



EDA:

Results-driven

Performance



United States Department of Commerce

Economic Development Administration

Fiscal Year 2013

Congressional Budget Request

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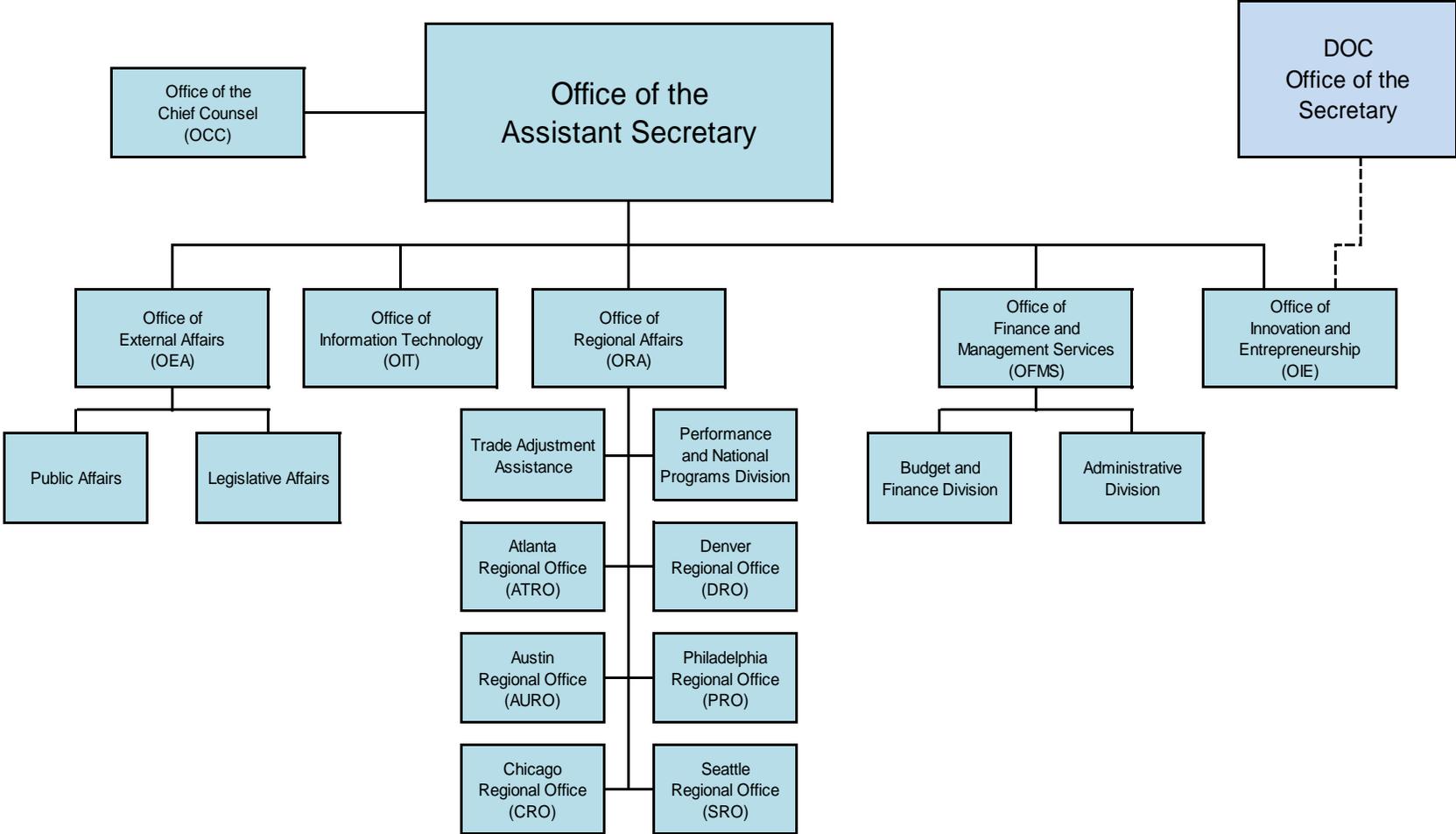
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**Department of Commerce
Economic Development Administration
BUDGET ESTIMATES, FISCAL YEAR 2013
CONGRESSIONAL BUDGET REQUEST**

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Department of Commerce
Economic Development Administration
BUDGET ESTIMATES, FISCAL YEAR 2013
CONGRESSIONAL BUDGET REQUEST
ORGANIZATION CHART



**Department of Commerce
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EXECUTIVE SUMMARY

A wide array of academic and policy work converges in a common understanding: with solid infrastructure, a skilled workforce, and the strategic resources to foster idea creation and commercialization, regional economies are a key driver of national competitiveness and long-term prosperity. As the nation moves to address its structural deficit challenges, the country has a unique opportunity to evaluate the Federal budget and prioritize strategic investments in key areas like infrastructure, workforce development, and research commercialization that will put the U.S. on a track to out-innovate and out-compete other nations. In this vein, the Bureau's FY 2013 budget request continues the Economic Development Administration's (EDA) focus on accelerating the transition to the 21st Century economy by supporting sustainable job growth and competitive regions throughout the United States.

EDA's FY 2013 budget centers around the *Jobs and Innovation Partnership*, the guiding framework by which EDA approaches economic development. The *Jobs and Innovation Partnership* is built upon two key pillars: innovation and regional collaboration. Innovation – or the implementation of new ideas or recombination of old concepts in new ways - is the key to new and better jobs, a resilient economy, and global competitiveness. Regional collaboration is also essential in this economic competition. Regions that work together to leverage resources and build upon their unique comparative assets are better poised for economic success.



An EDA investment helped to establish a greenhouse for job training for the disadvantaged and displaced on a former brownfield across the river from downtown Pittsburgh. The Mathieson Center for Horticultural and Agricultural Technology provides training in such areas as horticultural technology, urban farming, green roofs, and culinary arts.

This strategic framework builds on EDA's successful history of helping rural and urban communities leverage their unique assets by providing "bottom up" investments in infrastructure, planning, and technical assistance that promote regional collaboration, innovation, and regional innovation clusters. EDA's investments are designed to spur innovation and investment at the local level, by providing the tools and the flexibility to build the effective public-private partnerships required for long-term success.

EDA recognizes that today, businesses are not just choosing locations among American cities, but between keeping jobs in the U.S. and moving them abroad. A key factor in those decisions will be the strength and health of a community's innovation ecosystem. America's competitiveness requires regional innovation ecosystems that stimulate and support basic and applied research and development (R&D), technology commercialization, and entrepreneurship. EDA's *Jobs and Innovation Partnership* agenda prioritizes program resources and investments to help American communities and businesses compete in the global economy.

At its core, the *Jobs and Innovation Partnership* framework embraces regional innovation cluster strategies as the platform for linking and aligning investments from multiple public and private

sector organizations. This framework for economic development results in increased leverage, efficiency and effectiveness of the investments by the participants in these public/private partnerships. This integrated strategy is particularly important given the current fiscal crisis and national jobs and growth outlook.

In order to successfully implement the *Jobs and Innovation Partnership*, EDA is engaging in strategic inter-agency collaborations, such as the White House Taskforce for the Advancement of Regional Innovation Clusters (TARIC), which is a partnership with the White House, the U.S. Department of Commerce/EDA, and six Federal agencies. The TARIC is an inter-agency partnership designed to more effectively leverage complementary Federal resources to expand regional innovation clusters in order to propel job creation and business expansion. In FY 2010, the first pilot project of TARIC was launched. The first activity the taskforce engaged in was the development and implementation of the Inter-Agency energy regional innovation cluster (eRIC) initiative. The Taskforce selected energy efficient building systems design as the topical focus for its first pilot project, which will be anchored around a Department of Energy (DOE) funded Energy Innovation Hub. EDA took a leadership role in coordinating a joint Federal Funding Opportunity as part of this effort involving seven Federal agencies: DOE, Department of Commerce's (DOC) EDA and National Institute of Standards and Technology/Manufacturing Extension Partnership (NIST/MEP), Department of Labor (DOL), Department of Education (ED), Small Business Administration (SBA), and National Science Foundation (NSF).

In FY 2011, EDA led TARIC's efforts to further advance the Administration's Regional Innovation Clusters (RIC) initiative. EDA recently participated in the development and announcement of the Jobs and Innovation Accelerator Challenge Federal Funding Opportunity in partnership with SBA and DOL's Employment and Training Center, along with 13 other agencies, to support complementary Federal investments in cluster initiatives across the country.

EDA's *Jobs and Innovation Partnership* – and the inter-agency collaborations that the bureau has implemented to execute this framework – are built upon the understanding that place matters. The businesses that create the best-paying, most sustainable jobs are found in advanced manufacturing facilities, science and technology parks, laboratories and business incubators, all places where entrepreneurs, scientists, product developers and venture capitalists are clustered and can work together. These are places where innovations can not only be developed, but also brought to market. This collaboration is happening not only in well-known places like Silicon Valley and the Research Triangle, but in the New Mexico Technology Corridor, at the Arizona Bioscience Park in Tucson, at the Virginia Tech University Institute for Advanced Learning and Research in Danville, Virginia, and other places, large and small, urban and rural, all around the country.

An example of how the *Jobs and Innovation Partnership* is working to advance these vital economic ecosystems can be found in Atlanta, home to top research universities that work collaboratively with the business community. In FY 2010, EDA invested \$1.3 million to help establish the Global Center for Medical Innovation, Inc. (GCMI). The Center will promote the growth of Georgia's and the Southeast's biotechnology industry by bringing together the core members of the medical device community, including universities, research centers and clinicians; established drug and device companies; investors; and, early-stage companies to speed to market next generation medical devices and technology. The new center will provide a single entity that will work with companies on comprehensive development activities. It will also provide a single location for investors seeking qualified medical device companies, and allow innovations created by multiple institutions to be combined to create more useful devices.

While the Center is being organized by Atlanta-based organizations, it is expected to attract device developers from the Southeast, strengthening Atlanta's role as a hub for medical technology development and making the state of Georgia and the Southeast a new hub for the world's medical device industry. GCMI is a partnership of four of Georgia's leading research and health care organizations: the Georgia Institute of Technology, Saint Joseph's Translational Research Institute (SJTRI), Piedmont Healthcare, and the Georgia Research Alliance.

EDA's programs support the bottom up strategic priorities established by local and regional leaders. Unlike many of the Federal government's "economic development" programs, EDA's grant programs are not formulaic. The inherent flexibility of EDA investments enables the Bureau to fund a range of customized investments developed specifically to meet the strategic priorities of applicant communities. For example, some communities identify strategy development as their top priority. In other cases, communities already have a well-defined strategy and now need implementation support. This flexibility enables EDA to target its competitive grants funding to support the development of robust regional innovation ecosystems based on the specific priorities of each community.

Through the *Jobs and Innovation Partnership* framework EDA will advance key Administration priorities in FY 2013, including:

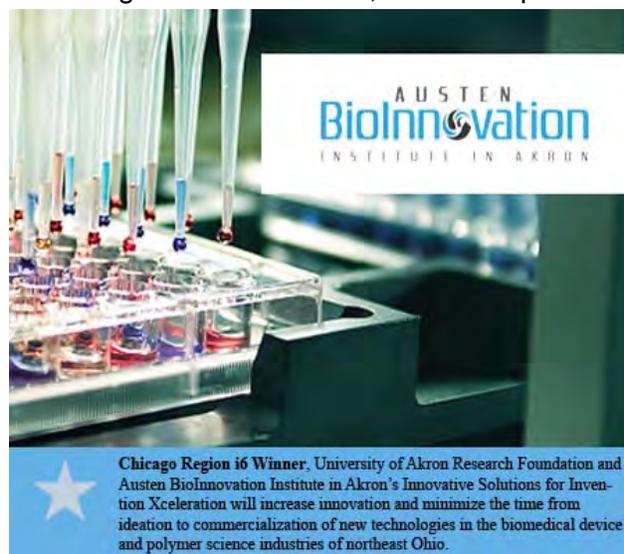
1. The successful implementation of the Regional Innovation Strategies Program;
2. Continue building globally competitive regional economic ecosystems through the next generation of the successful *i6 Challenge*; and,
3. Continued support of placed-based investments that advance resiliency in communities across the nation.

Successful Implementation of the Regional Innovation Strategies Program

On January 4, 2011, Congress reauthorized the America COMPETES Act and established new authority for EDA to develop a national program to advance regional innovation strategies. The Regional Innovation Strategies Program represents a significant step forward for EDA in that it provides a forum to operationalize the Challenge efforts that EDA has been engaged with under the Economic Adjustment Assistance program for the past several years. Challenge grants represent an important mechanism for encouraging regional economic development: by articulating a clear vision and challenging communities to reach this vision, EDA is able to help a broader array of communities take steps that lead to regional collaboration, increased public-private partnerships, and the realization of bottom-up regional economic development strategies. In FY 2013, EDA will build on the previous success of its challenge and inter-agency collaborations to continue leading the Federal government in leveraging complementary resources to expand and strengthen regional innovation clusters to spur job creation and business expansion.

Building Globally Competitive Regional Ecosystems through next generation of successful *i6 Challenge*

In FY 2013, EDA will continue to build on the success of the *i6 Challenge* Competition



series. EDA launched the inaugural i6 Challenge in FY 2010. The i6 *Challenge* was a \$12 million innovation competition, led by EDA in partnership with the National Institutes of Health and National Science Foundation, to award the most innovative ideas to drive commercialization and entrepreneurship in regions across the country. It was designed to foster stronger collaboration among entrepreneurs, investors, universities, private sector companies, non-profits, and state and local governments. In FY 2011 EDA held an i6 *Challenge* competition focused on growing the green economy through investments in research commercialization facilities or proof of concept centers. These facilities or centers represent critical innovation infrastructure for high growth economic ecosystems.

The University of Akron Research Foundation (UARF) and Austen BioInnovation Institute in Akron are co-applicants and i6 *Challenge* winners who provided a solution that addresses the needs of Northeast Ohio with specific targeted counties: Ashtabula, Cuyahoga, Geauga, Lake, Lorain, Mahoning, Medina, Portage, Stark, Summit, Trumbull, and Wayne. The winning project, Innovative Solutions for Invention Xceleration (ISIX), will increase innovation and minimize the time from ideation to commercialization of new technologies by bringing together world-class scientists, physicians, engineers, researchers, and entrepreneurs in the biomedical device/product and polymer science industries of Northeast Ohio.



 The EDA-funded Virginia Tech Corporate Research Center houses 140 private companies and VT Knowledge Works, an incubator program, working with more than 50 startup companies. Phase II expansion of the Center is underway and will nearly double the acreage of the park, creating up to an estimated 2,500 jobs and generating \$140 million in private investment.

This partnership will enhance what exists now by developing and implementing an innovative system that addresses components ranging from increasing the number and quality of ideas at the head of the innovation pipeline to developing appropriate commercialization and marketing plans. This partnership will result in the creation of new companies and increased jobs associated with the biomedical and polymer science industries in the Northeast Ohio region.

Place-Based Investments to Advance Resiliency

In FY 2013, EDA plans to continue building on the Bureau's long history of supporting place-based investments. EDA's unique *bottom-up* approach to economic development allows the bureau to invest in a wide array of projects that will help the region grow and prosper. This place-based focus is consistent with EDA's history of strategically invested resources to support a wide array of critical economic development projects to help communities compete in an increasingly competitive global economy. Many of EDA's investments have included "infrastructure" to create innovation ecosystems, including science and research parks, broadband/smartgrid technology, business incubators and accelerators, high-tech shipping and logistics facilities, and workforce training centers. Additionally, EDA is working to leverage the Administration's new National Disaster Resiliency Framework to help communities effectively and efficiently leverage their inherent assets to plan for and ultimately respond to man-made and natural disasters. For example, the Virginia Tech University Institute for Advanced Learning and Research in Danville established a branch of the University in this very rural area near the North Carolina border. The regional economic impact of this science park may be felt well beyond the state line as it focuses on research in the areas such as nanotechnology and

polymer science and draws companies to fields of study who want to be close to access this expertise. EDA's University Center, Partnership Planning (Successor to Planning), and 21st Century Innovation Infrastructure (Successor to Public Works) grants have cultivated regional development by strategically supporting projects that leverage the unique assets and industry clusters, and that help diversify a region's economic base and support economic resiliency.

Alignment with Department of Commerce Goals

Based on the *Jobs and Innovation Partnerships* framework, EDA has aligned its FY 2013 budget proposal to support the Department's goal of promoting economic growth by fostering innovation and entrepreneurship, and market development and commercialization.

EDA's programs are designed to provide a full range of tools and resources that can help communities capitalize on their full economic potential - whether by addressing an immediate critical infrastructure need, assisting with the development of a regional strategic plan, or helping a community connect existing resources to more effectively connect to the world-wide marketplace to foster job and business creation. In short, **EDA's programs offer**



The aquaculture business incubator at the Mote Marine Aquaculture Park in Sarasota, managed by the University of South Florida, targets firms and technologies that specialize in fresh water recycling and reuse. The incubator diversifies the local economy and helps stimulate a new cluster of marine technology companies in the region.

complementary tools that are designed to help rural and urban communities evolve through the economic development process to become robust regional engines for business creation and job growth.

Recognizing the importance that a balanced and diversified portfolio has in enabling the Bureau to adeptly respond to immediate and long-term investment opportunities, EDA's FY 2013 Congressional Budget Request aims to align funding levels to support its strategic overall portfolio. In this request, EDA recognizes the important role that both hard and soft innovation infrastructure investments play in stimulating immediate

and long-term economic growth in communities across the country. In this regard, EDA requests less funding in the Partnership Planning Program (Successor to Planning), and the 21st Century Innovation Infrastructure Program (successor to Public Works). The 21st Century Innovation Infrastructure Program provides strategic investments designed to help communities revitalize, expand, and upgrade their physical infrastructure. The FY 2013 Congressional Budget request also includes an increase in funding for the Economic Adjustment Assistance Program as it provides the bureau a flexible array of investment options to encourage regional growth, including strategic investments to encourage regional innovation clusters, business development and expansion, access to capital, feasibility studies, technical assistance, and the construction or upgrading of public infrastructure. Additionally, through the Economic Adjustment Assistance Program, EDA is supporting strategic investments, such as the development and implementation of regional business plans that will help communities identify and leverage their regional assets more effectively to spur job creation and foster business expansion. EDA's FY 2013 Congressional Budget request for the Trade Adjustment Assistance for Firms, Research and Evaluation, and Technical Assistance Programs are consistent with that of the FY 2012 enacted funding levels. Investments made through these programs help build the community capacity necessary to achieve and sustain economic growth.

The passage of the America COMPETES Reauthorization Act of 2010 expands EDA's ability to foster competitiveness in America's regions through the creation of the Regional Innovation Strategies Program. EDA requests funding for this program in FY 2013 to foster competitive investments designed to spur cluster development and expansion.

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

- **Cultivate innovation and entrepreneurship** through strategic investments and partnerships that create the economic development ecosystem required for globally competitive regions. These investments include proof of concept centers, science and research parks, regional innovation accelerator networks, capitalization of revolving loan funds, and science and research centers.
- **Support access to the 21st Century Innovation Infrastructure** needed to cultivate innovation and regional competitiveness. Examples of such investments include: science and research parks, broadband, smart grid technology, business incubators and accelerators, high-tech shipping and logistics facilities, workforce training facilities, as well as investments that support value-added innovations in a range of industries, from agriculture to bio-tech to advanced manufacturing.
- **Promote strategies to mitigate natural disasters and other major events through resiliency planning and strategic investments**, in order to help communities better prepare for possible disasters, and more effectively respond in the event of a disaster or other major event causing sudden economic dislocation. EDA plays a critical role in responding to the sudden and severe impacts to a region, as evident through the Bureau's involvement in supporting communities severely impacted by automotive industry restructuring, National Aeronautic and Space Administration closures, Base Realignment and Closure (BRAC) events, and various natural disasters.
- **Encourage investments which support the President's objective of increasing the export potential of US firms** by providing strategic investments in 21st Century Innovation Infrastructure, technical assistance and joint initiatives with the International Trade Administration and the Small Business Administration.
- **Establish EDA as a center of world class thought leadership on economic development** in order to help the Bureau more effectively define and lead the Federal economic development agenda.

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

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. The Department's total savings target for FY 2013 is \$176 million, which includes \$142.8 million in savings initiated in FY 2012 and an additional \$33.2 million planned for FY 2013. Building on EDA's administrative savings planned for FY 2012 (\$0.36 million), an additional \$0.08 million in savings is targeted for FY 2013 for a cumulative two-year savings of \$0.44 million.

**SUMMARY OF PERFORMANCE GOALS
AND MEASURES/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 (the Department) 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. EDA’s strategic priorities support a new framework for sustainable job growth and globally competitive regions throughout the United States. This new framework builds upon two key economic drivers: *innovation and regional collaboration*.

This framework reflects a comprehensive approach that recognizes that innovation-driven businesses with high growth potential represent the key to long term job creation. EDA will continue to support investments that strengthen the health of innovation ecosystems across the country, that stimulate and support basic and applied research and development, technology commercialization, and entrepreneurship. EDA’s new framework reflects the reality that American communities and businesses must embrace the global economy and re-tool to develop the 21st century infrastructure, technology, exportable products and services, and international markets needed to compete.

Section 2. Corresponding DOC Strategic Goal and EDA Objectives / Outcomes

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

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

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

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

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

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



Rationale for Performance Outcome 1

A portion of EDA's 21st Century Innovation Infrastructure (Successor to Public Works), Economic Adjustment Assistance Programs, and Regional Innovation Strategies Programs support the Department's goal of spurring innovation and entrepreneurship.

EDA investments support long-term collaborative regional economic development approaches, enhance innovation and competitiveness, encourage entrepreneurship, and connect regional economies with the worldwide marketplace. EDA's investment guidelines set standards to achieve its performance goals of promoting private investment and job creation in distressed communities and regions. Potential investments must build on a region's existing assets, support sustainable economic growth, offer a positive return on the taxpayer's investment, and mitigate the area's distress.

The 21st Century Innovation Infrastructure Program provides the critical 21st century innovation infrastructure necessary to ensure that regions can successfully compete in a global, knowledge-driven economy.

The Economic Adjustment Assistance Program provides regions with resources to plan and implement projects that increase the innovation potential of their locale.

The Regional Innovation Strategies Program provides resources to help regions leverage a broad array of Federal resources to cultivate their unique regional assets and clusters to fully maximize their economic potential.

Rationale for Performance Outcome 2

EDA's Partnership Planning (Successor to Planning), Technical Assistance, and Research and Evaluation Programs support the Department's goal of spurring innovation and entrepreneurship.

EDA's Partnership Planning Program provides resources to enable communities to conduct planning investments that encourage and support professional planning critical for the subsequent development of 21st century innovation infrastructure.

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

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

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



Rationale for Performance Outcome 1

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



EDA's 21st Century Innovation Infrastructure (successor to Public Works), Economic Adjustment Assistance, Trade Adjustment Assistance, and Regional Innovation Strategies Programs support the Department's goal of creating globally competitive regions by fostering market development and commercialization.

EDA investments support long-term collaborative regional economic development approaches, enhance innovation and competitiveness, encourage entrepreneurship, and connect regional economies with the worldwide marketplace. EDA's investment guidelines set standards to achieve its performance goals of promoting private investment and job creation in distressed communities and regions. Potential investments must build on a region's existing assets, support sustainable economic growth, offer a positive return on the taxpayer's investment, and mitigate the area's distress.

The 21st Century Innovation Infrastructure Program provides the critical 21st century innovation infrastructure necessary to ensure that regions can successfully compete in a global, knowledge-driven economy.

The Economic Adjustment Assistance Program provides regions with resources to plan and implement projects that increase the innovation potential of their locale.

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

The Regional Innovation Strategies Program provides resources to help regions leverage a broad array of Federal resources to cultivate their unique regional assets and clusters to fully maximize their economic potential.

Rationale for Performance Outcome 2

EDA's Partnership Planning (successor to Planning), Technical Assistance, and Research and Evaluation Programs support the Department's goal of creating globally competitive regions by fostering market development and commercialization.

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Section 3: Impact of American Recovery and Reinvestment Act of 2009 (ARRA)

In FY 2009 EDA received \$150 million in ARRA funds for the Economic Adjustment Assistance Program. From this amount, \$3 million was transferred to Salaries and Expenses to administer and oversee these funds. Funds awarded under ARRA support 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 FY 2013, EDA will continue to monitor grants made under ARRA.

Section 4: Priorities/Management Challenges

EDA continues to pursue and implement management improvements and initiatives that make good business sense and improve EDA's processes. Within the parameters of a competitive grant process, all projects are evaluated to determine if they advance global competitiveness, create jobs, leverage public and private resources, can demonstrate readiness and ability to use funds quickly and effectively and link to specific and measureable outcomes. To facilitate evaluation EDA has established the following investment priorities:

Collaborative Regional Innovation

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

Public/Private Partnerships

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

National Strategic Priorities

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

Global Competitiveness

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

Environmentally-Sustainable Development

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

Economically Distressed and Underserved Communities

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

Additionally, in FY 2013 EDA will continue to focus on core operational areas to improve the efficiency of bureau activities, including:

Strategic Human Capital

EDA is identifying skill gaps in mission-critical occupations and implementing training programs. EDA offers training in grants management, single audits, revolving loans, and other relevant skills depending on the position’s needs. EDA is also implementing succession planning strategies to ensure it has a knowledgeable and skilled leadership cadre.

Improved Communications

EDA is leveraging new and innovative tactics to communicate with its various stakeholders, such as local government and non-profit partners, Members of Congress and their staff, and third-party thought-leaders. By implementing a comprehensive strategic communications plan, EDA will more effectively ensure consistency in both our internal and external messaging. And, by reaching out to our partners through our improved monthly newsletter; our updated, more accessible Web site; open government initiatives; or various other new media strategies, EDA can engage our stakeholders in a more pro-active and transparent way. This aggressive outreach strategy helps EDA meet its mission of leading the federal economic development agenda by promoting competitiveness and preparing American regions for growth and success in the worldwide economy, and the heightened transparency will ensure that stakeholders can hold the bureau accountable for the services it provides. By promoting best practices in economic development from around the country, highlighting the strengths and successes of

collaborative regional innovation strategies, and educating our stakeholders on funding opportunities priorities, EDA can help its local partners in distressed communities as they work to foster job creation; enhance collaboration within their region; and through innovation, build stronger, more sustainable communities.

E-Government

EDA is an active participant in all Department grants management groups, and collaborates with the other Department operating units to carry out Departmental and government-wide requirements such as those pertaining to Federal Funding Accountability and Transparency Act (FFATA) reporting. EDA will collaborate with the Grants Council agencies to pursue the feasibility of grants management consolidation. EDA also continues to place high emphasis on improving its certification and accreditation (C&A) process by instituting policies and tools that monitor and mitigate vulnerabilities in a timely matter and continuously monitor controls. C&A packages must be renewed every three years or when major changes occur. New functionality has been added to the web-based Revolving Loan Fund Management System to enhance reporting, and EDA continues efforts to improve the functionality of this system.

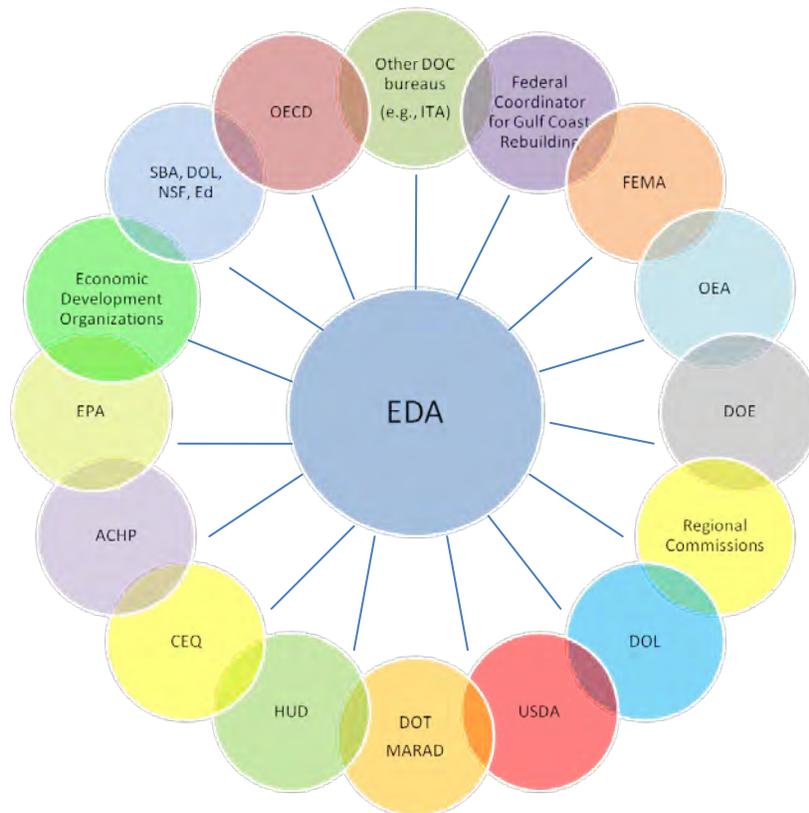
Collaboration with Other Organizations

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

EDA is uniquely positioned to build on the strengths of its programs because of its direct relationship with the investment recipient, which is founded upon a solid core of field-based and regional office economic development specialists, who enhance customer service and improve delivery of technical assistance to potential applicants. This relationship allows EDA to maintain a current knowledge of marketplace trends and support the best investments for fostering job creation and private investment in each particular community. This knowledge is reinforced at both the local and regional levels by EDA's Comprehensive Economic Development Strategy (CEDS) process, which places an emphasis on engaging both the public and private spheres to identify and develop the unique regional assets necessary for robust economic development. Together, these fundamental components of EDA's program delivery structure allows for a more efficient and effective utilization of limited federal and state funds.

The Administration has articulated a wide array of national strategic priorities to promote the competitiveness and prosperity of the U.S. Achieving these priorities necessitates that Federal Agencies replace their traditional soloed frameworks with collaborative efforts that leverage complementary initiatives and enhance the Federal response. EDA is engaged in numerous

collaborations with a wide array of Federal, state, and local entities to accomplish its mission. Some of the most common partners include:



- The White House Taskforce for the Advancement of Regional Innovation Clusters (TARIC) – EDA works with the Small Business Administration (SBA), Department of Labor (DOL), National Science Foundation (NSF), and Department of Education (Ed) on the RIC Working Group. The Working Group helps spur the growth of quality, innovative jobs in key industry clusters in the regions. It does this by building on the strongest industries, skills, and assets of a particular region. EDA is participating in this multi-year Federal work group, which is designed to take a more intentional and targeted approach to helping the most economic distressed communities transition to a more promising economic future. This is a joint effort between the U.S. Department of Commerce (DOC), U.S. Department of Housing and Urban Development (HUD), U.S. Department of Transportation (DOT), Environmental Protection Agency (EPA), and U.S. Department of Labor (DOL).
- White House Inter-Agency Innovation and Entrepreneurship Working Group – EDA helps to lead this inter-agency group which focuses on innovation and entrepreneurship issues. This working group has created four subgroups working in the following areas: commercialization of research in universities, commercialization of research in federal labs, access to capital, and the Small Business Innovation Research program.

- White House Urban Policy Working Group – EDA participates in this inter-agency working group which focuses on urban policy issues, including regional innovation clusters, sustainable communities, and resiliency.
- Department of Energy (DOE) – EDA is working with DOE on accelerating commercialization of research in DOE labs and supporting clean tech entrepreneurship.
- 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 (DOD) Office of Economic Adjustment (OEA) – Economic adjustment strategies and investments for base reuse in communities affected by Base Realignment and Closure Commission (BRAC) decisions.
- Regional Commissions - Appalachian Regional Commission (ARC), the Denali Commission, the Delta Regional Authority (DRA), the Northern Great Plains Regional Authority, the Southeast Crescent Regional Commission, the Southwest Border Regional Commission, and the Northern Border Regional Commission – These Commissions all foster community and economic development assistance for economically distressed areas.
- Department of Labor (DOL) –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 funds for economic development at the state and local levels; support for Empowerment Zones and Renewal Communities.
- Council on Environmental Quality (CEQ) – American Heritage Rivers.
- Advisory Council on Historic Preservation (ACHP) – Preserve America Initiative.
- Environmental Protection Agency (EPA), 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
- Non-profits and economic development organizations (e.g., National Association of Development Organizations, International Economic Development Council, National Association of Regional Councils, etc.).

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

economically-developed countries, as well as metrics to assess the success of initiatives centered on regional development and innovation.

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

External Factors and Mitigation Strategies

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

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

Mitigation Strategies include:

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

Section 5: Target and Performance Summary / FY 2013 Target Description / Measure Descriptions/ Validation and Verification

Outcome 1 - Promote private enterprise and job creation in economically distressed communities							
Measure 1A: Private sector dollars invested in distressed communities	Investment Year Target (dollars in millions)	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Target	FY 2013 Target
Private investment reported from grants awarded 3 years from FY	2005 (\$270) 2006 (\$265) 2007 (\$259) 2008 (\$245)	\$1,013	\$484	\$1,544	\$1,475		
Private investment reported from grants awarded 6 years from FY	2002 (\$970) 2003 (\$810) 2004 (\$824) 2005 (\$674)	\$1,393	\$855	\$2,281	\$1,617		
Private investment reported from grants awarded 9 years from FY	1999 (\$2,080) 2000 (\$2,040) 2001 (\$2,410) 2002 (\$1,940)	\$4,173	\$2,210	\$2,758	\$3,960		
Private investment target 3 years from FY						\$206	\$115
Private investment target 6 years from FY						\$515	\$288
Private investment target 9 years from FY						\$1,029	\$576
<p>Description: The formula driven calculation projects investment data at 3, 6, and 9 year intervals from the investment award. The formula is based on a study done by Rutgers University, which compiled and analyzed the performance of EDA Public Works projects after nine years. Based on this formula, EDA estimates that 20% of the 9 year projection would be realized after 3 years, 50% after 6 years, and 100% after 9 years.</p>							
<p>Comments on Changes to Targets: EDA re-calculates outcome forecasts throughout the budget cycle as input values change, hence the forecast herein differs from prior iterations. GPRA targets are outcome forecasts based on the final appropriation. The FY 2012 and FY 2013 figures represent a forecast. Actual targets are established once EDA receives final Congressional Appropriation and final Spend Plan is approved.</p>							
Relevant Program Changes:	\$61.0 M Decrease	Title: 21st Century Innovation Infrastructure and Economic Adjustment Assistance Programs					
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 3-year intervals (typically 3, 6, and 9 years after investment award)	EDA Management Information System	To validate data, EDA regions contacted recipients, or confirmed with engineers or project officers who had been on site. EDA will perform regional validation on-site visits with some recipients.	Universe - Regular Appropriation for 21st Century and EAA 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 1 - Promote private enterprise and job creation in economically distressed communities

Measure 1B: Jobs created or retained in distressed communities	Investment Year Target (dollars in millions)	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Target	FY 2013 Target
Jobs created or retained from grants awarded 3 years from FY	2005 7,227	14,819	9,137	9,159	14,842		
	2006 7,019						
	2007 6,628						
	2008 6,256						
Jobs created or retained from grants awarded 6 years from FY	2002 28,900	30,719	24,533	26,695	26,416		
	2003 22,900						
	2004 22,497						
	2005 18,193						
Jobs created or retained from grants awarded 9 years from FY	1999 56,900	57,701	45,866	66,527	56,058		
	2000 56,500						
	2001 72,000						
	2002 57,800						
Jobs created or retained target 3 years from FY						4,847	2,710
Jobs created or retained target 6 years from FY						12,118	6,775
Jobs created or retained target 9 years from FY						24,236	13,550

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 estimates that 20% of the 9 year projection would be realized after 3 years, 50% after 6 years, and 100% after 9 years.

Comments on Changes to Targets: EDA re-calculates outcome forecasts throughout the budget cycle as input values change, hence the forecast herein differs from prior iterations. GPRA targets are outcome forecasts based on the final appropriation. The FY 2012 and FY 2013 figures represent a forecast. Actual targets are established once EDA receives final Congressional Appropriation and final Spend Plan is approved.

Relevant Program Changes:	\$61.0 M Decrease	Title: 21st Century Innovation Infrastructure and Economic Adjustment Assistance Programs
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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 1a: Private Sector Dollars Invested in Distressed Communities as a result of EDA Investments	Investment Recipient Performance Reports	At 3-year intervals (typically 3, 6, and 9 years after investment award)	EDA Management Information System	To validate data, EDA regions contacted recipients, or confirmed with engineers or project officers who had been on site. EDA will perform regional validation on-site visits with some recipients.	Universe - Regular Appropriation for 21st Century and EAA 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 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Target	FY 2013 Target
	92.1%	92.9%	89.1%	86.0%	95.0%	95.0%

Description: This measure provides an indication of whether the CEDS process is market based and whether EDA is helping to create an environment conducive to the creation and retention of higher skill, higher wage jobs.

Note: Due to reporting schedules, certain quarters may have a low number of reporting Tribes and EDDs. As such, the overall percentage may easily be impacted by those that do not meet their goals. In FY 2008, FY 2010, and FY 2011 this target was impacted by unusually high numbers of non-reporting Tribes and EDDs.

Relevant Program Changes:	\$2.0M Decrease	Title: Partnership Planning Program
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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 EDDs and 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 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Target	FY 2013 Target
	89.5%	92.2%	87.1%	85.0%	89.0%	89.0%

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.

Note: Due to reporting schedules, certain quarters may have a low number of reporting Tribes and EDDs. As such, the overall percentage may easily be impacted by those that do not meet their goals. In FY 2008, FY 2010, and FY 2011 this target was impacted by unusually high numbers of non-reporting Tribes and EDDs.

Relevant Program Changes:	\$2.0M Decrease	Title: Partnership Planning Program
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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 (EDD) program.	Investment Recipient Performance Reports	Annually	EDA Management Information System	EDA conducts performance reviews and site visits on approximately one-third of the EDDs and Indian Tribe investments per year.	Universe - EDA Partnership Planning investments only. This measure shows the value-add of the EDD in which EDA invests. While an EDD may be effective, members still may not participate for other reasons.	EDA will continue to monitor compliance with the new definition of sub-state member jurisdictions.

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 (UC).	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Target	FY 2013 Target
	80.2%	69.7%	75.9%	68.0%	75.0%	75.0%
<p>Description: This measure determines the perceived value added by the UCs to their clients. EDA funds UCs to provide technical assistance and specialized services (for example, feasibility studies, marketing research, economic analysis, environmental services, and technology transfer) to local officials and communities. This assistance improves the community's capacity to plan and manage successful development projects. UCs develop client profiles and report findings to EDA, which evaluates the performance of each center once every 3 years and verifies the data. "Taking action as a result of the assistance facilitated" means to implement an aspect of the technical assistance provided by the UC in one 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 development; and other services.</p>						
<p>Note: Due to reporting schedules, certain quarters may have a low number of reporting UCs. As such, the overall percentage may easily be impacted by those that do not meet their goals, as was the case in FY 2009 and FY 2011.</p>						
Relevant Program Changes:	N/A	Title: Technical Assistance Program				
Data Validation and Verification Chart						
Performance Measure	Data Source	Frequency	Data Storage	Verification	Data Limitations	Actions to be Taken
Measure 2c: Percentage of UC clients taking action as a result of the assistance facilitated by the UC.	UC client profiles	Annually	EDA Management Information System	Performance data will be verified by the UCs. EDA headquarters will review profile data on an annual basis.	Universe - EDA local technical assistance investments. This measures the value of the UCs; however, while the assistance may be valued, clients may choose not to act for other reasons.	Baseline established from FY 2002 data. EDA will continue to monitor and develop trend data.

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

Measure 2D: Percentage of those actions taken by University Center (UC) clients that achieved the expected results.	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Target	FY 2013 Target
	83.7%	92.2%	89.8%	83.0%	80.0%	80.0%

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 UC. This measure determines if the assistance provided by the UC is market based and results in desired outcomes. UCs develop client profiles and report to EDA, which will evaluate and verify the performance of each UC once every three years.

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

Relevant Program Changes:	N/A	Title: Technical Assistance Program
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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 UC clients that achieved the expected results.	UC client profiles	Annually	EDA Management Information System	Performance data will be verified by the UCs. EDA headquarters will review data on an annual basis.	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 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Target	FY 2013 Target
	91.9%	87.6%	82.2%	73.0%	90.0%	90.0%

Description: This measure determines the value of assistance provided by the 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.

Note:

Relevant Program Changes:	N/A	Title: Trade Adjustment Assistance
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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 TAAC clients taking action as a result of the assistance facilitated by the TAAC.	TAAC client profile	Annually	EDA Management Information System	Performance data will be verified by the TAAC. EDA headquarters will review data annually.	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 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Target	FY 2013 Target
	95.2%	93.4%	100.0%	100.0%	95.0%	95.0%

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

Note:

Relevant Program Changes:	N/A	Title: Trade Adjustment Assistance
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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 TAAC clients that achieved the expected results.	TAAC client profile	Annually	EDA Management Information System	Performance data will be verified by the TAAC. EDA headquarters will review data annually.	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 2013 Program Changes

FY 2013 PROGRAM CHANGES

(Dollar amounts in thousands)

Program Change:	Accompanying GPRA		Base		Increase / Decrease	
	APP Page #	Performance Measure #	FTE	Amount	FTE	Amount
21st Century Innovation Infrastructure Program (Successor to Public Works)	21, 22	1A, 1B		\$111,640		(\$71,140)
Partnership Planning (Successor to Planning)	23, 24	2A, 2B		\$29,000		(\$2,000)
Technical Assistance	25, 26	2C, 2D		\$12,000		\$0
Research and Evaluation		TBD		\$1,500		\$0
Trade Adjustment Assistance	27, 28	2E, 2F		\$15,800		\$0
Economic Adjustment Assistance	21, 22	1A, 1B		\$50,060		\$10,140
Regional Innovation Strategies	21, 22	1A, 1B		\$0		\$25,000

Section 7. Resource Requirements Summary

(Dollar amounts in millions)	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Enacted	FY 2013 Base	Increase/ Decrease	FY 2013 Request
DOC Objective 3: Stimulate high growth business formation and entrepreneurship through investments in high-risk, high-reward technologies and removing impediments to accelerate technology commercialization.								
Salaries and Expenses (S&E)	\$14.8	\$16.2	\$18.0	\$17.7	\$5.1	\$5.1	\$13.3	\$18.4
Economic Development Assistance Programs (EDAP)								
Partnership Planning (Successor to Planning)	14.0	15.5	15.5	15.5	14.5	14.5	(1.0)	13.5
Technical Assistance	5.4	4.9	4.9	6.7	7.4	7.4	0.0	7.4
Research and Evaluation	0.4	0.0	0.8	0.7	0.8	0.8	0.0	0.8
21st Century Innovation Infrastructure Program (Successor to Public Works)	85.0	69.0	66.7	44.4	0.0	0.0	0.0	0.0
Economic Adjustment Assistance	24.1	93.0	19.4	39.4	35.0	35.0	7.1	42.1
Regional Innovation Strategies Program					0.0	0.0	25.0	25.0
EDAP Objective 3	128.9	182.3	107.2	106.6	57.7	57.7	31.1	88.8
Total EDA Objective 3	143.7	198.4	125.2	124.3	62.8	62.8	44.4	107.2
IT Funding	0.6	1.3	1.0	1.1	0.4	0.4	1.0	1.4
FTE	80.0	79.5	92.5	95.5	28.1	28.1	71.9	100.0
DOC Objective 6: Promote the advancement of sustainable technologies, industries, and infrastructure.								
Salaries and Expenses (S&E)	\$1.0	\$1.3	\$3.9	\$2.5	\$2.4	\$2.4	\$1.2	\$3.6
Economic Development Assistance Programs (EDAP)								
Global Climate Change Mitigation Incentive Fund	9.4	14.7	25.0	16.5	0.0	0.0	0.0	0.0
Technical Assistance	0.0	0.0	0.0	0.0	2.3	2.3	0.0	2.3
21st Century Innovation Infrastructure Program (Successor to Public Works)	0.0	0.0	0.0	0.0	16.7	16.7	(10.6)	6.1
Economic Adjustment Assistance	0.0	0.0	0.0	0.0	7.5	7.5	1.5	9.0
EDAP Objective 6	9.4	14.7	25.0	16.5	26.5	26.5	(9.1)	17.4
Total EDA Objective 6	10.4	16.0	28.9	19.0	28.9	28.9	(7.9)	21.0
IT Funding	0.0	0.1	0.2	0.2	0.2	0.2	0.1	0.3
FTE	6.0	6.0	15.0	14.0	13.0	13.0	6.6	19.6

(Dollar amounts in millions)	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Enacted	FY 2013 Base	Increase/ Decrease	FY 2013 Request
DOC Objective 7: Promote the vitality and competitiveness of our communities and businesses, particularly those that are disadvantaged or in distressed areas.								
Salaries and Expenses (S&E)	\$14.9	\$16.2	\$18.0	\$17.7	\$30.0	\$30.0	(\$14.3)	\$15.7
Economic Development Assistance Programs (EDAP)								
Partnership Planning (Successor to Planning)	14.0	15.5	15.5	15.5	14.5	14.5	(1.0)	13.5
Technical Assistance	5.4	4.9	4.9	6.7	2.3	2.3	0.0	2.3
Research and Evaluation	0.4	0.0	0.8	0.7	0.8	0.8	0.0	0.8
21st Century Innovation Infrastructure Program (Successor to Public Works)	85.0	69.0	66.6	44.4	94.9	94.9	(60.5)	34.4
Economic Adjustment Assistance	24.1	93.0	19.3	39.4	7.5	7.5	1.5	9.0
Trade Adjustment Assistance	14.2	13.9	15.8	15.8	15.8	15.8	0.0	15.8
Disaster Relief Assistance (Category B - New)					200.0	200.0	(200.0)	0.0
EDAP Objective 7	143.1	196.3	122.8	122.4	335.8	335.8	(260.0)	75.8
Total EDA Objective 7	158.0	212.5	140.8	140.1	365.8	365.8	(274.3)	91.5
IT Funding	0.7	1.4	1.1	1.2	2.3	2.3	(1.1)	1.2
FTE	79.0	78.5	92.5	95.5	163.9	163.9	(78.5)	85.4
Total EDAP	\$281.4	\$393.3	\$255.0	\$245.5	\$420.0	\$420.0	(\$238.0)	\$182.0
Total S&E	30.7	33.7	39.9	37.9	37.5	37.5	0.2	37.7
Total, EDA	312.1	426.9	294.9	283.4	457.5	457.5	(237.8)	219.7

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

	FTE	BUDGET AUTHORITY	DIRECT OBLIGATION
FY 2012 Appropriation	0	420,000	480,602
<i>Less: Unobligated balance, start of year (direct)</i>	0	0	(30,602)
<i>Less: Estimated Recoveries</i>	0	0	(30,000)
<i>Less: One-time funding (Category B - Appropriation)</i>	0	<u>(200,000)</u>	<u>(200,000)</u>
FY 2013 Base Request	0	220,000	220,000
<i>Less: Program Change</i>	0	<u>(38,000)</u>	<u>(38,000)</u>
FY 2013 Estimate	0	182,000	182,000

COMPARISON BY ACTIVITY		2011 Actual	2012 Enacted	2013 Base	2013 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
EDA-36	Global Climate Change Mitigation Incentive Fund	16,467	0	0	0	0
	BA					
	Obl	17,466	0	0	0	0
EDA-38	21st Century Innovation Infrastructure (Successor to Public Works)	88,722	111,640	111,640	40,500	(71,140)
	BA					
	Obl	114,529	138,528	136,640	65,500	(71,140)
EDA-44	Partnership Planning (Successor to Planning)	30,938	29,000	29,000	27,000	(2,000)
	BA					
	Obl	31,352	29,000	29,000	27,000	(2,000)
EDA-49	Technical Assistance	13,373	12,000	12,000	12,000	0
	BA					
	Obl	13,373	12,481	12,000	12,000	0
EDA-52	Research & Evaluation	1,497	1,500	1,500	1,500	0
	BA					
	Obl	1,486	1,537	1,500	1,500	0
EDA-55	Trade Adjustment Assistance	15,768	15,800	15,800	15,800	0
	BA					
	Obl	15,418	15,841	15,800	15,800	0
EDA-57	Economic Adjustment Assistance	78,743	50,060	50,060	60,200	10,140
	BA					
	Obl	78,720	55,718	55,060	65,200	10,140
EDA-67	Regional Innovation Strategies	0	0	0	25,000	25,000
	BA					
	Obl	0	0	0	25,000	25,000

COMPARISON BY ACTIVITY		2011 Actual	2012 Enacted	2013 Base	2013 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Disaster Recovery Assistance (Category B - New; as provided in P.L. 112-55)	BA	0	200,000	0	0	0
	Obl	0	200,000	0	0	0
Supplemental Appropriations Act, 2010	BA	0	0	0	0	0
	Obl	28,436	25,564	0	0	0
Supplemental Appropriations Act, 2009	BA	0	0	0	0	0
	Obl	0	0	0	0	0
Supplemental Appropriations Act, 2008	BA	0	0	0	0	0
	Obl	0	259	0	0	0
Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2008	BA	0	0	0	0	0
	Obl	5,446	0	0	0	0
Other Prior Year Category B Disaster Supplementals	BA	0	0	0	0	0
	Obl	0	1,674	0	0	0
Total Budget Authority	BA	245,508	420,000	220,000	182,000	(38,000)
	Obl	306,226	480,602	250,000	212,000	(38,000)
Adjustments to Obligations:						
Recoveries		(31,336)	(30,000)	(30,000)	(30,000)	0
Unobligated balance, start of year		(61,515)	(30,602)	0	0	0
Unobligated balance, transferred		0		0	0	0
Unobligated balance, end of year		30,602	0	0	0	0
Transfer to other accounts (+)		1,531		0	0	0
Unobligated Balance Rescission		0	0	0	0	0
Appropriations		245,508	420,000	220,000	182,000	(38,000)

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

	2011 Actual	2012 Enacted	2013 Base	2013 Estimate	Increase/ (Decrease)
	Amount	Amount	Amount	Amount	Amount
Total Obligations	307,442	510,602	280,000	242,000	(38,000)
Financing	0	0	0	0	0
Offsetting collections from					
Federal funds	(1,216)	(30,000)	(30,000)	(30,000)	0
Trust funds	0	0	0	0	0
Non-Federal sources	0	0	0	0	0
Recoveries	(31,336)	(30,000)	(30,000)	(30,000)	0
Unobligated balance, start-of-year	(61,515)	(30,602)	0	0	0
Unobligated balance rescission	0	0	0	0	0
Unobligated balance, end-of-year	30,602	0	0	0	0
Budget Authority	243,977	420,000	220,000	182,000	(38,000)
Transferred to/from other accounts	1,531	0	0	0	0
Rescission	0	0	0	0	0
Appropriation	245,508	420,000	220,000	182,000	(38,000)

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

ACTIVITY: Global Climate Change Mitigation Incentive Fund		2011 Actual	2012 Enacted	2013 Base	2013 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Global Climate Change Mitigation Incentive Fund	BA	\$16,467	\$0	\$0	\$0	\$0
	Obl.	\$17,466	\$0	\$0	\$0	\$0

APPROPRIATION ACCOUNT: Economic Development Assistance Programs

BUDGET ACTIVITY: GLOBAL CLIMATE CHANGE MITIGATION INCENTIVE FUND

Dedicated funding for the Global Climate Change Mitigation Incentive Fund was discontinued in the Consolidated and Further Continuing Appropriations Act, 2012 (P.L. 112-55). EDA is not requesting funds in FY 2013 to re-enact this program.

BASE JUSTIFICATION FOR FY 2013:

As the concept of sustainability has become more common in building practices through efforts like the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) certification standards, there is less need for EDA to provide funds to incentivize "green" building practices. Additionally, since EDA has implemented funding priorities that emphasize sustainability as one of the selection factors for investments through all EDA programs, the need for a dedicated program that focuses on green investments has become increasingly unnecessary.

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

ACTIVITY: 21st Century Innovation Infrastructure Program (Successor to Public Works)		2011 Actual	2012 Enacted	2013 Base	2013 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
21st Century Innovation Infrastructure Program	BA	\$88,722	\$111,640	\$111,640	\$40,500	(\$71,140)
	Obl.	\$114,529	\$138,528	\$136,640	\$65,500	(\$71,140)

APPROPRIATION ACCOUNT: Economic Development Assistance Programs

**BUDGET ACTIVITY: 21ST CENTURY INNOVATION INFRASTRUCTURE PROGRAM
(SUCCESSOR TO PUBLIC WORKS)**

For FY 2013, EDA requests a decrease of \$71.1 million below the FY 2012 enacted level for a total of \$40.5 million for the **21st Century Innovation Infrastructure Program (Successor to Public Works)**.

BASE JUSTIFICATION FOR FY 2013:

EDA's 21st Century Innovation Infrastructure Program continues to invest in traditional infrastructure through this program including water and sewer system improvements, industrial parks, business incubator facilities, expansion of port and harbor facilities, skill-training facilities, and the redevelopment of brownfields. In addition, EDA provides investments that help to facilitate the transition of distressed communities to become competitive in the worldwide economy through the development of key public infrastructure such as technology-based facilities; research and development commercialization centers; facilities for workforce development; wet labs; multi-tenant manufacturing facilities; research, business and science parks with fiber optic cable; and telecommunications infrastructure and development facilities.

The 21st Century Innovation Infrastructure 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. EDA's investment priorities reward applicants that seek such infrastructure tied to a clear sustainable regional economic strategy, thus accelerating the positive impacts of EDA's investments. Key priorities include:

- **Promoting National Strategic Priorities:** EDA has had tremendous success in establishing vital links between distressed communities and high-tech communities by funding telecommunications infrastructure as a fundamental component to bridging the technology gap. Targeting "last mile" solutions that build upon the Administration's Broadband Technology Opportunities Program can be particularly impactful. Possible technological infrastructure investments may include, among other things, broadband deployment, infrastructure for distance learning networks, smart-rooms, technologically advanced research and manufacturing facilities, and business and industrial parks pre-wired with fiber optic cable, as well as other types of telecommunications infrastructure and development facilities needed to create economic opportunity. Studies have found that the absence of Internet accessibility is a significant impediment to the development of distressed rural communities, and a major obstacle to participation in the global market. EDA funding supports high-technology investment opportunities that link innovation with commercialization and export opportunities. 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.

- **Fostering Global Competition:** The Administration has established a goal of doubling U.S. exports over the next five years. EDA's 21st Century Innovation Infrastructure Program supports this goal by providing the critical resources many regions need to expand the export potential of their area businesses. Through strategic investments in high-tech shipping and logistics facilities, workforce training facilities, business incubators and accelerators, science and research parks, and smart-grid investments, EDA can help to facilitate the expansion of U.S. exports thereby helping to revive the fortunes of U.S. companies, spur future economic growth and support jobs here at home. For example, in June of 2010, EDA made a \$2 million public works investment in the City of The Dalles and the Port of The Dalles, Oregon, to improve the area's historic marine terminal. The improved facility will support increased regional and global trade by providing a cost-effective intermodal transportation alternative to allow the region's businesses to ship goods trans-globally via the Port of Portland.

- **Encouraging Sustainable Economic Development:** Many communities continue to face the erosion of natural resources, threatening its economic base. Even in areas where coal mining, wood harvesting, fishing, and agricultural business have remained relatively strong, mechanization and automation are necessary to reduce costs, gain efficiency, and increase profit margins. Unfortunately, these actions result in significant job losses and create long-term high unemployment. Through the 21st Century Innovation Infrastructure Program, EDA provides assistance in the form of infrastructure improvements made to provide improved rail access and off-loading facilities, workforce retraining, upgrading industrial infrastructure, long-term economic analysis, and attracting new private capital. EDA has been a longtime supporter of the Environmental Protection Agency's (EPA) Brownfield Initiative. The redevelopment of brownfields revitalizes old industrial sites and older commercial regions of distressed communities rather than consuming new "greenfield" sites. EPA and EDA work together to enhance coordination with prospective applicant beneficiaries. This level of cooperation between two Federal agencies, with markedly different missions, has established a model for intergovernmental collaboration and effective delivery of assistance to local communities.

- **Assisting Economically Distressed and Underserved Communities:** The U.S.-Mexico Border, Mississippi Delta, and Appalachian regions continue to experience high distress and economic decline, and face barriers to economic diversification. In the Border Regions, increased truck, barge, and rail traffic threaten the adequacy of transportation infrastructure. The majority of the Delta Region remains rural and agricultural. Transportation and logistics generated by shipping commodities out of the region challenge the existing transportation infrastructure. Forty-two percent of the Appalachian population is rural, compared with twenty percent of the national population. EDA has partnered with the Delta Regional Authority, the Appalachian Regional Commission, and other regionally-focused entities to spur economic development in these regions.

EDA's 21st Century Innovation Infrastructure Program supports the Department's goal of promoting economic growth by fostering market development and commercialization. Specifically, this program helps the Department achieve its objective of promoting the competitiveness of disadvantaged and distressed communities and businesses.

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

PROGRAM CHANGE FOR FY 2013:

21st Century Innovation Infrastructure Program (Successor to Public Works). Base Funding: \$111.6 million; Program Change: - \$71.1 million.

EDA requests a decrease of \$71.1 million for a total of \$40.5 million for the 21st Century Innovation Infrastructure Program. This funding level will support investments which help build or upgrade the 21st century innovation inputs that foster regional competitiveness.

Proposed Actions:

EDA's 21st Century Innovation Infrastructure Program provides targeted assistance to help transition communities into more competitive regions by developing or expanding necessary public infrastructure. The program supports a wide array of services, including: construction of technology-based facilities that utilize smart rooms and emerging and new technologies; industrial accelerators and incubators; telecommunications infrastructure; implementation of innovative IT technology, such as broadband and smart grid technologies; and redevelopment of brownfields.

EDA's 21st Century Innovation Infrastructure Program is one of the Bureau's foundational programs. EDA will continue to utilize this program to assist communities whose tax base, eroded by the recession, does not provide sufficient tax revenues to allow them to reap the benefits of the recovery now underway.

Statement of Need and Economic Benefits:

The rationale for the FY 2013 request for EDA's 21st Century Innovation Infrastructure Program is intuitive: regional economies need 21st century infrastructure if they are to become and remain globally competitive. However, state and local government revenues have plummeted since the current recession began in December 2007 and the communities EDA serves are caught in a declining revenue spiral at precisely the time they need to make significant investments. EDA's 21st Century Innovation Infrastructure Program investments have been shown to be highly effective and efficient ways to create jobs and attract private investment, both of which restore the local tax base. These critical needs require significant financial commitments at a time when state and local governments are increasingly finding it difficult, if not impossible to do so.

In a recent case, EDA awarded \$11.2 million to the Vermont Electrical Cooperative, Inc., of Johnson, Vermont, to boost the Northeast region's ability to attract and retain businesses and jobs by strengthening the electrical distribution network and advancing broadband and smart grid deployment. The project's regional impact is significant. According to grantee estimates it is expected to create more than 500 jobs, save an additional 1,300 jobs and generate \$27 million in private investment. In addition, it is expected to reduce the likelihood of future severe power interruptions, such as occurred during the 2008 storms and floods in northern Vermont.

Base Resource Assessment:

EDA's 21st Century Innovation Infrastructure Program is an important component of the Agency's toolkit for fostering regional competitiveness and economic development in distressed communities. This program provides EDA with the ability to assist communities in expanding or cultivating new innovation-based infrastructure that will promote the competitiveness of the regional economy.

EDA considers the 21st Century Innovation Infrastructure Program foundational as communities are unable to leverage their full economic potential without access to a range of innovation related infrastructure. However, while innovation infrastructure is a critical element to growing a regional economy, it is not sufficient by itself. In light of this, EDA's FY 2013 budget request represents a decrease in funding for this program to ensure a more balanced portfolio. This rebalancing of program funds would enable EDA to have a broader array of tools available to assist distressed communities.

Schedule & Milestones:

FY 2013

- Establish and implement consistent, transparent project selection methods with headquarters participation in selection process; and,
- Provide enhanced operational guidance, training, and project selection tools to regional offices.

FY 2014-2017

- Fill project pipeline to provide swift award action upon receipt of annual appropriation;
- Enhance focus on regional innovation clusters; and,
- Re-distribute funds to regions with greatest need and shovel-ready projects.

Deliverables:

FY 2013

- Award all appropriated funds to EDA's 21st Century Infrastructure Program projects that support economic development; and,
- Institute a consistent, transparent project selection process.

FY 2014-2017

- Reduce time between award and project start date; and,
- Analyze project completion times to achieve greater program effectiveness.

Performance Goals and Measurement Data:

Performance Measure: Private sector dollars invested in distressed communities.	FY 2013 Target	FY 2014 Target	FY 2015 Target	FY 2016 Target	FY 2017 Target
With Decrease	\$285,768	\$285,768	\$285,768	\$285,768	\$285,768
Without Decrease	\$787,732	\$787,732	\$787,732	\$787,732	\$787,732
Description: The formula-driven calculation projects long-term impact of an EDA investment data 9 years from the date of the award. The formula is based on a study done by Rutgers University, which compiled and analyzed the performance of EDA 21st Century Innovation Infrastructure Program projects after 9 years.					

Performance Measure: Jobs created or retained in distressed communities.	FY 2013 Target	FY 2014 Target	FY 2015 Target	FY 2016 Target	FY 2017 Target
With Decrease	6,668	6,668	6,668	6,668	6,668
Without Decrease	18,482	18,482	18,482	18,482	18,482
Description: The formula-driven calculation projects long-term impact of an EDA investment data 9 years from the date of the award. The formula is based on a study done by Rutgers University, which compiled and analyzed the performance of EDA 21st Century Innovation Infrastructure Program projects after 9 years.					

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

ACTIVITY: Partnership Planning (Successor to Planning)		2011 Actual	2012 Enacted	2013 Base	2013 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Partnership Planning	BA	\$30,938	\$29,000	\$29,000	\$27,000	(\$2,000)
	Obl.	\$31,352	\$29,000	\$29,000	\$27,000	(\$2,000)

APPROPRIATION ACCOUNT: Economic Development Assistance Programs

BUDGET ACTIVITY: PARTNERSHIP PLANNING (SUCCESSOR TO PLANNING) PROGRAM

For FY 2013, EDA requests a decrease of \$2.0 M below the FY 2012 enacted level to the **Partnership Planning (Successor to Planning) Program** for a total of \$27.0 million.

BASE JUSTIFICATION FOR FY 2013:

Partnership Planning Program investments support EDA's national network of regional economic development organizations – Economic Development Districts (EDD's). Strong EDD's with solid comprehensive economic development strategies enable EDA to make sound investments. Partnership 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 Program helps support local organizations (EDD's, Indian Tribes, and other eligible areas) with their long-term planning efforts, outreach to communities, and development of Comprehensive Economic Development Strategies (CEDS). Active EDD and Indian Tribe involvement is critical to leveraging a successful, motivated, regional competitive advantage.

The CEDS is designed to bring together public and private sector stakeholders in the creation of a regional economic roadmap to diversify and strengthen regional economies. The CEDS analyzes the regional economy and serves as a guide for establishing regional goals and objectives, develops and implements a regional plan of action, identify investment priorities and funding sources, and assigning responsibilities for execution of the strategy. Public and private sector partnerships are critical to the implementation of the integrated elements of a CEDS. As a performance-based plan, the CEDS serves a critical role in a region's efforts to defend against economic dislocations due to trade impacts, competition and other events that would result in the loss of jobs and private investment. Once EDA approves a CEDS, the planning organization may qualify for an implementation investment award through EDA's 21st Century Innovation Infrastructure or Economic Adjustment Assistance (EAA) Programs to aid in the construction of infrastructure, partnership planning, and technical assistance projects set out in the CEDS. In making subsequent investments, EDA is reacting to locally determined priorities and initiatives.

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

EDA Partnership Planning funds support the preparation of CEDS that guide EDA's 21st Century Innovation Infrastructure and EAA implementation investments, including Revolving Loan Funds. Sound local planning also attracts other Federal, state, and local funds plus private sector investments to implement long term development strategies. In this way, EDA's Partnership Planning program plays a foundational role in helping communities develop important strategies that inform future economic development decisions.

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

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

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

EDA has developed a CEDS Working Group which includes both headquarters and regional office staff to assist in devising solutions to capacity building among organizations, and technical assistance outreach. The CEDS guidance and process is being evaluated closely, to determine ways to better communicate the development of a CEDS and the location of resources to implement the strategy. Additionally, EDA has funded a study as part of its Research and Evaluation Program to evaluate the EDD Program and identify best practices so that the Agency can continue efforts to improve this program.

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

PROGRAM CHANGE FOR FY 2013:

For FY 2013, EDA requests a decrease of \$2.0 million for a total of \$27.0 million for the **Partnership Planning Program**.

Partnership Planning Program:

Base Funding: \$29.0 million; Program Change: - \$2.0 million.

EDA requests a decrease of \$2.0 million for a total of \$27.0 million for the Partnership Planning Program. This funding level will support investments which help EDA foster network of strong regional economic development plans and organizations to stimulate economic growth.

Proposed Actions:

The Partnership Planning Program supports projects that help a community identify regional assets, maximize economic opportunities, and establish strategies for promoting the competitiveness of the entire region. EDA's Partnership Planning Program is foundational to all other EDA programs as it is ultimately designed to help ensure communities fully identify their unique regional assets and create solid regional strategies based on these assets. These plans are used by EDA to ensure investments from other programs build on the regions' unique assets, leverage existing strengths, and fit into the regional strategy identified.

Statement of Need and Economic Benefits:

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

Base Resource Assessment:

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

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

Schedule & Milestones:

FY 2013

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

FY 2014-2017

- CEDS renewals continue throughout this period;
- Incorporation of economic resiliency concepts into CEDS; and
- Increasing use of analytical tools by grantees to generate plans and analysis of plan-implementation linkages.

Deliverables:

FY 2013

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

FY 2014-2017

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

Performance Goals and Measurement Data:

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

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

ACTIVITY: Technical Assistance		2011 Actual	2012 Enacted	2013 Base	2013 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Technical Assistance	BA	\$13,373	\$12,000	\$12,000	\$12,000	\$0
	Obl.	\$13,373	\$12,481	\$12,000	\$12,000	\$0

APPROPRIATION ACCOUNT: Economic Development Assistance Programs**BUDGET ACTIVITY: TECHNICAL ASSISTANCE (TA) PROGRAM**

For FY 2013, EDA requests no change in funding from the FY 2012 enacted level for a total of \$12.0 million for the Technical Assistance Program.

BASE JUSTIFICATION FOR FY 2013:

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

- Invest in institutions of higher education to establish and operate University Centers to provide technical assistance to public and private sector organizations with the goal of enhancing local economic development;
- Support innovative approaches to stimulate economic development in distressed regions;
- Disseminate information and studies of economic development issues of national significance; and,
- Finance local feasibility studies, planning efforts and other projects leading to local economic development.

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

EDA has prioritized enhancing America's capacity to commercialize research at our universities. The UC program can be an effective vehicle which to accelerate US innovation systems. Some UCs focus their efforts on assisting units of local governments and non-profit organizations in planning and implementing economic development programs and projects. Typical activities provided by the UCs include conducting preliminary feasibility studies, analyzing data, and convening customized seminars and workshops on topics such as strategic planning and capital budgeting. Other UCs focus their efforts on helping private sector firms with technology transfer and commercialization assistance. Typical activities conducted by the UCs include identifying appropriate off-the-shelf technology to solve specific problems encountered by firms, and recommending efficiencies in current operating procedures to improve production processes, reduce energy usage, and decrease the volume of raw materials lost in the production process. The UC sub-program currently supports 55 University Centers in 42 states and the Commonwealth of Puerto Rico. These Centers provide a range of products directed as assisting their service region, including: feasibility studies, data analysis, geographic analysis, strategic planning, and other targeted technical assistance.

The Local Technical Assistance sub-program, one of EDA's smallest programs in terms of funding, is an extremely flexible and useful economic development tool. The most common purpose of a Local TA project has been to analyze the feasibility of a potential economic development project, such as an industrial park or a high-technology business incubator.

Feasibility studies are an effective tool for determining whether the market will support a particular activity or site. While Local TA investments are typically small in size and scope, they can prevent costly mistakes and misguided investments. Economically distressed communities often have a pre-disposition towards the same type of industry that have historically been employers in the area, while market forces may be moving in another direction all together. Costly infrastructure investments to support obsolete industries are neither an effective nor efficient use of public resources, and they will not support the long-term economic interests of local communities. Targeted market feasibility studies can help communities overcome these hurdles and identify tomorrow's higher-skill, higher-wage employers. As a result of these feasibility studies, many communities have received funding under EDA's Economic Adjustment Assistance and 21st Century Innovation Infrastructure programs or other Federal or state funded programs to implement those projects.

The Local TA sub-program also provides resources to support flexible technical assistance at the regional level. For example in FY 2010, EDA invested \$100,000 in the Technology Association of Georgia in Atlanta, Georgia, to help develop an economic gardening pilot program which provides technical assistance to small, emerging technology-based and second-stage growth companies firms in a ten county region. The program enhances and accelerates the maturity of early-stage tech and tech-enabled companies by leveraging existing regional strengths along with new, innovative business support services. Over twenty-five companies have benefited from EDA's investment in this pilot program and the Technology Association of Georgia plans to expand the program to other service areas in Georgia.

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

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

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

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

ACTIVITY: Research and Evaluation		2011 Actual	2012 Enacted	2013 Base	2013 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Research and Evaluation	BA	\$1,497	\$1,500	\$1,500	\$1,500	\$0
	Obl.	\$1,486	\$1,537	\$1,500	\$1,500	\$0

APPROPRIATION ACCOUNT: Economic Development Assistance Programs

BUDGET ACTIVITY: RESEARCH AND EVALUATION PROGRAM

For FY 2013, EDA requests no change from the FY 2012 enacted level for a total of \$1.5 million for the **Research and Evaluation Program**.

BASE JUSTIFICATION FOR FY 2013:

In FY 2013, EDA will intensify the pace and scale with which it funds leading-edge, peer-review quality economic development relevant research through the Research and Evaluation Program in order to establish the Agency as a world-class thought leader in economic development research. 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 Agency's effectiveness.

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 effectively carried out through investments and cooperative agreements, as well as through studies conducted in-house by EDA research staff.

EDA continues to pursue its integrated research agenda. EDA's current research supports a wide range of Administration priorities, including: mapping regional innovation clusters across the country, identifying barriers and recommendations to foster commercialization in Federal labs, and identifying the triple bottom line for public economic development efforts in order to more effectively assess impacts.

Several EDA-funded research studies were recently completed. The University of California-Berkeley, with funding from EDA and the MacArthur Foundation, recently released a study on the impact of the green economy to the California economy. The study examined the composition of the green economy in California, provided data on how the green sector is emerging across the nation, and detailed ways that this sector can be supported to foster job creation and regional competitiveness. The results of the study have important implications for regional development.

An EDA funded team of researchers from West Virginia University, George Mason University's School of Public Policy, and Florida International University recently completed an examination of the inputs that drive innovation at the state level. This research led to the development of a report that identified key inputs for supporting regional innovation. EDA is also funding Arizona State University's School of Geographical Sciences to examine the impacts of spatial linkages on economic development. Many normative sources of urban area economic distress are

recognized in the existent literature; however, there is a dearth of scientifically-based evidence for these assertions. This analysis will provide an empirical framework upon which policymakers can utilize to make more informed economic development decisions.

EDA's Research and Evaluation Program supports the Department's goal of promoting economic growth by promoting market development and commercialization. The program specifically assists the Department in achieving its objective of promoting the competitiveness of disadvantaged and distressed communities and businesses.

EDA's Research and Evaluation funds support the development of tools, recommendations, and resources that shape investment decisions in the Agency and inform regional planning decision-making at the local level. The limited funding for this program restricts the extent to which EDA can support research that examines how emerging concepts in economic development, including regional innovation, microfinance, economic development, the green economy, economic resiliency, and evaluation techniques can support job growth and economic prosperity.

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

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

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

ACTIVITY: Trade Adjustment Assistance		2011 Actual	2012 Enacted	2013 Base	2013 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Trade Adjustment Assistance	BA	\$15,768	\$15,800	\$15,800	\$15,800	\$0
	Obl.	\$15,418	\$15,841	\$15,800	\$15,800	\$0

APPROPRIATION ACCOUNT: Economic Development Assistance Programs

BUDGET ACTIVITY: TRADE ADJUSTMENT ASSISTANCE PROGRAM

For FY 2013, EDA requests no change from the FY 2012 enacted level for a total of \$15.8 million for the **Trade Adjustment Assistance (TAA) Program**.

BASE JUSTIFICATION FOR FY 2013:

International trade agreements are generally considered beneficial to the Nation overall, but the costs and benefits of these agreements are not uniformly shared by all U.S. firms. Some firms benefit almost immediately through increased access to foreign markets that were previously closed to them. Other firms, however, face shrinking profits as their domestic markets are eroded by increased competition from foreign firms. It is important to support firms which bear the costs evolving from changing trade patterns.

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

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

Currently, the TAA Program is being reviewed concurrently by the General Accountability Office (GAO) and the DOC's Office of Inspector General (OIG) to gain a full understanding of the high overhead rates associated with many TAACs as well as to address concerns regarding the overall effectiveness of the TAA Program. The outcomes of these reviews will allow EDA to take a hard look at the future of the TAA Program and how it should be funded and administered going forward, including strengthening the competition criteria for the TAAC selection process.

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.

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

ACTIVITY: Economic Adjustment Assistance		2011 Actual	2012 Enacted	2013 Base	2013 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Economic Adjustment Assistance	BA	\$78,743	\$50,060	\$50,060	\$60,200	\$10,140
	Obl.	\$78,720	\$55,718	\$55,060	\$65,200	\$10,140

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

For FY 2013, EDA requests an increase of \$10.1 million above the FY 2012 enacted level for a total of \$60.2 million for the **Economic Adjustment Assistance (EAA) Program**.

BASE JUSTIFICATION FOR FY 2013:

EDA's EAA Program is an important tool for promoting the *Jobs and Innovation Partnership* and particularly regional innovation clusters, the Administration's new framework for supporting sustainable economic development and encouraging the export potential of America's regions. Regional Innovation Clusters - geographic concentrations of firms and industries that do business with each other and have common needs for talent, technology, and infrastructure - are a proven way to create jobs and grow the economy, and are a critical component to our nation's future economic competitiveness. EDA provides technical assistance and implementation investments that directly support regional innovation clusters.

EAA is the *single most effective program in EDA's toolbox* to address the needs of communities impacted by globalization, especially auto and manufacturing dependent communities that need to develop and implement collaborative regional innovation strategies that will transform and diversify their economies and position them competitively in the global economy. For example, EDA is supporting an automotive industrial park expansion project in Hamilton County, Tennessee. This investment will upgrade and expand the capacity of the rail system at the Enterprise South Industrial Park in Chattanooga, Tennessee, to serve the new North American production facility for a major automotive group. Grantees estimate that the initial automotive production facility will eventually generate private investment of \$1 billion.

EAA funds can also be used to design the transition strategy, construct or upgrade public infrastructure, conduct feasibility studies or environmental studies, support construction and operations of incubators and business accelerators, capitalize locally or regionally administered Revolving Loan Funds that directly assist innovative entrepreneurs in growing 21st century businesses, and provide the soft and hard infrastructure necessary to increase trade, business and exports.

The EAA Program provides strategic investments to spearhead economic recovery in regions affected by natural disasters, natural resource depletion, mass layoffs, and other severe economic shocks; to assist communities in restructuring and diversifying regional economies buffeted by steep declines in traditional sources of employment such as manufacturing, agriculture, fishing, or logging; and, to aid communities suffering from chronic unemployment and underinvestment. EDA has also used it to fund investments to respond to communities impacted by military Base Realignments and Closures (BRAC). The FY 2005 round of BRAC included 24 major closures, 24 major realignments, and over 760 other discrete actions, making it the most comprehensive BRAC round in U.S. history; major closures will precipitate significant adverse economic effects on many regions, while growth resulting from BRAC 2005 and other defense restructuring will greatly impact areas receiving new military bases.

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

- **Strategic Planning:** These types of investments can be critical when plant closures lead to a significant deterioration in the region's economic prospects. Communities may use EAA funds to create an action plan to stabilize their local economy and then develop a regional strategy that re-thinks their economic future and enables the region to grow in new and sustainable directions. One example is a grant to the Economic Council of St. Louis County, the State of Missouri Department of Economic Development, and the City of Fenton, Missouri, to fund a strategic plan to address the closure of the Chrysler auto manufacturing plants in the City of Fenton, near St. Louis, and a plan for eventual re-use of the sites. This public/private partnership will identify opportunities to replace the jobs lost and expand employment by creating a stronger and more diversified regional economy, able to compete in the global marketplace.
- **Technical Assistance:** Technical assistance may take many forms, to include feasibility studies or initiatives to promote entrepreneurship. One example is in northeast Ohio, where EDA is currently partnering with JumpStart, a nonprofit whose programs focus on preparing the region to transition from old-line, manufacturing industries to a high-tech, entrepreneurial-based economy. EDA supports JumpStart's outreach to, and development of, entrepreneurs in 21 counties of northeast Ohio, an area that is among the hardest hit by the recent economic decline and the foreclosure crises. JumpStart expects to support the creation of 650 new jobs and help its clients raise \$43 million in private sector investments.
- **Construction of physical infrastructure:** EAA funds may be used to fund the construction of publicly-owned infrastructure, such as water and sewer facilities, access roads, rail spurs, and broadband, to support the expansion of area businesses; business incubators; job training facilities; and other infrastructure investments.
- **Capitalization of Revolving Loan Funds (RLFs):** EAA funds may be used to capitalize or re-capitalize RLFs, which enable the recipient to make loans at interest rates that are at or below market rate to small businesses or to businesses that cannot otherwise borrow capital. As the loans are repaid, the grantee uses a portion of interest earned to pay administrative expenses and adds the remaining principal and interest repayments to the RLF's capital base to make new loans. A well-managed RLF award actively makes loans to eligible businesses and entities, continues to revolve funds, and does not have a termination date.

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

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

- EDA provided \$2 million in EAA funds to support the first pilot project of the White House Interagency Taskforce on Regional Innovation Clusters. EDA assumed a leadership role

on the Taskforce, drafting the first-ever joint Federal Funding Opportunity involving the following seven Federal agencies: the Department of Energy (DOE), Department of Commerce's (DOC) EDA, DOC's National Institute of Standards and Technology/Manufacturing Extension Partnership (NIST/MEP), Department of Labor (DOL), Department of Education (ED), Small Business Administration (SBA), and National Science Foundation (NSF). The Taskforce selected Energy Efficient Building Systems Design as the topical focus for its first pilot project, which will be anchored around a DOE-funded Energy Innovation Hub and will also incorporate elements funded by EDA, SBA, and NIST/MEP.

- In FY 2010, EDA made available \$6 million in EAA funds for the i6 Challenge, a new, multi-agency competition to spur technology transfer and commercialization that is led by DOC and EDA. DOC and EDA will coordinate this funding opportunity with the National Institutes of Health, the NSF, and the DOC U.S. Patent and Trademark Office to leverage Federal resources and maximize available funding to i6 Challenge winners.

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

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

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

Due to the large number of communities experiencing sudden and severe economic shocks, EDA has been limited in its ability to provide EAA to the number of communities that require assistance. A scarcity of EAA funds limits EDA's ability to continue to participate in interagency funding opportunities, as well as other types of innovative funding competitions in which the goals are cross-cutting and require successful applicants to integrate strategic partnership planning, technical assistance, infrastructure building, and business financing into a comprehensive, long-term economic development strategy.

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

EAA continues to be an integral and unique part of EDA's portfolio. Unlike many of the federal government's "economic development" programs, EDA's EAA program enables the bureau to

fund a range of customized investments developed specifically to meet the strategic priorities of applicant communities rather than being made strictly based on formulas. For example, some communities identify strategy development as their top priority. In other cases, communities already have a well-defined strategy and now need implementation support. This flexibility enables EDA to target its EAA funding through its competitive grants process to support the development of robust regional innovation ecosystems based on the specific priorities of each community.

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

PROGRAM CHANGE FOR FY 2013:

For FY 2013, EDA requests an increase of \$10.1 million for a total of \$60.2 million for the **Economic Adjustment Assistance (EAA) Program.**

Economic Adjustment Assistance:

Base Funding: \$50.1 million; Program Change: + \$10.1 million.

EDA requests an increase of \$10.1 million for a total of \$60.2 million for the EAA Program in order to facilitate strategic investments which assist local communities in expanding or acquiring core inputs for regional competitiveness, including access to capital, innovation infrastructure, and technical assistance.

Proposed Actions:

EAA funds support some of EDA's most effective investments. The EAA Program plays a critical role in supporting the Bureau's efforts to foster regional innovation clusters, promote the export potential of American regions, and encourage 21st Century innovation infrastructure. EDA provides technical assistance and implementation investments that include critical innovation infrastructure such as business incubators, proof of concept centers, wet labs, and Research and Development commercialization programs. EDA recognizes the EAA Program has the highest return on investment for distressed communities.

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

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

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

EDA is also working hand-in-hand with other federal agencies to promote and advance regional collaboration. In FY 2010, the first pilot project of the White House Interagency Taskforce on Regional Innovation Clusters was launched. EDA took a leadership role in coordinating the first-ever joint Federal Funding Opportunity (FFO) involving seven federal agencies as outlined in the base narrative.

In FY 2013, EDA will continue to support place-based initiatives under the *Jobs and Innovation Partnership* by investing in innovative partnerships such as regional business plans, regional innovation clusters, the next generation of the successful *i6* Challenge, TARIC, and other inter-agency place-based initiatives in collaboration with other bureaus such as (NIST/MEP and ITA) and other Federal agencies (e.g., SBA, DOL, ED, Department of Transportation (DOT), Department of Defense (DOD), and DOE).

Statement of Need and Economic Benefits:

EDA launched its *Jobs and Innovation Partnership* to build on President Obama's strategy for promoting sustainable economic growth by fostering regional collaboration, recognizing that innovation-driven businesses with high growth potential represent the key to long term job creation. This strategic framework provides a comprehensive approach by which the EDA can more effectively leverage resources to address the challenges posed by the severe global recession as well as immense economic, social, and environmental changes.

As EDA's most flexible program, EAA is well positioned to implement the place-based activities of the Jobs and Innovation Partnership. EAA provides EDA with the ability to quickly and proactively intervene to assist communities experiencing or anticipating economic dislocations to plan and implement solutions that access their regional economic advantages, creating innovative solutions. Demand for this program currently exceeds the available funding. Furthermore, EDA's new grant process improvements and competitive award cycle will help the Bureau ensure that in light of greater need it continues to make investments that will foster the global competitiveness of American regions and provide a high return on investment.

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

Base Resource Assessment:

EAA continues to be an integral part of EDA's portfolio. The Bureau's FY 2013 budget request is designed to provide the most effective mix of investments to respond to the needs of distressed communities.

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

Schedule & Milestones:

FY 2013

- Continued implementation of flow control and flow targeting; and,
- Foster strategic investments that support development and implementation of regional business plans.

FY 2014-2017

- Increasing use of Grants.gov as a result of grantee training and growing high speed internet access;
- Reducing application and processing times; and,
- Focusing on formal selection criteria and process to increase EDA's efficiency and effectiveness.

Deliverables:

FY 2013

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

FY 2014-2017

- Internal efficiencies reduce administrative burdens on grantees; and,
- Increasing focus on collaborative funding with other Federal agencies to leverage federal grant funds, support regional innovation clusters, and contribute to sustainable economic development.

Performance Goals and Measurement Data

Performance Measure: Private sector dollars invested in distressed communities based on Infrastructure Related Investments					
	FY 2013 Target	FY 2014 Target	FY 2015 Target	FY 2016 Target	FY 2017 Target
With Increase	\$288,420	\$288,420	\$288,420	\$288,420	\$288,420
Without Increase	\$239,839	\$239,839	\$239,839	\$239,839	\$239,839

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

Performance Measure: Jobs created or retained in distressed communities based on Infrastructure Related Investments					
	FY 2013 Target	FY 2014 Target	FY 2015 Target	FY 2016 Target	FY 2017 Target
With Increase	6,730	6,730	6,730	6,730	6,730
Without Increase	5,627	5,627	5,627	5,627	5,627

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

Performance Measure: Private sector dollars invested in distressed communities based on capital access investments					
	FY 2013 Target	FY 2014 Target	FY 2015 Target	FY 2016 Target	FY 2017 Target
With Increase	\$2,212	\$2,212	\$2,212	\$2,212	\$2,212
Without Increase	\$1,840	\$1,840	\$1,840	\$1,840	\$1,840

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

Performance Measure: Jobs created or retained in distressed communities based on capital access investments	FY 2013 Target	FY 2014 Target	FY 2015 Target	FY 2016 Target	FY 2017 Target
With Increase	151	151	151	151	151
Without Increase	127	127	127	127	127

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

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

ACTIVITY: Regional Innovation Strategies Program		2011 Actual	2012 Enacted	2013 Base	2013 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Regional Innovation Strategies Program	BA	\$0	\$0	\$0	\$25,000	\$25,000
	Obl.	\$0	\$0	\$0	\$25,000	\$25,000

APPROPRIATION ACCOUNT: Economic Development Assistance Programs

BUDGET ACTIVITY: REGIONAL INNOVATION STRATEGIES PROGRAM

EDA requests \$25.0 million to effectively implement and support the new **Regional Innovation Strategies Program**.

BASE JUSTIFICATION FOR FY 2013:

In his State of the Union Address the President stated, "Think about the America within our reach: a country that leads the world in educating its people; an America that attracts a new generation of high-tech manufacturing and high-paying jobs... An economy built to last, where hard work pays off and responsibility is rewarded."

The "America COMPETES Reauthorization Act of 2010" will help advance the President's vision by encouraging innovation that builds capacity for regions to improve and advance toward the future. This Act created the new Regional Innovation Strategies Program, which will be implemented by EDA, to build upon the understanding that robust regional innovation cluster strategies create a blueprint for improving the conditions or "ecosystem" in which innovation companies and entrepreneurs can accelerate the development of new businesses, products or services.

In FY 2013, under this new Regional Innovation Strategies Program, EDA will provide a dedicated funding stream to support the extensive collaborative efforts the Bureau has engaged in over past several years.

PROGRAM CHANGE FOR FY 2013:

EDA requests \$25.0 million to implement and support the new **Regional Innovation Strategies Program**.

Regional Innovation Program:

Base Funding: \$0.0 million; Program Change: + \$25.0 million.

EDA requests an increase of \$25.0 million to fund the new Regional Innovation Strategies Program to foster collaboration across the Federal government to build regional innovation clusters based upon the inherent strengths of a community.

Proposed Actions:

The "America COMPETES Reauthorization Act of 2010" will help advance the President's vision by encouraging innovation that builds capacity for regions to improve and advance toward the future. This Act created the new Regional Innovation Strategies Program, which will be implemented by EDA, to build upon the understanding that robust regional innovation cluster strategies create a blueprint for improving the conditions or "ecosystem" in which innovation companies and entrepreneurs can accelerate the development of new businesses, products or services.

In FY 2013, under this new Regional Innovation Strategies Program, EDA will build on the Bureau's extensive collaborative efforts to create a dedicated funding source that support innovative initiatives such as e-RIC, TARIC, and other cluster initiatives. These initiatives provide strategic investments that leverage complementary resources available by the Federal government so that local communities can more effectively access and apply them to generate job creation, business expansion, and enhanced regional prosperity.

In addition, EDA will utilize up to \$7,000,000 in Regional Innovation Strategies program funds for the cost of Science Park loan guarantees as authorized under section 27 of the America COMPETES Reauthorization Act of 2010, to remain available until expended.

Statement of Need and Economic Benefits:

In his State of the Union Address the President stated, "Think about the America within our reach: a country that leads the world in educating its people; an America that attracts a new generation of high-tech manufacturing and high-paying jobs... An economy built to last, where hard work pays off and responsibility is rewarded."

The Obama Administration is responding by embracing more flexible and innovative policies and by launching strategic initiatives that will achieve smarter utilization of existing federal resources. For example, EDA launched its *Jobs and Innovation Partnership* to stimulate innovation and collaboration, which are key drivers of regional economic development. EDA's Regional Innovation Strategies Program will further advance the *Jobs and Innovation Partnership* by providing strategic investments to help communities leverage their innovation ecosystems to create jobs, businesses, and regional prosperity.

In short, through the Regional Innovation Strategies Program EDA will support collaborative Federal initiatives that help communities mitigate the impact of the recent fiscal downturn and

accelerate the transition toward a more prosperous economy. This need is particularly acute given the current fiscal crisis and the national jobs and growth outlook.

Base Resource Assessment:

In FY 2013, this program will be created to strengthen EDA's efforts to promote collaborative, multi-agency innovative efforts designed to leverage complementary Federal resources more effectively to help foster job creation and regional economic development.

Schedule & Milestones:

FY 2013-2017

- Creation of Regional Innovation Strategies Program; and
- Expansion of inter-Agency collaboration related to Regional Innovation Clusters.

Deliverables:

FY 2013-2017

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

Performance Goals and Measurement Data

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

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

	OBJECT CLASS	2011 Actual	2012 Enacted	2013 Base	2013 Estimate	Increase/ (Decrease)
11	Personnel Compensation	0	0	0	0	0
11.9	Total personnel compensation	0	0	0	0	0
12.1	Civilian personnel benefits	0	0	0	0	0
13.0	Benefits for former personnel	0	0	0	0	0
21.0	Travel and transportation of persons	0	0	0	0	0
22.0	Transportation of things	0	0	0	0	0
23.1	Rental payments to GSA	0	0	0	0	0
23.2	Rental payments to others	0	0	0	0	0
23.3	Communications, utilities and miscellaneous charges	0	0	0	0	0
24.0	Printing and reproduction	0	0	0	0	0
25.0	Other services	0	0	0	0	0
26.0	Supplies and materials	0	0	0	0	0
31.0	Equipment	0	0	0	0	0
41.0	Grants	306,226	480,602	250,000	212,000	(38,000)
99.0	Subtotal Direct Obligations	306,226	480,602	250,000	212,000	(38,000)
99.9	TOTAL OBLIGATIONS	306,226	480,602	250,000	212,000	(38,000)
	Less: prior year recoveries	(31,336)	(30,000)	(30,000)	(30,000)	0
	Less: prior year unobligated balance	(61,515)	(30,602)	0	0	0
	Transfer to other accounts (+)	1,531				
	Unobligated balance, end of year	30,602	0	0	0	0
	Total Budget Authority	245,508	420,000	220,000	182,000	(38,000)

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

FY 2012 Appropriation	205	37,500	40,541
<i>Plus: Adjustment to Base</i>	0	478	478
<i>Less: Adjustment to Base Absorption</i>	0	(259)	(259)
<i>Less: Unobligated balance, Start of Year</i>	<u>0</u>	<u>0</u>	<u>(3,041)</u>
FY 2013 Base Request	205	37,719	37,719
<i>Administrative Savings (all savings reinvested)</i>	[0]	[84]	
<i>Plus: Program Change</i>	<u>0</u>	<u>0</u>	<u>0</u>
FY 2013 Estimate	205	37,719	37,719

COMPARISON BY ACTIVITY		2011 Actuals		2012 Enacted		2013 Base		2013 Estimate		Increase/ (Decrease)	
		Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount
Salaries and expenses, direct	Pos./BA	217	37,924	217	37,500	217	37,719	217	37,719	0	0
	FTE/Obl	205	41,538	205	40,541	205	37,719	205	37,719	0	0
Adjustments to obligations:											
	Recoveries		0		0		0		0		0
	Unobligated balance, start of year		(6,217)		(3,041)		0		0		0
	Unobligated balance transferred		0		0		0		0		0
	Unobligated balance, end of year		3,041		0		0		0		0
	Unobligated balance expiring		(88)		0		0		0		0
	Transfer from other accounts (-)		(350)		0		0		0		0
	Transfer to other accounts (+)		0		0		0		0		0
	Rescission										
APPROPRIATION		205	37,924	205	37,500	205	37,719	205	37,719	0	0

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

	2011 Actual	2012 Enacted	2013 Base	2013 Estimate	Increase/ (Decrease)
	Amount	Amount	Amount	Amount	Amount
Total Obligations	\$42,125	\$41,541	\$38,719	\$38,719	\$0
Financing:					
Offsetting collections from:					
Federal funds	(587)	(1,000)	(1,000)	(1,000)	0
Trust funds	0	0	0	0	0
Non-Federal sources	0	0	0	0	0
Recoveries	0	0	0	0	0
Unobligated balance, start-of-year	(6,217)	(3,041)	0	0	0
Unobligated balance transferred	0	0	0	0	0
Unobligated balance, end-of-year	3,041	0	0	0	0
Unobligated balance expiring	(88)	0	0	0	0
Unobligated balance lapsing	0	0	0	0	0
Budget Authority	38,274	37,500	37,719	37,719	0
Transfer from Other Accounts (+)	(350)				
Rescission	0				
Appropriation	37,924	37,500	37,719	37,719	0

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

<u>ADJUSTMENTS:</u>	<u>FTE</u>	<u>Amount</u>
RESTORATION OF BASE	0	0
OTHER CHANGES:		
<u>Pay</u>	0	83
2012 Pay Raise:		
Pay raise of 0.05% will be effective on January 1, 2012.		
Total cost in 2012 of 2013 pay raise.....	0	
Less amount funded in 2012.....	<u>0</u>	
Amount requested in FY 2012 for FY 2013 Pay raise	0	
2013 Pay Increase and Related Costs:		
A general pay raise of 0.05% is assumed to be effective January 1, 2013.		
Total cost in 2013 of pay increase.....	83	
Payment to Working Capital Fund.....	<u>0</u>	
Amount requested for FY 2013 Pay Raise	83	
<u>Civil Service Retirement System (CSRS)</u>.....		(100)
<p>The estimated percentage of payroll for employees covered by CSRS decreased from 24.20% in 2012 to 16.50% for 2013 for regular employees. The contribution rates will stay at 7% in 2013. This will result in a decrease of \$109,023 in the cost of CSRS contributions.</p>		
FY 2013 cost: \$18,616,000 x 16.50% x 7.00%	215,015	
FY 2012 cost: \$18,616,000 x 24.20% x 7.00%	<u>(315,355)</u>	
Total, adjustment to base		(100,340)

JUSTIFICATION OF ADJUSTMENTS TO BASE AND BUILT-IN CHANGES

(Dollar amounts in thousands)

<u>Federal Employees Retirement System (FERS)</u>		168
<p>The estimated percentage of payroll for employees covered by FERS will increase from 75.80% in 2012 to 83.50% in 2013 for regular employees. The contribution rate for FERS employees will increase to 11.70%.</p>		
FY 2013 cost: \$18,616,000 x 83.50% x 11.7%	1,818,690	
FY 2012 cost: \$18,616,000 x 75.80% x 11.7%	<u>(1,650,979)</u>	
Total, adjustment to base	167,711	
 <u>Thrift Savings Plan (TSP)</u>		29
<p>The cost of EDA's contributions to the Thrift Savings Plan will increase as FERS participation increases. The contribution rate is expected to remain at 2.0%.</p>		
FY 2013 cost: \$18,616,000 x 83.50% x 2.0%	310,887	
FY 2012 cost: \$18,616,000 x 75.80% x 2.0%	<u>(282,219)</u>	
Total, adjustment to base	28,668	
 <u>Employees Compensation fund</u>		0
 <u>Federal Insurance Contribution Act (FICA)</u>		96
<p>As the percentage of payroll covered by FERS rises, the cost of OASDI contributions will increase. In addition, the maximum salary subject to OASDI tax is \$113,100 in 2013. The OASDI rate will remain at 6.2% in 2013.</p>		
FY 2013 cost: \$18,616,000 x 83.50% x 94.30% x 6.2%	908,817	
FY 2012 cost: \$28,616,000 x 75.80% x 93.10% x 6.2%	<u>814,511-</u>	
Total, adjustment to base	94,306	
<u>Other Salaries</u>		
FY 2013 cost: \$359,000 x 83.50% x 94.30% x 6.2%	17,526	
FY 2012 cost: \$359,000 x 75.80% x 93.10% x 6.2%	<u>(15,707)</u>	
Total, adjustment to base	1,819	

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

<u>Health insurance</u>	94
<p>Effective January 2012, EDA's contributions to Federal employees' health insurance premiums increased by an average of 8.5%. Applied against the 2012 estimate of required is \$93.925.</p>	
<u>Travel and transportation of persons</u>	33
<p><u>Mileage</u>: The reimbursement rate for privately-owned automobiles increase from 50 cents to 51 cents. The percentage increase of 2% was applied to the 2012 estimate of \$337,000 to arrive at an increase of \$6,740. 7</p> <p><u>Per Diem</u>: The General Services Administration issued revised travel per diem rates, resulting in a 6.0% increase to EDA. This percentage was applied to the 2012 estimate of \$439,000 resulting in an increase of \$26,340. 26</p>	
<u>Rental payments to GSA</u>	42
<p>The General Service Administration has provided a preliminary estimated increase of 1.7% over the 2012 cost of \$2,489,000 for currently occupied space. This results in</p>	
<u>Printing and reproduction</u>	1
<p>GPO has provided an estimated rate increase of 1.5%. This percentage was applied to the 2012 estimate of \$42,000 to arrive at an increase of \$630.</p>	
<u>Working Capital Fund</u>	14
Electricity.....	(75)
<p>The average decrease of PEPCO electricity is projected to be 25%. This percentage was applied to the 2012 electricity estimate of \$300,000 for an decrease of \$75,000.</p>	
NARA cost are expected to increase by \$2000.....	2
Water/Sewer (DCWASA).....	1
<p>The average increase for DCWASA is projected to be 5%. This percentage was applied to the 2012 amount for an increase of \$600.00.</p>	

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

<u>Postage</u>			0
<u>General pricing level adjustment</u>			
This request applies assumptions for 2012 of 1.5% to sub-object classes where the prices that the Government pays are established through the market system:			
Rental Payments to Others			4
Other Services			69
Supplies and Materials			4
Equipment			13
Subtotal, other changes			478
Total, amount absorbed.....			(259)
Total, adjustments to base.....	0		219

APPROPRIATION ACCOUNT: Salaries and Expenses

BUDGET ACTIVITY: SALARIES AND EXPENSES PROGRAM ADMINISTRATION

For FY 2013, EDA requests \$37.7 million and 205 FTE for its **Salaries and Expenses (S&E)** account.

BASE JUSTIFICATION FOR FY 2013:

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

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

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

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

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

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

The base program budget includes costs for providing information technology and computer system support for EDA. This support includes the development, information security, maintenance, installation, operation, and support for all major information systems, networks, data bases, computers and office automation tools used in the Bureau by its executives, managers, and employees.

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

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

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

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

Office of External Affairs: The Director of External Affairs coordinates EDA public affairs, legislative affairs and executive secretariat activities, provides information on the goals, objectives, policies, programs, and activities of EDA and acts as point of contact for members of Congress, Congressional staff, other Federal agencies, state and local governments, the media, and the general public. The Division provides appropriate and comprehensive bureau information necessary to respond to Secretarial, Congressional, intergovernmental, other Federal bureau, and public requests, and prepares and processes controlled correspondence relating to grant proposals and other bureau business. The Division is also responsible for the final preparation, clearance, and announcement of all EDA investments.

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

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

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

The Office of Regional Affairs focuses on improved program operations at the regional and national level, and provides oversight and ensures consistency across the six regional offices. The Office of Regional Affairs more closely integrates regional office operations with performance analysis efforts and strengthens links between performance assessment, such as GPRA measures, and program outcomes. The Office of Regional Affairs develops and maintains program guidance, policies, directives and operating procedures to improve, enhance or streamline the administration of EDA's financial assistance programs.

The Performance and National Programs Division measures EDA program performance, and provides the bureau's senior management with enhanced tools in the service of program improvement. Improved analytical activities include outcome-funding trends to improve program targeting, and the development of more useful outcome measures. Enhanced linkages between regional offices and EDA performance staff will boost budget and performance integration, provide more robust target calculations, improve internal controls, and promote best practices that will result in improved program performance. The Performance and National Programs staff is also responsible for providing stakeholders with evidence of the benefits and cost-effectiveness of EDA program expenditures in a way that is both accurate and transparent. This Division also manages EDA's Research and Evaluation Program.

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

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

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

Significant Adjustments-to-Base (ATBs):

EDA requests no change to its current Salaries and Expense program.

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

OBJECT CLASS		2011 Actual	2012 Enacted	2013 Base	2013 Estimate	Increase/ (Decrease)
11	Personnel Compensation					
11.1	Full-time permanent	22,017	18,616	18,685	18,685	0
11.3	Other than full-time permanent/WCF	176	0	0	0	0
11.5	Other personnel compensation includes Lump Sum	348	359	359	359	0
11.9	Total personnel compensation	22,541	18,975	19,044	19,044	0
12.1	Civilian personnel benefits	6,162	5,402	5,702	5,702	0
21.0	Travel and transportation of persons	1,008	1,029	1,062	1,062	0
22.0	Transportation of things	23	14	14	14	0
23.1	Rental payments to GSA	2,445	2,489	2,531	2,531	0
23.2	Rental payments to others	200	246	250	250	0
23.3	Communications, utilities and miscellaneous charges	195	287	287	287	0
24.0	Printing and reproduction	24	42	43	43	0
25.2	Other services	3,012	3,708	2,750	2,750	0
25.3	Purchase of goods and services from Government Accounts	4,523	7,268	5,196	5,196	0
25.7	Operations and maintenance of equipment	0	0	0	0	0
26.0	Supplies and materials	1,275	236	240	240	0
31	Equipment	130	845	858	858	0
99.0	Subtotal Direct Obligations	41,538	40,541	37,978	37,978	0
99.0	Unobligated Balance, Start of year	(6,217)	(3,041)			0
99.0	Unobligated Balance, expiring	(88)				0
99.0	Unobligated Balance, End of Year	3,041				0
99.0	Transfer from other accounts	(350)				0
99.0	Total ATB amount absorbed	0		(259)	(259)	0
99.9	TOTAL OBLIGATIONS	37,924	37,500	37,719	37,719	0

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

PERSONNEL DATA	2011 Actual	2012 Enacted	2013 Base	2013 Estimate	Increase/ (Decrease)
Full-Time Equivalent Employment:	Amount	Amount	Amount	Amount	Amount
Full-time permanent	205	205	205	205	0
Other than full-time permanent	0	0	0	0	0
Total	205	205	205	205	0
Positions:					
Full-time permanent	217	217	217	217	0
Other than full-time permanent	0	0	0	0	0
Total	217	217	217	217	0

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

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

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

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

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

2 Authorization of appropriations for defense conversion activities,

42 U.S.C. 3232

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

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

3 Authorization of appropriations for disaster economic recovery activities

42. U.S.C. 3233

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

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

4 Funding for grants for planning and grants for administrative expenses

42 U.S.C. 3234

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

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

42 U.S.C. 6710

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

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

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

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

42 U.S.C. 5184 note

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

8 For grants and loan guarantees authorized by section 27 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3722)

15 U.S.C. 3722(d)(8)-authorizes \$7,000,000 for each of fiscal years 2011 through 2013 for the cost of guaranteeing \$300,000,000 in loans under section 15 U.S.C. 3722.

15 U.S.C. 3722(i) authorizes \$100,000,000 for each of fiscal years 2011 through 2013 to carry out section 15 U.S.C. 3722 (other than for loan guarantees under section 15 U.S.C. 3722(d)).

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

	2011 <u>Actual</u>	2012 <u>Estimate</u>	2013 <u>Estimate</u>
Average GS Grade	12.4	12.6	12.6
Average GS Salary	\$98,965	\$99,685	\$99,685

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