MARAD) – EDA has an MOU with MARAD which allows the two agencies to cooperate on projects designed to enhance or build port infrastructure.
- Non-profits and economic development organizations (e.g., National Association of Development Organizations, International Economic Development Council, National Association of Regional Councils) – EDA works closely with a strong network of national development organizations and local and regional entities to identify best practices, cultivate thought leadership in emerging areas of the economic development profession, and disseminate relevant information to policymakers and practitioners across the country.

Beyond these collaborations, EDA also plays a leadership role in the Territorial Development Policy Committee (TPDC) within the Organization for Economic Cooperation and Development (OECD). EDA serves as vice-chair of three of the committee's sub-groups—Urban Development, Rural Development, and Territorial Indicators (i.e., regional development metrics). In this role, EDA exchanges best practices in regional development with its counterparts in other economically-developed countries, as well as metrics to assess the success of initiatives centered on regional development and innovation.

EDA's collaboration with external organizations are key to the successful development of mitigation strategies the Bureau can provide economic opportunities for local economies. EDA collaborates with other agencies to identify best practices and mitigation strategies for developing and implementing new programs.

C. Program Evaluations

"It is an immutable law in business that words are words, explanations are explanations, promises are promises but only performance is reality," Harold S. Geneen, CEO of International Telephone and Telegraph was known to quip. What Geneen was suggesting, as a robust body of literature now supports, is that driving effective management means having good information on the status of key outputs and outcomes, and making informed strategic recalibrations in policy and operations that lead to the successful realization of goals. This process is central to EDA's model of program and performance evaluation: the goal is not to generate a report or a number, but rather to generate new knowledge which can be considered and applied to inform policy making and improve operations to ultimately enhance the quality of the Bureau's outputs. In this vein, EDA has embarked on a multi-year initiative with the University of North Carolina at Chapel Hill and George Washington University to review the Bureau's performance measures and methods and identify – and ultimately implement – strategic ways to improve them. This important work is designed to build on EDA's robust body of program and performance evaluations, including the FY 2011/FY 2012 evaluation of the Planning Program, and the pending FY 2012/FY 2013 review of best practices in the University Center program.

D. Hyperlinks

Additional information on EDA's programs can be accessed at <http://www.eda.gov>.

E. Data Validation and Verification

The FY 2012 PAR includes in the Secretary's Statement, an assessment of the reliability and completeness of the Department's performance data.

[THIS PAGE INTENTIONALLY LEFT BLANK]

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

	FTE	BUDGET AUTHORITY	DIRECT OBLIGATION
FY 2013 CR (Annualized)	0	221,345	425,662
<i>Less: Unobligated balance, start of year (Direct)</i>	0	0	(184,317)
<i>Less: Estimated Recoveries</i>	0	0	(40,000)
<i>Plus: Unobligated balance, end of year (Direct)</i>	0	0	20,000
2014 Base Request	0	<u>221,345</u>	<u>221,345</u>
<i>Plus: Program Change</i>	0	60,655	60,655
2014 Estimate	0	282,000	282,000

COMPARISON BY ACTIVITY			2012 Enacted	2013 CR (Annualized)	2014 Base	2014 Estimate	Increase/ (Decrease)
			Amount	Amount	Amount	Amount	Amount
EDA-42	Public Works	BA	111,640	112,323	112,323	40,500	(71,823)
		Obl	129,181	149,059	142,323	70,500	(71,823)
EDA-48	Partnership Planning	BA	29,000	29,177	29,177	27,000	(2,177)
		Obl	29,196	29,414	29,177	27,000	(2,177)
EDA-51	Technical Assistance	BA	12,000	12,073	12,073	12,000	(73)
		Obl	12,601	12,112	12,073	12,000	(73)
EDA-56	Research & Evaluation	BA	1,500	1,509	1,509	1,500	(9)
		Obl	1,499	1,563	1,509	1,500	(9)
EDA-59	Trade Adjustment Assistance	BA	15,800	15,897	15,897	10,000	(5,897)
		Obl	16,755	15,897	15,897	10,000	(5,897)
EDA-61	Economic Adjustment Assistance	BA	50,060	50,366	50,366	66,000	15,634
		Obl	38,880	60,585	60,366	76,000	15,634
EDA-71	Investing In Manufacturing Communties Fund	BA	0	0	0	113,000	113,000
		Obl	0	0	0	113,000	113,000
EDA-XX	Regional Export Challenge	BA	0	0	0	12,000	12,000
		Obl	0	0	0	12,000	12,000

COMPARISON BY ACTIVITY		2012 Enacted	2013 CR (Annualized)	2014 Base	2014 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Disaster Recovery Assistance (Category B - New; as provided in P.L. 112-55)	BA	200,000	0	0	0	0
	Obl	42,555	154,505	0	0	0
Supplemental Appropriations Act, 2010	BA	0	0	0	0	0
	Obl	25,564	0	0	0	0
Supplemental Appropriations Act, 2008	BA	0	0	0	0	0
	Obl	735	0	0	0	0
Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2008	BA	0	0	0	0	0
	Obl	47	155	0	0	0
Other Prior Year Category B Disaster Supplementals	BA	0	0	0	0	0
	Obl	0	2,373	0	0	0
Total Budget Authority	BA	420,000	221,345	221,345	282,000	60,655
	Obl	297,012	425,662	261,345	322,000	60,655
Adjustments to Obligations:						
Recoveries		(34,017)	(40,000)	(40,000)	(40,000)	0
Unobligated balance, start of year		(30,602)	(184,317)	(20,000)	(20,000)	0
Unobligated balance, transferred			0	0	0	0
Unobligated balance, end of year		184,317	20,000	20,000	20,000	0
Transfer to other accounts (+)		3,290	0	0	0	0
Unobligated Balance Rescission		0	0	0	0	0
Appropriations		420,000	221,345	221,345	282,000	60,655

1/ Unobligated balance, end of year for FY 2013 and FY 2014, and Unobligated balance, start of year for FY 2014 are estimates based on carrying forward loan guarantee funds into FY 2015, when EDA anticipates initial execution of loan guarantees under the authorities provided in Section 26 and Section 27 of the COMPETES Act.

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

COMPARISON BY ACTIVITY	2012 Actuals	2013 CR (Annualized)	2014 Base	2014 Estimate	Increase/ (Decrease)
	Amount	Amount	Amount	Amount	Amount
Total Obligations	297,384	455,662	291,345	352,000	60,655
Financing	0	0	0	0	0
Offsetting collections from					
Federal funds	(372)	(30,000)	(30,000)	(30,000)	0
Trust funds	0	0	0	0	0
Non-Federal sources	0	0	0	0	0
Recoveries	(34,017)	(40,000)	(40,000)	(40,000)	0
Unobligated balance, start-of-year	(30,602)	(184,317)	(20,000)	(20,000)	0
Unobligated balance rescission	0	0	0	0	0
Unobligated balance, end-of-year	184,317	20,000	20,000	20,000	0
Budget Authority	416,710	221,345	221,345	282,000	60,655
Transferred to/from other accounts	3,290	0	0	0	0
Rescission	0	0	0	0	0
Appropriation	420,000	221,345	221,345	282,000	60,655

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

ACTIVITY: Public Works		2012 Actuals	2013 CR (Annualized)	2014 Base	2014 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Public Works	BA	\$111,640	\$112,323	\$112,323	\$40,500	(\$71,823)
	Obl.	\$129,181	\$149,059	\$142,323	\$70,500	(\$71,823)

APPROPRIATION ACCOUNT: Economic Development Assistance Programs**BUDGET PROGRAM: PUBLIC WORKS PROGRAM**

For FY 2014, EDA requests a decrease of \$71.1 million below the FY 2012 Enacted level, for a total of \$40.5 million for the **Public Works Program**.

Program Budget Profile							
(Dollars in thousands)							
Funding Requirements by Sub-Program:	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Public Works	111,640	112,323	40,500	40,500	40,500	40,500	40,500
Total Dollars:	111,640	112,323	40,500	40,500	40,500	40,500	40,500
Total FTEs:	N/A	N/A	N/A	N/A	N/A	N/A	N/A

BASE JUSTIFICATION FOR FY 2014:

Through the Public Works Program, EDA makes strategic co-investments to help communities build or expand access to the infrastructure assets that are the most basic building blocks of an economy and are required to support the growth and economic development of distressed regions. EDA's Public Works Program continues to invest in traditional infrastructure through this program 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. In addition, EDA provides investments that help to facilitate the transition of distressed communities to become competitive in the worldwide economy through the development of key public infrastructure such as technology-based facilities; research and development commercialization centers; facilities for workforce development; wet labs; multi-tenant manufacturing facilities; research, business and science parks with fiber optic cable; and telecommunications infrastructure and development facilities.

EDA's investment priorities reward applicants that seek such infrastructure tied to a clear sustainable regional economic strategy, thus accelerating the positive impacts of EDA's investments. Key priorities include:

- **Promoting National Strategic Priorities:** 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. Targeting "last mile" solutions that build upon the Administration's Broadband Technology Opportunities Program can be particularly impactful. 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, and a major obstacle to participation in the global market.

EDA funding supports high-technology investment opportunities that link innovation with commercialization and export opportunities.

- **Assisting Economically Distressed and Underserved Communities:** The U.S.-Mexico Border, Mississippi Delta, and Appalachian 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. 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. Forty-two percent of the Appalachian population is rural, compared with twenty percent of the national population. EDA has partnered with the Delta Regional Authority, the Appalachian Regional Commission, and other regionally-focused entities to spur economic development in these regions.
- **Fostering Global Competition:** The Administration has established a goal of doubling U.S. exports by 2015. EDA's Public Works Program supports this goal by providing the critical resources many regions need to expand the export potential of their area businesses. Through strategic investments in high-tech shipping and logistics facilities, workforce training facilities, business incubators and accelerators, science and research parks, and smart-grid investments, EDA can help to facilitate the expansion of U.S. exports thereby helping to revive the fortunes of U.S. companies, spur future economic growth and support jobs here at home.
- **Encouraging Sustainable Economic Development:** Many communities continue to face the erosion of natural resources, threatening its 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. EDA has been a longtime supporter of the Environmental Protection Agency's (EPA) Brownfield 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.

EDA's Public Works Program supports the Department's goal of promoting economic growth by fostering market development and commercialization. Specifically, this program helps the Department achieve its objective of promoting the competitiveness of disadvantaged and distressed communities and businesses.

The program's authorizing statute is the Public Works and Economic Development Act (PWEDA) of 1965, as amended (42 U.S.C. § 3121 et seq.).

PROGRAM CHANGE FOR FY 2014:

BUDGET PROGRAM: Public Works Program. Base Funding: \$112.3 million; Program Change: - \$71.8 million.

EDA requests a decrease of \$71.1 million below the FY 2012 Enacted level, for a total of \$40.5 million for the Public Works Program.

Proposed Actions:

EDA's programs are designed to provide a full range of tools and resources to help communities capitalize on their full economic potential. In order to compete in a 21st century economy, communities need both hard and soft infrastructure that is tied to a larger, strategic regional innovation plan. To support these place-based strategies, which are tailored to the unique assets and economic development dynamics of each region, a broad portfolio of solutions is required. To meet the diverse needs of each region using a balanced co-investment portfolio approach, EDA is requesting less funding in its Public Works Program so that scarce funding resources can also be allocated to advance the Economic Adjustment Assistance, Investing in Manufacturing Communities Fund, and Regional Export Challenge programs.

While the decrease in funding will mean that EDA will be able to support fewer construction projects across the nation, the funding reduction will be offset by greater support for programs that advance the recent success of the interagency competitions, as well as an increase in the Economic Adjustment Assistance Program. These programs will include the opportunity for regions to compete for infrastructure funding, and also will include resources that will provide other critical non-infrastructure support, such as technical assistance, needed for businesses to successfully compete in global markets.

EDA's Public Works Program invests in infrastructure that is directly tied to job creation, 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. In addition, EDA provides investments that help to facilitate the transition of distressed communities to become competitive in the worldwide economy through the development of key public infrastructure such as technology-based facilities; research and development commercialization centers; facilities for workforce development; wet labs; multi-tenant manufacturing facilities; research, business and science parks with fiber optic cable; and telecommunications infrastructure and development facilities.

Statement of Need and Economic Benefits:

The rationale for the FY 2014 request for EDA's Public Works Program is intuitive: regional economies need 21st century infrastructure if they are to become and remain globally competitive. State and local government revenues, however, are only just beginning to recover from the worst recession since the Great Depression at precisely the time when they need to make significant investments to compete for the jobs of tomorrow. EDA's Public Works Program investments have proven to be highly effective and efficient ways to create jobs and attract private investment, both of which restore the local tax base. Through the Public Works Program EDA is forming critical partnerships with state and local governments, helping support the implementation of bottom-up strategic investments that leverage private investment and create sustainable jobs.

Base Resource Assessment:

EDA's Public Works Program is an important component of the Bureau's toolkit for fostering regional competitiveness and economic development in distressed communities. This program provides EDA with the ability to assist communities in expanding or cultivating necessary infrastructure assets that will promote the competitiveness of the regional economy and spur job creation.

EDA considers the Public Works Program one of the critical inputs to growing a strong regional economy. EDA's requested funding decrease for the Public Works Program is a difficult choice in the face of constrained resources, but necessary to provide needed resources to challenge grants that are also critically important to U.S. competitiveness, such as through the new Regional Export Challenge program and the new Investing in Manufacturing Communities Fund. Taken along with EDA's other program adjustments, these budget modifications are designed to provide the Bureau with a robust and diverse, yet balanced, portfolio of assistance that can be brought to bear on a broad range of the construction, non-construction, and financing projects that will stimulate economic development in regions across the nation.

Schedule & Milestones:

FY 2014

- Continue EDA's emphasis on providing consistent and transparent project selection through the EDA Regional Office structure; and,
- Provide enhanced operational guidance, training and project selection tools to regional offices.

FY 2015-2018

- Fill project pipeline to provide swift award action and help to meet the excessive demand of program funds upon receipt of annual appropriation;
- Continue monitoring and assessing program operations and outcomes and improving guidance, processes, and direction, as necessary, to ensure successful realization of desired outputs and outcomes, and,
- Enhance focus on strategic innovation infrastructure investments

Deliverables:

FY 2014

- Award all appropriated funds to EDA's Public Works Program projects that support economic development; and,
- Continue implementing process improvements to Program.

FY 2015-2018

- Identify and implement strategies for reducing time between award execution and project start date;
- Analyze project completion times and project results to identify ways to achieve greater program effectiveness; and,
- Implement improved guidance, processes, and forms, as necessary, based on analysis and strategies developed through internal analysis and program management.

Performance Goals and Measurement Data:

Performance Measure: Private sector dollars invested in distressed communities.	FY 2014 Target	FY 2015 Target	FY 2016 Target	FY 2017 Target	FY 2018 Target
With Decrease	\$285,768	\$285,768	\$285,768	\$285,768	\$285,768
Without Decrease	\$792,551	\$792,551	\$792,551	\$792,551	\$792,551
<p>Description: The formula-driven calculation projects long-term impact of an EDA investment data 9 years from the date of the award. The formula is based on a study done by Rutgers University, which compiled and analyzed the performance of the Public Works Program projects after 9 years. The methodology and findings of this study were reviewed and validated in 2008 by Grant Thornton.</p>					

Performance Measure: Jobs created or retained in distressed communities.	FY 2014 Target	FY 2015 Target	FY 2016 Target	FY 2017 Target	FY 2018 Target
With Decrease	6,607	6,607	6,607	6,607	6,607
Without Decrease	18,352	18,352	18,352	18,352	18,352
<p>Description: The formula-driven calculation projects long-term impact of an EDA investment data 9 years from the date of the award. The formula is based on a study done by Rutgers University, which compiled and analyzed the performance of the Public Works Program projects after 9 years. The methodology and findings of this study were reviewed and validated in 2008 by Grant Thornton.</p>					

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

ACTIVITY: Parntership Planning		2012 Actuals	2013 CR (Annualized)	2014 Base	2014 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Partnership Planning	BA	\$29,000	\$29,177	\$29,177	\$27,000	(\$2,177)
	Obl.	\$29,196	\$29,414	\$29,177	\$27,000	(\$2,177)

APPROPRIATION ACCOUNT: Economic Development Assistance Programs**BUDGET PROGRAM: PARTNERSHIP PLANNING PROGRAM**

For FY 2014, EDA requests a decrease of \$2.0 million below the FY 2012 Enacted level for a total of \$27.0 million for the **Partnership Planning Program**.

Program Budget Profile							
(Dollars in thousands)							
Funding Requirements by Sub-Program:	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Partnership Planning	29,000	29,177	27,000	27,000	27,000	27,000	27,000
Total Dollars:	29,000	29,177	27,000	27,000	27,000	27,000	27,000
Total FTEs:	N/A	N/A	N/A	N/A	N/A	N/A	N/A

BASE JUSTIFICATION FOR FY 2014:

The **Partnership Planning Program** supports planning projects that help a community identify regional assets, maximize economic opportunities, and establish strategies for promoting the competitiveness of an entire region. EDA's Partnership Planning Program is foundational to all other programs in that it provides the resources to help communities develop the bottom-up strategies that guide the identification and prioritization of future development decisions, and ultimately, to ensure other EDA investments are consistent with strategy and vision outlined therein. EDA's Partnership Planning Program helps support local organizations (EDDs, 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 in the planning process is critical to identifying and ultimately leveraging the unique competitive advantage of a particular region in order to foster job creation, business expansion, and regional prosperity.

The CEDS is designed to bring together public and private sector stakeholders in the creation of a regional 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, develops and implements a regional plan of action, identifies investment priorities and funding sources, and assigns 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 trade impacts, 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 (EAA) Programs to aid in the construction of infrastructure, partnership planning, and technical assistance projects set out in the CEDS. In making subsequent investments, EDA is reacting to locally determined priorities and initiatives.

EDA's Partnership Planning Program helps support local organizations (EDDs, Indian Tribes, and other eligible recipients) with their long-term planning efforts and their outreach to the economic development community. These local organizations communicate EDA's program and policies, and provide technical assistance to economically distressed communities.

EDA Partnership Planning funds support the preparation of CEDS that guide EDA's Public Works and EAA implementation investments, including Revolving Loan Funds. Sound local planning also attracts other Federal, state, and local funds plus private sector investments to implement long term development strategies. In this way, EDA's Partnership Planning program plays a foundational role in helping communities develop important strategies that inform future economic development decisions.

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 Partnership 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 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.

EDA's Partnership Planning Program supports the Department's goal of promoting economic growth by fostering market development and commercialization. Specifically, this program helps achieve the Department's objective of promoting the competitiveness of disadvantaged and distressed communities and businesses.

EDDs need funding to support technical assistance to develop strategy plans and activities of the organizations. Strong strategy plans are necessary to formulate relevant goals and objects, which lead to investments with positive impacts on distressed communities. Organizations which lack capacity to develop CEDS documents look to the assistance of consultants or hire additional professional staff with the appropriate skills to develop these plans. However, these organizations are often limited by financial constraints. A priority is to provide technical assistance to organizations to assist in the development of plans with limited capacity and assistance.

The program's authorizing statute is the Public Works and Economic Development Act (PWEDA) of 1965, as amended (42 U.S.C. § 3121 et seq.).

PROGRAM CHANGE FOR FY 2014:

**BUDGET PROGRAM: Partnership Planning Program. Base Funding: \$29.2 million;
Program Change: -\$2.2 million.**

EDA requests a decrease of \$2.0 million below the FY 2012 Enacted level, for a total of \$27.0 million for the Partnership Planning Program.

Proposed Actions:

The Partnership Planning Program supports projects that help a community identify regional assets, maximize economic opportunities, and establish strategies for promoting the competitiveness of the entire region. EDA's Partnership Planning Program is foundational to all other EDA programs as it is ultimately designed to help ensure communities fully identify their

unique regional assets and create solid regional strategies based on these assets. These plans are used by EDA to ensure investments from other programs build on the regions' unique assets, leverage existing strengths, and fit into the regional strategy identified.

The proposed funding cut will eliminate funding for EDA's short-term planning program, which is utilized to support planning efforts in areas where an EDA-approved Economic Development District is not present and resources to develop and advance regional planning is severely limited. Additionally, the short-term planning program provides funding to support innovative local and regional planning efforts, including the development of State-wide CEDS, the development of city development plans, and the development of innovative ways to solicit and capture input from diverse stakeholders.

Statement of Need and Economic Benefits:

Strong strategic planning is critical to the realization of successful economic development initiatives. Strong Economic Development District's (EDD's) with solid comprehensive economic development strategies enable EDA to make sound investments. Planning is a vital component in assessing how to best revitalize an area, utilize 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 (EDD's, 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.

Base Resource Assessment:

EDA's Partnership Planning Program is an important component of the Agency's toolkit for fostering regional competitiveness and economic development in distressed communities. This program provides EDA with the ability to assist communities with the development of a framework for promoting the competitiveness of the regional economy.

EDA considers the Partnership Planning Program foundational as communities are unable to leverage their full economic potential without a solid and regionally-based economic plan. EDA's FY 2013 budget request is similar to the FY 2012 Presidential request as part of the Bureau's effort to seek a balanced portfolio of programs.

Schedule & Milestones:

FY 2014

- Establishment of 3 year planning partnership grant funding cycle reduces grantee administrative burdens;
- On-going Know Your Region (KYR) training for local economic developers produces more effective Comprehensive Economic Development Strategies (CEDS); and
- CEDS renewal project, to improve and refocus CEDS, including KYR.

FY 2015-2018

- CEDS renewals continue throughout this period;
- Incorporation of economic resiliency concepts into CEDS; and

- Increasing use of analytical tools by grantees to generate plans and analysis of plan-implementation linkages.

Deliverables:

FY 2014

- Conversion of all partnership planning grants, for economic development districts and tribes, proceeds during the year as the grant cycle provides renewal opportunities;
- Know Your Region training webinars and in person trainings; and
- CEDS renewal project implementation begun.

FY 2015-2018

- CEDS renewals continue as regular CEDS update cycle (typically 5 years) permits; and
- Review of CEDS using standard method and evaluation tools.

Performance Goals and Measurement Data:

EDA's Partnership Planning Program is assessed using GPRA measure 2A, the percentage of Economic Development Districts (EDDs) and Indian Tribes implementing economic development projects from the Comprehensive Economic Development Strategy (CEDS) process that contribute to private investment and jobs, and measure 2B, the percentage of sub-state jurisdiction members actively participating in the EDD program. Because the performance targets for each of these measures is established as a percentage of total program activities the targets do not change.

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

ACTIVITY: Technical Assistance		2012 Actuals	2013 CR (Annualized)	2014 Base	2014 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Technical Assistance	BA	\$12,000	\$12,073	\$12,073	\$12,000	(\$73)
	Obl.	\$12,601	\$12,112	\$12,073	\$12,000	(\$73)

APPROPRIATION ACCOUNT: Economic Development Assistance Programs

BUDGET PROGRAM: TECHNICAL ASSISTANCE (TA) PROGRAM

For FY 2014, EDA requests no change in funding from the FY 2012 Enacted level for a total of \$12.0 million for the **Technical Assistance Program**.

Program Budget Profile (Dollars in thousands)							
Funding Requirements by Sub-Program:	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Technical Assistance	12,000	12,073	12,000	12,000	12,000	12,000	12,000
Total Dollars:	12,000	12,073	12,000	12,000	12,000	12,000	12,000
Total FTEs:	N/A	N/A	N/A	N/A	N/A	N/A	N/A

BASE JUSTIFICATION FOR FY 2014:

EDA oversees three technical assistance sub-programs (University Center, Local, and National) that promote economic development and alleviate unemployment, underemployment and out-migration in distressed regions. These programs provide funds to:

- 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;
- Support innovative approaches to stimulate economic development in distressed regions;
- Disseminate information and studies of economic development issues of national significance; and,
- Finance local feasibility studies, planning efforts and other projects leading to local economic development.

The EDA-supported University Center (UC) sub-program is specifically designed to marshal the resources located within colleges and universities to support job creation and economic growth in regions experiencing economic distress. UCs, which EDA considers long-term partners in economic development, are required to devote the majority of their funding to respond to technical assistance requests originating from organizations located in the economically distressed portions of their service regions.

EDA has prioritized enhancing America's capacity to commercialize research at our universities. The UC program can be an effective vehicle which to accelerate US innovation systems. Some 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 the UCs 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 and commercialization assistance. Typical activities conducted by the UCs include identifying appropriate off-the-shelf technology to solve specific problems encountered by firms, and recommending efficiencies in current operating procedures to improve production processes, reduce energy usage, and decrease the volume of raw materials lost in the production process.

The UC sub-program currently supports approximately 58 University Centers in 43 states and the Commonwealth of Puerto Rico. These Centers provide a range of products directed at assisting their service region, including: feasibility studies, data analysis, geographic analysis, strategic planning, and other targeted technical assistance.

The Local Technical Assistance sub-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 TA 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 TA 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 the area, while market forces may be moving in another direction all together. Costly infrastructure investments to support obsolete industries are neither an effective nor efficient 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 Economic Adjustment Assistance and 21st Century Innovation Infrastructure programs or other Federal or state funded programs to implement those projects. The Local TA sub-program also provides resources to support flexible technical assistance at the regional level.

The National Technical Assistance sub-program assists economic development organizations to create new economic development tools that support efforts to attract private investment to revitalize regions and local communities. It seeks to provide timely information on best practices in economic development critical to practitioners' efforts to alleviate economic distress and promote economic development. This process 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 as well as 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 to assess their economic development opportunities and supports the overall EDA strategy of enhancing regional cooperation, fostering innovation, increasing productivity, and supporting strong regional ecosystems that support industry.

The National TA sub-program also supports the dissemination and implementation of research and information to economic development policymakers and practitioners. For example, EDA is currently partnering with the National Association of Development Organizations to disseminate Know Your Region, a curriculum aimed at assisting practitioners in developing strong regional economic development strategies, through face-to-face trainings and webinars. Additionally, EDA and the National Academy of Sciences have partnered to facilitate a series of policy roundtables on topics around state and regional innovation initiatives and their role in economic diversification. These roundtables will bring policy makers together to develop specific recommendations to encourage regional economic growth.

The program's authorizing statute is the Public Works and Economic Development Act (PWEDA) of 1965, as amended (42 U.S.C. § 3121 et seq.).

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

ACTIVITY: Research and Evaluation		2012 Actuals	2013 CR (Annualized)	2014 Base	2014 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Research and Evaluation	BA	\$1,500	\$1,509	\$1,509	\$1,500	(\$9)
	Obl.	\$1,499	\$1,563	\$1,509	\$1,500	(\$9)

APPROPRIATION ACCOUNT: Economic Development Assistance Programs

BUDGET PROGRAM: RESEARCH AND EVALUATION PROGRAM

For FY 2014, EDA requests no change from the FY 2012 Enacted level for a total of \$1.5 million for the **Research and Evaluation Program**.

Program Budget Profile (Dollars in thousands)							
Funding Requirements by Sub-Program:	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Research and Evaluation	1,500	1,509	1,500	1,500	1,500	1,500	1,500
Total Dollars:	1,500	1,509	1,500	1,500	1,500	1,500	1,500
Total FTEs:	N/A	N/A	N/A	N/A	N/A	N/A	N/A

BASE JUSTIFICATION FOR FY 2014:

EDA’s Research and Evaluation funds support the development of tools, recommendations, and resources that shape investment decisions in the Agency and inform regional planning decision-making at the local level. Research and Evaluation Program 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 Agency’s effectiveness.

Understanding how core and emerging concepts in economic development apply to supporting regional economic development at the local and national level is predicated upon solid research. Since the Research and Evaluation Program provides data that informs national funding priorities, as well as creates tools that support local decision-making, it is critical to the success of all of EDA’s other programs.

EDA’s Research and Evaluation investments are designed to identify and disseminate 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 regional ecosystems that support industry supporting strong regional, the Research and Evaluation Program helps provide the vital economic information and cutting-edge research critical to 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 effectively carried out through grants and cooperative agreements, as well as through studies conducted in-house by EDA research staff.

EDA continues to pursue its integrated research agenda. EDA’s current research supports a wide range of Administration priorities, including: mapping regional innovation clusters across the country, identifying barriers and recommendations to foster commercialization in Federal labs, identifying best practices to support venture development organizations, disseminating information on how to develop effective strategic regional plans through the *Know Your Region*

curriculum, and identifying the triple bottom line for public economic development efforts in order to more effectively the broad impacts development projects yield.

The program's authorizing statute is the Public Works and Economic Development Act (PWEDA) of 1965, as amended (42 U.S.C. § 3121 et seq.).

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

ACTIVITY: Trade Adjustment Assistance		2012 Actuals	2013 CR (Annualized)	2014 Base	2014 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Trade Adjustment Assistance	BA	\$15,800	\$15,897	\$15,897	\$10,000	(\$5,897)
	Obl.	\$16,755	\$15,897	\$15,897	\$10,000	(\$5,897)

APPROPRIATION ACCOUNT: Economic Development Assistance Programs

BUDGET PROGRAM: TRADE ADJUSTMENT ASSISTANCE PROGRAM

For FY 2014, EDA requests a decrease of \$5.8 million below the FY 2012 Enacted level, for a total of \$10.0 million for the **Trade Adjustment Assistance Program**.

Program Budget Profile (Dollars in thousands)							
Funding Requirements by Sub-Program:	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Trade Adjustment Assistance	15,800	15,897	10,000	10,000	10,000	10,000	10,000
Total Dollars:	15,800	15,897	10,000	10,000	10,000	10,000	10,000
Total FTEs:	N/A	N/A	N/A	N/A	N/A	N/A	N/A

BASE JUSTIFICATION FOR FY 2014:

The mission of the Trade Adjustment Assistance for Firms (TAAF) program is to help import-impacted U.S. firms regain competitiveness in the global marketplace, thereby helping to retain and create U.S. jobs. The program provides cost-shared direct technical assistance in the development of business recovery plans, which are known as Adjustment Proposals (APs) under Section 252 of the Trade Act, as well as federal matching funds to implement projects outlined in the proposals to expand markets, strengthen operations and increase competitiveness. Firms contribute a matching share to create and implement their recovery plans.

International trade 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 is important to support firms which bear the costs evolving from changing trade patterns.

The TAA Program provides technical assistance to help U.S. firms experiencing a decline in sales and employment, resulting in 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 AP 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.

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.

PROGRAM CHANGE FOR FY 2014:

BUDGET PROGRAM: Trade Adjustment Assistance for Firms.

Base Funding: \$15.8 million; Program Change: - \$5.8 million.

EDA requests a decrease of \$5.8 million below the FY 2012 Enacted level, for a total of \$10.0 million for the Trade Adjustment Assistance for Firms Program.

Proposed Actions:

The TAA for Firms programs provides direct technical assistance to firms negatively impacted by global trade. EDA is conducting a thorough review of the program to determine best strategies for implementing operational efficiencies which could potentially be made to enhance the economic benefits afforded by the program, including:

- Alignment with the service areas of EDA's six regional offices to better integrate the full suite of EDA's economic development and competitiveness-enhancing resources and services available to trade-impacted communities and companies. The current 11 TAACs cover an uneven amount of territory, with some covering only one state (NY) and others covering up to 8 states (Southeast TAAC in Atlanta). Meanwhile, collaboration between EDA regional offices and TAACs is the exception as opposed to the rule. Alignment with EDA regional office service areas could facilitate access for import-impacted companies and communities to resources and services available through not only TAACs, but also through EDA-supported University Centers, technology and science centers, business incubators and regional economic development and competitiveness strategies as well.
- A decreased number of TAACs, with a greater amount of funding for each, to align with decreased funding proposed within the FY 2014 budget;
- Increased performance by current TAACs that receive an award under the competition, as a competition for funding under the TAAF program will remove the current perception by some TAACs that they are institutional grantees. This perception of guaranteed funding year after year does little to encourage continuous improvements to TAAC performance, and is perhaps a contributor to the sometimes lackadaisical approach to adhering to important special and standard terms of TAAC grant awards (e.g., Northwestern TAAC's disregard for food and beverage cost principles, leading to a finding by DOC OIG that the TAAC had incurred disallowable costs in providing food and alcohol for its Board of Directors);

- New, higher-performing TAACs that are motivated to perform at high levels by the very nature of being awarded new funds that provide an opportunity to assist trade-impacted companies in their region.

Statement of Need and Economic Benefits:

The TAAF program supports a national network of 11 Trade Adjustment Assistance Centers (TAACs) to help import-impacted U.S. firms in all 50 States, the District of Columbia, and the Commonwealth of Puerto Rico. Some TAACs are located within universities, while others are independent non-profits.

The TAACs provide technical assistance to firms petitioning EDA for certification of eligibility under the program and in the development and implementation of business recovery plans, working with company management throughout the process. Examples of AP projects funded through the program include export growth (including services to help businesses meet international trade standards and procedures necessary to access overseas markets), financial planning, manufacturing process improvements, market development, support systems upgrades, and website improvements.

Base Resource Assessment:

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 of 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 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).

Schedule & Milestones:

FY 2014

- Identify potential strategies for enhancing operational efficiencies and program outcomes; and,
- Continue monitoring awards and ensuring obligation of funds.

FY 2015-2018

- Continue monitoring and assessing program operations and outcomes and improving guidance, processes, and direction, as necessary, to ensure successful realization of desired outputs and outcomes.

Deliverables:

FY 2014

- Award all appropriated funds; and,
- Continue implementing process improvements to Program.

FY 2015-2018

- Implement improved guidance, processes, and forms, as necessary, based on analysis and strategies developed through internal analysis and program management,

Performance Goals and Measurement Data:

EDA's Trade Adjustment Assistance for Firms Program is assessed using GPRA measure 2E, the percentage of Trade Adjustment Assistance Center (TAAC) clients taking action as a result of the assistance facilitated by the TAAC, and measure 2F, the percentage of those actions taken by TAAC clients that achieved the expected results. Because the performance targets for each of these measures is established as a percentage of total project activities, the targets do not change based on changes to program funding levels. Additionally, the Trade Adjustment Assistance for Firms Program is evaluated and performance disseminated through an Annual Report to Congress, which documents progress towards key outputs and outcomes.

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

ACTIVITY: Economic Adjustment Assistance		2012 Actuals	2013 CR (Annualized)	2014 Base	2014 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Economic Adjustment Assistance	BA	\$50,060	\$50,366	\$50,366	\$66,000	\$15,634
	Obl.	\$38,880	\$80,585	\$60,366	\$76,000	\$15,634

APPROPRIATION ACCOUNT: Economic Development Assistance Programs**BUDGET PROGRAM: ECONOMIC ADJUSTMENT ASSISTANCE PROGRAM**

For FY 2014, EDA requests an increase of \$15.9 million over the FY 2012 Enacted level for a total of \$66.0 million for the **Economic Adjustment Assistance (EAA) Program**.

Program Budget Profile (Dollars in thousands)							
Funding Requirements by Sub-Program:	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Economic Adjustment Assistance	50,060	50,366	66,000	66,000	66,000	66,000	66,000
Total Dollars:	50,060	50,366	66,000	66,000	66,000	66,000	66,000
Total FTEs:	N/A	N/A	N/A	N/A	N/A	N/A	N/A

BASE JUSTIFICATION FOR FY 2014:

Through the Economic Adjustment Assistance (EAA) Program, EDA helps local communities design and implement strategies to address evolving economic changes that are causing or threaten to cause serious structural damage to the underlying economic base or undermining *locally-developed* development goals. As the most flexible program in EDA's toolbox, the EAA Program provides the Agency a robust array of resources that can be brought to bear to help support construction, technical assistance, and financing projects that will help distressed communities become more competitive and more prosperous. Specifically, the EAA program provides resources to address the needs of communities impacted by globalization, especially auto and manufacturing dependent communities that need to develop and implement collaborative regional innovation strategies that will transform and diversify their economies and position them competitively in the global economy. EAA funds can also be used to design the transition strategy, construct or upgrade public infrastructure, conduct feasibility studies or environmental studies, support construction and operations of incubators and business accelerators, capitalize locally or regionally administered Revolving Loan Funds that directly assist innovative entrepreneurs in growing 21st century businesses, and provide the soft and hard infrastructure necessary to increase trade, business and exports.

The EAA Program provides strategic investments to spearhead economic recovery in regions affected by natural disasters, natural resource depletion, mass layoffs, and other severe economic shocks; to assist communities in restructuring and diversifying regional economies buffeted by steep declines in traditional sources of employment such as manufacturing, agriculture, fishing, or logging; and, to aid communities suffering from chronic unemployment and underinvestment. EDA has also used it to fund investments to respond to communities impacted by military Base Realignments and Closures (BRAC). The FY 2005 round of BRAC included 24 major closures, 24 major realignments, and over 760 other discrete actions, making it the most 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.

EDA uses the EAA Program to tailor a portfolio of the following types of assistance to the applicants' needs:

- **Strategic Planning:** These types of investments can be critical when plant closures lead to a significant deterioration in the region's economic prospects. Communities may use EAA funds to create an action plan to stabilize their local economy and then develop a regional strategy that re-thinks their economic future and enables the region to grow in new and sustainable directions. One example is a grant to the Economic Council of St. Louis County, the State of Missouri Department of Economic Development, and the City of Fenton, Missouri, to fund a strategic plan to address the closure of the Chrysler auto manufacturing plants in the City of Fenton, near St. Louis, and a plan for eventual re-use of the sites. This public/private partnership will identify opportunities to replace the jobs lost and expand employment by creating a stronger and more diversified regional economy, able to compete in the global marketplace.
- **Technical Assistance:** Technical assistance may take many forms, to include feasibility studies or initiatives to promote entrepreneurship.
- **Construction of physical infrastructure:** EAA funds may be used to fund the construction of publicly-owned infrastructure, such as water and sewer facilities, access roads, rail spurs, and broadband, to support the expansion of area businesses; business incubators; job training facilities; and other infrastructure investments.
- **Capitalization of Revolving Loan Funds (RLFs):** EAA funds may be used to capitalize or re-capitalize RLFs, which enable the recipient to make loans at interest rates that are at or below market rate to small businesses or to businesses that cannot otherwise borrow capital. As the loans are repaid, the grantee uses a portion of interest earned to pay administrative expenses and adds the remaining principal and interest repayments to the RLF's capital base to make new loans. A well-managed RLF award actively makes loans to eligible businesses and entities, continues to revolve funds, and does not have a termination date.

Many communities require components of all of these services. An EAA grant may include funds to develop a regional strategy that may identify gaps in the region's ability to provide the infrastructure, institutional capacity, and access to capital needed to attract and retain high-growth businesses. EAA assistance may then be required to provide technical assistance, construct critical infrastructure, and establish an RLF.

In addition to these long-standing partnerships, EDA has recently integrated the program into several cross-cutting initiatives with other Federal agencies:

Part of EDA's mission is to help distressed communities address problems associated with long-term economic distress, as well as sudden and severe economic dislocations including recovering from the economic impacts of natural disasters, the closure of military installations and other Federal facilities, changing trade patterns, and the depletion of natural resources.

The flexibility and the range of services offered by the EAA Program are critical to the recovery of communities experiencing sudden or long-term distress. It is the only EDA Program that addresses the crucial issue of access to capital, and it is the only EDA Program that has the ability to make relatively large (over \$1 million) strategy grants.

In FY 2012, EDA funded four interagency competitions through the EAA Program: two Jobs and Innovation Accelerator Challenges (Jobs Accelerators), the Rural Jobs Accelerator and the Advanced Manufacturing Job Accelerator; a third round of the *i6* Challenge; and the Strong Cities, Strong Communities (SC2) Visioning Challenge. Building on these previous successes, in FY 2014 EDA will continue this support with a fourth round of the *i6* Challenge to promote and strengthen regional innovation ecosystems and foster innovation. These efforts are complementary to the Bureau's historic work fostering place-based investments that spur job creation through its EDAP programs, and are a key component to the balanced portfolio that affords a diverse toolkit of services which EDA can utilize to nimbly respond to the various regional needs facing communities across the nation.

EDA's EAA Program supports the Department's goal of promoting economic growth by fostering market development and commercialization. Specifically, the EAA Program supports the Department's objective of promoting the competitiveness of disadvantaged and distressed communities and businesses.

A large body of research indicates that high-growth businesses—most of which are small and headed by entrepreneurs—fuel most of America's job creation. These businesses may be high-tech, but they also may be businesses that integrate innovative processes or technologies into more traditional industries, such as agriculture, manufacturing, and transportation. Creating the environment for high-growth business to form and grow will require flexible, cross-cutting investments that marry infrastructure, strategic partnership planning, technical assistance, and access to capital. To effectively facilitate these activities, EDA will enter into strategic partnerships with other bureaus (NIST/MEP, ITA, MBDA, and USPTO) and other Federal agencies (e.g., SBA, DOL, ED, U.S. Department of Agriculture (USDA), Department of Transportation (DOT), Department of Defense (DOD), and DOE).

EAA continues to be an integral and unique part of EDA's portfolio. Unlike many of the federal government's "economic development" programs, EDA's EAA program enables the bureau to fund a range of customized investments developed specifically to meet the strategic priorities of applicant communities rather than being made strictly based on formulas. For example, some communities identify strategy development as their top priority. In other cases, communities already have a well-defined strategy and now need implementation support. This flexibility enables EDA to target its EAA funding through its competitive grants process to support the development of robust regional innovation ecosystems based on the specific priorities of each community.

The program's authorizing statute is the EDA's Public Works and Economic Development Act (PWEDA) of 1965, as amended (42 U.S.C. § 3121 *et seq.*).

PROGRAM CHANGE FOR FY 2014:

Budget Program: Economic Adjustment Assistance. Base Funding: \$50.4 million; Program Change: + \$15.6 million.

EDA requests an increase of \$15.9 million over the FY 2012 Enacted level for a total of \$66.0 million for the Economic Adjustment Assistance (EAA) Program.

Proposed Actions:

As EDA's most flexible program, the EAA Program plays a critical role in supporting the Bureau's efforts to foster regional innovation ecosystems, promote the export potential of American regions, and encourage development and enhancement of critical infrastructure. EDA provides technical assistance and implementation investments that include critical innovation infrastructure such as business incubators, proof of concept centers, wet labs, and Research and Development commercialization programs.

The flexibility of the EAA Program provides EDA the ability to provide tailored assistance to help regions leverage the promise of regional ecosystems. For example, EDA is able to support the development of strategic plans that will lay the foundation for how a community will leverage its regional assets and provide targeted infrastructure assistance to help expand the region's innovation ecosystem.

EAA funds also capitalize EDA's Revolving Loan Funds that provide much needed access to capital for innovative firms and entrepreneurs. EAA is also instrumental in EDA's collaboration with the Department of Defense (DOD) in BRAC communities – both those seeking to diversify their economic base due to base closure and those trying to meet the new demands for public services when bases expand. EAA's flexibility allows EDA to fund planning activities, including those that support post-disaster recovery.

EAA is a proactive program that has the ability to act before an economic dislocation occurs. EDA encourages communities and regions to assess the threats and opportunities created by the global marketplace. EAA funding enables local leaders to proactively address identified threats and respond by leveraging their competitive advantages. Most importantly, this can be done without waiting for disaster to strike, giving local officials more control and communities greater economic stability.

In addition, in FY 2014, EDA will prioritize investments that support on-shoring investments which encourage firms to expand or retain their locations in the U.S. In FY 2012, EDA incorporated this into the Bureau's investment priorities, and as such, is able to fund competitive projects from all of its programs.

Statement of Need and Economic Benefits:

As EDA's most flexible program, EAA is well positioned to implement the place-based activities necessary to help realize bottom-up strategies to catalyze regional economic development and prosperity. EAA provides EDA with the ability to quickly and proactively intervene to assist communities experiencing or anticipating economic dislocations to plan and implement solutions that access their regional economic advantages, creating innovative solutions. Demand for this program currently exceeds the available funding.

EAA's unique mechanisms provide a streamlined process that reduces grantees' administrative burdens because EDA can fund the planning or feasibility study, and the implementation or construction with only one application. EAA is EDA's most flexible economic development tool, providing ready access to appropriate funding for everything from disaster recovery to business accelerators and incubators.

Base Resource Assessment:

EAA continues to be an integral part of EDA's portfolio. The Bureau's FY 2014 budget request is designed to provide the most effective mix of investments to respond to the needs of distressed communities.

EDA assesses the impact of its EAA Program by tracking the amount of private investment leveraged and the number of jobs created and retained for both the construction and capital access portions of the program.

Schedule & Milestones:

FY 2014

- Continue EDA's emphasis on providing consistent and transparent project selection through the EDA Regional Office structure; and,
- Provide enhanced operational guidance, training and project selection tools to regional offices
Analyze and develop specific policy strategies for supporting on-shoring investments in FY 2014.

FY 2015-2018

- Fill project pipeline to provide swift award action and help to meet the excessive demand of program funds upon receipt of annual appropriation;
- Continue monitoring and assessing program operations and outcomes and improving guidance, processes, and direction, as necessary, to ensure successful realization of desired outputs and outcomes

Deliverables:

FY 2014

- Strategic investments that can support globally competitive regions, promote regional innovation , and encourage 21st Century innovation infrastructure;
- Targeted RLF funding supporting entrepreneurial activity and business growth through capital access; and,
- Continue implementing process improvements to Program.

FY 2015-2018

- Identify and implement strategies for reducing time between award execution and project start date;
- Analyze project completion times and project results to identify ways to achieve greater program effectiveness;
- Implement improved guidance, processes, and forms, as necessary, based on analysis and strategies developed through internal analysis and program management; and,

- Increasing focus on collaborative funding with other Federal agencies to leverage federal grant funds, support regional innovation , and contribute to sustainable economic development.

Performance Goals and Measurement Data:

Performance Measure: Private sector dollars invested in distressed communities based on Infrastructure Related Investments					
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
	Target	Target	Target	Target	Target
With Increase	\$316,208	\$316,208	\$316,208	\$316,208	\$316,208
Without Increase	\$241,305	\$241,305	\$241,305	\$241,305	\$241,305

Description: The formula-driven calculation projects long-term impact of an EDA investment data 9 years from the date of the award. The formula is based on a study done by Rutgers University, which compiled and analyzed the performance of EDA construction projects after 9 years. The methodology and findings of this study were reviewed and validated in 2008 by Grant Thornton.

Performance Measure: Jobs created or retained in distressed communities based on Infrastructure Related Investments					
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
	Target	Target	Target	Target	Target
With Increase	7,310	7,310	7,310	7,310	7,310
Without Increase	5,587	5,587	5,587	5,587	5,587

Description: The formula-driven calculation projects long-term impact of an EDA investment data 9 years from the date of the award. The formula is based on a study done by Rutgers University, which compiled and analyzed the performance of EDA construction projects after 9 years. The methodology and findings of this study were reviewed and validated in 2008 by Grant Thornton.

Performance Measure: Private sector dollars invested in distressed communities based on capital access investments					
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
	Target	Target	Target	Target	Target
With Increase	\$2,426	\$2,426	\$2,426	\$2,426	\$2,426
Without Increase	\$1,851	\$1,851	\$1,851	\$1,851	\$1,851

Description: The formula-driven calculation projects long-term impact of an EDA investment data 9 years from the date of the award. The formula is based on a study done by Rutgers University, which compiled and analyzed the performance of EDA construction and capital projects after 9 years. The methodology and findings of this study were reviewed and validated in 2008 by Grant Thornton.

Performance Measure: Jobs created or retained in distressed communities based on capital access investments					
	FY 2014 Target	FY 2015 Target	FY 2016 Target	FY 2017 Target	FY 2018 Target
With Increase	164	164	164	164	164
Without Increase	125	125	125	125	125

Description: The formula-driven calculation projects long-term impact of an EDA investment data 9 years from the date of the award. The formula is based on a study done by Rutgers University, which compiled and analyzed the performance of EDA construction and capital projects after 9 years. The methodology and findings of this study were reviewed and validated in 2008 by Grant Thornton.

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

ACTIVITY: Investing in Manufacturing Communities Fund		2012 Actuals	2013 CR (Annualized)	2014 Base	2014 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Investing in Manufacturing Communities Fund	BA	\$0	\$0	\$0	\$113,000	\$113,000
	Obl.	\$0	\$0	\$0	\$113,000	\$113,000

APPROPRIATION ACCOUNT: Economic Development Assistance Programs

BUDGET PROGRAM: INVESTING IN MANUFACTURING COMMUNITIES FUND

For FY 2014, EDA requests \$113.0 million to establish the **Investing in Manufacturing Communities Fund**.

Program Budget Profile (Dollars in thousands)							
Funding Requirements by Sub-Program:	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Investing in Manufacturing Communities Fund	-	-	113,000	113,000	113,000	113,000	113,000
Total Dollars:	-	-	113,000	113,000	113,000	113,000	113,000
Total FTEs:	N/A	N/A	N/A	N/A	N/A	N/A	N/A

BASE JUSTIFICATION FOR FY 2014:

Investing in Manufacturing Communities Fund Overview

The Administration is committed to strengthening our country’s competitiveness in the 21st century economy by revitalizing American manufacturing, accelerating U.S. exports, and sustaining innovation. Reauthorizing the “America COMPETES Act” will help advance the President’s vision by encouraging innovation that builds capacity for regions to improve and advance toward the future. This Act directed the creation of a Regional Innovation Program in order to build upon the understanding that robust regional innovation strategies create a blueprint for improving the conditions or “ecosystem” in which innovative companies and entrepreneurs can accelerate the development of new businesses, products or services. In FY 2014 EDA proposes the establishment of two new programs to drive the 21st century economy; the Investing in Manufacturing Communities Fund and Regional Export Challenge Program, both of which are consistent with the intent of the “America COMPETES Act” to encourage and support regional innovation.

The U.S. is on the cusp of resurgence in business investment, particularly in the manufacturing sector, due to continued increases in the productivity of American workers, new opportunities created by the expansion of domestic energy resources, and rising costs abroad. While these factors are promising, a number of issues need to be addressed at a local level to ensure that our communities are positioned to attract investment and make that investment lasting by building the public goods needed to provide a productive industrial ecosystem. Such public goods can strengthen the capacity for innovation and manufacturing in U.S. communities, deepen the skills of the American workforce, attract and support small businesses that serve as suppliers, and expand opportunities for U.S. exports.

Many mid-size communities are struggling to re-orient their local economy to attract new manufacturing facilities and supply chain firms after the dislocation of the past decades and many communities have limited local resources. Additionally, Federal economic development assistance designed to help states and communities attract inbound investment is not optimized to drive coordinated strategic planning within a community.

If the U.S. is to maintain global leadership, it is crucial that this nation compete successfully for major global investments in the years ahead. In order to 1) grow a manufacturing base that will also enhance the regional ecosystems necessary to foster innovation and attract sustainable inbound investment (from both foreign and domestic companies); 2) accelerate the emerging trend of the resurgence of inbound investment, and 3) address the resource gap and synchronize Federal economic development resources, the Administration proposes to launch the Investing in Manufacturing Communities Partnership (IMCP).

The IMCP will serve as a government-wide initiative. While it will provide coordinated Federal support to communities across the country, it will also ensure each participating agency adds value with its unique perspective and set of tools.

Through the IMCP, the Administration will aim to re-orient and align Federal economic development resources to communities with the goal of incentivizing communities and regions to invest in public goods like infrastructure, education, and training in order to create the industrial ecosystem required to attract and support lasting business investment.

The IMCP would aim to: 1) position communities to compete aggressively for new investment, particularly in manufacturing, by implementing strategies focused on lasting local assets like workforce skills, infrastructure, and research, 2) increase the returns on Federal economic development investments through better alignment and enhanced service delivery, and 3) expand the potential for exports of American-made goods.

Investing in Manufacturing Communities Fund

The flagship initiative within the IMC Partnership is the Investing in Manufacturing Communities Fund (IMC Fund), a \$113 million initiative led by DOC, to drive alignment of Federal economic development assistance by providing at-scale grants, on a 2:1 matching basis, to at least five communities per year to support the implementation of a strategic plan aimed at attracting investment. Funds will be conditioned on communities' plans for: supplier technical assistance, capital access; public works to upgrade infrastructure, energy efficiency; commercialization/business incubators; export promotion; workforce training and education institutions, focused on targeted skills; and key stakeholder involvement.

Different regions have different advantages and challenges. The IMC Fund offers flexibility for regions to focus resources where needed to improve their, according Gary Pisano and Willy Shih, 'industrial commons' and attract new investment. This effort can have a transformative effect in U.S. communities, setting the stage for significant inbound investment while improving infrastructure, strengthening skill training, and modernizing supply chains.

The IMC Fund is the logical significant step in a progression of initiatives by the Administration. Over the past three years, the Administration has proven, through "modest" pilots (Jobs and Innovation Accelerator Challenges, i6 Challenges, and other regional economy initiatives), the success of the model of coordinated, streamlined, multi-agency national challenges that leverage federal resources in a highly effective way and that focus on regional economies and specific sectors.

This successful approach is breaking down silos in Washington and at the regional level. The past three years have proven that the new model creates new, effective regional partnerships - new partners are at the table that would not be there without the new model. Partners are doing together what they would not do alone. Federal, local, business, and higher-education resources

are being leveraged like never before. The new model addresses what our "new" economic landscape demands.

While the previous challenges over the past three years have had a focus on helping regional economies become more globally competitive, *Make it in America* explicitly targets in-bound investment and manufacturing - and thus, sets the stage even more for the *IMC Fund*. The *IMC Fund*, then, represents the scale-up to more resources and continued laser focus on inbound investment and manufacturing.

Program Gap Assessment:

This is a new program designed to support and enhance the country's regional industrial ecosystems in order to: align local assets, resources, and stakeholders to leverage region's competitive advantages to promote U.S. competitiveness and innovation; attract foreign and domestic direct investment, particularly in manufacturing; promote national net gain in economic development; and maximize taxpayers' return on investment.

The program's authorizing statute is section 27 of the Stevenson-Wydler Technology Innovation Act of 1980 as amended by the America COMPETES Reauthorization Act of 2010 (15 U.S.C. § 3722).

PROGRAM CHANGE FOR FY 2014:

BUDGET PROGRAM: Investing in Manufacturing Communities Fund. Base Funding: \$0.0 million; Program Change: +\$113.0 million.

EDA requests an increase of \$113.0 million to fund the new Investing in Manufacturing Communities Fund.

Proposed Actions:

This is a new program designed to support and enhance the country's regional industrial ecosystems in order to: align local assets, resources, and stakeholders to leverage region's competitive advantages to promote U.S. competitiveness and innovation; attract foreign and domestic direct investment, particularly in manufacturing; promote national net gain in economic development; and maximize taxpayers' return on investment.

It is designed to strengthen communities' ability to attract inbound investment, which will lead to other community benefits- increased capacity for U.S. innovation and manufacturing, higher skills for the American workforce, attracting and retention of small businesses serving as suppliers, and expanded opportunity for U.S. exports. By attracting 21st century technology and business, this effort will facilitate the growth in good, middle-class jobs.

Statement of Need and Economic Benefits:

The President's budget includes \$113 million for EDA to carry out the flagship initiative within the IMC Partnership, the Investing in Manufacturing Communities Fund. This fund will provide targeted financial assistance, with a goal of leveraging non-Federal funds on a 2 to 1 matching

basis, for about five manufacturing communities to co-invest in state of the art infrastructure projects and research facilities that will increase our manufacturing base.

Projects may include commercial manufacturing parks and/or manufacturing-focused research and training centers. These competitively-awarded projects will be designed to attract larger manufacturers, as well as their supply chain of parts suppliers, fabricators and distributors. It is expected that grantees will leverage existing suppliers and local assets, such as infrastructure, research and education institutions and training centers to create an innovation ecosystem where manufacturers can thrive against global competition. Funds will be conditioned on communities' plans for: supplier technical assistance, capital access; public works to upgrade infrastructure, energy efficiency; commercialization/business incubators; export promotion; workforce training and education institutions, focused on targeted skills; and key stakeholder involvement. Applicants will be evaluated based on the community's capacity to carry out a strategic master plan to attract manufacturers in a specific sector in which it has comparative advantage and a growing supply chain.

Performance Goals and Measurement Data:

The Investing in Manufacturing Communities Partnership Fund will support a mixture of construction and non-construction investments designed to attract investment and advance regional prosperity. EDA will assess the performance of the Investing in Manufacturing Communities Partnership Fund using its standard method for calculating long-term job creation and private investment leveraged, based on the results of third-party evaluations conducted by Rutgers and Grant Thornton. EDA will continue to explore other methods and metrics in collaboration with DOC that could be implemented to assess the broader impacts that these investments have on regional economies.

Performance Measure: Private sector dollars invested in distressed communities.	FY 2014 Target	FY 2015 Target	FY 2016 Target	FY 2017 Target	FY 2018 Target
With Increase	\$558,130	\$558,130	\$558,130	\$558,130	\$558,130
Without Increase	\$0	\$0	\$0	\$0	\$0

Description: The formula-driven calculation projects long-term impact of an EDA investment data 9 years from the date of the award. The formula is based on a study done by Rutgers University, which compiled and analyzed the performance of EDA 21st Century Innovation Infrastructure Program projects after 9 years. The methodology and findings of this study were reviewed and validated in 2008 by Grant Thornton.

Performance Measure: Jobs created or retained in distressed communities.	FY 2014 Target	FY 2015 Target	FY 2016 Target	FY 2017 Target	FY 2018 Target
With Increase	12,903	12,903	12,903	12,903	12,903
Without Increase	0	0	0	0	0

Description: The formula-driven calculation projects long-term impact of an EDA investment data 9 years from the date of the award. The formula is based on a study done by Rutgers University, which compiled and analyzed the performance of EDA 21st Century Innovation Infrastructure Program projects after 9 years. The methodology and findings of this study were reviewed and validated in 2008 by Grant Thornton.

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

ACTIVITY: Regional Export Challenge		2012 Actuals	2013 CR (Annualized)	2014 Base	2014 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Regional Export Challenge	BA	\$0	\$0	\$0	\$12,000	\$12,000
	Obl.	\$0	\$0	\$0	\$12,000	\$12,000

APPROPRIATION ACCOUNT: Economic Development Assistance Programs

BUDGET PROGRAM: REGIONAL EXPORT CHALLENGE PROGRAM

For FY 2014, EDA requests an increase of \$12.0 million to establish the **Regional Export Challenge Program**.

Program Budget Profile							
(Dollars in thousands)							
Funding Requirements by Sub-Program:	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Regional Export Challenge	-	-	12,000	12,000	12,000	12,000	12,000
Total Dollars:	-	-	12,000	12,000	12,000	12,000	12,000
Total FTEs:	N/A	N/A	N/A	N/A	N/A	N/A	N/A

BASE JUSTIFICATION FOR FY 2014:

In his second State of the Union address, the President launched the National Export Initiative (NEI), a government-wide strategy to increase exports in order to strengthen America’s economy, support additional jobs here at home, and ensure long-term, sustainable growth. These efforts are paying off – and helping to change the way America does business. Now more than at any time in our history, more Americans are selling more U.S. goods and services to the 95 percent of consumers who live outside of our borders.

The Administration continues to do everything it can to link U.S. businesses to international markets. Because nearly 90 percent of U.S. exports come from metropolitan areas, the Administration, through the leadership of the Commerce Department and the International Trade Administration, partnered with the Brookings Institution on the Metropolitan Export Initiative to ensure that metro areas were taking advantage of these global opportunities by making exports a priority in their communities.

Increasing exports is a smart effort, because exports support and help create jobs. The value of U.S. exports of goods and services reached an all-time high of \$2.2 trillion in 2012. Jobs supported by exports increased to 9.8 million in 2012, up 1.3 million since 2009. In 2012, every billion dollars of U.S. exports supported 4,926 jobs. Exporters, especially small and medium-sized businesses, outperform their non-exporting counterparts. On average, sales grow faster, more jobs are created, and employees earn more than in non-exporting firms.

The Administration is committed to strengthening our country’s competitiveness in the 21st century economy by revitalizing American manufacturing, accelerating U.S. exports, and sustaining innovation. Reauthorizing the “America COMPETES Act” will help advance the President’s vision by encouraging innovation that builds capacity for regions to improve and advance toward the future. This Act directed the creation of a Regional Innovation Program in order to build upon the understanding that robust regional innovation strategies create a blueprint for improving the conditions or “ecosystem” in which innovative companies and entrepreneurs can accelerate the development of new businesses, products or services. In order to meet the intent of the “America

COMPETES Act” for regional innovation and to support the NEI, in FY 2014 EDA proposes the establishment of a Regional Export Challenge Program.

The program’s authorizing statute is section 27 of the Stevenson-Wydler Technology Innovation Act of 1980 as amended by the America COMPETES Reauthorization Act of 2010 (15 U.S.C. § 3722).

PROGRAM CHANGE FOR FY 2014:

BUDGET PROGRAM: Regional Export Challenge Program. Base Funding: \$0.0 million; Program Change: + \$12.0 million.

EDA requests an increase of \$12.0 million to fund the new Regional Export Challenge Program to assist communities in the development of robust and sustainable export action plans that support jobs, international business and export expansion.

Proposed Actions:

Reauthorizing the “America COMPETES Act” will help advance the President’s vision by encouraging innovation that builds capacity for regions to improve and advance toward the future. In FY 2014 EDA proposes the establishment of a Regional Export Challenge Program. This program will build upon the understanding that robust regional innovation ecosystem strategies create a blueprint for improving the conditions or “ecosystem” in which innovation companies and entrepreneurs can accelerate the development of new businesses, products or services. By focusing specifically on exports, the export action plans created through this program will support jobs, international business and export expansion. This program is consistent with the intent of the “America COMPETES Act” to encourage and support regional innovation.

In FY 2014, under the Regional Export Challenge Program, EDA will build on the Bureau’s extensive collaborative efforts to provide strategic investments that leverage complementary resources available by the Federal government so that local communities can more effectively access and apply them to generate job creation, business expansion, and enhanced regional prosperity.

The Regional Export Challenge (REC) Program is a grant program that will support those regions that develop and implement sustainable export action plans to proactively identify and support firms and sectors with the greatest export potential. An REC award will establish a partnership between the Department and regions, chambers of commerce, port authorities, regional civic groups, and/or regional economic development agencies’ awardees. Awardees will receive technical assistance from a project team of federal trade specialists to provide direction and assist in the implementation over a three year period. By investing in regions, the REC will ensure the development of robust and sustainable export action plans that support jobs and enhance their area as a center for international business and export expansion.

Statement of Need and Economic Benefits:

The Regional Export Challenge Program is an important complement to EDA's traditional programs: together they provide EDA a mechanism to provide targeted, strategic investments to communities in need of foundational asset building investments while also affording an opportunity to incentivize asset rich communities to leverage their potential more strategically to meet the economic development goals of the broad regional economy. Specifically, the Regional Export Challenge Program offers an important framework to continue implementing the inter-agency challenge competitions.

Through the Regional Export Challenge Program EDA will support collaborative Federal initiatives that help communities mitigate the impact of the recent fiscal downturn and accelerate the transition toward a more prosperous economy. This need is particularly acute given the current fiscal crisis and the national jobs and growth outlook.

Base Resource Assessment:

In FY 2014, this program will be created to strengthen EDA's efforts to promote collaborative, multi-agency innovative efforts designed to leverage complementary Federal resources more effectively to help foster job creation and regional economic development.

Schedule & Milestones:

FY 2014-2018

- Creation of Regional Export Challenge Program; and
- Expansion of inter-Agency collaboration related to Regional Innovation.

Deliverables:

FY 2014-2018

- Strategic investments that can support globally competitive regions, promote regional innovation, and encourage 21st century innovation infrastructure; and
- Increasing focus on collaborative funding with other Federal agencies to leverage federal grant funds, support regional innovation, and contribute to sustainable economic development.

Performance Goals and Measurement Data

Measures for EDA's Regional Export Challenge Program will be developed and implemented to assist the Bureau in effectively forecasting and evaluating the impact that this new program will have on stimulating regional economies.

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

OBJECT CLASS		2012 Actuals	2013 CR (Annualized)	2014 Base	2014 Estimate	Increase/ (Decrease)
11	Personnel Compensation	0	0	0	0	0
11.9	Total personnel compensation	0	0	0	0	0
12.1	Civilian personnel benefits	0	0	0	0	0
13.0	Benefits for former personnel	0	0	0	0	0
21.0	Travel and transportation of persons	0	0	0	0	0
22.0	Transportation of things	0	0	0	0	0
23.1	Rental payments to GSA	0	0	0	0	0
23.2	Rental payments to others	0	0	0	0	0
23.3	Communications, utilities and	0	0	0	0	0
24.0	Printing and reproduction	0	0	0	0	0
25.0	Other services	0	0	0	0	0
26.0	Supplies and materials	0	0	0	0	0
31.0	Equipment	0	0	0	0	0
41.0	Grants	297,012	425,662	261,345	322,000	60,655
99.0	Subtotal Direct Obligations	297,012	425,662	261,345	322,000	60,655
99.9	TOTAL OBLIGATIONS	297,012	425,662	261,345	322,000	60,655
	Less prior year recoveries	(34,017)	(40,000)	(40,000)	(40,000)	0
	Less prior year unobligated balance	(30,602)	(184,317)	(20,000)	(20,000)	0
	Transfer to other accounts (+)	3,290	0	0	0	0
	Unobligated balance, end of year	184,317	20,000	20,000	20,000	0
	Total Budget Authority	420,000	221,345	221,345	282,000	60,655

[THIS PAGE INTENTIONALLY LEFT BLANK]

**Department of Commerce
Economic Development Administration
SUMMARY OF RESOURCE REQUIREMENTS: SALARIES AND EXPENSES**
(Dollar amounts in thousands)

	FTE	BUDGET AUTHORITY	BUDGET OBLIGATIONS
FY 2013 CR (Annualized)	205	37,730	41,800
<i>Plus: Adjustment to Base</i>	0	933	933
<i>Less: ATB Absorbed</i>	0	<u>(50)</u>	<u>(50)</u>
<i>Total ATB</i>	0	883	883
<i>Less: Unobligated balance, Start of Year</i>	<u>0</u>	0	(4,070)
2014 Base Request	205	38,613	38,613
<i>Administrative Savings (all savings reinvested)</i>	[0]	[22]	[22]
<i>Plus: Program Change</i>	<u>0</u>	<u>300</u>	<u>300</u>
2014 Estimate	205	38,913	38,913

COMPARISON BY ACTIVITY		2012 Actuals		2013 CR (Annualized)		2014 Base		2014 Estimate		Increase/ (Decrease)	
		Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount
Salaries and expenses, direct	Pos./BA	182	37,500	217	37,730	217	38,613	219	38,913	2	300
	FTE/Obl	201	39,761	205	41,800	205	38,613	207	38,913	2	300
Adjustments to obligations:			0		0		0		0		0
Recoveries			0		0		0		0		0
Unobligated balance, start of year			(3,041)		(4,070)		0		0		0
Unobligated balance transferred			0		0		0		0		0
Unobligated balance, end of year			4,070		0		0		0		0
Unobligated balance expiring			0		0		0		0		0
Transfer from other accounts (-)			(3,290)		0		0		0		0
Transfer to other accounts (+)			0		0		0		0		0
Rescission			0								
APPROPRIATION		201	37,500	205	37,730	205	38,613	207	38,913	2	300

[THIS PAGE INTENTIONALLY LEFT BLANK]

**Department of Commerce
Economic Development Administration
SUMMARY OF FINANCING: SALARIES AND EXPENSES**
(Dollar amounts in thousands)

COMPARISON BY ACTIVITY	2012 Actuals	2013 CR (Annualized)	2014 Base	2014 Estimate	Increase/ (Decrease)
	Amount	Amount	Amount	Amount	Amount
Total Obligations	40,400	42,519	39,332	39,632	300
Financing:					
Offsetting collections from:					
Federal funds	(639)	(719)	(719)	(719)	0
Trust funds	0	0	0	0	0
Non-Federal sources	0	0	0	0	0
Recoveries	0	0	0	0	0
Unobligated balance, start-of-year	(3,041)	(4,070)	0	0	0
Unobligated balance transferred	0	0	0	0	0
Unobligated balance, end-of-year	4,070	0	0	0	0
Unobligated balance expiring	0	0	0	0	0
Unobligated balance lapsing	0	0	0	0	0
Budget Authority	40,790	37,730	38,613	38,913	300
Transfer from Other Accounts (+)	(3,290)	0			
Rescission	0				
Appropriation	37,500	37,730	38,613	38,913	300

[THIS PAGE INTENTIONALLY LEFT BLANK]

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

<u>ADJUSTMENTS:</u>	<u>FTE</u>	<u>Amount</u>
RESTORATION OF BASE	0	0
OTHER CHANGES:		
<u>Pay</u>	0	206
2013 Pay Raise:		
Pay raise of .5% will be effective on April 1, 2013.		
Total cost in 2013 of 2014 pay raise.....	28	
Less amount funded in 2013.....	<u>0</u>	
Amount requested in FY 2013 for FY 2014 Pay raise	28	
2014 Pay Increase and Related Costs:		
A general pay raise of 1% is assumed to be effective January 1, 2014.		
Total cost in 2014 of pay increase.....	167	
Payment to Working Capital Fund.....	<u>11</u>	
Amount requested for FY 2014 Pay Raise	178	
<u>Civil Service Retirement System (CSRS)</u>		(37)
<p>The estimated percentage of payroll for employees covered by CSRS decreased from 15.70% in 2013 to 12.90% for 2014 for regular employees. The contribution rates will stay at 7% in 2014. This will result in a decrease of \$36,622 in the cost of CSRS contributions.</p>		
FY 2014 cost: \$18,685,000 x 12.90% x 7.00%	168,726	
FY 2013 cost: \$18,685,000 x 15.70% x 7.00%	<u>(205,348)</u>	
Total, adjustment to base		(36,622)

JUSTIFICATION OF ADJUSTMENTS TO BASE AND BUILT-IN CHANGES

(Dollar amounts in thousands)

<u>Federal Employees Retirement System (FERS)</u>	94
<p>The estimated percentage of payroll for employees covered by FERS will increase from 84.30% in 2013 to 87.10% in 2014 for regular employees. The contribution rate for FERS employees will increase to 11.90%.</p>	
FY 2014 cost: \$18,685,000 x 87.10% x 11.9%	1,936,682
FY 2013 cost: \$18,685,000 x 84.30% x 11.7%	<u>(1,842,920)</u>
Total, adjustment to base	93,762
 <u>Thrift Savings Plan (TSP)</u>	 10
<p>The cost of EDA's contributions to the Thrift Savings Plan will increase as FERS participation increases. The contribution rate is expected to remain at 2.0%.</p>	
FY 2014 cost: \$18,685,000 x 87.10% x 2.0%	325,493
FY 2013 cost: \$18,685,000 x 84.30% x 2.0%	<u>(315,029)</u>
Total, adjustment to base	10,464
 <u>Employees Compensation fund</u>	 (16)
 <u>Federal Insurance Contribution Act (FICA)</u>	 (19)
<p>As the percentage of payroll covered by FERS rises, the cost of OASDI contributions will increase. In addition, the maximum salary subject to OASDI tax is \$119,100 in 2014. The OASDI rate will remain at 6.2% in 2014.</p>	
FY 2014 cost: \$18,685,000 x 87.10% x 89.40% x 6.2%	902,070
FY 2013 cost: \$18,685,000 x 84.30% x 94.30% x 6.2%	<u>(920,925)</u>
Total, adjustment to base	(18,855)
<u>Other Salaries</u>	
FY 2014 cost: \$359,000 x 87.10% x 89.40% x 6.2%	17,332
FY 2013 cost: \$359,000 x 84.30% x 94.30% x 6.2%	<u>(17,694)</u>
Total, adjustment to base	(362)

JUSTIFICATION OF ADJUSTMENTS TO BASE AND BUILT-IN CHANGES
(Dollar amounts in thousands)

<u>Health insurance</u>	42
Effective January 2012, EDA's contributions to Federal employees' health insurance premiums increased by an average of 3.8%. Applied against the 2013 estimate of \$1,105,000, the additional amount required is \$41,990.	
<u>Travel and transportation of persons</u>	29
<u>Mileage</u> : The reimbursement rate for privately-owned automobiles increase from 50 cents to 51 cents. The percentage increase of 7.8% was applied to the 2013 estimate of \$370,000 to arrive at an increase of \$28,860.	
	29
<u>Per Diem</u> : The General Services Administration issued revised travel per diem rates, resulting in a 0% increase to EDA. This percentage was applied to the 2013 estimate of \$205,000 resulting in an increase of \$0.	
	0
<u>Rental payments to GSA</u>	40
The General Service Administration has provided a preliminary estimated increase of 1.6% over the 2013 cost of \$2,531,000 for currently occupied space. This results in an increase of \$40,496.	
<u>Printing and reproduction</u>	1
GPO has provided an estimated rate increase of 1.7%. This percentage was applied to the 2013 estimate of \$43,000 to arrive at an increase of \$731.	

JUSTIFICATION OF ADJUSTMENTS TO BASE AND BUILT-IN CHANGES
(Dollar amounts in thousands)

<u>Working Capital Fund (includes IT Reinvestment)</u>	354	
Personal Identity Verification (PIV).....	154	
A \$154,000 increase is required to fund accelerated planning, implementation, training and oversight of the Department-wide efforts to meet 75% PIV compliance by the end of FY 2014. This effort will be executed via the Departmental Management's Advances and Reimbursements Funds.		
Electricity.....		(40)
The average decrease of PEPCO electricity is projected to be 18%. This percentage was applied to the 2013 electricity estimate of \$225,000 for an decrease of \$40,000.		
NARA cost are expected to increase by \$7000.....		7
Water/Sewer (DCWASA).....		9
The average increase for DCWASA is projected to be 66%. This percentage was applied to the 2013 amount for an increase of \$9000.		
<u>Postage</u>		2
<u>General pricing level adjustment</u>		
This request applies assumptions for 2013 of 1.7% to sub-object classes where the prices that the Government pays are established through the market system:		
Rental Payments to Others		4
Other Services		74
Supplies and Materials		4
Equipment		15
Subtotal, other changes		933
Total, amount absorbed.....		(50)
Total, adjustments to base.....	0	883

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

ACTIVITY: Salaries and Expenses		2012 Actuals		2013 CR (Annualized)		2014 Base		2014 Estimate		Increase/ (Decrease)	
		Pos./FTE	Amount	Pos./FTE	Amount	Pos./FTE	Amount	Pos./FTE	Amount	Pos./FTE	Amount
Salaries and Expenses	Pos./BA	182	\$37,500	217	\$37,730	217	\$38,613	219	\$38,913	2	\$300
	FTE/Obl.	201	\$39,761	205	\$41,800	205	\$38,613	207	\$38,913	2	\$300

APPROPRIATION ACCOUNT: Salaries and Expenses**BUDGET ACTIVITY: SALARIES AND EXPENSES PROGRAM ADMINISTRATION**

For FY 2014, EDA requests \$38.9 million and 207 FTE for its **Salaries and Expenses (S&E)** account.

Program Budget Profile (Dollars in thousands)							
Funding Requirements by Sub-Program:	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Salaries and Expenses	37,500	37,730	38,913	38,913	38,913	38,913	38,913
Total Dollars:	37,500	37,730	38,913	38,913	38,913	38,913	38,913
Total FTEs:	205	205	207	207	207	207	207

BASE JUSTIFICATION FOR FY 2014:

The administration of EDA's Economic Development Assistance Programs (EDAP) is carried out through a network consisting of headquarters offices as outlined below and located in Washington, DC, and six Regional Offices located in Atlanta, Austin, Chicago, Denver, Philadelphia, and Seattle.

Executive Direction: The Assistant Secretary directs the Bureau'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.

Office of Chief Counsel: The Office of Chief Counsel (OCC) prepares and reviews legal documents to ensure consistency with applicable legal requirements imposed on Bureau 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 bureau 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 bureau's program authorities; revising bureau 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; reviewing applications for assistance under title II of the Trade Act of 1974; 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 respond to settlement offers. In addition, EDA's regional counsels provide a full range of legal services incident to approval of applications under federal assistance law, 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.

Office of Information Technology: The Office of Information Technology (OIT) develops and manages strategic information technology (IT) 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 Bureau by its executives, managers, and employees.

The base program budget also establishes maintenance and support of the local computer networks that connect personal computers, printers, other devices and file shares, in and among the EDA offices (headquarters, the regional offices, and the remote Economic Development Representatives offices). The network provides the electronic mail system, support for other applications, and linkages to the external network that provides Internet services. The technical expertise and support costs necessary for the establishment, enhancement, and maintenance of the EDA public and internal Web sites that provide services to the government and to the public are also included in the base program costs.

Office of Finance and Management Services: The Chief Financial Officer/Chief Administration Officer (CFO/CAO) is the senior official for financial and administrative management within EDA. As such, the CFO/CAO is responsible for managing EDA's budget development and execution, coordinating and evaluating internal management control systems, and managing EDA's continuity of operations program (COOP). The CFO/CAO is also responsible for providing administrative support services for EDA headquarters and oversight of these services at the Regional Offices, for those services not already provided at the Departmental level. These service areas include acquisition management, human capital management, facilities, real and personal property, records management, and other support activities.

The Administration Division provides a full range of non-financial administrative services, unless otherwise provided at the Department level, for EDA headquarters and oversight of these services at the Regional Offices. The Division provides records and property management, human capital management, procurement management, security oversight, loan management, audit oversight and resolution management, and continuity of operations planning and other support activities.

The Budget and Finance Division, in concert with bureau 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, by

monitoring fiscal controls for program and administrative expenses, allotment of funds, operating budgets, staffing limitations, and analysis of reports and resource proposals, consistent with the requirements of the Anti-Deficiency Act. The Division coordinates with the Performance and National Programs Division 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.

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

The Public Affairs Division coordinates all EDA Public Affairs activities, including press releases, media events, and public appearances of the Assistant Secretary and other senior officials. The Public Affairs staff interacts with the public on behalf of the Bureau, 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 Bureau 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 also oversees all intergovernmental affairs activities.

Office of Regional Affairs: The Deputy Assistant Secretary for Regional Affairs oversees program operations in the six regional offices and the Performance and National Programs Division; ensures an bureau-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, and manages the Trade Adjustment Assistance for Firms Program.

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 performance assessment, such as GPRA measures, and program outcomes. The Office of Regional Affairs develops and maintains program guidance, policies, directives and operating procedures to improve, enhance or streamline the administration of EDA's financial assistance programs.

The Performance and National Programs Division measures EDA program performance, and provides the bureau's senior management with enhanced tools in the service of program improvement. 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 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 EDA's Research and Evaluation Program.

The Trade Adjustment Assistance Division processes and monitors grants for the operation of Trade Adjustment Assistance Centers and for industry-wide projects. The Division certifies and/or denies the eligibility of firms to apply for Trade Adjustment Assistance and approves and/or denies the adjustment proposals received from certified firms.

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.

Office of Innovation and Entrepreneurship: The Office of Innovation and Entrepreneurship (OIE) assists EDA in focusing on promoting and supporting high-growth entrepreneurship and accelerating commercialization of federally funded research, both in federal labs and at universities. It creates an organization that works closely with multiple bureaus at the Department of Commerce, as well as with the White House and other federal agencies. Specifically, OIE plays a leading role in managing the Secretary's National Advisory Council on Innovation and Entrepreneurship to encourage the development and implementation of policies that cultivate technology commercialization.

PROGRAM CHANGE FOR FY 2014:

**BUDGET PROGRAM: Salaries and Expenses Program. Base Funding: \$38.6 million;
Program Change: + \$0.3 million.**

EDA requests an increase of \$1.4 million above the FY 2012 Enacted level, for a total of \$38.9 million for the Salaries and Expenses Program.

Proposed Actions:

With the additional funding requested, EDA's will establish a Federal ombudsman and technical assistance staff to support the Strong Cities, Strong Communities (SC2) initiative. With these funds EDA would be able to hire experienced staff who are knowledgeable about EDA and other Federal economic development programs to be part of a multi-agency federal Community Solutions Team (CST) that will provide on-site support to communities selected in the next round of SC2. The selection process for the next round of communities is expected to be held during the summer of 2013.

Statement of Need and Economic Benefits:

EDA's prior experience with placing dedicated economic development staff for a limited period of time in highly distressed cities as part of the SC2 program has been a great success. These teams, working in partnership with staff from other federal agencies on-site, have proven to be highly effective in helping distressed, capacity-challenged cities to coordinate their federal resources more effectively, as well as to be more effective in accessing important federal resources to address chronic unemployment, under-employment, low economic growth, and provide for more effective economic development planning. With EDA's S&E budget remaining flat or slightly decreasing over the last several years, the bureau is no longer in a position to provide dedicated staff to this successful initiative without additional resources.

PROGRAM CHANGE PERSONNEL DETAIL: SALARIES AND EXPENSES
(Dollar amounts in thousands)

Activity: Salaries and Expenses

Title:		Grade	Number	Annual Salary	Total Salaries
Management and Program Analyst	Washington, DC	13	1	\$100,955	100,955
Management and Program Analyst	Washington, DC	14	1	\$119,298	119,298
Total			<u>2</u>		<u>\$ 220,252</u>
Less lapse	0.0%		<u>0</u>		<u>-</u>
Total full-time permanent (FTE)			<u>2</u>		<u>\$ 220,252</u>
2014 Pay Adjustment (1.0%)					<u>1,652</u>
Total					<u>\$ 221,904</u>
Personnel Data:					
Full-time permanent			2		
Other than full-time permanent			<u>0</u>		
Total			<u>2</u>		
Authorized Positions:					
Full-time permanent			2		
Other than full-time permanent			<u>0</u>		
Total			<u>2</u>		

PROGRAM CHANGE DETAIL BY OBJECT CLASS: SALARIES AND EXPENSES
(Dollar amounts in thousands)

	OBJECT CLASS	2014 Increase
11	Personnel Compensation	0
11.1	Full-time permanent	222
11.3	Other than full-time permanent	0
11.5	Other personnel compensation includes Lump Sum	0
11.9	Total personnel compensation	222
12.1	Civilian personnel benefits	55
13	Benefits for former personnel	0
21	Travel and transportation of persons	11
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	1
25	Other services	0
26	Supplies and materials	2
31	Equipment	9
32	Land and structures	0
33	Investments and Loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and Dividends	0
44	Refunds	0
99.9	TOTAL OBLIGATIONS	300

Department of Commerce
Economic Development Administration
SUMMARY OF REQUIREMENTS BY OBJECT CLASS: SALARIES AND EXPENSES
(Dollar amounts in thousands)

OBJECT CLASS		2012 Actuals	2013 CR (Annualized)	2014 Base	2014 Estimate	Increase/ (Decrease)
11	Personnel Compensation					
11.1	Full-time permanent	20,381	18,685	18,844	19,066	222
11.3	Other than full-time permanent/WCF	0	0	11	11	0
11.5	Other personnel compensation includes Lump Sum	190	359	359	359	0
11.9	Total personnel compensation	20,571	19,044	19,214	19,436	222
12.1	Civilian personnel benefits	6,170	5,702	5,812	5,867	55
21.0	Travel and transportation of persons	820	857	886	897	11
22.0	Transportation of things	29	14	14	14	0
23.1	Rental payments to GSA	2,500	2,531	2,571	2,571	0
23.2	Rental payments to others	247	250	254	254	0
23.3	Communications, utilities and miscellaneous charges	178	287	289	289	0
24.0	Printing and reproduction	63	43	44	45	1
25.2	Other services	5,613	4,716	2,755	2,755	0
25.3	Purchase of goods and services from Government Accounts	3,095	7,258	5,707	5,707	0
25.7	Operations and maintenance of equipment	0	0	0	0	0
26.0	Supplies and materials	219	240	244	246	2
31	Equipment	256	858	873	882	9
99.0	Subtotal Direct Obligations	39,761	41,800	38,663	38,963	300
99.0	Less: ATB Absorb			(50)	(50)	
99.0	Unobligated Balance, Start of Year	(3,041)	(4,070)			
99.0	Unobligated Balance, Expiring					
99.0	Unobligated Balance, End of Year	4,070				
99.0	Transfer from Other Accounts	(3,290)	0			
99.0	Total ATB amount absorbed	0				
99.9	TOTAL OBLIGATIONS	37,500	37,730	38,613	38,913	300

Department of Commerce
Economic Development Administration
SUMMARY OF REQUIREMENTS BY OBJECT CLASS: SALARIES AND EXPENSES
 (Dollar amounts in thousands)

PERSONNEL DATA	2012 Actuals	2013 CR (Annualized)	2014 Base	2014 Estimate	Increase/ (Decrease)
Full-Time Equivalent Employment:	Amount	Amount	Amount	Amount	Amount
Full-time permanent	201	205	205	207	2
Other than full-time permanent	0	0	0	0	0
Total	201	205	205	207	2
Positions:					
Full-time permanent	182	217	217	219	2
Other than full-time permanent	0	0	0	0	0
Total	182	217	217	219	2

**Department of Commerce
Economic Development Administration
Economic Development Assistance Programs
JUSTIFICATION OF PROPOSED LANGUAGE CHANGES**

After the phrase “For grants for economic development assistance as provided by the Public Works and Economic Development Act of 1965, for trade adjustment assistance, \$282,000,000, to remain available until expended:”, Insert the phrase “Provided, That notwithstanding the limitation of § 27(d)(7) of Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. § 3722(d)(7)), amounts carried forward from prior appropriations for the purpose of guarantying loans for science park infrastructure shall remain available to enter into guarantees of such loans after September 30, 2013.””

This change authorizes EDA to make loan guarantees under the Science Park Infrastructure Program authorized by section 27 of Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3722), beyond the current sunset period of September 30, 2013.

**Department of Commerce
Economic Development Administration
APPROPRIATION LANGUAGE AND CODE CITATIONS: SALARIES AND EXPENSES**

- 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) the funds are specifically authorized and appropriated.

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

- 2 Authorization of appropriations for defense conversion activities,

42 U.S.C. 3232

42 U.S.C. 3232 (a) - In addition to amounts made available under section 3231 of this title, there are authorized to be appropriated such sums as are necessary to carry out section 3149(c)(1) of this title, to remain available until expended.

42 U.S.C. 3232 (b) - Funds made available under subsection (a) of this section may be used for activities including pilot projects for privatization of, and economic development activities for, closed or realigned military or Department of Energy installations.

- 3 Authorization of appropriations for disaster economic recovery activities

42. U.S.C. 3233

42. U.S.C. 3233 (a) - In addition to amounts made available under section 3231 of this title, there are authorized to be appropriated such sums as are necessary to carry out section 3149(c)(2) of this title, to remain available until expended.

42. U.S.C. 3233 (b) - The Federal share of the cost of activities funded with amounts made available under subsection (a) of this section shall be up to 100 percent.

- 4 Funding for grants for planning and grants for administrative expenses

42 U.S.C. 3234

Of the amounts made available under section 3231 of this title for each fiscal year, not less than \$27,000,000 shall be made available for grants provided under section 3143 of this title.

- 5 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.

- 6 Title II of the Trade Act of 1974, as amended, and

19 U.S.C. 2345-Authorizes appropriations to carry out adjustment assistance for firms.

- 7 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.

[THIS PAGE INTENTIONALLY LEFT BLANK]

**Department of Commerce
Economic Development Administration
AVERAGE GRADE AND SALARIES: SALARIES AND EXPENSES**
(Dollar amounts in thousands)

	2012 <u>Enacted</u>	2013 <u>Estimate</u>	2014 <u>Estimate</u>
Average GS Grade	12.4	12.6	12.6
Average GS Salary	\$98,965	\$99,685	\$99,685