



EDA:

Results-driven

Performance



United States Department of Commerce

Economic Development Administration

Fiscal Year 2010

CONGRESSIONAL Budget Request

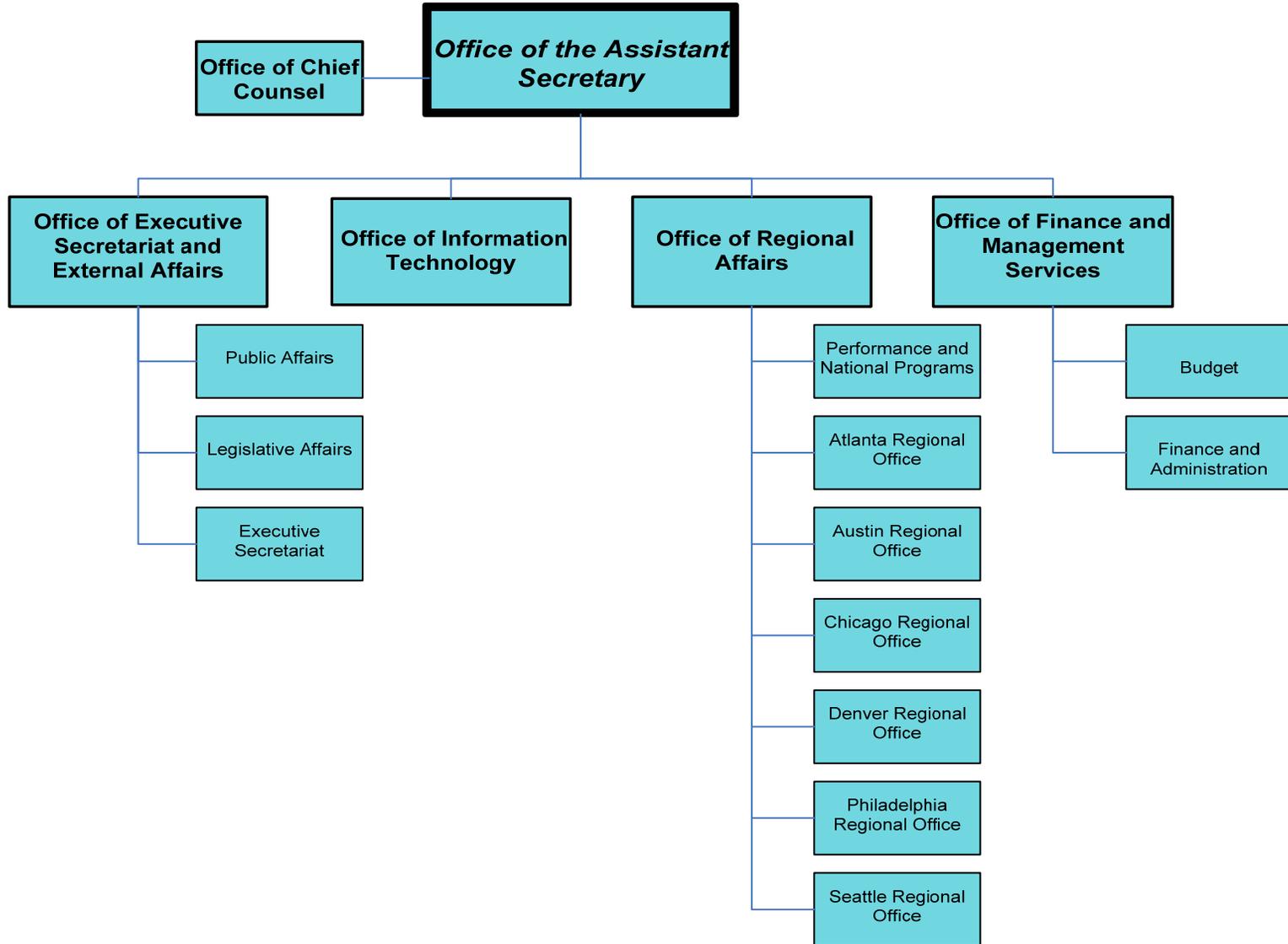
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**Department of Commerce
Economic Development Administration
BUDGET ESTIMATES, FISCAL YEAR 2010
CONGRESSIONAL SUBMISSION**

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Department of Commerce
Economic Development Administration
ORGANIZATION CHART



**Department of Commerce
Economic Development Administration
Budget Estimates, Fiscal Year 2010**

EXECUTIVE SUMMARY

General Statement

Since 1965, the Economic Development Administration (EDA) has played an integral role in helping distressed communities stimulate economic growth and address sudden and severe economic dislocations, emergencies, and other unanticipated impacts on local economic conditions. Today, EDA’s mission is to lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy

EDA gives funding priority to investment proposals that support: long-term, coordinated, and collaborative regional economic development approaches; innovation and competitiveness; entrepreneurship; and connecting regional economies with the worldwide marketplace.

In FY 2010, EDA will continue to fully fund its network of economic development districts and Indian Tribes, University Centers, the Trade Adjustment Assistance program, and its Research program. EDA will also increase funding for the Global Climate Change Mitigation Incentive program, which helps EDA grant recipients construct buildings that meet recognized standards of environmental sustainability and energy efficiency. EDA will allocate the majority of the remaining funds to the Economic Adjustment Assistance program and the Public Works program.



EDA will focus staff resources on outreach and technical assistance to distressed communities. EDA staff will help communities analyze and understand socioeconomic and demographic data from a wide variety of sources in order to develop strategies to increase competitiveness. EDA staff will help communities cultivate relationships with key business, community, academia, and local government partners to pursue regional economic development opportunities, foster innovation, support entrepreneurship, and connect with the global marketplace.

EDA will fund investments that exhibit demonstrable, committed, multi-jurisdictional support from leaders across all sectors, including: public (mayors, city councils, county executives, senior state leadership); institutional (institutions of higher learning); non-profit (chambers of commerce, development organizations); and private (leading regional businesses, significant regional industry associations). EDA recognizes the importance of building upon existing strengths and assets in communities and regions to attract private sector investment and achieve sustainable economic prosperity. EDA’s regional offices have developed substantive regional investment strategies for FY 2010. The strategies contain a statistical study of each economic region and use analyses of each region’s strengths, weaknesses, opportunities, and threats (SWOT) to develop tangible goals for each region. In conjunction with the Comprehensive Economic Development Strategies (CEDs) developed through a local planning process conducted by EDA-funded Economic Development Districts (EDDs) and Indian Tribes, the regional offices have identified opportunities that will produce significant economic benefits in distressed communities.

Funding priority will be given to proposals that respond to sudden and severe economic dislocations (e.g., major layoffs and/or plant closures, disasters), and to proposals that enable Base Realignment and Closure (BRAC) impacted communities to transition from a military to a civilian economy.

Business Incubator Networks

EDA will expand on its existing efforts to fund business incubators and begin the creation of a nationwide network of incubators that can facilitate the sharing of best practices and all-important business contacts.

Research has shown that business incubators promote regional development and accelerate the successful development of entrepreneurial companies by providing an array of business support resources and services. A 1997 EDA study found that 87% of incubator graduates stay in business, and most remain in the regions where the businesses were founded, providing economic diversity and global competitiveness to those regions. A 2008 study measured how effective various types of EDA construction grants were at creating local jobs. The study found that business incubators produced new jobs at the lowest cost to the government, supporting the power of this public-private partnership approach.

Regional Innovation Clusters

Today, job creation and economic growth are fueled by Regional Innovation Clusters – inter-connected ecosystems of businesses, academic institutions, research facilities and governmental efforts that generate a virtuous cycle of competitive strength in a well-defined area. Strong clusters produce better wages for workers and higher rates of entrepreneurship and innovation (as measured by patents) for businesses.

EDA recognizes the importance of promoting Regional Innovation Cluster development and growth nationwide. Consistent with this theory, in FY 2010 EDA will boost the nation's competitiveness by catalyzing increased Regional Innovation Cluster activity in U.S. regions through a two-part program:

- EDA will establish a national research and information center to begin mapping the geography of clusters, initiate a registry of cluster initiatives and programs, and conduct research on cluster dynamics and cluster initiative and initiative program impacts and best practices. The center will track cluster activity and support effective cluster efforts.
- EDA will support cluster initiative programs nationwide through competitive grants funded by the agency's Economic Development Assistance Programs.

The research and information center will enable EDA to initiate the following:

- Development of data-rich picture of the geography of cluster activity across the U.S. Such a picture will inform decision-making by businesses, state and local development agencies, and federal policymakers and program managers.
- Development and maintenance of a publicly available registry of cluster initiatives and programs. As envisioned, the registry will be openly accessible and will allow economic development organizations, industry associations, and cluster initiatives themselves to identify and explore promising approaches and models.
- Research and knowledge dissemination on cluster dynamics and cluster initiative and initiative program impacts and best practices, both in the U.S. and abroad. The research will seek to understand and inform practitioners about cluster types, trajectories, and success factors in various circumstances.

Through its Economic Development Assistance Programs EDA will provide grants to support:

- Early-stage cluster initiative activities to begin cluster initiative planning, asset mapping, feasibility and implementation studies.
- Cluster initiative programs that in turn will support the activities of specific regional cluster initiatives including, but not limited to, cluster focused activities to support worker training and skill development, research and development, technology adoption, commercialization, marketing and business growth.

There are numerous examples of successful Regional Innovation Clusters throughout the U.S., including the following:

- California: Regional Jobs Initiative in Central California developed a strategy to create at least 25,000 new jobs within five years, generating \$885 million annually. Also, the Communication Technology Cluster (CTC) in Oakland has graduated 25 companies which raised more than \$250 million in investment. The annual CTC Summit attracts 500 entrepreneurs, with an expected outcome of more than \$23 million of new investment.
- Michigan: The West Michigan Strategic Alliance was formed by business and community leaders in 2000 to create a shared vision for the region for the next 25 years, and to serve as a catalyst for regional collaboration.
- Texas: The Industry Cluster Initiative forms regional partnerships for growth and development in Texas' target clusters: semiconductors, IT, micromechanical, manufactured energy, nanotech, and biotech industries. The Initiative will develop industry-based plans for expansion throughout the region.

Strategic Development Plans

EDA is helping communities build strategic development plans based on their regional competitive advantages. As an example, EDA invested \$1.14 million in Jackson County, Florida, to help the rural county support an emerging alternate energy industry cluster, leading to a commitment from Green Circle Bio Energy Inc. to invest \$93 million to construct a new alternative energy production facility. This wood pellet facility will create over 50 new, direct jobs and an additional 100 jobs generated by suppliers. [Figure 1]. This “green project” is innovative in many respects. It is a first-of-its-magnitude energy pellet facility and will export these pellets across the globe. Not only will the facility use energy saving methods in its construction, but the company will also be powered with electricity from the local Waste Management landfill, which uses tree bark to fuel its furnaces.

EDA invested \$750,000 in 2005 to help construct a Center for Innovation at the University of North Dakota in Grand Forks, North Dakota. The center provides assistance for innovators, entrepreneurs, and researchers to launch new ventures, commercialize new technologies, and secure access to capital from private and public sources. [Figure 2]. The Center has fostered over 430 startups which employ more than 4,000 people and have attracted over \$110 million in investment.



Figure 1: Green Circle Bio Energy, Jackson County, Florida

Other proposals that will receive favorable consideration are those that: advance the goals of linking historic preservation and economic development as outlined by Executive Order 13287, Preserve America; revitalize brownfields; and address rural and Native American economic development issues.

From 2001 through 2008, EDA has invested \$1.4 billion (57%) of its Public Works, Economic Adjustment and Local Technical Assistance funds in rural communities. It has invested \$67.8 million dollars from those programs in Native American communities.

EDA, through its network of six regional offices, headquarters, and state-based Economic Development Representatives (EDRs), will work with its economic development partners to utilize web-based software tools, including grants.gov, to streamline grant processing by enabling the receipt of online, paperless applications for funding. In FY 2010, EDA will further streamline its application process by adopting a comprehensive, simplified, and user-friendly application process.

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



EDA is proud of its 44-year record contributing to economic growth in the U.S. and its territories. EDA welcomes inquiries from all eligible organizations. Interested parties may learn more about the programs offered by the agency by accessing EDA's website at www.eda.gov.

Figure 2: University of North Dakota, Grand Forks, North Dakota

Summary of FY 2010 Appropriation Request and Proposed Changes

EDA requests \$38.0 million for Salaries and Expenses (S&E) and \$246.0 million for Economic Development Assistance Programs (EDAP) in this FY 2010 Budget Request.

Salaries and Expenses

The FY 2010 budget request of \$38.0 million for S&E represents a \$5.2 million increase over the FY 2009 Omnibus Appropriation. It includes an additional \$1.1 million for adjustments-to-base (ATBs), and a \$4.1 million program change. The administration of EDA's Economic Development Assistance Programs (EDAP) is carried out through a network consisting of a headquarters office located in Washington, DC, six regional offices located in Atlanta, Austin, Chicago, Denver, Philadelphia, and Seattle, and 19 field-based EDRs.

Economic Development Assistance Programs

The FY 2010 Budget Request of \$246.0 million for Economic Development Assistance Programs (EDAP) represents a \$6.0 million increase over the FY 2009 Omnibus Appropriation. In FY 2010, EDA will continue to limit the scope of its Public Works investments program in order to focus on communities that have more recently experienced severe economic distress and dislocation. EDA's updated program will build on existing authorities and expertise and focus strongly on the need for economic regions in America to collaborate on economic development recovery strategies and implementation.

In formulating the FY 2010 Budget request, EDA's six regional offices analyzed their Regional Economic Overviews, surveyed their Economic Development District (EDD) partners, reviewed the Comprehensive Economic Development Strategies (CEDs), and analyzed the Department of Defense's Base Realignment and Closure 2005 (BRAC 2005) plan for closures and realignments in their regions. The results were used to compile detailed information regarding investment funding needed for FY 2010.

The **Global Climate Change Mitigation Incentive Fund** promotes EDA policies and strategies which contribute to sustainable "green" construction and resource conservation, in an effort to address the mounting concerns with regard to the effect of global climate change. The fund will continue to focus on supporting renewable energy, green building, energy efficiency, and reuse/restoration/recycling projects which enhance life-cycle sustainability, diversify the economy, and result in 21st century higher-skill, higher-wage jobs (many of which would be considered green jobs).

Public Works and Economic Development (hereafter called Public Works) investments help distressed communities to revitalize, expand, and upgrade their physical infrastructure. This program enables the communities to accomplish the following: attract new industry; encourage business expansion; diversify local

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

Planning investments encourage and support professional planning and related services through local development organizations. Planning is a vital component in assessing how to best revitalize an area, utilize 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 (EDDs, Indian Tribes, and other eligible areas) with their long-term planning efforts, outreach to communities, and development of CEDS. Active EDD and Indian Tribe involvement is critical to leveraging a successful, motivated, regional competitive advantage.

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

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

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

The **Economic Adjustment Assistance (EA)** program provides a flexible portfolio of investment assistance to communities facing the most severe of economic crises, namely a major change in the area's structural economic base. Radical economic change at the local level remains common in today's economy and is caused by both long-term trends and sudden economic events. These devastating economic impacts include disasters and plant closures. Additionally, the EA program helps manufacturing and natural resource dependent regions diversify their economies.

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

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

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

**FY 2010 Annual Performance Plan
Economic Development Administration**

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Mission Statement

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

Section 1. Mission

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

Section 2. Corresponding DOC Strategic Goal and Objective / Outcome

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

Corresponding DOC Strategic Goal and Objective:

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

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

Rationale for Performance Outcome 1

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

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

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

EDA's long-term program outcome performance targets are based on nine-year projections of private dollars invested and jobs created or retained. Performance data is obtained at three-year intervals to provide snapshots of current progress in achieving the full nine-year performance projection. Since most investments are completed an average of three years after the award, EDA monitors performance results at three, six, and nine years after investment award. FY 2000 was the first year for which data was available for long-term outcomes. According to a Rutgers's University performance evaluation of EDA's PW program (Rutgers et. al. 1997), infrastructure investment impacts "generally increase with time." The Rutgers study found that "jobs resulting six years after completion [generally about nine years after investment award] were, on average, twice the number witnessed at project completion [generally about three years after award]". Realizing that the Rutgers study is becoming dated, EDA commissioned a new study which is being conducted by Grant Thornton, LLP. The results of the new study were released in January FY 2009 and efforts to strengthen EDA forecasting methods based on these results are being considered.

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

Corresponding DOC Strategic Goal & Objective:

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

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

Rationale for Performance Outcome 2

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

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

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

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

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

Section 3: Impact of Recovery Act

The Economic Development Administration (EDA) received \$150 million in American Recovery and Reinvestment Act of 2009 (ARRA) funds for the Economic Adjustment Assistance Program that are available until September 30, 2010.

EDA intends to fund at least \$135 million in public works grants, which support the “brick and mortar” infrastructure investments contemplated by ARRA. EDA will give preference to projects that have the potential to quickly stimulate job creation and promote regional economic development, such as investments that support science and technology parks, industrial parks, business incubators, and other investments that spur entrepreneurship and innovation.

EDA will work with the federally authorized regional commissions to identify infrastructure and other grant investments that may be eligible for EDA assistance, and that EDA will consider as part of its competitive review of prospective ARRA applications. EDA will consider whether to transfer funds formally to these commissions inasmuch as ARRA provides EDA discretion to transfer up to \$50 million to the regional commissions.

As provided by ARRA, EDA will set aside 2 percent [\$3 million] for salaries and expenses to administer and oversee the funds.

EDA projects that utilize ARRA will:

1. Promote cost-effective, comprehensive, entrepreneurial, and innovation-based economic development efforts to enhance the competitiveness of regions, resulting in increased private investment and higher-skill, higher-wage jobs in regions that have experienced sudden and severe economic dislocation and job loss due to corporate restructuring.
2. Promote accountability and transparency in the award and administration of ARRA grants and cooperative agreements, minimizing fraud, waste, and abuse whenever possible.
3. Promote investments that support science and technology parks, industrial parks, business incubators, and other investments that spur entrepreneurship and innovation.

Since EDA’s focus on creating jobs and leveraging private investment is consistent with the intent of the ARRA legislation, no new outcomes have been established for Recovery Act funds.

Funds awarded under ARRA will be used to support the existing EDA programs, primarily in the form of construction or rehabilitation of essential public infrastructure and facilities necessary to generate or retain private sector jobs and investments, attract private sector capital, and promote regional competitiveness, including: investments that expand and upgrade infrastructure (e.g. water, sewer, broadband) to attract new industry; support technology-led and other new business development (including business incubators); and enhance the ability of regions to capitalize on opportunities presented by free trade.

In addition, funds will be used to provide an integrated package of technical, planning, revolving loan fund, and construction assistance tailored to the unique needs of each recipient. For example, a region negatively impacted by corporate restructuring in the automotive electric component industry

might seek to re-purpose its strong manufacturing workforce and top-notch industrial facilities and infrastructure to grow its emerging wind turbine component cluster. In that instance, EDA might work with the region to develop an assistance package that would fund the development of a strategy and marketing plan for the region's wind turbine component industry and construct a business incubator designed to foster start-ups in this sector. Another region, however, might be in the early phases of building a medical device cluster. In that region, it might be more appropriate for EDA to fund only a feasibility study at this time. Most of the funds, however, will be spent on shovel-ready construction projects, in keeping with the focus of the legislation.

Section 4. Priorities/Management Challenges

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

- **Budget and Performance Integration**

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

- **Revolving Loan Fund (RLF) Program**

EDA leadership noted significant management challenges concerning the RLF program over several years, and, in 2001, requested the Office of the Inspector General (OIG) to review the operation of a number of individual RLFs. A subsequent March 2007 OIG review and report made recommendations focused on EDA's management of the program, including capital utilization, reporting, monitoring of existing accounts, and region-to-region operation of the program. EDA issued internal program and procedural guidance for administering and managing its RLF portfolio, for consolidating and recapitalizing RLF grants; developed an interim automated tracking system; and awarded a contract for the development of a web-based reporting and management system. EDA is currently in the process of incorporating new RLF management metrics into the EDA Balanced Scorecard; has conducted intensive training for all staff that manages the RLF portfolio; will provide training for RLF operators during FY 2010; and explore whether additional statutory authority is needed to improve the program. The measures taken to date have met all the milestones negotiated between EDA and OIG, and have significantly improved program oversight and data reliability.

- **Business Process Reengineering**

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

- **Strategic Human Capital**

EDA is conducting business process reengineering, standardizing position descriptions and performance plans for employees, identifying skill gaps in mission-critical occupations, and implementing training programs. In FY 2007, EDA began offering additional training in: grants and administration; single audits; revolving loans; and leadership training. A year later, EDA expanded training efforts to include the Know Your Region curriculum, courses in promoting innovation, and seminars on how to generate reports on key economic data from various data sources. EDA is also implementing succession planning strategies to ensure it has a knowledgeable and skilled leadership cadre.

- **Competitive Sourcing**

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

- **Improved Financial Performance**

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

- **Information Dissemination**

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

- **E-Government**

- EDA has implemented the grants.gov initiative so single grant applications for its programs may be received online. EDA has participated in several unit-specific and Department-wide requirements analyses on the potential use of NOAA’s Grants Online system or an alternate solution for consolidating Commerce-wide grants systems. The results of those analyses are still under review in the Department, pending further instructions from OMB on the use of Consortium Leads for grants processing systems. In a parallel effort, EDA submitted to and received approval from OMB on its Paperwork Reduction Act (PRA) information collection, necessitated by new regulations and expiring forms. EDA also continues to place high emphasis on improving its certification and accreditation (C&A) process by instituting measures that monitor and mitigate vulnerabilities in a timely matter and continuously monitor controls.

- In late FY 2006, the Department of Commerce reviewed a Grants Notification System that had been developed by Bowhead contractors for the Department of Transportation. The decision to buy and then customize the product for DOC was made at the end of the fiscal year. Full deployment of the Grants Notification System has saved EDA human resource hours in both the regions and headquarters. Old manual methods of notifying stakeholders via fax or individual e-mails were replaced by automated e-mail notifications. EDA staff will receive confirmations that the stakeholders were notified, or will be able to make corrections to recipient information when delivery is not completed. Paperwork will be dramatically decreased, as e-mail delivery verifications will replace fax paperwork. A true audit trail will be provided by the software. EDA began full implementation in August 2007.

Other Government Agencies:

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

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

- Advisory Council on Historic Preservation (ACHP) – Preserve America Initiative.
- Denali Commission – Assistance in creating diversified and sustainable economies in Alaska.
- Environmental Protection Agency (EPA), Department of Housing and Urban Development Community Development Block Grants (HUD CDBG) and Office of Management and Budget (OMB) – joint development outcomes measures for brownfields.
- Maritime Administration (MARAD) – An MOU allows for cooperative efforts on port conveyances of surplus property for port facility purposes.

Government/Private Sector:

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

External Factors and Mitigation Strategies:

GAO has recognized that measuring the performance of economic development programs is difficult because of the many external factors that can influence local economies. To ensure strong program performance, EDA targets 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

Section 5. Target and Performance Summary / FY 2010 Target Description / Measure Descriptions/ Validation and Verification

Outcome 1 - Promote private enterprise and job creation in economically distressed communities and regions							
Measure 1A: Private sector dollars invested in distressed communities as a result of EDA investments	Investment Year Target (dollars in millions)	FY 2005 Actual**	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target*	FY 2010 Target*
Private investment reported from grants awarded 3 years from FY	2002 (\$390) 2003 (\$320) 2004 (\$330) 2005 (\$270)	\$1,791	\$1,669	\$810	\$1,013		
Private investment reported from grants awarded 6 years from FY	1999 (\$1,040) 2000 (\$1,020) 2001 (\$1,200) 2002 (\$970)	\$1,787	\$1,059	\$2,118	\$1,393		
Private investment reported from grants awarded 9 years from FY	1997 (\$1,662) 1998 (\$1,350) 1999 (\$2,080)	N/A N/A N/A	\$2,331	\$1,937	\$4,173		
Private investment target 3 years from FY						\$437	\$204
Private investment target 6 years from FY						\$1,093	\$511
Private investment target 9 years from FY						\$2,186	\$1,022
Description: The formula-driven calculation projects investment data at 3, 6, and 9 year intervals from the investment award. The formula is based on a study done by Rutgers University, which compiled and analyzed the performance of EDA Public Works projects after nine years. Based on this formula, EDA initially estimated that 10% of the 9-year projection would be realized after 3 years, and 50% after 6 years.							
Comments on Changes to Targets: A review of the actual results for FY 1997 and FY 1998 performance measures shows that 20% of the projected private investment was realized within the first 3 years. Based on that review, EDA adjusted the 3 year target to reflect that knowledge. EDA re-calculates outcome forecasts throughout the budget cycle as inputs values change, hence the forecast herein differs from prior iterations. GPRA targets are outcome forecasts based on the final appropriation. In the table above, FY 2005 actual private sector dollars invested in distressed communities as a result of EDA investments awarded six years from the FY is stated to be \$1,787 million. This number differs from what the figure cited in the FY 2005 PAR of \$1,781 million. The reason these amounts are not consistent is at the time of final reporting for the year, additional projects had been inputted into EDA's main database, totaling approximately \$6 million in additional private sector dollars. When the PAR was updated at the end of FY 2005, the latest six year private investment figure was inadvertently replaced with the older figure.							
*Note: The 2009 and 2010 figures represent forecasts. Actual targets are established once EDA receives final Congressional Appropriation and Recision Figures.							
Relevant Program Changes: \$0.8 M decrease	Title: Public Works and Economic Adjustment Assistance Programs					Exhibit 13	
Data Validation and Verification Chart							
Performance Measure	Data Source	Frequency	Data Storage	Verification	Data Limitations	Actions to be Taken	
Measure 1a: Private Sector Dollars Invested in Distressed Communities as a Result of EDA Investments	Investment Recipient performance reports	At three-year intervals (typically three, six, and nine years after investment award)	EDA Management Information System	To validate data, EDA regions contacted recipients, or confirmed with engineers or project officers who had been on site. EDA will perform regional validation on-site visit with some recipients.	Universe - Regular Appropriation for PW and EA implementation and revolving loan fund investments. Private investment may vary along with economic cycles.	EDA will continue to monitor investment and job creation data.	

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

Outcome 1 - Promote private enterprise and job creation in economically distressed communities and regions

Measure 1B: Jobs created or retained in distressed communities as a result of EDA investments	Investment Year	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
	Target	Actual	Actual	Actual	Actual	Target*	Target*
Jobs created or retained from grants awarded 3 years from FY	2002	11,500	19,672				
	2003	9,170		11,833			
	2004	8,999			16,274		
	2005	7,227			14,819		
Jobs created or retained from grants awarded 6 years from FY	1999	28,400	47,374				
	2000	28,200		42,958			
	2001	36,000			49,806		
	2002	28,900			30,719		
Jobs created or retained from grants awarded 9 years from FY	1997	50,400		50,546			
	1998	54,000	N/A		73,559		
	1999	56,900	N/A		57,701		
Jobs created or retained target 3 years from FY						11,183	5,151
Jobs created or retained target 6 years from FY						27,958	12,877
Jobs created or retained target 9 years from FY						55,915	25,754

Description: The formula-driven calculation projects investment data at 3, 6, and 9 year intervals from the investment award. The formula is based on a study done by Rutgers University, which compiled and analyzed the performance of EDA Public Works projects after nine years. Based on this formula, EDA initially estimated that 10% of the 9-year projection would be realized after 3 years, and 50% after 6 years.

Comments on Changes to Targets: A review of the actual results for FY 1997 and FY 1998 performance measures shows that 20% of the projected private investment was realized within the first 3 years. Based on that review, EDA adjusted the 3-year target to reflect that knowledge. EDA re-calculates outcome forecasts throughout the budget cycle as inputs values change, hence the forecast herein differs from prior iterations. GPRA targets are outcome forecasts based on the final appropriation.

*Note: The 2009 and 2010 figures represent forecasts. Actual targets are established once EDA receives final Congressional Appropriation and Recision Figures.

Relevant Program Changes: \$0.8 M decrease	Title: Public Works and Economic Adjustment Assistance Programs	Exhibit 13
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Data Validation and Verification Chart

<i>Performance Measure</i>	<i>Data Source</i>	<i>Frequency</i>	<i>Data Storage</i>	<i>Verification</i>	<i>Data Limitations</i>	<i>Actions to be Taken</i>
Measure 1b: Jobs Created or Retained in Distressed Communities as a Result of EDA Investments	Investment Recipient performance reports	At three-year intervals (typically three, six, and nine years after investment award)	EDA Management Information System	To validate data, EDA regions contacted recipients, or confirmed with engineers or project officers who had been on site. EDA will perform regional validation on-site visit with some recipients.	Universe - Regular Appropriation for PW and EA implementation and revolving loan fund investments. Private investment may vary along with economic cycles.	EDA will continue to monitor investment and job creation data.

Outcome 2 - Build community capacity to achieve and sustain economic growth

Measure 2A: Percentage of Economic Development Districts (EDDs) and Indian Tribes implementing economic development projects from the Comprehensive Economic Development Strategy (CEDS) process that lead to private investment and jobs.	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2010 Target
	97%	96%	95%	92%	95%	95%

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.

Comments on Changes to Targets: 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. In FY2007, this target was impacted by unusually high numbers of non-reporting Tribes

Relevant Program Changes: None	Title: Planning Program	Exhibit 13
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Data Validation and Verification Chart

<i>Performance Measure</i>	<i>Data Source</i>	<i>Frequency</i>	<i>Data Storage</i>	<i>Verification</i>	<i>Data Limitations</i>	<i>Actions to be Taken</i>
Measure 2a: Percentage of Economic Development Districts and Indian Tribes Implementing Economic Development Projects from the CEDS Process that Lead to Private Investment and Jobs	Investment Recipient Performance Evaluations and Comprehensive Economic Development Strategy	Annually	EDA Management Information System	EDA will conduct periodic performance reviews and site visits	Universe - EDA Partnership Planning investments only. This measure may vary with economic cycles due to limited local resources during downturns for project investments.	Baseline established from FY 2002 data. EDA will continue to monitor and develop trend data.

Outcome 2 - Build community capacity to achieve and sustain economic growth

Measure 2B: Percentage of sub-state jurisdiction members actively participating in the Economic Development District (EDD) program.	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2010 Target
	91%	90%	92%	90%	89-93%	89-93%

Description: Economic Development Districts (EDDs) generally consist of three or more counties that are considered member jurisdictions. Sub-state jurisdiction participation indicates the District's responsiveness to the area it serves and shows that the services it provides are of value. Active participation was defined as either attendance at meetings or financial support of the economic development district during the reporting period. Sub-state jurisdiction members are independent units of government (cities, towns, villages, counties, etc.) and eligible entities substantially associated with economic development, as set forth by the District's by laws or alternate enabling document.

Comments on Changes to Targets: EDA GPRA targets are the outcome forecasts based on final appropriation and therefore subject to change as the calculation basis changes. Actual values are also subject to revision. For instance, EDA launched an initiative to standardize the meaning of "actively participating" that resulted in a reduction of the previously reported 2007 figures.

Relevant Program Changes: None	Title: Planning Program	Exhibit 13
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Data Validation and Verification Chart

<i>Performance Measure</i>	<i>Data Source</i>	<i>Frequency</i>	<i>Data Storage</i>	<i>Verification</i>	<i>Data Limitations</i>	<i>Actions to be Taken</i>
Measure 2b: Percentage of Sub-state Jurisdiction Members Actively Participating in the Economic Development District Program	Investment Recipient Performance Evaluations	Annually	EDA Management Information System	EDA conducts performance reviews and site visits on approximately one-third of the District and Indian Tribe investments per year.	Universe - EDA Partnership Planning investments only. This measure shows the value-added of the Economic Development Districts in which EDA invests. While an Economic Development District may be effective, members still may not participate for other reasons.	EDA will continue to monitor compliance with the new definition of sub-state member jurisdictions in FY 2008.

Outcome 2 - Build community capacity to achieve and sustain economic growth

Measure 2C: Percentage of University Center clients taking action as a result of the assistance facilitated by the University Center.	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2010 Target
	79%	76%	84%	80%	75%	75%

Description: This measure determines the perceived value added by the University Centers to their clients. EDA funds 59 University Centers that provide technical assistance and specialized services (for example, feasibility studies, marketing research, economic analysis, environmental services, and technology transfer) to local officials and communities. This assistance improves the community’s capacity to plan and manage successful development projects. University Centers develop client profiles and report findings to EDA, which evaluates the performance of each center once every three years and verifies the data. “Taking action as a result of the assistance facilitated” means to implement an aspect of the technical assistance provided by the University Center in one 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 developed, and other services.

Comments on Changes to Targets: Reductions in outcome values for FY 2005-2007 are the result of more rigorous validation.

Relevant Program Changes: \$4 M increase	Title: Technical Assistance Program	Exhibit 13
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Data Validation and Verification Chart

<i>Performance Measure</i>	<i>Data Source</i>	<i>Frequency</i>	<i>Data Storage</i>	<i>Verification</i>	<i>Data Limitations</i>	<i>Actions to be Taken</i>
Measure 2c: Percentage of University Center Clients Taking Action as a Result of the Assistance Facilitated by the University Center	University Center client profiles	Annually	EDA Management Information System	Performance data will be verified by the University Centers. EDA headquarters will annually review profile data.	Universe - EDA Local Technical Assistance investments. This measures the value of the University Centers; however, while the assistance may be valued, clients may choose not to act for other reasons.	Baseline established from FY 2002 data. EDA will continue to monitor and develop trend data.

Outcome 2 - Build community capacity to achieve and sustain economic growth

Measure 2D: Percentage of those actions taken by University Center clients that achieved the expected results.	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2010 Target
	87%	82%	89%	84%	80%	80%

Description: This measure is a follow up to measure 2C, a percentage of University Center clients taking action as a result of the assistance facilitated by the University Center. This measure determines if the assistance provided by the University Center is market based and results in desired outcomes. University Centers develop client profiles and report to EDA, which will evaluate and verify the performance of each University Center once every three years.

Comments on Changes to Targets: The change in the 2007 value is the result of more rigorous validation by EDA.

Relevant Program Changes: \$4 M increase	Title: Technical Assistance Program	Exhibit 13
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Data Validation and Verification Chart

<i>Performance Measure</i>	<i>Data Source</i>	<i>Frequency</i>	<i>Data Storage</i>	<i>Verification</i>	<i>Data Limitations</i>	<i>Actions to be Taken</i>
Measure 2d: Percentage of Those Actions Taken by University Center Clients that Achieved the Expected Results	University Center client profiles	Annually	EDA Management Information System	Performance data will be verified by the University Centers. EDA headquarters will annually review data.	Universe - EDA Local Technical Assistance investments only. Outside mitigating factors such as the local economy may affect the measure.	Baseline established from FY 2002 data. EDA will continue to monitor and develop trend data.

Outcome 2 - Build community capacity to achieve and sustain economic growth

Measure 2E: Percentage of Trade Adjustment Assistance Center (TAAC) clients taking action as a result of the assistance facilitated by the TAAC.	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2010 Target
	99%	90%	99%	92%	90%	90%

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.

Comments on Changes to Targets: N/A

Relevant Program Changes: None	Title: Trade Adjustment Assistance Program	Exhibit 13
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Data Validation and Verification Chart

<i>Performance Measure</i>	<i>Data Source</i>	<i>Frequency</i>	<i>Data Storage</i>	<i>Verification</i>	<i>Data Limitations</i>	<i>Actions to be Taken</i>
Measure 2e: Percentage of Trade Adjustment Assistance Center Clients Taking Action as a Result of the Assistance Facilitated by the TAAC	Trade Adjustment Assistance Center client profiles	Annually	EDA Management Information System	Performance data will be verified for the Trade Adjustment Assistance Centers. EDA headquarters will annually review data.	Universe - EDA Trade Adjustment Assistance investments only. Outside mitigating factors such as the local economy may affect the measure.	Baseline established from FY 2002 data. EDA will continue to monitor and develop trend data.

Outcome 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 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Target	FY 2010 Target
	97%	96%	99%	95%	95%	95%

Description: This is a follow up to measure 2E, “Percentage of TAAC clients taking action as a result of the assistance facilitated by the TAAC.” This measure will determine if the assistance facilitated by the TAACs is market based and results in desired outcomes. The centers conduct client surveys and report findings to EDA.

Comments on Changes to Targets: N/A

Relevant Program Changes: None	Title: Trade Adjustment Assistance Program	Exhibit 13
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Data Validation and Verification Chart

<i>Performance Measure</i>	<i>Data Source</i>	<i>Frequency</i>	<i>Data Storage</i>	<i>Verification</i>	<i>Data Limitations</i>	<i>Actions to be Taken</i>
Measure 2f: Percentage of Those Actions Taken by Trade Adjustment Assistance Center Clients that Achieved the Expected Results	Trade Adjustment Assistance Center client profiles	Annually	EDA Management Information System	Performance data will be verified by the Trade Adjustment Assistance Centers. EDA headquarters will annually review data.	Universe - EDA Trade Adjustment Assistance investments only. Outside mitigating factors such as the local economy may affect the measure.	Baseline established from FY 2002 data. EDA will continue to monitor and develop trend data.

Section 6. FY 2010 Program Changes

FY 2010 PROGRAM CHANGES

(Dollar amounts in thousands)

Program Change:	Accompanying GPRA		Base		Increase / Decrease		Page of Exhibit 13 Discussion
	APP Page #	Performance Measure #	FTE	Amount	FTE	Amount	
Global Climate Change Mitigation Incentive		TBD		\$14,700		\$1,800	EDA-37
Public Works		1A, 1B		\$133,280		(\$90,480)	EDA-43
Technical Assistance		2C, 2D		\$9,400		\$4,000	EDA-51
Research and Evaluation		N/A		\$490		\$1,010	EDA-55
Economic Adjustment Assistance		1A, 1B		\$35,330		\$89,670	EDA-62
Salaries and Expenses		N/A		\$33,896	30	\$4,104	EDA-78

Section 7. Resource Requirements Summary

(Dollar amounts in millions)	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Enacted	FY 2010 Base	Increase/ Decrease	FY 2010 Request
Performance Outcome 1: Promote Private Enterprise and Job Creation in Economically Distressed Communities and Regions								
Salaries and Expenses	\$19.6	\$19.3	\$17.3	\$19.0	\$21.3	\$22.0	\$2.7	\$24.7
Economic Development Assistance Programs								
Global Climate Change Mitigation Incentive	0.0	0.0	0.0	9.4	14.7	14.7	1.8	16.5
Public Works and Economic Development ¹	161.5	158.1	177.0	169.9	118.3	133.3	(90.5)	42.8
Economic Adjustment Assistance	31.4	30.9	29.6	31.4	120.5	23.0	58.3	81.3
Total Funding Performance Outcome 1³	212.5	208.3	223.9	229.7	274.7	193.0	(27.7)	165.3
IT Funding ²	[0.8]	[0.8]	[0.8]	[0.8]	[0.8]	[1.3]		[1.3]
FTE	139.0	128.0	132.0	132.0	140.0	140.0	57.0	197.0
Performance Outcome 2: Build Community Capacity to Achieve and Sustain Economic Growth								
Salaries and Expenses	10.5	10.4	12.6	11.8	11.5	11.9	\$1.4	13.3
Economic Development Assistance Programs								
Global Climate Change Mitigation Incentive	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Planning	23.7	27.0	27.0	28.0	31.0	31.0	0.0	31.0
Technical Assistance	8.1	8.2	8.8	10.8	9.4	9.4	4.0	13.4
Research and Evaluation	0.3	0.5	0.8	0.9	0.5	0.5	1.0	1.5
Trade Adjustment Assistance	11.8	12.8	12.9	14.2	15.8	15.8	0.0	15.8
Economic Adjustment Assistance	13.6	13.2	21.4	16.9	64.9	12.4	31.4	43.8
Total Funding Performance Outcome 2³	68.0	72.1	83.5	82.5	133.1	80.9	37.8	118.8
IT Funding ²	[0.4]	[0.4]	[0.4]	[0.4]	[0.4]	[0.3]		[0.3]
FTE	74.0	32.0	33.0	33.0	35.0	35.0	30.0	65.0
Appropriation Total								
Salaries and Expenses	30.1	29.7	29.9	30.8	32.8	33.9	4.1	38.0
Economic Development Assistance Program	292.8	250.7	277.5	281.4	375.0	240.0	6.0	246.0
TOTAL, EDA³	322.9	280.4	307.4	312.2	407.8	273.9	10.1	284.0

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

² Not included in S&E or EDAP totals

³ Totals reflect direct obligations, including prior year unobligated carry forward, refunds and recoveries for EDAP programs and S&E; totals do not include one-time disaster investments or reimbursable funding. Figures contained in the FY 2008 PAR *do not* include S&E, prior year unobligated carry forward, recoveries, or refunds.

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

	FTE	BUDGET AUTHORITY	DIRECT OBLIGATION
Enacted, FY 2009	0	240,000	719,589
Recovery Act, FY 2009.....	0	150,000	150,000
Unobligated Balance Rescission, FY 2009.....	0	(15,000)	0
Less: Obligations for Prior Years.....	0	0	(494,589)
Restoration of unobligated balance rescission.....	0	15,000	15,000
Nonrecurring Recovery Act, FY 2009.....	0	(150,000)	(150,000)
2010 Base Request	0	<u>240,000</u>	<u>240,000</u>
Plus: Program Change.....	0	6,000	6,000
2010 Estimate	0	246,000	246,000

COMPARISON BY ACTIVITY			2008 Actual	2009 Enacted	2010 Base	2010 Estimate	Increase/ (Decrease)
			Amount	Amount	Amount	Amount	Amount
EDA-34	Global Climate Change Mitigation Incentive	BA	9,400	14,700	14,700	\$16,500	1,800
		Obl	9,400	14,700	0	0	0
EDA-38	Public Works*	BA	146,430	118,280	133,280	42,800	(90,480)
		Obl	169,919	148,296	0	0	0
EDA-44	Planning	BA	27,000	31,000	31,000	31,000	0
		Obl	27,985	31,005	0	0	0
EDA-47	Technical Assistance	BA	9,400	9,400	9,400	13,400	4,000
		Obl	10,784	9,497	0	0	0
EDA-52	Research & Evaluation	BA	470	490	490	1,500	1,010
		Obl	856	493	0	0	0
EDA-56	Trade Adjustment Assistance	BA	14,100	15,800	15,800	15,800	0
		Obl	14,210	15,800	0	0	0
EDA-59	Economic Adjustment Assistance	BA	42,300	35,330	35,330	125,000	89,670
		Obl	48,267	35,348	0	0	0
	American Recovery and Reinvestment Act	BA	0	150,000	0	0	0
		Obl	0	150,000	0	0	0

*The PW FY 2009 Enacted number includes a \$15 million rescission of the unobligated balances available to EDA from prior appropriations.

COMPARISON BY ACTIVITY		2008 Actual	2009 Enacted	2010 Base	2010 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Supplemental Appropriations Act of June 30, 2008	BA	\$100,000	\$0	\$0	\$0	\$0
	Obl	7,292	92,708	0	0	0
Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009	BA	400,000	0	0	0	0
	Obl	0	400,000	0	0	0
Other Prior Year Category B Disaster Supplementals	BA	0	0	0	0	0
	Obl	0	1,743			
Total Budget Authority	BA	743,400	375,000	240,000	246,000	6,000
	Obl	288,713	899,589	0	0	0
Adjustments to Obligations:						
Recoveries		(30,463)	(30,000)	0	0	0
Unobligated balance, start of year		(9,439)	(494,589)	0	0	0
Unobligated balance, end of year		494,589	0	0	0	0
Transfer to other accounts (+)			0	0	0	0
Unobligated Balance Rescission		5,700	15,000	0	0	0
Appropriations		749,100	390,000	240,000	246,000	6,000

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

	2008 Actual	2009 Enacted	2010 Base	2010 Estimate	Increase/ (Decrease)
	Amount	Amount	Amount	Amount	Amount
Total Obligations	\$305,293	\$914,589	\$255,000	\$261,000	\$6,000
Financing	0	0	0	0	0
Offsetting collections from					
Federal funds	(16,580)	(15,000)	(15,000)	(15,000)	0
Trust funds	0	0	0	0	0
Non-Federal sources	0	0	0	0	0
Recoveries	(30,463)	(30,000)	0	0	
Unobligated balance, start-of-year	(9,439)	(494,589)	0	0	0
Unobligated balance rescission	0	0	0	0	0
Unobligated balance, end-of-year	494,589	0	0	0	0
Budget Authority	743,400	375,000	240,000	246,000	6,000
Transferred to/from other accounts					
Rescission	5,700	15,000			
Appropriation	749,100	390,000	240,000	246,000	6,000

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

ACTIVITY: Global Climate Change Mitigation Incentive		2008 Actual	2009 Enacted	2010 Base	2010 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Global Climate Change Mitigation Incentive	BA	\$9,400	\$14,700	\$14,700	\$16,500	\$1,800
	Obl.	\$9,400	\$14,700	\$14,700	\$16,500	\$1,800

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

Activity: Global Climate Change Mitigation Incentive

Base Program

At the direction of Congress, EDA established the Global Climate Change Mitigation Incentive Fund (Fund) in FY 2008 to advance the connections between economic competitiveness and environmental quality. The goal of the Fund was to promote EDA policies and strategies which contribute to sustainable “green” construction and resource conservation in an effort to address, in part, the mounting concerns with regard to the effects of global climate change. EDA used the Fund to invest in projects in which a building or structure is developed or redeveloped using green building techniques. By utilizing the U.S. Green Building Council’s Leadership in Energy and Environmental Design (LEED) rating system to independently certify the environmental benefits of the project, EDA was able to verify that each Fund-related investment effectively contributes to sustainability and mitigates associated environmental impacts.

In FY 2010 EDA will continue its existing efforts, expanded upon in FY 2009, to implement a more broadly-defined Fund. The fund will continue to focus on supporting **renewable energy, green building, energy efficiency, and reuse/restoration/recycling** projects which enhance life-cycle sustainability, diversify the economy, and result in 21st century higher-skill, higher-wage jobs (many of which would be considered green jobs). As in FY 2009, such projects should either:

1. **Develop a green product** - Developing or manufacturing a green end-product, such as wind turbines or a business incubator focused on energy efficiency companies.
2. **Green an existing function, process, or activity** - Infusing green elements that enhance the resource, energy, water, and/or waste, etc. efficiency of an existing process.
3. **Create or renovate a green building** - Building or renovating a structure using green building techniques (including LEED certification) that results in a net positive outcome in terms of energy, materials, and/or water reduction.

EDA will continue its attempts to use the Fund’s definitions of project types and outcomes to track which investments resulted in green jobs.

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

Measure 1A: Private sector dollars invested in distressed communities & Measure 1B: Jobs created or retained in distressed communities							
3A page #: N/A	Fiscal Year	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
GLOBAL CLIMATE CHANGE	Amount (\$000)	\$9,400	\$14,700	\$16,500	\$16,500	\$16,500	\$16,500
Outcomes Measures: None							
Description: There are no measures for this program.							

**Department of Commerce
Economic Development Administration
Economic Development Assistance Programs
PROGRAM CHANGE FOR FY 2010**
(Dollar amounts in thousands)

		2010 Base	2010 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount
Global Climate Change	BA	\$14,700	\$16,500	\$1,800
	Obl.	\$14,700	\$16,500	\$1,800

Proposed FY 2010 Program Change

The FY 2010 President’s Budget Request of \$246 million for Economic Development Administration Programs (EDAP) includes a request for Global Climate Change Mitigation Incentive (GCCMI) investments of \$16.5 million, an increase of approximately \$1.8 million above the Omnibus Appropriations Act, 2009. Expansion of the Global Climate Change Mitigation Incentive Fund would allow EDA to increase the *variety* of green projects in which the Agency is able to invest, thereby enhancing the level of resource conservation, sustainability, and the associated economic impacts. Specifically, the GCCMI would finance projects that foster the green economy by promoting economic competitiveness, and enhancing environmental quality. Such projects would promote sustainability, diversify the economy, and promote 21st century higher-skill, higher-wage jobs.

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

ACTIVITY: PUBLIC WORKS		2008 Actual	2009 Enacted	2010 Base	2010 Estimate	Increase/ (Decrease)
		Amount	Amount*	Amount	Amount	Amount
Public Works	BA	\$146,430	\$118,280	\$133,280	\$42,800	(\$90,480)
	Obl.	\$169,919	148,296	\$133,280	\$42,800	(\$90,480)

*Includes a \$15 million rescission of the unobligated balances available to EDA from prior appropriations.

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

Activity: Public Works

Base Program

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

Putting Brownfields Back Into Action

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

Establishing Links through Technology Infrastructure

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

EDA funding supports high-technology investment opportunities that link innovation with commercialization. For example, EDA recently awarded \$1.75 million to Arkansas State University (ASU) of Jonesboro, Arkansas, to help build the Commercial Innovation Center. The center will play an integral role in the development of a knowledge-based business technology sector in northeast Arkansas. Additionally, the center will offer an extensive range of facilities to transform ASU research into business and economic development opportunities, especially in the development of disaster resistant crops.

FY 2008 Construction Effectiveness Study

In 2008, Economic Development Administration (EDA) Grant Thornton and ASR Analytics performed an assessment of the economic impacts and federal costs of its Public Works and Economic Adjustment Assistance construction investments. The team drew on the academic and program management credentials of EDA's Performance and National Programs team, and the knowledge/insights of other Federal grant and loan making program officials to improve on EDA's existing study, performed by a team of Rutgers University and Princeton University economists in 1997.

Specifically, the results of the study indicate the following:

- EDA investments in rural areas have a statistically significant impact on employment levels in the communities in which they are made, generating between 2.2 and 5.0 jobs per \$10,000 in incremental EDA funding, at a cost per job of between \$2,001 and \$4,611.
- EDA's strategic focus on innovation and entrepreneurship makes sense, in that investments in business incubators generate significantly greater impacts in the communities in which they are made than do other project types.
- These results are generally consistent with the impacts observed in urban areas based on a limited number of site visits made to projects in urban areas.

Enabling a Skilled Workforce for the 21st Century

A theme that is present in almost every economically distressed area is the lack of an adequately trained workforce. The American Assembly of Columbia University cites the lack of skill training as one of the principal reasons for the decrease in the economic competitiveness for some of the nation's cities and rural communities. Rural communities in particular suffer from continued out-migration. Employers are reluctant to invest in areas where a skilled workforce does not already exist, while young workers leave rural communities in search of better opportunities. The cycle of out-migration will continue unless investment in worker training occurs. EDA has received a large number of investment requests over the years from communities that, when partnering with private firms, realize that much of the available local labor force lacks the training necessary to perform the jobs the industries need. This situation has resulted in a number of awards to applicants to build state-of-the-art training facilities. Applicants and their educational institution partners, together with input from the private industries, design and operate training programs to meet the needs of the industries. These programs are proving to be a key economic engine for both rural and urban regions.

Historic Preservation—on a Glidepath to Recovery and Stability

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

Shifting Economies from Natural Resource Dependency

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

Border, Delta, and Appalachian Regions Experience Economic Decline

Border, 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. Appalachia's economic fortunes were based on natural resource extraction and manufacturing. The modern economy of the region is gradually diversifying, with a heavier emphasis on services and widespread development of tourism, especially in more remote areas where there is no other viable industry.

Centuries Old Water and Sewer Systems and Economic Sustainability

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

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

Measure 1A: Private sector dollars invested in distressed communities							
Measure 1B: Jobs created or retained in distressed communities							
3A page #s 19 & 20	Fiscal Year	FY 2008	FY 2009*	FY 2010	FY 2011**	FY 2012**	FY 2013**
PUBLIC WORKS	Amount (\$000)	\$158,089	\$118,280	\$42,800	\$42,800	\$42,800	\$42,800
Long-Term Outcomes							
Private sector dollars invested in distressed communities.	Target (\$000)	\$1,033,210	\$834,584	\$116,424	\$116,424	\$116,424	\$116,424
Jobs created or retained in distressed communities.	Target	26,367	21,315	7,541	7,541	7,541	7,541
<p>Note: 1) Jobs created or retained and private sector dollars invested for projects awarded in FY 2010 are projected to be fully realized by FY 2019. 2) Long term outcomes are based solely on direct jobs. Prior budgets included indirect job projections. The use of only direct jobs and private investments to calculate EDA projections is consistent with GAO recommendations and EDA stakeholder comments on the difficulty of retaining reliable sources for induced and indirect affects of EDA investments. 3) Long-term outcomes are based on findings from the Public Works Program Performance Evaluation (Rutgers University, et al. 1997).</p>							
<p>** Measure 1A and 1B targets for fiscal years 2011 through 2013 are based on the FY 2010 PW appropriation and FY 2010 target calculation formula. These targets will change once the FY 2011 through FY 2013 target calculation formulas are available.</p>							

*Includes a \$15 million rescission of the unobligated balances available to EDA from prior appropriations.

**Department of Commerce
Economic Development Administration
Economic Development Assistance Programs
PROGRAM CHANGE FOR FY 2010**
(Dollar amounts in thousands)

		2010 Base	2010 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount
Public Works	BA	\$133,280	\$42,800	(\$90,480)
	Obl.	\$133,280	\$42,800	(\$90,480)

Proposed FY 2010 Program Change

The FY 2010 President’s Budget Request of \$246 million for Economic Development Administration Programs (EDAP) includes a request for Public Works and Economic Development (PW) investments of \$42.8 million, a decrease of approximately \$90.5 million from the Omnibus Appropriations Act, 2009.

Funding will be commensurately increased for Economic Adjustment Assistance, which can and does fund similar projects, but has somewhat greater flexibilities. The statutory provisions that apply to Economic Adjustment Assistance provide for single application planning and implementation grants that speed assistance to communities suffering sudden and severe economic dislocations, such as those associated with natural disasters and the current economic crisis.

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

ACTIVITY: PLANNING		2008 Actual	2009 Enacted	2010 Base	2010 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Planning	BA	\$27,000	\$31,000	\$31,000	\$31,000	\$0
	Obl.	\$27,985	\$31,005	\$31,000	\$31,000	\$0

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

Activity: Planning

Base Program

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

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

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

Currently, the performance measures for the EDA Planning program include the percentage of District Organizations and Indian Tribes who implement CEDS projects, and the percentage of sub-state political jurisdiction members that actively participate in the Economic Development District program. EDA will continue to monitor and develop trend data for these measures developed in part from FY 2002 baseline data. EDA conducts a peer evaluation of each District Organization at least every three years as required by the Economic Development Administration Reform Act of 1998. In its FY 2008 Performance and Accountability Report prepared as part of the Government Performance and Results Act of 1993, EDA reported that 92.0 percent of EDD member jurisdictions actively participated in their EDDs through financial support, participation at meetings, or both.

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

Measure 2A: Percentage of District Organizations and Indian Tribes implementing economic development projects from the Comprehensive Economic Development Strategy (CEDS) process that contribute to private investment and jobs. Measure 2B: Percentage of sub-state jurisdiction members actively participating in the Economic Development District (EDD) program.							
3A page #s 21 & 22	Fiscal Year	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
PLANNING	Amount (\$000)	\$27,000	\$31,000	\$31,000	\$31,000	\$31,000	\$31,000
Long-Term Outcomes							
Percentage of District Organizations and Indian Tribes implementing economic development projects from the Comprehensive Economic Development Strategy (CEDS) process that contribute to private investment and jobs.	Target	92%	95%	95%	95%	95%	95%
Percentage of sub-state jurisdiction members actively participating in the Economic Development District (EDD) program.	Target	90%	89-93%	89-93%	89-93%	89-93%	89-93%

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

ACTIVITY: TECHNICAL ASSISTANCE		2008 Actual	2009 Enacted	2010 Base	2010 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Technical Assistance	BA	\$9,400	\$9,400	\$9,400	\$13,400	\$4,000
	Obl.	\$10,784	\$9,497	\$9,400	\$13,400	\$4,000

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

Activity: Technical Assistance

Base Program

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

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

Institutions of higher education have extensive resources, including specialized research and outreach/technology transfer capabilities, exemplified by recognized faculty expertise, sophisticated laboratories and methods that often are not utilized by struggling communities and small business. The EDA-supported UC program is specifically designed to marshal the resources located within colleges and universities to support local economic development in regions of severe chronic and acute economic distress. The UCs, which EDA considers long-term partners in economic development, are required to devote the majority of their funding to responding to technical assistance requests originating from organizations outside the sponsoring institution. EDA also expects a UC to give priority to technical assistance requests from organizations located in the economically distressed portions of their service regions. EDA currently funds 55 University Centers, of which 7 were at minority serving institutions in FY 2008.

Most UCs focus their efforts on assisting units of local governments and non-profit organizations in planning and implementing economic development programs and projects. Typical activities provided by these 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 assistance. Typical activities conducted by these UCs include identifying appropriate off-the-shelf technology to solve specific problems encountered by firms, and recommending changes in current operating procedures to improve production efficiencies, reduce energy usage, and decrease the volume of raw materials lost in the production process.

The UCs have a long history of helping to promote and facilitate economic development in their service regions. They have been among the first to recognize emerging technical assistance needs. EDA-funded UCs, as early as 1980, were among the first to recognize and respond to the needs of small and medium manufacturers and processors for technology transfer assistance. A University Center launched one of the Nation's first venture capital networks, a process which links entrepreneurs with private investors. Similar networks have since been replicated by other institutions of higher education and non-profit organizations.

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

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

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

Measure 2C: Percentage of University Center clients taking action as a result of the assistance facilitated by the University Center. & Measure 2D: Percentage of those actions taken by University Center clients that achieved the expected results.							
3A page #s 23 & 24	Fiscal Year	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
TECHNICAL ASSISTANCE	Amount (\$000)	\$9,400	\$9,400	\$9,400	\$13,400	\$13,400	\$13,400
Long-Term Outcomes							
Measure 2C: Percentage of University Center clients taking action as a result of the assistance facilitated by the University Center.	Target	80%	75%	75%	75%	75%	75%
Measure 2D: Percentage of those actions taken by University Center clients that achieved the expected results.	Target	84%	80%	80%	80%	80%	80%

**Department of Commerce
Economic Development Administration
Economic Development Assistance Programs
PROGRAM CHANGE FOR FY 2010**
(Dollar amounts in thousands)

		2010 Base	2010 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount
Technical Assistance	BA	\$9,400	\$13,400	\$4,000
	Obl.	\$9,400	\$13,400	\$4,000

Proposed FY 2010 Program Change

The FY 2010 President’s Budget Request of \$246 million for Economic Development Administration Programs (EDAP) includes a request for Technical Assistance (TA) investments of \$13.4 million, an increase of \$4 million above the Omnibus Appropriations Act, 2009.

The requested TA funding increase supports EDA’s efforts to increase our investment in Regional Innovation Clusters and Business Incubator Networks. The Regional Innovation Clusters component of this request will initiate the formation of an information center to begin mapping the geography of clusters, initiate a registry of cluster initiatives and programs. The resulting data-rich cluster activity geography will inform decision-making by businesses, state and local development agencies, and federal policymakers and program managers.

The Business Incubator Networks component will further leverage the value of EDA’s business incubator successes by increasing support for business incubator targeted investments and the networks that support and facilitate the diffusion of success models and best practices.

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

ACTIVITY: RESEARCH & EVALUATION		2008 Actual	2009 Enacted	2010 Base	2010 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Research and Evaluation	BA	\$470	\$490	\$490	\$1,500	\$1,010
	Obl.	\$856	\$493	\$490	\$1,500	\$1,010

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

Activity: Research and Evaluation

Base Program

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

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

EDA continues to pursue its integrated research agenda in FY 2010. EDA is co-funding with the MacArthur Foundation UC Berkeley research into economic resilience imparted by regionalized networked green innovation systems. The study will develop a baseline analysis of innovation in the green economy, leading to a better understanding of green economic activities. The project will generate two major research contributions; metrics comparing the green economy and a comparative study showing how regions can innovate successfully in the green economy. An EDA funded team of researchers from West Virginia University, George Mason University School of Public Policy, and Florida International University are examining regional innovation systems asset mapping as a form of economic performance measurement and prediction. Strengthening and improving the performance of regional innovation systems is a policy goal for national, regional, and local economic developers. Achieving those goals is hindered because regional innovation systems measurement has been incomplete, piecemeal and accidental according to the Secretary of Commerce's Advisory Committee on Measuring Innovation in the 21st Century. The study will advance our knowledge in this crucial area. Arizona State University's School of Geographical Sciences is leading an effort to determine the spatial linkages in the urban economic development environment. Many normative sources of urban area economic distress are recognized in the existent literature. Unfortunately, there's a dearth of scientifically-based evidence for these assertions. This study will begin an examination into those assertions. EDA and the National Academy of Sciences are examining the impact of state and regional innovation initiatives and their role in economic diversification. The National Academy's study will result in specific policy recommendations focused on federal policies that will foster state, regional, and private sector initiatives. EDA's in-house research is directed at identifying methods to improve the economic performance of devastated areas, particularly the New Orleans region. The study is directed at identifying clusters of opportunity, where EDA investments can be most advantageously made to leverage growing and emerging clusters.

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

Performance Outcome 2: Build Community Capacity to Achieve and Sustain Economic Growth							
3A page #: N/A	Fiscal Year	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
RESEARCH AND EVALUATION	Amount (\$000)	\$470	\$490	\$490	\$490	\$490	\$490
Outcomes Measures: None							
Description: There are no measures for this program.							

**Department of Commerce
Economic Development Administration
Economic Development Assistance Programs
PROGRAM CHANGE FOR FY 2010**
(Dollar amounts in thousands)

		2010 Base	2010 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount
Research and Evaluation	BA	\$490	\$1,500	\$1,010
	Obl.	\$490	\$1,500	\$1,010

Proposed FY 2010 Program Change

The FY 2010 President’s Budget Request of \$246 million for Economic Development Administration Programs (EDAP) includes a request for Research and Evaluation (RE) investments of \$1.5 million, an increase of \$1 million above the Omnibus Appropriations Act, 2009.

The requested RE funding increase supports EDA’s efforts to understand and promote the development of the Regional Innovation Clusters and Business Incubator Network initiatives.

The Regional Innovation Clusters component will expand on EDA’s successful integrated research agenda by addressing cluster dynamics, cluster initiative program impacts, and best practices in the U.S. and abroad. This research will seek to understand and inform practitioners about cluster types, trajectories, and success factors in various circumstances.

The Business Incubator Network component will continue and expand EDA’s existing research agenda into business incubators, and their network support systems. A 2008 study of the effectiveness of EDA construction programs found that of EDA’s investments from 1990-2005, business incubators produced new jobs at the lowest cost to the government. EDA’s Research and Evaluation program supports expansion of this work in partnership with several major research institutions, including West Virginia University and the National Academy of Science.

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

ACTIVITY: TRADE ADJUSTMENT ASSISTANCE		2008 Actual Amount	2009 Enacted Amount	2010 Base Amount	2010 Estimate Amount	Increase/ (Decrease) Amount
Trade Adjustment Assistance	BA	\$14,100	\$15,800	\$15,800	\$15,800	\$0
	Obl.	\$14,210	\$15,800	\$15,800	\$15,800	\$0

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

Activity: Trade Adjustment Assistance for Firms

Base Program

International trade opening agreements are generally considered beneficial to the Nation overall, but the costs and benefits of these agreements are not uniformly shared by all U.S. firms. Some firms benefit almost immediately through increased access to foreign markets that were previously closed to them. Other firms, however, face shrinking profits as their domestic markets are eroded by increased competition from foreign firms. It is important to support firms which bear the costs evolving from changing trade patterns. EDA program data indicates that in FY 2008, the latest year for which figures are available, TAA assisted 139 firms that had average sales of \$15 million and 81 employees. TAA provided an average of \$56,827 of assistance for trade impacted firms.

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

A firm seeking assistance under the TAA Program first must submit a petition, which requires the firm to document the import-impacted sales and employment decreases. The TAAC provides assistance at no-cost to firms in completing and submitting the petition to EDA. If EDA determines a firm meets the legal requirements for TAA Program eligibility, the firm is certified as eligible to apply for trade adjustment assistance. Within 2 years of the date of certification, a firm must submit an Adjustment Proposal (AP) to EDA. Typically, the TAAC works with the firm to prepare the 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.

In 1998, The Urban Institute published a report evaluating a sampling of firms certified under the TAA Program that implemented one or more tasks outlined in their approved adjustment proposal and found that these firms survived at a statistically significant higher rate, achieved greater increases in sales, and hired more workers. In December 2000, the Government Accountability Office (GAO) published a report entitled Trade Adjustment Assistance—Impact of Federal Assistance to Firms is Unclear (GAO-01-12) and, while overall was not as favorable as The Urban Institute Report, GAO-01-12 found that of the non-random survey of 54 firms that were certified as eligible to apply for trade adjustment assistance and that subsequently implemented one or more tasks outlined in their approved adjustment proposal: 53 firms indicated they were satisfied with the services provided by the TAACs, 51 firms indicated that they were satisfied with the services provided by third-party consultants, 40 firms reported that the TAA Program had an overall positive impact on sales and 31 firms reported that the TAA Program had an overall positive impact on firm employment. Beginning in October 2007, EDA implemented a management information system that tracks information on TAA clients and, combined with DUNS data, will be used to improve program evaluation. Pursuant to the latest reauthorization statute, \$350,000 shall be available to fund full-time positions in the Department of Commerce to administer the provisions of this program.

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

Measure 2E: Percentage of Trade Adjustment Assistance Center (TAAC) clients taking action as a result of the assistance facilitated by the TAAC. & Measure 2F: Percentage of those actions taken by TAAC clients that achieved the expected results.							
3A page #s 25 & 26	Fiscal Year	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
TRADE ADJUSTMENT ASSISTANCE	Amount (\$000)	\$14,100	\$15,800	\$15,800	\$15,800	\$15,800	\$15,800
Long-Term Outcomes							
Measure 2E: Percentage of Trade Adjustment Assistance Center (TAAC) clients taking action as a result of the assistance facilitated by the TAAC.	Request does not affect target	92%	90%	90%	90%	90%	90%
Measure 2F: Percentage of those actions taken by TAAC clients that achieved the expected results.	Request does not affect target	95%	95%	95%	95%	95%	95%

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

ACTIVITY: ECONOMIC ADJUSTMENT ASSISTANCE		2008 Actual Amount	2009 Enacted Amount	2010 Base Amount	2010 Estimate Amount	Increase/ (Decrease) Amount
Economic Adjustment Assistance	BA	\$42,300	\$35,330	\$35,330	\$125,000	\$89,670
	Obl.	\$48,267	\$35,348	\$35,330	\$125,000	\$89,670

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

Activity: Economic Adjustment Assistance

Base Program

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

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

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

Revolving Loan Fund Program

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

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

Measure 1A: Private sector dollars invested in distressed communities Measure 1B: Jobs created or retained in distressed communities														
3A page #s 19 & 20	INFRASTRUCTURE Amount in (\$000)							CAPITAL ACCESS Amount in (\$000)						
	INFRASTRUCTURE	FY 2008	FY 2009	FY 2010	FY 2011*	FY 2012*	FY 2013*	CAPITAL ACCESS	FY 2008	FY 2009	FY 2010	FY 2011*	FY 2012*	FY 2013*
ECONOMIC ADJUSTMENT ASSISTANCE	Performance Target	\$26,670	\$26,670	\$84,875	\$26,670	\$26,670	\$26,670	Performance Target	\$825	\$847	\$2,625	\$847	\$847	\$847
Long-Term Outcomes														
Private sector dollars invested in distressed communities.	Target (\$000)	\$188,185	\$188,184	\$598,878	\$598,878	\$598,878	\$598,878	Target (\$000)	\$1,443	\$1,482	\$4,594	\$4,594	\$4,594	\$4,594
Jobs created or retained in distressed communities.	Target	4,802	4,806	14,954	14,954	14,954	14,954	Target	110	114	352	352	352	352
<p>Note: 1) Jobs created or retained and private sector dollars invested for projects awarded in FY 2010 are projected to be fully realized by FY 2019. 2) Long term outcomes are based solely on direct jobs. Prior budgets included indirect job projections. The use of only direct jobs and private investments to calculate EDA projections is consistent with GAO recommendations and EDA stakeholder comments on the difficulty of retaining reliable sources for induced and indirect affects of EDA investments. 3) Long-term outcomes are based on findings from the Public Works Program Performance Evaluation (Rutgers University, et al. 1997).</p>														
<p>* Measure 1A and 1B targets for fiscal years 2011 through 2013 are based on the FY 2010 Economic Adjustment appropriation and FY 2010 target calculation formula. These targets will change once the FY 2011 through 2013 target calculation formulas are available. Targets for FY 2011, FY 2012, and FY 2013 are only based on assumption that funds will be distributed among EDA programs in the same manner as FY 2010.</p>														

**Department of Commerce
Economic Development Administration
Economic Development Assistance Programs
PROGRAM CHANGE FOR FY 2010**

		2010 Base	2010 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount
Economic Adjustment Assistance	BA	\$35,330	\$125,000	\$89,670
	Obl.	\$35,330	\$125,000	\$89,670

Proposed FY 2010 Program Change

The FY 2010 President’s Budget Request of \$246 million for Economic Development Administration Programs (EDAP) includes a request for Economic Adjustment Assistance (EA) investments of \$125 million, an increase of approximately \$89.7 million above the Omnibus Appropriations Act, 2009.

Economic Adjustment Assistance (EAA) is EDA’s most flexible program. Many of EDA’s past Regional Innovation Clusters and Business Incubator investments have been funded through EAA. The increase in EAA funding reflects EDA’s expanded commitment to these initiatives. The Regional Innovation Clusters component supports early-stage cluster initiative activities to begin cluster initiative planning, asset mapping, feasibility and implementation studies. It also provides enhanced grant funding for cluster initiative programs that promote the activities of specific regional cluster initiatives. This includes, but is not limited to, cluster focused activities to support worker training and skill development, research and development, technology adoption, commercialization, marketing and business growth. The funding increase will expand on EDA’s base of successful investments. One key example is the Texas Industry Cluster Initiative regional partnerships for growth and development. This initiative focuses on Texas’ target clusters: semiconductors, information technology, micromechanical, energy, nanotech, and biotech industries.

The Business Incubators Network funding expands EDA’s commitment to the business incubator investments. The recent Grant Thornton study found incubators to be EDA’s most cost effective job producers. Examples include:

- Jump-Start, a venture capital development organization specializing in advising and accelerating promising businesses in the Cleveland, OH area that produced \$56.3 million in goods and services, and assisted in the creation of nearly 400 new jobs.
- The Center for Innovation at the University of North Dakota in Grand Forks that fostered over 430 startups which employ more than 4,000 people, and attracted over \$110 million in private investment in just 3 years.

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

OBJECT CLASS	2008 Actual	2009 Enacted	2010 Base	2010 Estimate	Increase/ (Decrease)
Personnel Compensation	0	0	0	0	0
Full-time permanent	0	0	0	0	0
Other than full-time permanent	0	0	0	0	0
Other personnel compensation	0	0	0	0	0
Total personnel compensation					
Civilian personnel benefits	0	0	0	0	0
Benefits for former personnel	0	0	0	0	0
Travel and transportation of persons	0	0	0	0	0
Transportation of things	0	0	0	0	0
Rental payments to GSA	0	0	0	0	0
Rental payments to others	0	0	0	0	0
Communications, utilities and miscellaneous charges	0	0	0	0	0
Printing and reproduction	0	0	0	0	0
Other services	0	0	0	0	0
Supplies and materials	0	0	0	0	0
Equipment	0	0	0	0	0
Grants	\$288,713	\$899,589	\$240,000	\$246,000	\$6,000
Subtotal Direct Obligations	288,713	899,589	240,000	246,000	6,000
Reimbursable Obligations	16,580	15,000	15,000	15,000	0
TOTAL OBLIGATIONS	305,293	914,589	255,000	261,000	6,000

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

	FTE	BUDGET AUTHORITY	BUDGET OBLIGATIONS
Enacted, FY 2009	175	32,800	33,849
Plus: Adjustment to Base.....	0	1,096	1,096
Less: Unobligated balance, Start of Year.....	<u>0</u>	<u>0</u>	<u>-1,049</u>
2010 Base Request.....	175	33,896	33,896
Plus: Program Change.....	<u>30</u>	<u>4,104</u>	<u>4,104</u>
2010 Estimate.....	205	38,000	38,000

COMPARISON BY ACTIVITY		2008 Actual		2009 Enacted		2010 Base		2010 Estimate*		Increase/ (Decrease)	
		Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount
Salaries and expenses, direct	Pos./BA	175	\$30,832	175	\$32,800	175	\$33,896	217	\$38,000	42	\$4,104
	FTE/Obl	155	31,274	175	33,849	175		205		30	0
Adjustments to obligations:											
Recoveries			(24)								
Unobligated balance, start of year			(1,576)		(1,049)						
Unobligated balance, end of year			1,049								
Unobligated balance expiring			109								
Transfer from other accounts (-)			0								
Transfer to other accounts (+)			0								
APPROPRIATION		155	30,832	175	32,800	175	33,896	205	38,000	30	4,104

*The FTE levels for FY 2010 have been adjusted and are different from the levels reflected in the President's Budget.

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

	2008 Actual	2009 Enacted	2010 Base	2010 Estimate	Increase/ (Decrease)
	Amount	Amount	Amount	Amount	Amount
Total Obligations	\$33,743	\$35,561	\$35,216	\$39,320	\$4,104
Financing:					
Offsetting collections from:					
Federal funds	(1,651)	(1,587)	(1,320)	(1,320)	0
Trust funds					
Non-Federal sources					
Recoveries	(24)				
Unobligated balance, start-of-year	(2,519)	(1,174)			
Unobligated balance transferred					
Unobligated balance, end-of-year	1,174				
Unobligated balance expiring	109				
Unobligated balance lapsing					
Budget Authority	30,832	32,800	33,896	38,000	4,104
Rescission					
Appropriation	30,832	32,800	33,896	38,000	4,104

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

<u>ADJUSTMENTS:</u>	<u>FTE</u>	<u>Amount</u>
Annualization of 2009 Pay Raise.....	0	324
2010 Pay Raise.....	0	292
Payment to the Working Capital Fund.....	0	18
Changes in Compensable Days.....	0	0
Civil Service Retirement System (CSRS).....	0	(43)
Federal Employees' Retirement System (FERS).....	0	69
Thrift Savings Plan.....	0	12
Employee Compensation Fund.....	0	5
Federal Insurance Contribution Act (FICA) - OASDI.....	0	38
Health Insurance.....	0	4
NARA.....	0	4
Postage.....	0	1
Travel and transportation of persons:		
Mileage.....	0	63
Per Diem.....	0	26
Rental payments to GSA.....	0	54
Printing and reproduction.....	0	1
GSA Stream.....	0	102
Electricity.....	0	205
Other Services:		
Working Capital Fund.....	0	479
Less Payment to WCF for Utilities.....	0	(290)
Less Payment to WCF for ITA Personnel Services.....	0	(311)
General pricing Level Adjustment:		
Rental payments to Others.....	0	2
Other Services:	0	34
Supplies and Materials.....	0	4
Equipment.....	0	3
Transportation of Things.....	0	0
Working Capital Fund.....	<u>0</u>	<u>0</u>
Subtotal, other changes.....		1,096
Total, adjustments to base.....		1,096

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

ADJUSTMENTS:

	<u>FTE</u>	<u>Amount</u>
OTHER CHANGES:		
Pay Raise	0	\$616
2009 Pay Raise:		
Pay raise of 3.9% was effective January on 1, 2009.		
Total cost in 2010 of 2009 pay raise.....	\$732	
Less amount funded in 2009.....	-408	
Amount requested in FY 2010 for FY 2009 Pay raise.....	<u>\$324</u>	
2010 Pay Increase and Related Costs:		
A general pay raise of 2.0% is assumed to be effective January 1, 2010.		
Total cost in 2010 of pay increase.....	292	
Payment to Working Capital Fund.....	<u>0</u>	
Amount requested for FY 2010 Pay Raise.....	292	
 <u>Payment to the Working Capital Fund</u>		 \$18
<u>Civil Service Retirement System (CSRS)</u>		(\$43)
 The estimated percentage of payroll for employees covered by CSRS decrease from 37.5% in 2009 to 33.8% for 2010 for regular employees. The contribution rates will stay at 7% in 2010. This will result in an decrease of \$43,222 in the cost of CSRS contributions.		
FY 2010 cost: \$16,688,000 x 33.8 % x 7.00%	\$395	
FY 2009 cost: \$16,688,000 x 37.5 % x 7.00%	<u>\$438</u>	
Total, adjustment to base	(43)	

JUSTIFICATION OF ADJUSTMENTS TO BASE AND BUILT-IN CHANGES

(Dollar amounts in thousands)

Federal Employees Retirement System (FERS)..... \$69

The estimated percentage of payroll for employees covered by FERS will increase from 62.5% in 2009 to 66.2% in 2010 for regular employees. The contribution rate for FERS employees will stay at 11.20%.

FY 2010 cost: \$16,688,000 x 66.2% x 11.2%	\$1,237
FY 2009 cost: \$16,688,000 x 62.5% x 11.2%	<u>\$1,168</u>
Total, adjustment to base	\$69

Employee Compensation Fund..... \$5

EDA's estimated cost for employess Compensation Fund increased by \$5,000

Thrift Savings Plan (TSP)..... \$12

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

FY 2010 cost: \$16,688,000 x 66.2% x 2.0%	\$221
FY 2009 cost: \$16,688,000 x 62.5% x 2.0%	<u>\$209</u>
Total, adjustment to base	\$12

Federal Insurance Contribution Act (FICA)..... \$38

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 \$110,400 in 2010. The OASDI rate will remain at 6.2% in 2009.

FY 2010 cost: \$16,688,000 x 66.2% x 93.5% x 6.2%	\$640
FY 2009 cost: \$16,688,000 x 62.5% x 93.3% x 6.2%	<u>\$603</u>
Total, adjustment to base	\$37

Other Salaries

FY 2010 cost: \$210,000 x 66.2% x 93.5% x 6.2%	\$8
FY 2009 cost: \$210,000 x 62.5% x 93.3% x 6.2%	<u>\$7</u>
Total, adjustment to base	\$1

JUSTIFICATION OF ADJUSTMENTS TO BASE AND BUILT-IN CHANGES

(Dollar amounts in thousands)

Health insurance	\$4
<p>Effective January 2008, EDA's contributions to Federal employees' health insurance premiums increased by an average of 5.0%. Applied against the 2009 estimate of \$887,000, the additional amount required is \$4,435.</p>	
Travel and transportation of persons	\$89
<p><u>Mileage</u>: The reimbursement rate for privately-owned automobiles increased from 48.5 cents to 50.5 cents. The percentage increase of 20.6% was applied to the 2009 estimate of \$305,000 to arrive at an increase of \$62,830.</p>	
	\$63
<p><u>Per Diem</u>: The General Services Administration issued revised travel per diem rates, resulting in a 5.4% increase to EDA. This percentage was applied to the 2008 estimate of \$486,000 resulting in an increase of \$26,244.</p>	
	\$26
Rental payments to GSA	\$54
<p>The General Service Administration has provided a preliminary estimated increase of 2.5% over the 2009 cost of \$2,144,000 for currently occupied space. This results in an increase of \$53,600.</p>	
Printing and reproduction	\$1
<p>GPO has provided an estimated rate increase of 0.8%. This percentage was applied to the 2009 estimate of \$108,000 to arrive at an increase of \$864.</p>	
Working Capital Fund	\$479
GSA Steam*.....	\$102
<p>(*This request moves charges from the WCF to A&R for costs associated with the GSA Steam bill for HCHB)</p>	
Electricity*.....	\$205
<p>(*This request moves charges from the WCF to A&R for costs associated with PEPCO electricity for HCHB)</p>	
Less payment to WCF for utilities.....	(\$290)
Less Payment to WCF for ITA Personnel services.....	(\$311)

NARA: National Archives and Records Administration (NARA) costs are expected to increase by \$4,000. \$4

Postage..... \$1

Effective May 12, 2008, Governors of the Postal Service implemented a rate increase of 2.4%. This percentage was applied to the FY 2009 estimate of \$54,000 to arrive at an increase of \$1,296.

General pricing level adjustment.....

This request applies assumptions for 2010 of 0.8% to sub-object classes where the prices that the Government pays are established through the market system:

Rental Payments to Others	2
Other Services	34
Supplies and Materials	4
Equipment	3
Transportation of Things	0
Subtotal, other changes.....	\$1,096
Total, adjustments to base.....	\$1,096

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

Activity: Executive Direction

Goals and Objectives

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

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

Base Program

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

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

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

Activity: Office of Chief Counsel

Goals and Objectives

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

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

Base Program:

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

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

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

Activity: Office of Information Technology

Goals and Objectives

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

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

Base Program

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

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

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

Activity: Office of Finance and Management Services

Goals and Objectives

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

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

Base Program

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

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

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

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

Activity: Office of Executive Secretariat and External Affairs

Goals and Objectives

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

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

Base Program

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

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

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

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

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

Activity: Office of Regional Affairs

Goals and Objectives

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

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

Base Program

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

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

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

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

**Department of Commerce
Economic Development Administration
Salaries and Expenses
PROGRAM CHANGE FOR FY 2010
(Dollar amounts in thousands)**

		2010 Base	2010 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount
Salaries & Expenses	BA	\$33,896	\$38,000	\$4,104
	Obl.			0

Proposed FY 2010 Program Change

The FY 2010 President’s Budget Request of \$38 million for Salaries and Expenses (S&E) of the Economic Development Administration (EDA) is an increase of \$5.2 million above the Omnibus Appropriations Act, 2009, including \$1.1 million in adjustments-to-base (ATBs).

The President’s Budget Request includes approximately \$0.6 million to fund an additional 7 full-time employees for the Revolving Loan Fund (RLF) program. EDA leadership noted significant management challenges concerning the Revolving Loan Fund (RLF) program, and, beginning in 2001 requested the Office of the Inspector General (OIG) to review the operation of a number of individual revolving loan funds. A March 2007 OIG report makes a number recommendations focused on EDA’s management of its RLFs. Concerns regarding capital utilization, reporting, insufficient monitoring of existing accounts, and the lack of a consistent, region-to-region operation of the program were highlighted.

EDA has taken a number of actions immediately to implement the recommendations of the audit, including simplifying all RLF program reporting forms, issued internal program and procedural guidance for consolidating and recapitalizing RLF grants; developed recommendations for new RLF operational guidance, and developed an interim tracking system for use while EDA develops a fully automated system. Implementation of all recommendations in the report will require additional measures, including the additional 7 full-time employees to ensure adequate fiduciary oversight of the program, and enable a more rigorous oversight of portfolio performance. One additional full-time staff member will be located at each of the six Regional Offices, plus one full-time employee at EDA Headquarters. These measures will enable EDA and its RLF stakeholders to strengthen and revitalize the RLF program as a vital element of EDA’s array of economic development tools.

Additionally, the President’s Budget Request includes approximately \$3.5 million for S&E to address the anticipated surge in grant processing. The supplemental Appropriations Act of June 30, 2008, Public Law No. 110-252 Stat. 2323 (2008), which provided EDA an additional \$100 million, as well as an additional \$400 million provided to EDA under the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 (P.L. 110-329), are restricted for necessary programmatic expenses related to disaster relief, long-term recovery, and restoration of infrastructure for areas affected by recent natural disasters.

Without the additional S&E required to effectively administer the additional program funding, the efficiency and effectiveness of the EDA award and monitoring of grants operation will be severely impacted.

**Department of Commerce
Economic Development Administration
Salaries and Expenses
PROGRAM CHANGE PERSONNEL DETAIL**
(Dollar amounts in thousands)

Activity: Economic Development Administration
(Revolving Loan Fund Program)

Title:	Grade	Number	Annual Salary	Total Salaries
Financial Analyst	13	1	\$ 97,038	\$ 97,038
Financial Analyst	13	1	\$ 99,615	99,615
Financial Analyst	13	1	\$ 97,662	97,662
Financial Analyst	13	1	\$ 94,877	94,877
Financial Analyst	13	1	\$ 95,997	95,997
Financial Analyst	13	1	\$ 96,886	96,886
Financial Analyst	14	1	\$116,419	116,419
Total		7		\$ 698,494
Less lapse	30%	(2)		(209,548)
Total full-time permanent (FTE)		<u>5</u>		<u>\$ 488,946</u>
2010 Pay Adjustment (2.0%)				9,779
Total				<u>\$ 498,725</u>
Personnel Data:				
Full-time permanent		5		
Other than full-time permanent		0		
Total		<u>5</u>		
Authorized Positions:				
Full-time permanent		7		
Other than full-time permanent		0		
Total		<u>7</u>		

**Department of Commerce
Economic Development Administration
Salaries and Expenses
PROGRAM CHANGE PERSONNEL DETAIL**
(Dollar amounts in thousands)

Activity: Economic Development Administration
(Supplemental for Grant Processing P.L. No. 110-252)

Title:	Grade	Number	Annual Salary	Total Salaries
Management Analyst	13	1	\$ 98,518	\$ 98,518
Accounting Technicians	7	2	\$ 46,705	\$ 93,410
Program Analyst	13	3	\$ 98,518	\$ 295,554
Public Affairs Specialist	12	1	\$ 82,845	\$ 82,845
Congressional Affairs Specialist	12	1	\$ 82,845	\$ 82,845
Information Technology Specialist	15	1	\$ 136,941	\$ 136,941
Webmaster	13	1	\$ 98,518	\$ 98,518
Web Content Manager	13	1	\$ 98,518	\$ 98,518
Attorney Advisors	14	6	\$ 116,419	\$ 698,514
Construction Manager	13	3	\$ 98,518	\$ 295,554
Economic Development Specialist	12	6	\$ 82,845	\$ 497,070
Environmental Protection Specialist	13	6	\$ 98,518	\$ 591,108
Project Engineer	13	3	\$ 98,518	\$ 295,554
Total		35		\$ 3,364,949
Less lapse	30.0%	(11)		\$ (1,009,485)
Total full-time permanent (FTE)		25		\$ 2,355,464
2010 Pay Adjustment (2.0%)				\$ 50,474
Total				\$ 2,405,938

Personnel Data:

Full-time permanent	25
Other than full-time permanent	0
Total	25

Authorized Positions:

Full-time permanent	35
Other than full-time permanent	0
Total	35

Department of Commerce
Economic Development Administration
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

	OBJECT CLASS	2010 Increase
11	Personnel Compensation	\$2,905
11.1	Full-time permanent	0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation includes Lump Sum	0
11.9	Total personnel compensation	2,905
12.1	Civilian personnel benefits	\$697
13	Benefits for former personnel	0
21	Travel and transportation of persons	75
22	Transportation of things	0
23.1	Rental payments to GSA	144
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	53
24	Printing and reproduction	0
25	Other services	142
26	Supplies and materials	18
31	Equipment	70
32	Land and structures	0
33	Communications, utilities, miscellaneous charges	0
43	Interest and Dividends	0
44	Refunds	0
99.9	TOTAL OBLIGATIONS	4,104

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

OBJECT CLASS		2008 Actual	2009 Enacted	2010 Base	2010 Estimate	Increase/ (Decrease)
11	Personnel Compensation					
11.1	Full-time permanent	\$14,950	\$16,666	\$17,282	\$20,187	2,905
11.3	Other than full-time permanent/WCF	76	22	40	40	0
11.5	Other personnel compensation includes Lump Sum	549	210	210	210	0
11.9	Total personnel compensation	15,575	16,898	17,532	20,437	2,905
12.1	Civilian personnel benefits	3,812	4,386	4,471	5,168	697
13.0	Benefits for former personnel	0	0	0	0	0
21.0	Travel and transportation of persons	1,222	1,014	1,103	1,178	75
22.0	Transportation of things	28	38	38	38	0
23.1	Rental payments to GSA	1,938	2,144	2,198	2,342	144
23.2	Rental payments to others	206	236	238	238	0
23.3	Communications, utilities and miscellaneous charges	336	331	331	384	53
24.0	Printing and reproduction	28	108	109	109	0
25.2	Other services	1,982	2,275	2,309	2,451	142
25.3	Purchase of goods and services from Government Accounts	5,178	5,601	4,742	4,742	0
25.7	Operations and maintenance of equipment	0	0	0	0	0
26.0	Supplies and materials	940	464	468	486	18
31	Equipment	29	354	357	427	70
99.0	Subtotal Direct Obligations	31,274	33,849	33,896	38,000	4,104
99.0	Unobligated Balance, Start of Year	(1,576)	(1,049)	0	0	
99.0	Unobligated Balance Expiring	109				
99.0	Recoveries	(24)				
99.0	Unobligated Balance, End of Year	1,049	0	0	0	0
99.9	TOTAL BUDGET AUTHORITY	30,832	32,800	33,896	38,000	4,104

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

PERSONNEL DATA	2008 Actual	2009 Enacted	2010 Base	2010 Estimate*	Increase/ (Decrease)
Full-Time Equivalent Employment:	Amount	Amount	Amount	Amount	Amount
Full-time permanent	155	175	175	205	30
Other than full-time permanent	0	0	0	0	0
Total	155	175	175	205	30
Positions:					
Full-time permanent	175	175	175	217	42
Other than full-time permanent	0	0			0
Total	175	175	175	217	42

*The FTE levels for FY 2010 have been adjusted and are different from the levels reflected in the President's Budget.

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

	OBJECT CLASS	2010 Adjustment to Base	2010 Base	2010 Estimate	Increase/ (Decrease)
11	Personnel Compensation				
11.1	Full-time permanent:				
	Executive Level	0	149	149	\$0
	Senior Executive Service (SES)	0	1,404	1,404	0
	General Schedule	616	15,729	18,634	2,905
	Subtotal	616	17,282	20,187	2,905
11.3	Other than full-time permanent/WCF	18	40	40	
	General schedule (part-time permanent)				0
11.5	Other personnel compensation:				
	Overtime	0	40	40	0
	Other		0	0	0
	Cash awards	0	170	170	0
	Subtotal	0	210	210	0
11.9	Total personnel compensation	634	17,532	20,437	2,905
12.1	Civilian personnel benefits:				
	Civil Service Retirement System and offset	(43)	511	576	65
	Federal Employees' Retirement System	69	1,508	1,783	275
	Thrift Savings Plan	12	374	417	43
	OASDI	38	726	824	98
	Medicare	0	249	292	43
	Health insurance	4	891	1,029	138
	Life insurance	0	27	30	3
	Employees' Compensation Fund	5	115	133	18
	Cost of Living Allowance (COLA)	0	70	84	14
	Other	0	0	0	0
	Subtotal	85	4,471	5,168	697

	OBJECT CLASS	2010 Adjustment to Base	2010 Base	2010 Estimate	Increase/ (Decrease)
21	Travel and Transportation of Persons:				
	Common carrier	0	223	253	30
	Per diem/actual expenses	26	512	557	45
	Privately-owned vehicles	63	368	368	0
	Commercially-rent vehicles	0	0	0	0
	Other	0	0	0	0
	Subtotal	89	1,103	1,178	75
22	Transportation of things	0	38	38	0
23.1	Rental payments to GSA	54	2,198	2,342	144
23.2	Rental payments to others	2	238	238	0
23.3	Communications, utilities and miscellaneous charges:				
	Federal Telecommunications System	0	272	325	53
	Other telecommunications services	0	5	5	0
	Postal services by USPS	0	54	54	0
	Subtotal	0	331	384	53
24	Printing and reproduction:				
	Publications	1	109	109	0
	Subtotal	1	109	109	0
25.2	Other services:				
	Training:				
	Office of Personnel Management	0	167	167	0
	Maintenance of equipment	0	40	40	0
	Other non-Government contracts	34	1,831	1,973	142
	Other	0	271	271	0
	Subtotal	34	2,309	2,451	142
25.3	Purchases of goods and services from Government accounts	186	2,778	2,778	0
	Other: Contractual Services	0	1,059	1,059	0
	Other	0	900	900	0
	National Archives and Records Administration (NARA)	4	5	5	0
	Subtotal	190	4,742	4,742	0

	OBJECT CLASS	2010 Adjustment to Base	2010 Base	2010 Estimate	Increase/ (Decrease)
25.7	Operation and maintenance of equipment	0	0	0	0
26	Office supplies	0	125	143	18
	ADP supplies	4	121	121	0
	Other	0	222	222	0
	Subtotal	4	468	486	18
31	Equipment	3	357	427	70
99	Subtotal Direct Obligations	1,096	33,896	38,000	4,104
99	Reimbursable Obligations		0	0	0
100	BUDGET AUTHORITY	1,096	33,896	38,000	4,104

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

**IT Projects by
activity/subactivity:**

<u>with totals by activity</u>	<u>Unique Project Identifier</u>	<u>IT Investment Title</u>	<u>2008 Actual</u>	<u>2009 Enacted</u>	<u>2010 Estimate</u>	<u>Increase/ (Decrease)</u>
Financial Management	006-06-04-00-01-6001-00-015-011	EDA Loan Billing Management System (LBMS)	150	167	176	9
Grants Management	006-06-04-00-01-6001-00-015-011	EDA Operations Planning and Control System (OPCS)	480	518	546	28
Financial Management	006-06-01-01-02-6009-00-015-011	Revolving Loan Fund Management System	493	434	277	-157
Infrastructure and Office Automation Infrastructure	006-00-02-00-02-6125-00-000-000	EDA Input to DOC Consolidation	992	1,010	1,046	36
Total			2,115	2,129	2,045	-84

*Notes: EDA does not have a separate line item included in the FY 2010 Exhibit 53 for Infrastructure Costs.

EDA Operating Unit Infrastructure Costs will be submitted via ECPIC to the Department for inclusion in the DOC Consolidated Infrastructure Exhibit 300.

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

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

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

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

42 U.S.C. 3231 - Authorizes funds to be appropriated to carry out 42 U.S.C. 3121 et seq. through fiscal year 2009, to remain available until expended.

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

42 U.S.C. 6710

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

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

19 U.S.C. 2346(b)

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

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

42 U.S.C. 5184 note

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

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

	<u>2008 Actual</u>	<u>2009 Estimate</u>	<u>2010 Estimate</u>
Average GS Grade	12.4	12.4	12.4
Average GS Salary	\$97,440	\$95,854	\$99,209