

FY 2006 Annual Performance Plan

**Economic Development Administration**

Mission Statement

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

The mission of the Economic Development Administration (EDA) is to lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy. This mission directly supports the Department of Commerce goal of providing the tools to maximize U.S. competitiveness.

EDA's Performance Goal 1 includes program activities associated with the Public Works and Development Facilities program, the Economic Adjustment program infrastructure and revolving loan fund components, and when available, the Defense Economic Adjustment Assistance program. The Public Works and Development Facilities program empowers distressed communities to 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 investment. Among the types of projects funded are water, sewer, fiber optics, access roads, redeveloped "brownfields" sites, industrial and business parks, business incubator and skill training facilities, and port improvements. The Economic Adjustment Assistance program infrastructure components designed to assist state and local entities design and implement 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 for making loans to local businesses to create jobs and leverage other private investment while helping a community to diversify and stabilize its economy. Factors that seriously 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, out-migration, underemployment, and localized negative impacts of foreign trade.

EDA performance targets for long-term program outcomes are based on nine-year projections for private dollars invested, and jobs created and retained. Performance data are 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 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 the performance evaluation of EDA's Public Works and Development Facilities program (Rutgers et. al. 1997), investment impacts "generally increase with time." The 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 3 years after award]".

EDA's Performance Goal 2 includes the following program activities: the Planning Assistance program; Economic Adjustment Assistance program strategy investments component; National Technical Assistance, Training, Research, and Evaluation; University Center program; and Local Technical Assistance. This performance goal also includes Trade Adjustment Assistance to firms authorized by the Trade Act of 1974, as amended.

EDA's Planning programs help support local organizations (Economic Development Districts, Indian Tribes, and other eligible areas) with their long-term planning efforts and their outreach to the economic development community on EDA's programs and policies.

The Economic Adjustment Assistance program strategy investment component 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 grant assistance to assess the dislocation, develop an economic adjustment plan, and create the infrastructure necessary to generate private sector investment and create jobs.

EDA's Technical Assistance program includes three major components. The University Center program is a partnership of the federal government and academia that makes the varied and vast resources of universities available to the economic development community. The National Technical Assistance program supports world-class economic development practices and activities including information dissemination efforts. The Local Technical Assistance program helps fill the knowledge and information gaps that may prevent leaders in the public and nonprofit sectors in distressed areas from making optimal decisions on local economic development issues.

The Trade Adjustment Assistance program was reauthorized under the Trade Act of 1974, as amended. Through this 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.

The assistance programs associated with both of EDA's performance goals directly relate to the Department's Strategic Goal 1: Provide the information and tools to maximize U.S. competitiveness and enable economic growth for American industries, workers, and consumers. The capacity building tools provided by EDA's assistance programs under Goal 2 provide support required to develop information needed by economic development practitioners and policy makers to make informed decisions and develop thoughtful and practical strategies for regional economic development. The implementation assistance programs included under Goal 1 complement the Goal 2 programs with the assistance required to actually implement the activities and potential investments identified through the capacity building process.

### **Priorities/Management Challenges**

Integration of mission, organization, budget, and performance drives success. To comply with the President's vision for management reform, EDA has pro-actively implemented the Balanced Scorecard approach to deliver tangible management and program improvements.

- **Budget and Performance Integration**

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

In addition to the PART, EDA's Balanced Scorecard approach continues to emphasize "cause and effect" relationships. Integration of management, performance, and budget is critical to achieving timely financial improvements and to enhancing the bureau's performance. At the highest level, the Balanced Scorecard is a framework that helps organizations translate strategy into operational objectives that drive both behavior and performance at the operational level. The Balanced Scorecard is a value-added management process that provides a critical tool for getting from vision to execution.

The Balanced Scorecard approach addresses five perspectives: stakeholder, financial, customer, internal, and learning and growth. Each perspective is enveloped in a high-level strategic architecture that focuses on translating the strategy into operational terms and creating the synergy necessary for successful integration. During FY 2005 EDA plans to expand implementation of the Balanced Scorecard horizontally to include the Headquarters office and also vertically, to the office and division levels.

- **Strategic Human Capital**

EDA worked with Department groups to share perspectives on best practices in the human capital arena. EDA's human capital program is measured by the outcomes in the Balanced Scorecard. The Balanced Scorecard "learning and growth expectations" strategy recognizes that human resource processes are essential for moving strategy

from the top to the bottom. EDA will improve the technological proficiency, as well as the analytical and communication skills of employees. This will allow the bureau to deploy a skilled, knowledgeable, and strategy-focused workforce.

In FY 2004, EDA completed a reorganization of its Headquarters operation to better align resources with our mission and eliminate redundancy and confusion. The Headquarters reorganization became effective in March 2004 and will greatly augment EDA's capacity to link strategy and goals with performance measurement and budget. In FY 2005, EDA plans to streamline and standardize roles, responsibilities, and processes among its regional offices to achieve greater efficiency and effectiveness within its budget realities.

- **Competitive Sourcing**

Focusing on the most efficient means to deliver a product, EDA, in compliance with the Federal Activities Inventory Reform Act (FAIR) Act, continues to identify functions that can be analyzed as to whether they can be accomplished more effectively through the public or private sector. EDA met its FY 2003 competition goal.

- **Improved Financial Performance**

Implementation of the Commerce Business System (formerly known as the Commerce Accounting Management System, or CAMS) and its updated policies and procedures provide improved accountability. Financial systems are integrated and procedures have been enhanced to ensure timely, consistent and reliable reporting.

- **Information Dissemination**

EDA hosted its FY 2004 national conference in June 2004 and over 1,000 participants attended the Washington, DC event. This highly successful conference featured top Administration and Cabinet-level speakers and state-of-the-art discussion of timely economic issues, policies, and practices. EDA also announced and awarded its seven "Excellence in Economic Development" awards in recognition of outstanding economic development practices in Urban or Suburban Economic Development, Rural Economic Development, Enhancing Regional Competitiveness, Economic Adjustment Strategies, Technology-led Economic Development, Community and Faith-Based Social Entrepreneurship, and Innovation.

In FY 2004, EDA helped establish the Economic Development Information Coalition (EDIC) to expand its information dissemination efforts. With EDA's support, EDIC is producing a monthly E-Newsletter, a quarterly magazine, 20 economic development forums, and 4 satellite broadcasts during 2004. The magazine and E-newsletter are distributed to about 12,000 people, and the forums attract between 100 and 150 people at each event. While there is no way to track the actual number of viewers, an agreement reached with DISH NETWORK makes these telecasts available to 9.85 million subscribers. In addition, the Association of Public Television Stations (APTS) promoted the Economic Development Today telecast to affiliate stations nationwide. APTS represents 80 percent of the market of public television stations.

EDA initiated satellite broadcasts in FY 2002 to bring discussion of timely, cutting-edge, and best practices to economic development policy makers and practitioners in areas of the country that would not normally have access to this level of expertise. The highly successful broadcast in FY 2002 was followed by three telecasts in FY 2003 and four during FY 2004. During FY 2005, EDA plans to produce six satellite broadcasts, a monthly E-Newsletter, a quarterly magazine, and to hold a one-day symposium.

- **E-Government**

EDA continues to refine its e-government strategy to manage its programs and services more efficiently. The Information Clearinghouse component of the Economic Development Communications and Operations Management System (EDCOMS) provides high-quality customer service on the web. EDA is directly participating in the E-Grants Storefront and E-Travel (FedTrip) initiatives. EDA participated in both the E-Apply “test of the edges” and pilot tests run in May and July 2003 and is now participating in the functional “FIND” component of E-grants on the web. EDA is also collaborating with NOAA on the development of an interface to the “APPLY” component of E-Grants.

### **Unit Cost Measures for Targets for Job Creation and Private Investment**

To compute targets, EDA calculates the “raw” number of jobs by dividing the total appropriation for job-producing programs by the cost per job derived in the Rutgers study adjusted for inflation. The calculation is adjusted downward by 30 percent to account for the attribution of jobs to dollars and economic conditions other than EDA dollars. Private investment targets are similarly established using a ratio of private investment dollars generated per EDA dollar which is also adjusted downward by 30 percent for the same reason as for jobs. The EDA programs that directly produce jobs and private investment and for which unit cost measures are applied include the Public Works and Development Facilities program, the implementation component of the Economic Adjustment Assistance program, and, when available, the Defense Adjustment program. Actual results for both jobs and private investment are discounted by 25 percent to account for the attribution of jobs to dollars and economic conditions other than EDA dollars. EDA has begun expressing both target and actual job creation and retention targets as a ratio of jobs per \$1 million of EDA investment and target and actual private investment as a ratio of private investment generated per dollar of EDA investment.

### **PART Assessment**

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

The PART Assessment resulted in three recommendations which EDA has reviewed and is working to address as discussed below.

#### **Recommendation 1: Adjust targets to better reflect achievable performance.**

Since implementation of its performance management system in FY 1997, EDA has adjusted future targets on various measures to reflect previous performance results of its programs as data has been collected.

#### **Recommendation 2: Develop Unit-cost measures for private sector leverage related to EDA investments.**

EDA has developed unit-cost measures to reflect the ratio of EDA investment dollars to private sector dollars leveraged. The ratio is based on a study conducted by Rutgers University, which compiled and analyzed the performance of EDA public works projects after nine years. In its findings, Rutgers found a private-sector leverage ratio of 10 to 1 for every EDA dollar invested. A review of the actual results for FY 1997 and FY 1998 performance measures shows that 20 percent of the projected private investment was realized within the first three years, and 50 percent after six years, resulting in three and six-year target ratios of 2:1 and 5:1 respectively. The unit-cost measures are discounted 30 percent to account for the attribution of private sector investment generated as a result of funding and economic conditions other than EDA funding. Unit cost measures are shown in the “Target and Performance Summary” beginning on page 10.

**Recommendation 3: Better target EDA resources to areas of greatest need through administrative steps and reauthorization.**

This recommendation is being addressed through reauthorization and the resulting regulations. As part of the process of drafting a new reauthorization bill, EDA researched a variety of modifications to the eligibility criteria to address this recommendation. EDA offered five options, but OMB ultimately determined that the most appropriate mechanism for better targeting EDA resources would be new regulations.

Figure 1 is a map displaying economically distressed and highly distressed counties of the United States. Distress is defined as counties with a 24-month average unemployment rate at least 1% above the national average or per capita income (PCI) not more than 80% of the national average. To be eligible for EDA assistance under Title 201 Public Works and Development Facilities or Title 209 Economic Adjustment Assistance implementation, areas must meet or exceed this level of distress. High economic distress is defined as areas with a 24-month unemployment rate at least 180% of the national average or PCI not more than 60% of the national average. PCI data is from the Bureau of Economic Analysis and represents 2001 estimates. Unemployment data is from the Bureau of Labor Statistics from which a 24-month average for the period ending December 31, 2003 was computed. As can be seen from the embedded table on Figure 1, only one-third of the nation's labor force resides in distressed counties eligible for EDA assistance, and only 3.8 percent of the labor force resides in highly distressed counties eligible for EDA assistance.

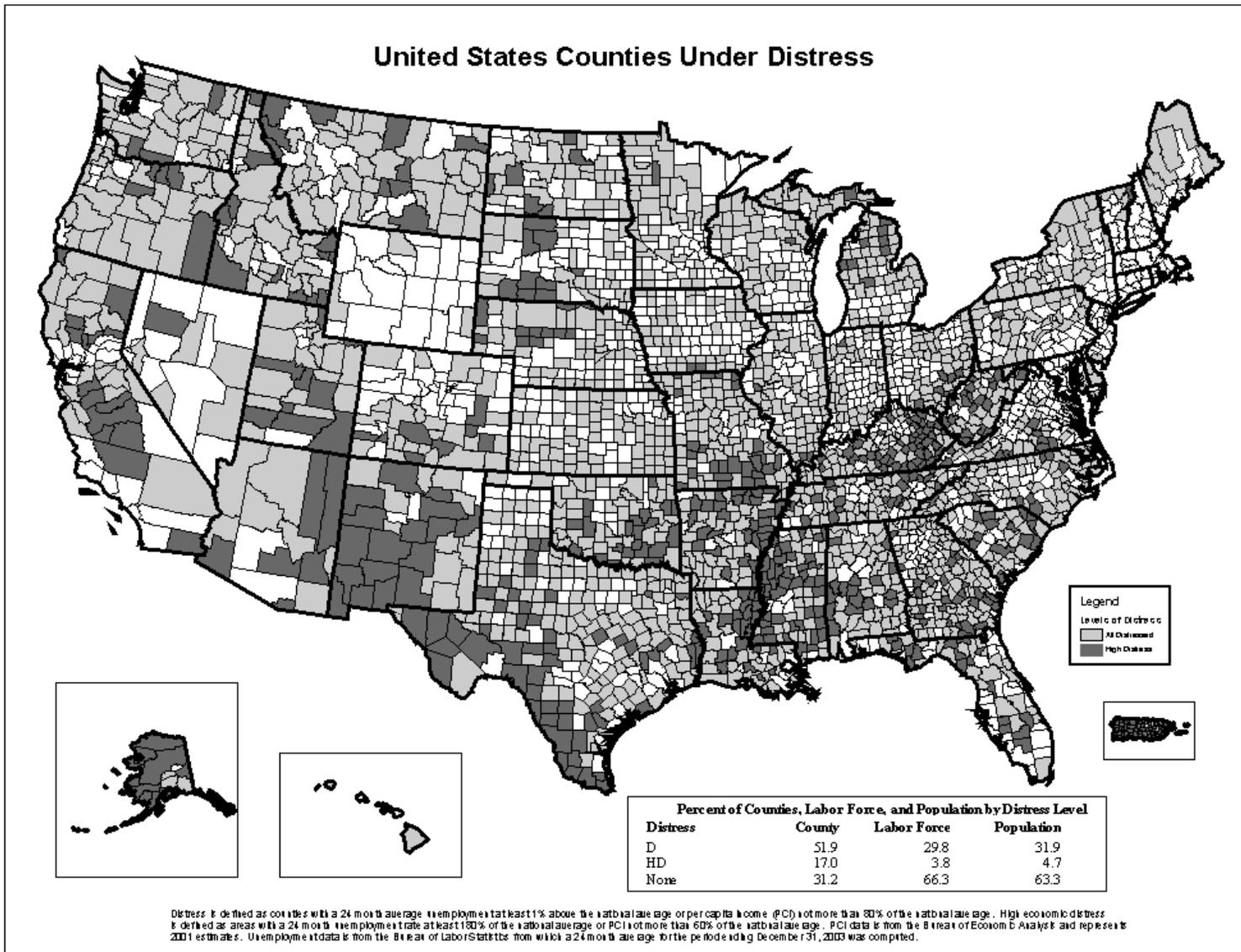


Figure 1 - Distressed Counties of the United States

**Target and Performance Summary**

**Performance Goal 1: Increase Private Enterprise and Job Creation in Economically Distressed Communities**

<i>Measure</i>	<i>FY 2001 Target</i>	<i>FY 2001 Actual</i>	<i>FY 2002 Target</i>	<i>FY 2002 Actual</i>	<i>FY 2003 Target</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Target</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Target</i>	<i>FY 2006 Target</i>
Private sector dollars invested in distressed communities as a result of EDA investments	\$480M by FY 2004		\$390M by FY 2005		\$320M by FY 2006	\$1,251M from FY 2000 investments <sup>3</sup>	\$330M (1.40 to 1) by FY 2007	\$947M (2.76 to 1) from FY 2001 investments <sup>3</sup>	\$270M (1.40 to 1) by FY 2008	---
	\$1,200M by FY 2007	\$971M <sup>1</sup>	\$970M by FY 2008	\$640M <sup>2</sup>	\$810M by FY 2009	\$2,475M from FY 1997 investments <sup>4</sup>	\$824M (3.50 to 1) by FY 2010	\$1.740 M (8.77 to 1) from FY 1998 investments <sup>4</sup>	\$675M (3.50 to 1) by FY 2011	---
	\$2,410M by FY 2010		\$1,940M by FY 2011		\$1,620M by FY 2012		\$1,649M (7.00 to 1) by FY 2013		\$1,349M (6.99 to 1) by FY 2014	---
<sup>1</sup> Actual private sector dollars - Three Year Performance exceeds the FY 1998 projected target of \$130 million by FY 2001. (snapshot of performance for first reporting interval for FY 1998 investments; see specific explanation of measure) <sup>2</sup> Actual private sector dollars - Three Year Performance exceeds the FY 1999 projected target of \$420 million by FY 2002. (snapshot of performance for first reporting interval for FY 1999 investments) <sup>3</sup> Actual private sector dollars - Three Year Performance exceeds the FY 2000 projected target of \$400 million by FY 2003. (snapshot of performance for first reporting interval for FY 2000 investments) <sup>4</sup> Actual private sector dollars - Six Year Performance exceeds the FY 1997 projected target of \$581 million by FY 2003. (snapshot of performance for second reporting interval for FY 2000 investments)										

<i>Measure</i>	<i>FY 2001 Target</i>	<i>FY 2001 Actual</i>	<i>FY 2002 Target</i>	<i>FY 2002 Actual</i>	<i>FY 2003 Target</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Target</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Target</i>	<i>FY 2006 Target</i>
Jobs created or retained in distressed communities as a result of EDA investments	14,400 by FY 2004 36,000 by FY 2007 72,000 by FY 2010	12,898 <sup>5</sup>	11,500 by FY 2005 28,900 by FY 2008 57,800 by FY 2011	29,912 <sup>6</sup>	9,170 by FY 2006 22,900 by FY 2009 45,800 by FY 2012	39,841 from FY 2000 investments <sup>7</sup> 47,607 from FY 1997 investment <sup>8</sup>	8,999 (38 to \$1M) by FY 2007 22,497 (96 to \$1M) by FY 2010 44,994 (191 to \$1M) by FY 2013	21,901 (64 to \$1M) from FY 2001 investments <sup>7</sup> 68,109 (343 to \$1M) from FY 1998 investment <sup>8</sup>	7,277 (38 to \$1M) by FY 2008 18,193 (94 to \$1M) by FY 2011 36,386 (189 to \$1M) by FY 2014	--- --- ---

<sup>5</sup> Actual jobs created/retained - Three Year Performance exceeds the FY 1998 projected target of 5,400 by FY 2001. (snapshot of performance at first reporting interval for FY 1998 investments)

<sup>6</sup> Actual jobs - Three Year Performance exceeds the FY 1999 target of 11,300 jobs by FY 2002. (snapshot of performance at first reporting interval for FY 1999 investments)

<sup>7</sup> Actual jobs - Three Year Performance exceeds the FY 2000 target of 11,300 jobs by FY 2003. (snapshot of performance at first reporting interval for FY 2000 investments)

<sup>8</sup> Actual jobs - Six Year Performance exceeds the FY 1997 target of 25,200 jobs by FY 2003. (snapshot of performance at second reporting interval for FY 2000 investments)

<i>Measure</i>	<i>FY 2001 Target</i>	<i>FY 2001 Actual</i>	<i>FY 2002 Target</i>	<i>FY 2002 Actual</i>	<i>FY 2003 Target</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Target</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Target</i>	<i>FY 2006 Target</i>
State and local dollars committed per EDA dollar	\$1-\$1	\$1-\$1	\$1-\$1	\$1-\$1	\$1-\$1	\$1-\$1	\$1-\$1	\$1-\$1	\$1-\$1	<sup>9</sup>
Percentage of investments areas of Highest distress	40%	43%	40%	40.1%	37-43%	37.6%	37-43%	37%	37-43%	<sup>9</sup>
Percentage of EDA dollars Invested in Technology-related Projects in Distressed areas	NEW	N/A	10%	11.8%	7-10%	8.8%	7-10%	7%	7-10%	<sup>9</sup>

<sup>9</sup> EDA discontinued performance measures that did not reflect the outcome efforts of the bureau. The discontinued performance measures were originally designed to provide results the same year as the investment was awarded in lieu of actual job and private investment data, which had not been realized and reported yet. The measure will be reported in the 2004 and 2005 Performance and Accountability Reports, but after that, EDA will track the measure internally.

**Performance Goal 2: Improve Community Capacity to Achieve and Sustain Economic Growth**

<i>Measure</i>	<i>FY 2001 Target</i>	<i>FY 2001 Actual</i>	<i>FY 2002 Target</i>	<i>FY 2002 Actual</i>	<i>FY 2003 Target</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Target</i>	<i>FY 2005 Target</i>	<i>FY 2006 Target</i>
Percentage of economic development districts and Indian tribes implementing economic development projects from the comprehensive economic development strategy process that lead to private investment and jobs	TBD	NEW	TBD	NEW	95%	98.7%	95%	95%	---
Percentage of sub-state jurisdiction members actively participating in the economic development district program	89-93%	92%	89-93%	95.3%	89-93%	96.7%	89-93%	89-93%	---
Percentage of University Center clients taking action as a result of the assistance facilitated by the University Center	NEW	NEW	NEW	NEW	75%	78.1%	75%	75%	---
Percentage of those actions taken by University Center clients that achieved the expected results	NEW	NEW	NEW	NEW	80%	85.7%	80%	80%	---
Percentage of Trade Adjustment Assistance Centers (TAACs) clients taking action as a result of the assistance facilitated by the TAACs	NEW	NEW	NEW	NEW	90%	92.4%	90%	90%	---
Percentage of those actions taken by Trade Adjustment Assistance Center clients that achieved the expected results	NEW	NEW	NEW	NEW	95%	98.4%	95%	95%	---
Percentage of local technical assistance and economic adjustment strategy investment awarded in areas of highest distress	30-35%	32%	30-35%	30%	30-35%	30.2%	30-35%	30-35%	<sup>10</sup>

<sup>10</sup> EDA discontinued performance measures that did not accurately reflect the outcome efforts of the bureau. The measures will be reported in the 2004 and 2005 Performance and Accountability Reports, but after that, EDA will track the measure internally.

### Resource Requirements Summary

<b>Performance Goal 1: Increase Private Enterprise and Job Creation in Economically Distressed Communities</b>	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2004 Actual Obligations</b>	<b>2005 Estimate</b>	<b>2006 Base</b>	<b>2006 Request</b>	<b>Increase/Decrease</b>
	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>
Salaries and Expenses	18.7	19.8	19.6	19.5	19.6	N/A	N/A	N/A
<b>Economic Development Assistance Programs</b>								
Public Works and Development Facilities	285.3	249.9	208.8	203.5	161.5	N/A	N/A	N/A
Economic Adjustment Assistance	58.3	26.9	29.9	31.8	31.4	N/A	N/A	N/A
Defense Economic Adjustment <sup>2</sup>				[1.5]				
<b>Total Funding Performance Goal 1</b>	362.3	296.6	258.3	254.8	212.5	N/A	N/A	N/A
IT Funding <sup>2</sup>	[0.9]	[1.8]	[0.8]	[0.8]	[0.8]	N/A	N/A	N/A
FTE	165	155	149	137	174	N/A	N/A	N/A
<b>Performance Goal 2: Improve Community Capacity to Achieve and Sustain Growth</b>								
Salaries and Expenses	10.0	10.6	10.5	10.5	10.5	N/A	N/A	N/A
<b>Economic Development Assistance Programs</b>								
Planning	24.0	24.0	23.9	23.7	27.0	N/A	N/A	N/A
Technical Assistance	9.2	9.5	9.2	8.1	8.3	N/A	N/A	N/A
Research and Evaluation	0.5	0.4	0.5	0.3	0.5	N/A	N/A	N/A
Trade Adjustment Assistance	10.5	10.5	10.4	11.8	11.8	N/A	N/A	N/A
Economic Adjustment Assistance	22.5	13.8	12.8	13.6	13.4	N/A	N/A	N/A
Defense Economic Adjustment <sup>2</sup>				[.7]				
<b>Total Funding Performance Goal 2</b>	76.7	68.8	67.3	68.1	71.6	N/A	N/A	N/A
IT Funding <sup>2</sup>	[0.5]	[0.9]	[0.5]	[0.4]	[0.4]	N/A	N/A	N/A
FTE	89	84	80	74	87	N/A	N/A	N/A
<b>Appropriation Total</b>								
Salaries and Expenses	28.7	30.4	30.1	30.0	30.1	30.9	26.6	(4.3)
<b>Economic Development Assistance Program</b>	410.3	335.0	295.5	292.8	254.0	0	0	0
<b>TOTAL, EDA*</b>	<b>439.0</b>	<b>365.4</b>	<b>325.6</b>	<b>322.9</b>	<b>284.1</b>	<b>30.9</b>	<b>26.6</b>	<b>(4.3)</b>

\*Totals reflect direct obligations for EDAP programs and S&E; totals do not include one-time, disaster investments or reimbursable funding.

2 – Not included in S&E or EDAP totals.

## Skill Summary

EDA possesses the following institutional skills: economic development policy and planning; community outreach and project development; program and investment management; civil rights, environmental, and legal compliance; engineering; financial management; research and evaluation; program and management analysis; and general administration.

## PERFORMANCE GOALS

### EDA Performance Goal 1: *Increase Private Enterprise and Job Creation in Economically Distressed Communities*

#### Corresponding DOC Strategic Goal:

**Strategic Goal 1:** Provide the information and tools to maximize U.S. competitiveness and enable economic growth for American industries, workers, and consumers.

**General Goal/Objective 1.1:** *Enhance economic growth for all Americans by developing partnerships with private sector and nongovernmental organizations.*

#### Rationale for Performance Goal 1

EDA fosters a favorable environment for the private sector to risk capital investment to produce goods and services and increase productivity. While successful economic development projects attract private sector capital investment and create value-added jobs, they are also beneficial for local communities and all levels of government. By investing in successful undertakings, creating jobs, and expanding the economy, the demand for government expenditures for social services decreases while tax revenues increase.

EDA's investment guidelines set standards to achieve its performance goals of promoting private investment and job creation in distressed communities. Potential investments must be market-based and proactive, maximize private capital investment, create higher-skill and higher-wage jobs, and offer a positive return on the taxpayer's investment.

Within the framework of this goal, EDA investments in public works serve as catalysts for other public and private investments for the establishment or expansion of commercial and industrial facilities in distressed communities. EDA also provides Economic Adjustment Assistance investments for infrastructure improvements and revolving loan funds to help communities and businesses respond to actual or threatened sudden and severe disruption or long-term deterioration of a local economy.

#### Measure 1a: Private Sector Dollars Invested in Distressed Communities as a Result of EDA Investments

Explanation of Measure: The actual FY 2003 outcomes reported are the three-year performance results of FY 2000 Public Works and Development Facilities and Economic Adjustment Assistance infrastructure and Revolving Loan Fund investments and the six-year performance results of the FY 1997 Public Works and Development Facilities and Economic Adjustment Assistance investments. The formula-driven calculation projects investment data at three-, six-, and nine-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 percent of the nine-year projection would be realized after three years, and 50 percent after six years.

A review of the actual results for FY 1997 and FY 1998 performance measures shows that 20 percent of the projected private investment was realized within the first three years. Based on that review, EDA adjusted the three-year target to 20 percent. EDA will continue to analyze actual private investment results to collect smooth trend data prior to modifying the target further. Actual results reported here reflect a 25 percent discount to account for the attribution of jobs to dollars and economic conditions other than EDA dollars.

FY 2005 Targets: In FY 2004, EDA developed unit-cost measures to reflect the ratio of private sector dollars leveraged to EDA investments. EDA consistently reviews targets to align them with achievable outcomes. EDA will conduct an in-depth review of its results from the FY 2001 investments and FY 1998 investments. The analysis will help determine whether to again adjust its three-year and six-year targets.

**Measure 1b: Jobs Created or Retained in Distressed Communities as a Result of EDA Investments**

Explanation of Measure: The actual FY 2003 outcomes reported are the results of the FY 2000 Public Works and Development Facilities and Economic Adjustment Assistance infrastructure and Revolving Loan Fund investments and the six-year performance results of the 1997 Public Works and Development Facilities and Economic Adjustment Assistance investments. The formula-driven calculation projects investment data at three-, six-, and nine- 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 percent of the nine-year projection would be realized after three years, and 50 percent after six years.

A review of the actual results for FY 1997 and FY 1998 performance measures shows that 20 percent of the projected jobs were realized within the first three years. Based on that review, EDA adjusted the three-year target to 20 percent. EDA will continue to analyze actual job creation results to collect smooth trend data prior to modifying the target further. Actual results reported here reflect a 25 percent discount to account for the attribution of jobs to dollars and economic conditions other than EDA dollars.

FY 2005 Targets: In FY 2004, EDA developed unit-cost measures to reflect the ratio of jobs created and retained to EDA investments. EDA consistently reviews targets to align them with achievable outcomes. EDA will conduct an in-depth review of its results from the FY 2001 investments and FY 1998 investments. The analysis will help determine whether to adjust its three-year targets or six-year targets.

## **Discontinued Measures**

### **State and Local Dollars Committed per EDA Dollar**

Explanation of Measure: EDA's Economic Adjustment Assistance program assists those communities that experience sudden and severe economic distress and qualify for higher investment grant rates. Original targets for this measure were based on program evaluations (Rutgers et al. 1997), which found that EDA's median contribution to total costs for construction projects funded under the section 201 Public Works and Development Facilities Program was 53.6 percent and that projects funded under the section 209 Economic Adjustment Assistance Program had a median EDA share of 75 percent (reflecting different grant rate requirements for these programs under prior legislation). After reviewing the findings from both studies during FY 1998, EDA determined that an EDA share of 60 percent was a reasonable estimate for the combined program activities. With the enactment of the Economic Development Administration Reform Act of 1998, EDA issued new regulations during FY 1999, increasing requirements for non-federal funding to 50 percent of total project costs, except for areas of high distress, which qualify for higher EDA grant rates.

FY 2005 Targets: EDA discontinued performance measures that did not reflect outcome efforts of the bureau. The discontinued performance measures were originally designed to provide results the same year as the investment was awarded in lieu of actual job and private investment data which had not been realized and reported yet. The measure is reported in the 2004 Performance and Accountability Report. EDA will continue to track the measure internally for quality assurance.

### **Percentage of Investments to Areas of Highest Distress**

Explanation of Measure: EDA actively encourages proposals from areas of highest distress and directs program and staff resources to assist these communities in developing viable proposals and plans for successful investments. Highest distress areas are defined as those areas where the 24-month unemployment rate is at least 180 percent of the national average, or where the per capita income is not more than 60 percent of the national average. EDA investments in areas of highest distress have surpassed the performance target for two consecutive years following implementation of the Economic Development Reform Act of 1998. To qualify for the minimum EDA assistance, distressed communities must show that per capita income is not more than 80 percent of the national average, or that the 24-month unemployment rate is at least one percent greater than the national average, as opposed to those with highest distress that must meet the criteria discussed above.

FY 2005 Targets: EDA discontinued performance measures that did not reflect outcome efforts of the bureau. The discontinued performance measures were originally designed to provide results the same year as the investment was awarded in lieu of actual job and private investment data which had not been realized and reported yet. The measure is reported in the 2004 Performance and Accountability Report. EDA will continue to track the measure internally for quality assurance.

### **Percentage of EDA Dollars Invested in Technology-related Projects in Distressed Areas**

Explanation of Measure: EDA programs provide support for the efforts of the nation's distressed communities to become competitive in the new worldwide economy. By supporting technology-based economic development, EDA offers those parts of the U.S. that have lagged behind the opportunity to become leaders in the new economy. This measure supports increased investment in technology-led economic development to provide better jobs and opportunities for growth in distressed communities. EDA already supports local and state initiatives to upgrade infrastructure, telecommunications, and technology-transfer facilities to support existing firms and new enterprise development. EDA also encourages greater participation by universities, community colleges, and business organizations to ensure that local firms and communities benefit from new information technologies, manufacturing processes, and applied research and development in environmental and life sciences.

FY 2005 Targets: EDA discontinued performance measures that did not reflect outcome efforts of the bureau. The discontinued performance measures were originally designed to provide results the same year as the investment was awarded in lieu of actual job and private investment data which had not yet been realized nor reported. The measure is reported in the 2004 Performance and Accountability Report. EDA will continue to track the measure internally for quality assurances.

## ***Performance Goal 2: Improve Community Capacity to Achieve and Sustain Economic Growth***

### **Corresponding DOC Strategic Goal:**

**Strategic Goal 1:** Provide the information and tools to maximize U.S. competitiveness and enable economic growth for American industries, workers, and consumers.

**General Goal/Objective 1.1:** *Enhance economic growth for all Americans by developing partnerships with private sector and nongovernmental organizations*

### **Rationale for Performance Goal 2**

Powerful economic forces are at work today and will grow stronger in the years to come. Organizations will be pushed to reduce costs, improve quality of products and services, and increase productivity. Although adjustment to changing conditions and requirements is a challenge, EDA is nonetheless committed to it. EDA is creating a new, stronger organization that provides practitioners with a one-stop source for information and professional development.

EDA is proud of its active partnership with its economic development partners at the state, regional, and local levels. The partnership approach to economic development is key to effectively and efficiently addressing the economic development challenges facing U.S. communities.

EDA continues to build upon its partnerships with local development officials; Economic Development Districts; 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.

Economic development is a local process; however, the federal government plays an important role by helping distressed communities build capacity to identify and overcome barriers that inhibit economic growth. EDA's approach is to support 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.

EDA planning funds support the preparation of Comprehensive Economic Development Strategies (CEDS) that guide EDA Public Works and Development Facilities and Economic Adjustment Assistance implementation investments, including revolving loan funds. Sound local planning also attracts other federal, state, and local funds plus private sector investments to implement long-term development strategies. Evaluations of EDA's Public Works and Development Facilities and Defense Adjustment programs show that EDA capacity-building programs play a significant role in the successful outcomes of its infrastructure and revolving loan fund projects.

## **EDA Performance Measures**

### **Measure 2a: Percentage of Economic Development Districts and Indian Tribes Implementing Economic Development Projects from the Comprehensive Economic Development Strategy Process that Lead to Private Investment and Jobs**

Explanation of Measure: 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 of higher-skill, higher-wage jobs. Research conducted on FY 2002 data established a baseline for FY 2003. The CEDS is a plan that emerges from a broad-based, continual-planning process that addresses economic strengths and weaknesses, opportunities and threats posed by external trends and forces, and partners and resources for development.

FY 2005 Targets: EDA established targets based on the analysis of FY 2002 data. EDA will continue to analyze trend data for further refinement.

### **Measure 2b: Percentage of Sub-state Jurisdiction Members Actively Participating in the Measure Economic Development District Program**

Explanation of Measure: 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. Under EDA's amended legislation, participation of sub-state jurisdictions in EDDs was reduced from 75 percent to more than 50 percent for district designation purposes.

FY 2005 Targets: The FY 2005 target ranges are based on the same calculations as the previous targets. EDA will continue to analyze trend data for further refinement.

### **Measure 2c: Percentage of University Center Clients Taking Action as a Result of the Assistance Facilitated by the University Center**

Explanation of Measure: This measure will determine the perceived value-added by the University Centers to their clients. EDA funds 69 University Centers that provide technical assistance and specialized services (for example, feasibility studies, marketing research, economic analysis, environmental services, and technology transfer) to local officials and communities. This assistance improves the community's capacity to plan and manage successful development projects. University Centers develop client profiles and report findings to EDA, which evaluates the performance of each center once every three years and verifies the data. Taking action as a result of the assistance facilitated means to implement an aspect of the technical assistance provided by the University Center in one or several areas: economic development initiatives and training session development; linkages to crucial resources; economic development planning; project management; community investment package development; geographic information system services; strategic partnering to public- or private-sector entities; increased organizational capacity; feasibility plans; marketing studies; technology transfer; new company, product, or patent developed; and other services.

FY 2005 Targets: EDA established targets based on the analysis of FY 2003 data. EDA will continue to analyze trend data for further refinement.

### **Measure 2d: Percentage of Those Actions Taken by University Center Clients that Achieved the Expected Results**

Explanation of Measure: This measure is a follow-up to the measure, "Percentage of University Center clients taking action as a result of the assistance facilitated by the University Center." It will further define the relevance of the assistance facilitated by the University Centers. EDA-funded University Centers provide technical assistance and specialized services to local officials and communities. This assistance enhances the community's capacity to plan and manage successful development projects. This measure will determine if the assistance provided by the University Center is market-based and results in desired outcomes. University Centers will develop client profiles and report findings to EDA, which will evaluate the performance of each center once every three years and verify the data.

FY 2005 Targets: EDA established targets based on the analysis of FY 2003 data. EDA will continue to analyze trend data for further refinement.

## **Measure 2c: Percentage of Trade Adjustment Assistance Center (TAAC) Clients Taking Action as a Result of the Assistance Facilitated by the TAAC**

Explanation of Measure: This measure will determine the value-added of the funded TAAC to its clients. Twelve EDA-funded TAACs work jointly with U.S. firms and industries that have been adversely impacted as a result of trade agreements to identify and define specific actions to improve each firm's competitive position in world markets.

These centers develop client profiles and report findings to EDA, which will review the profiles to verify data as part of periodic site visits to monitor and evaluate each center's performance. 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, analysis of the firm's strengths and weaknesses and development of an adjustment strategy, and in-depth assistance for implementation of the strategy." \*Only petitions for certification that are actually approved can be counted.

FY 2005 Targets: EDA established targets based on the analysis of FY 2003 data. EDA will continue to analyze trend data for further refinement.

## **Measure 2f: Percentage of Those Actions Taken by TAAC Clients that Achieved the Expected Results**

Explanation of Measure: This is a new measure that is a follow-up to the measure, "Percentage of TAAC clients taking action as a result of the assistance facilitated by the TAAC." It will further define the relevance of the assistance facilitated by the TAAC. EDA-funded TAACs work jointly with trade-impacted firms to identify and define actions to improve each firm's competitive position in world markets. This measure will determine if the assistance facilitated by the TAACs is market-based and results in desired outcomes. The centers will conduct client surveys and report findings to EDA.

FY 2005 Targets: EDA established targets based on the analysis of FY 2003 data. EDA will continue to analyze trend data for further refinement.

## **Discontinued Measure**

### **Percentage of Local Technical Assistance and Economic Adjustment Assistance Strategy Investments Awarded in Areas of Highest Distress**

Explanation of Measure: Local technical assistance investments provide specialized technical or professional services to help local officials evaluate investment opportunities and solve complex development issues. Strategy investments help local communities adjust to sudden and severe economic dislocations and long-term declines that affect key sectors of the local economy. Areas of *highest* distress for this measure include areas where the 24-month unemployment rate is at least 180 percent of the national average or where per capita income is not more than 60 percent of the national average, as well as Indian Tribes or areas suffering from natural disasters. To qualify for the minimum EDA assistance, distressed communities must show that per capita income is not more than 80 percent of the national average, or that the 24-month unemployment rate is at least one percent greater than the national average.

FY 2005 Targets: This measure did not reflect outcome efforts of the bureau and has been discontinued. The measure is reported in the 2004 Performance and Accountability Report. EDA will continue to track the measure internally for quality assurance.

## **Program Evaluations:**

According to the performance evaluation of EDA's Public Works and Development Facilities program (Rutgers et al. 1997), the investments produce jobs, usually in increasing amounts, after project completion. The study found that investment impacts "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 3 years after award]". Since most investments are completed an average of three years after award, EDA monitors performance results at three, six, and nine years after investment award.

The agency completed an evaluation of the Local Technical Assistance program in FY 2003. The study found that this program is frequently responsible for "stakeholder buy-in" in that "relatively small amounts of money available through the Local Technical Assistance program provide a 'nucleus' around which organizations come together for a common

purpose.” The evaluation also found that the Local Technical Assistance program often provided “ignition of the process” and resulted in other activities getting started. EDA anticipates that an evaluation of the Economic Adjustment Assistance program will be completed in FY 2005.

### **Cross-cutting Activities:**

#### **Intra-Department of Commerce:**

EDA collaborates with the following Department of Commerce bureaus on cross-cutting initiatives:

- National Oceanic and Atmospheric Administration (NOAA) -- Strategies to promote Port Improvement and Economic Revitalization (PIER), sustainable development, disaster reduction, protection of natural resources, and the development of eco-industrial parks.
- National Institute of Standards and Technology (NIST) -- Technology deployment and assistance to small manufacturers in economically distressed areas.
- National Telecommunications and Information Administration (NTIA) -- Strategies to upgrade telecommunications infrastructure in distressed rural and urban communities.
- Minority Business Development Agency (MBDA) -- Increased support for minority business development and entrepreneurship and for minority-serving institutions.

#### **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:

- Federal Emergency Management Agency (FEMA) -- Early response, coordination, assessment, mitigation, and economic recovery efforts following major disasters.
- Environmental Protection Agency (EPA) -- Strategies to redevelop brownfields and improve air quality in ways that benefit economically distressed communities.
- Department of Defense Office of Economic Adjustment (OEA) -- Economic adjustment strategies and investments for base reuse and communities affected by Base Realignment and Closure Commission (BRAC) decisions.
- Department of Energy (DOE) -- Economic adjustment assistance to communities affected by closures of federal energy labs and facilities.
- Appalachian Regional Commission (ARC) -- Community and economic development assistance for economically distressed areas in the thirteen-state Appalachian region.
- Department of Labor (DOL) -- Dislocated Worker 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, Enterprise Communities, and Renewal Communities.
- Delta Regional Authority

#### **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.

### **External Factors and Mitigation Strategies:**

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

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

### **Mitigation Strategies Include:**

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

### **Data Validation and Verification**

The EDA GPRA pilots provided trend data on past performance, as presented earlier. They also provided critical outreach and training for EDA investment recipients and staff on valid reporting methods and verification of performance data on long-term outcomes. EDA achieved a 98 percent response rate for the FY 1999 pilots and conducted site visits to more than 25 percent of the projects to validate and verify data reported. The data was provided to Rutgers University for review and comparison with the original evaluations.

EDA validates some of the annual performance results of private sector investment and job creation upon receipt of the data. For FY 1999 investment results reported in FY 2002, regional offices verified 89 percent of the private sector investment and 58 percent of the jobs created. Regional offices directly contacted those investment recipients to request supporting information. Reports were completed that identified how the data was verified and the person or business contacted to verify the data. During FY 2002, EDA conducted validation site visits on six FY 1998 investments, one in each region, which had been closed out by the end of FY 2001. At the time of the visit, the investments were reviewed utilizing the data report outline below. In all cases, the private investment and jobs created were verified, and the results were even higher at the time of the visit than at the time the data was reported.

EDA processing procedures specify that staff verify proposed private investment and jobs. Proposals for EDA investments are reviewed by regional Investment Review Committees (IRC) and then forwarded to the Senior Advisor for Performance Evaluation at headquarters. This quality assurance process was implemented to determine whether the IRC-endorsed investment satisfies the regulations and the Investment Policy Guidelines, as amended. Once a project has been invited for investment, the application includes a signed "Assurances of Compliance with Civil Rights and Other Legal Requirements" (Exhibit V.B.1.b).

EDA utilizes the following criteria for site selection to verify the private investment and job creation and retention data reported for its performance measures.

- The fiscal year data being verified are from an investment that was closed within the appropriate three-, six-, or nine-year reporting time-frame.
- EDA investment is equal to or greater than \$500,000.
- Private investment dollars and jobs created or retained is present.
- At least one verification site visit per region will be conducted.
- A varied selection of Public Works and Development Facilities and Economic Adjustment Assistance (regular, defense, or revolving loan fund) investments will be reviewed.

The GPRA site validation visit report includes background of the EDA investment and a project description. The following data are requested from the investment recipient with accompanying documentation for each item to verify the information.

- The tax assessment of the property or the building, before and after the construction or renovation. (if available)
- The number of jobs retained at the time of project close-out and at the time of the site visit. Sources must be identified with documentation.
- The number of jobs created at the time of project close-out and at the time of the site visit. Sources must be identified with documentation.
- The average salary of building's previous tenants, if applicable, or average annual wage before EDA investment. (if available)
- The average annual wage after EDA investment.
- The amount of private investment at the time of project closeout and at the time of the site visit. Sources must be identified with documentation.
- The increase in Local Real or Business Property Tax Base (in dollars, if available).
- The percentage of population growth (or decline) since investment award.
- Direct project-related results, direct non-project-related results, and indirect results (if any) are identified in the report, as well as an overall assessment of the EDA investment.
- Photos, brochures, news-related articles (if available) are also included.

As EDA collects and analyzes the data, EDA will use it to adjust performance targets as appropriate.

**Economic Development Administration  
Data Validation and Verification Chart**

<i>Performance Measure</i>	<i>Data Source</i>	<i>Frequency</i>	<i>Data Storage</i>	<i>Verification</i>	<i>Data Limitations</i>	<i>Actions to be Taken</i>
Measure 1a: Private Sector Dollars Invested in Distressed Communities as a Result of EDA Investments  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 Public Works and Development Facilities and Economic Adjustment Assistance implementation and revolving loan fund investments. Private investment may vary along with economic cycles.	EDA will continue to monitor investment and job creation data.
Measure 1c: State and Local Dollars Committed per EDA Dollar <sup>1</sup>	Investment Recipient applications and progress reports	At the time of award of investment	EDA Management Information System	EDA verifies non-federal funds committed to projects prior to disbursement of investment funds.	Universe - Regular Appropriations for Public Works and Development Facilities, Economic Adjustment Assistance Implementation, and Defense Economic Adjustment Implementation investments; the match rate may decrease in cases of severe distress while eligible areas increase during economic downturns.	EDA will continue to monitor state and local investment data.
Measure 1d: Percentage of Investments to Areas of Highest Distress <sup>1</sup>	Investment Recipient applications	Ongoing	EDA Management Information System	EDA samples projects periodically to ensure accurate project location codes. Statistical data are based on the Bureau of Labor Statistics' current 24-month unemployment data and most current Bureau of Economic Analysis per capita income data.	Universe - Regular Appropriations for Public Works and Development Facilities, Economic Adjustment Assistance Implementation, and Defense Economic Adjustment Implementation investments; the number of highest distressed areas will increase during economic downturns and decrease during economic expansions.	Determine appropriate investment portfolio mix for EDA's limited resources and continue to monitor results
Measure 1e: Percentage of EDA Dollars Invested in Technology-related Projects in Distressed Areas <sup>1</sup>	Investments that are specifically identified and coded in EDA's Management Information System	Ongoing	EDA Management Information System	Testing performance projections, providing training, and improving reporting.	Universe - Investments from all EDA funding sources that are direct investments in technology-related construction or acquisition, or investments related to expanding the technology potential of companies, communities, or areas; EDA investments are dependent on the type of opportunities communities present.	EDA will continue to monitor and develop trend data.

<sup>1</sup> Measure is to be discontinued effective FY 2006

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.
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.
Measure 2c: Percentage of University Center Clients Taking Action as a Result of the Assistance Facilitated by the University Center	University Center client profiles	Annually	EDA Management Information System	Performance data will be verified by the University Centers. EDA headquarters will annually review profile data.	Universe - EDA Local Technical Assistance investments. This measures the value of the University Centers; however, while the assistance may be valued, clients may choose not to act for other reasons.	Baseline established from FY 2002 data. EDA will continue to monitor and develop trend data.
Measure 2d: Percentage of Those Actions Taken by University Center Clients that Achieved the Expected Results	University Center client profiles	Annually	EDA Management Information System	Performance data will be verified by the University Centers. EDA headquarters will annually review data.	Universe - EDA Local Technical Assistance investments only. Outside mitigating factors such as the local economy may affect the measure.	Baseline established from FY 2002 data. EDA will continue to monitor and develop trend data.
Measure 2e: Percentage of Trade Adjustment Assistance Center Clients Taking Action as a Result of the Assistance Facilitated by the TAAC	Trade Adjustment Assistance Center client profiles	Annually	EDA Management Information System	Performance data will be verified for the Trade Adjustment Assistance Centers. EDA headquarters will annually review data.	Universe - EDA Trade Adjustment Assistance investments only. Outside mitigating factors such as the local economy may affect the measure.	Baseline established from FY 2002 data. EDA will continue to monitor and develop trend data.
Measure 2f: Percentage of Those Actions Taken by Trade Adjustment Assistance Center Clients that Achieved the Expected Results	Trade Adjustment Assistance Center reports	Annually	EDA Management Information System	Performance data will be verified by the Trade Adjustment Assistance Centers. EDA headquarters will annually review data.	Universe - EDA Trade Adjustment Assistance investments only. Outside mitigating factors such as the local economy may affect the measure.	Baseline established from FY 2002 data. EDA will continue to monitor and develop trend data.

Measure 2g: Percentage of Local Technical Assistance and Economic Adjustment Assistance Strategy Investments Awarded in Areas of Highest Distress <sup>2</sup>	Bureau of Labor Statistics current 24-month unemployment data and most current Bureau of Economic Analysis per capita income data	Ongoing	EDA Management Information System	EDA verifies data prior to grant approval.	Universe - EDA Local Technical Assistance and Economic Adjustment Assistance Strategy investments. The number of highly distressed areas will increase during economic downturns and decrease during economic expansions affecting EDA investments in these communities.	Determine appropriate investment portfolio mix for EDA's limited resources and continue to monitor results.
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<sup>2</sup> Measure is to be discontinued effective FY 2006