

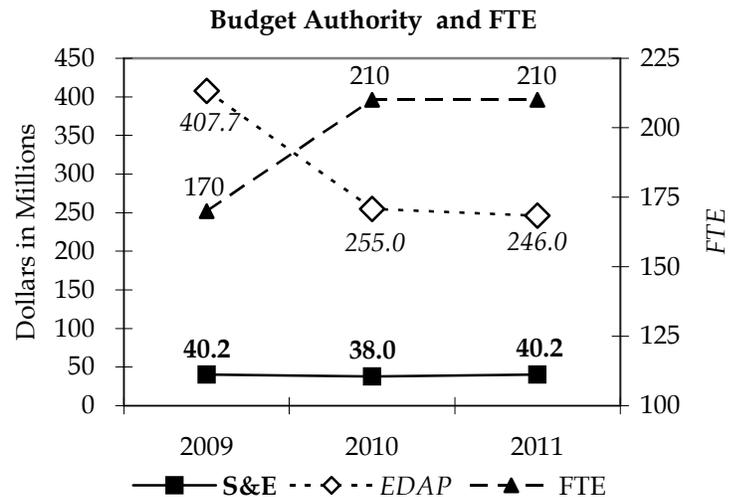
## Economic Development Administration

The Economic Development Administration (EDA) helps our partners across the Nation (states, regions, and communities) create wealth and minimize poverty by promoting a favorable business environment to attract private capital investments and higher-skill, higher-wage jobs through capacity building, planning, infrastructure investments, research grants, and strategic initiatives. EDA carries out its Economic Development Assistance Program (EDAP) through a network of headquarters and regional personnel that work directly with local organizations and leaders to identify and invest in projects that demonstrate potential for the greatest economic impact in distressed communities.

EDA programs serve as a catalyst for assisting the Nation's distressed communities in achieving their long-term economic potential through the strategic investment of resources based upon locally and regionally developed priorities. EDA works in partnership with other Federal agencies, state and local governments, regional economic development districts, public and private non-profit organizations, Native American Indian Tribes, and Alaska Native Villages to accomplish its mission. The program targets communities that have been experiencing long-term chronic economic distress or sudden and severe economic dislocation, typically characterized by substantial and persistent unemployment levels, low income, slow population growth, loss of jobs, out-migration, and long-term economic deterioration.

EDA will continue to fund technical assistance for the University Centers, planning support for EDA's network of Economic Development Districts and for Indian Tribes, the Trade Adjustment Assistance for firms program, the Research program, the Public Works program, and the Global Climate Change Mitigation Incentive Fund.

EDA will focus staff resources on outreach and technical assistance to distressed communities by helping communities analyze and understand socioeconomic and demographic data from a wide variety of sources, and how that data can be used to develop strategies to achieve global competitiveness. EDA staff will help communities cultivate relationships with key business, civic community, academia, and local government partners to achieve regional economic development opportunities, foster innovation, and support entrepreneurship. In particular, EDA will focus on enhancing economic clusters through its Regional Innovation Clusters initiative which will foster the identification and further development of key economic ecosystems across the country. EDA will also continue to administer and monitor its programs, which include more than 1,747 planning, technical assistance, and economic adjustment (non-construction) investments, the trade adjustment assistance program, and 577 revolving loan funds (\$853 million in assets), in addition to its construction investments in economic adjustment and public works.



## Summary of Appropriations

### Funding Levels

Appropriation	2009 <u>Actual</u>	2010 <u>Estimate</u>	2011 <u>Estimate</u>	Increase (Decrease)
Salaries and Expenses	\$32,800	\$38,000	\$40,181	\$2,181
EDAP	240,000	255,000	246,000	(9,000)
Supplemental Appropriations (P.L. 111-32)	40,000	0	0	0
Recovery Act (P.L. 111-5)	150,000	0	0	0
<b>TOTAL APPROPRIATION</b>	<b>462,800</b>	<b>293,000</b>	<b>286,181</b>	<b>(6,819)</b>
Transfers from EDAP to S&E	[(7,350)]			
Unobligated balance rescission	(15,000)			
<b>Budget Authority</b>				
Salaries and Expenses	40,150	38,000	40,181	2,181
EDAP	407,650	255,000	246,000	(9,000)
EDA Revolving Fund	0	0	0	0
<b>TOTAL BUDGET AUTHORITY</b>	<b>447,800</b>	<b>293,000</b>	<b>286,181</b>	<b>(6,819)</b>
<b>FTE</b>				
Salaries and Expenses	161	205	205	0
Reimbursable	9	5	5	0
<b>Total</b>	<b>170</b>	<b>210</b>	<b>210</b>	<b>0</b>

## Highlights of Budget Changes

### Appropriation: Salaries and Expenses

#### Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b>2010 Appropriation</b>			205	\$38,000
<b>Adjustments to Base</b>				
<b><u>Other Changes</u></b>				
2010 Pay raise		\$97		
2011 Pay raise		250		
Payment to Working Capital Fund		14		
Full year cost in 2011 of positions financed for part year in 2010	10	1,323		
Civil Service Retirement System (CSRS)		(37)		
Federal Employees' Retirement System (FERS)		128		
Thrift Savings Plan		11		
Employees' Compensation Fund		15		
Federal Insurance Contributions Act (FICA) - OASDI		45		
Health insurance		56		
NARA		4		
Postage		3		
Travel				
Mileage		(22)		
Per Diem		21		
Rent payments to GSA		33		
Printing and Reproduction		1		
Electricity		31		
Other services/Working Capital Fund		346		
General Pricing Level Adjustment:				
Rental payments to others		2		
Other services		33		
Supplies and materials		4		
Equipment		3		
Subtotal, other cost changes			10	2,361
Total amount absorbed			(10)	(180)
<b>TOTAL, ADJUSTMENTS TO BASE</b>			0	2,181
<b>2011 Base</b>			205	40,181
Program Changes			0	0
<b>2011 APPROPRIATION</b>			205	40,181

**Comparison by Activity**

	2010 Currently Avail.		2011 Base		2011 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b>DIRECT OBLIGATIONS</b>								
Salaries and Expenses	205	\$45,446	205	\$40,181	205	\$40,181	0	\$0
<b>TOTAL DIRECT OBLIGATIONS</b>	205	45,446	205	40,181	205	40,181	0	0
REIMBURSABLE OBLIGATIONS	5	1,720	5	1,320	5	1,320	0	0
<b>TOTAL OBLIGATIONS</b>	210	47,166	210	41,501	210	41,501	0	0
<b>FINANCING</b>								
Unobligated balance, start of year (Direct)		(7,446)						
Unobligated balance, start of year (Reimb.)		(400)						
Offsetting coll. from Federal funds	(5)	(1,320)			(5)	(1,320)		
Subtotal, financing	(5)	(9,166)			(5)	(1,320)		
<b>TOTAL BUDGET AUTHORITY / TOTAL APPROPRIATION</b>	205	38,000			205	40,181		

**Appropriation: Economic Development Assistance Programs****Summary of Requirements**

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
<b>2010 Appropriation</b>	0	\$255,000
<b>2011 Base</b>	0	255,000
Program Changes		(9,000)
<b>2011 APPROPRIATION</b>	0	246,000

**Comparison by Activity**

	2010 Currently Avail.		2011 Base		2011 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b>DIRECT OBLIGATIONS</b>								
Global Climate Change	0	\$25,000	0	\$25,000	0	\$16,500	0	(\$8,500)
Public Works	0	152,690	0	158,280	0	67,800	0	(90,480)
Planning	0	31,391	0	31,000	0	31,000	0	0
Technical Assistance	0	9,800	0	9,800	0	13,400	0	3,600
Research and Evaluation	0	1,963	0	1,500	0	1,500	0	0
Trade Adjustment Assistance	0	18,987	0	15,800	0	15,800	0	0
Economic Adjustment	0	52,500	0	43,620	0	130,000	0	86,380
Supplemental Appropriations		40,000						
Category B Appropriations		305,709						
<b>TOTAL DIRECT OBLIGATIONS</b>	0	638,040	0	285,000	0	276,000	0	(9,000)
REIMBURSABLE OBLIGATIONS	0	15,000				15,000		
<b>TOTAL OBLIGATIONS</b>	0	653,040			0	291,000		
<b>FINANCING</b>								
Unobligated balance, start of year (Direct)		(353,040)						
Recoveries of prior year obligations		(30,000)				(30,000)		
Offsetting collections from:								
Federal funds		(15,000)				(15,000)		
Subtotal, financing	0	(398,040)			0	(45,000)		
<b>TOTAL BUDGET AUTHORITY</b>	0	255,000			0	246,000		
Unobligated balance rescission	0				0	0		
<b>TOTAL APPROPRIATION</b>	0	255,000			0	246,000		

*Highlights of Program Changes*

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Global Climate Change</u>	0	\$25,000	0	-\$8,500

Funding will be decreased for the Global Climate Change Mitigation Incentive Fund (GCCMIF) since its focus -- strengthening the linkages between economic development and environmental quality by financing projects that limit the nation's dependence on fossil fuels, enhance energy efficiency, curb greenhouse gas emissions and protect natural systems while generating jobs and private investment -- has been infused into EDA's investment policy guidelines and funding priorities, encouraging EDA's other programs to seek and achieve many of the GCCMIF's desired outcomes.

<u>Public Works</u>	0	\$158,280	0	-\$90,480
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Funding will be commensurately increased for Economic Adjustment Assistance, which can and does fund similar projects, but has somewhat greater flexibility. 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.

<u>Technical Assistance</u>	0	\$9,800	0	+\$3,600
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The requested Technical Assistance funding 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 and 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 support and facilitate the diffusion of success models and best practices.

<u>Economic Adjustment</u>	0	\$43,620	0	+\$86,380
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Funding will be commensurately decreased for Public Works, which has somewhat lesser flexibility. The increase in EA funding reflects EDA's expanded commitment to the Regional Innovation Clusters and Business Incubator investment initiatives. The Regional Innovation Clusters component supports early-stage cluster initiative activities to begin planning, asset mapping, and feasibility and implementation studies. It also provides enhanced grant funding for cluster initiative programs that promote the activities of specific regional cluster initiatives. The Business Incubators Network funding expands EDA's commitment to the business incubator investments.

## Performance Outcomes and Measures

(Dollars reflect obligations in Millions)

All EDA program activities support the Department of Commerce (DOC) strategic goal to “Maximize U.S. competitiveness and enable economic growth for American industries, workers, and consumers.” EDA will shift some funding from Public Works, which supports activities under Outcome 1, to Economic Adjustment Assistance, which can support activities under both outcomes, to increase its flexibility in awarding grants. For investments made in 2009, 2010, and 2011, long-term outcome results will be reported by investment recipients over a period of nine years at three year intervals. EDA’s nine-year targets are derived from a mid-1990s Rutgers University research project that identified and analyzed the actual jobs and private investment generated by EDA investments. EDA’s three- and six-year targets are estimates of the percentage of the nine-year projection that will be achieved in those respective time periods. These estimates have been found to underestimate actual results. Therefore, EDA will be evaluating the formula-based projections and the underlying study when final nine-year results are received.

Below are EDA’s current performance outcomes and selected measures. A more detailed description of these outcomes and measures is in the EDA section of the Department of Commerce budget.

	2009 Actual	2010 Enacted / Targets	2011 Estimate / Targets
<b>Outcome 1: Promote private enterprise and job creation in economically distressed communities and regions</b>	<b>\$306.3</b>	<b>\$211.9</b>	<b>\$174.9</b>
Private sector dollars invested in distressed communities as a result of EDA investments	\$446M from 2000 investments \$1,114M from 2003 investments \$2,228M from 2006 investments	\$261M by 2013 \$652M by 2016 \$1,303M by 2019	\$204M by 2014 \$511M by 2017 \$1,022M by 2020
Jobs created or retained in distressed communities as a result of EDA investments	15,563 from 2000 investments 38,907 from 2003 investments 77,815 from 2006 investments	6,523 by 2013 16,308 by 2016 32,616 by 2019	4,996 by 2014 12,491 by 2017 24,982 by 2020
<b>Outcome 2: Build community capacity to achieve and sustain economic growth</b>	<b>\$120.4</b>	<b>\$81.1</b>	<b>\$111.3</b>
% of economic development districts and Indian tribes implementing projects from the CEDS process that lead to private investment and jobs	93%	95%	95%
% of substate jurisdiction members actively participating in the economic development district program	92%	89-93%	89-93%
% of University Center (UC) clients taking action as a result of University Center assistance	70%	75%	75%
% of those actions taken by UC clients that achieve the expected results	92%	80%	80%
% of Trade Adjustment Assistance Centers (TAACs) clients taking action as a result of TAAC assistance	88%	90%	90%
% of those actions taken by TAAC clients that achieved the expected results	93%	95%	95%
<b>Total <sup>1</sup></b>	<b>\$426.7</b>	<b>\$293.0</b>	<b>\$286.2</b>

<sup>1</sup> All funding amounts do not include reimbursable and one time costs since these vary widely from year to year. FY targets are directly dependent on funding amounts, so the funding amount reflects the S&E and EDAP appropriated levels since those are the only certain funding amounts.

