

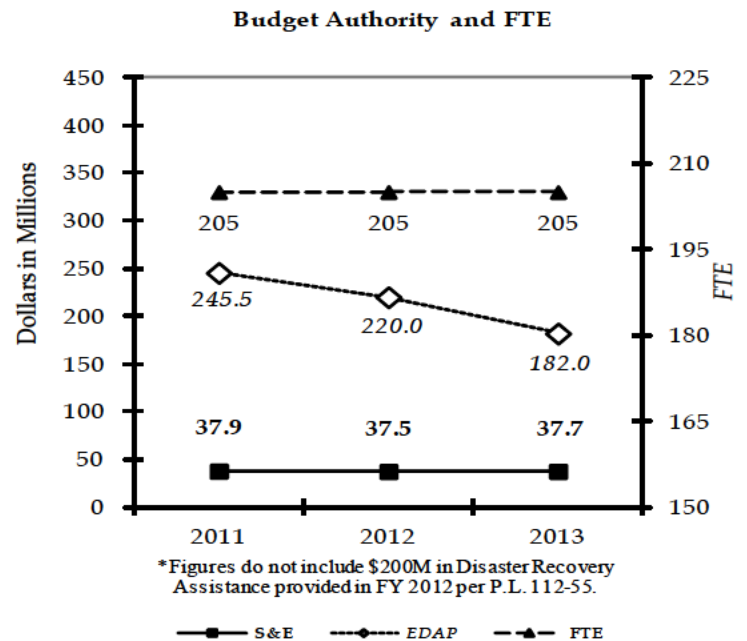
Economic Development Administration

The Economic Development Administration (EDA) focuses on accelerating the transition to the 21st Century economy by supporting sustainable job growth and regional competitiveness across the United States. EDA carries out its mission through a network of headquarters and regional personnel that work directly with regional organizations and leaders to identify and invest in projects that demonstrate potential for the greatest economic impact in distressed communities.

EDA programs serve as a catalyst for assisting the Nation's distressed communities in achieving their long-term economic potential through the strategic investment of resources based upon locally and regionally developed priorities. EDA works in partnership with other Federal agencies, state and local governments, regional economic development districts, public and private non-profit organizations, Native American Indian Tribes, and Alaska Native Villages to accomplish its mission. For example, in FY 2011 EDA led several inter-agency initiatives (e.g., i6 and Jobs and Innovation Accelerator Challenge) to leverage complementary Federal investments to boost job creation and economic growth in regions across the country.

EDA's FY 2013 budget request continues EDA's focus on accelerating the transition to the 21st Century economy by supporting sustainable job growth and competitive communities throughout the United States. EDA will continue focusing staff resources on outreach and technical assistance to distressed communities by helping communities analyze and understand socioeconomic and demographic data from a wide variety of sources, and how that data can be used to develop strategies to increase competitiveness. EDA staff will help communities cultivate relationships with key business, civic community, academia, and local government partners to pursue regional economic development opportunities, foster innovation, and support entrepreneurship and connect with the global marketplace.

Specifically, in FY 2013, EDA will direct resources to help distressed communities revitalize, expand, and upgrade their hard and soft infrastructure through the 21st Century Innovation Infrastructure (Successor to Public Works), the Economic Adjustment Assistance, Technical Assistance, Partnership Planning (Successor to Planning), and Trade Adjustment Assistance Programs; and will foster cutting-edge tools and data to help policymakers and practitioners better understand and capitalize on economic opportunities through the Research and Evaluation program. EDA will utilize the new Regional Innovation Strategies Program to support Science Park loan guarantees. Additionally, EDA proposes to continue its successful inter-agency efforts such as i6 and the Jobs and Innovation Accelerator Challenge through the Regional Innovation Strategies Program.



Summary of Appropriations

Funding Levels	2011	2012	2013	Increase
	<u>Actual</u>	<u>Enacted</u>	<u>Estimate</u>	<u>(Decrease)</u>
Appropriation, Discretionary				
Salaries and Expenses	\$37,924	\$37,500	\$37,719	\$219
EDAP	245,508	220,000	182,000	(38,000)
Disaster Recovery Assistance (Category B - New; as provided in P.L. 112-55)	0	200,000	0	(200,000)
DISCRETIONARY APPROPRIATION	283,432	457,500	219,719	(237,781)
Transfers from EDAP to S&E	[(1,531)]	[(350)]	[(350)]	
Budget Authority				
Salaries and Expenses	37,924	37,500	37,719	219
EDAP	245,508	220,000	182,000	(38,000)
Disaster Recovery Assistance (Category B - New; as provided in P.L. 112-55)	0	200,000	0	(200,000)
EDA Revolving Fund	0	0	0	0
TOTAL BUDGET AUTHORITY	283,432	457,500	219,719	(237,781)
FTE				
Salaries and Expenses	205	205	205	0
Reimbursable	1	1	1	0
Total	206	206	206	0

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2012 Enacted			205	\$37,500
Adjustments to Base				
<u>Other Changes</u>				
2013 Pay raise		\$83		
Civil Service Retirement System (CSRS)		(100)		
Federal Employees' Retirement System (FERS)		168		
Thrift Savings Plan		29		
Federal Insurance Contributions Act (FICA) - OASDI		96		
Health insurance		94		
Travel - Per Diem		26		
Travel - Mileage		7		
Rent payments to GSA		42		
Printing and Reproduction		1		
HCHB Electricity		(75)		
HCHB Water		1		
NARA		2		
Other services				
Working Capital Fund		14		
General Pricing Level Adjustment:				
Rental payments to others		4		
Other services		69		
Supplies and materials		4		
Equipment		13		
Subtotal, other cost changes			0	478
Less Amount Absorbed				(259)
TOTAL, ADJUSTMENTS TO BASE			0	219
2013 Base			205	37,719
Administrative Savings [non-add]				[84]
Program Changes			0	0
2013 APPROPRIATION			205	37,719

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Salaries and Expenses	205	\$40,541	205	\$37,719	205	\$37,719	0	\$0
TOTAL DIRECT OBLIGATIONS	205	40,541	205	37,719	205	37,719	0	0
REIMBURSABLE OBLIGATIONS	1	1,220	1	1,000	1	1,000	0	0
TOTAL OBLIGATIONS	206	41,761	206	38,719	206	38,719	0	0
FINANCING								
Unobligated balance, start of year (Direct)		(3,041)						
Unobligated balance, start of year (Reimb.)		(220)						
Offsetting coll. from Federal funds	(1)	(1,000)			(1)	(1,000)		
Subtotal, financing	(1)	(4,261)			(1)	(1,000)		
TOTAL BUDGET AUTHORITY / TOTAL APPROPRIATION	205	37,500			205	37,719		

Administrative Savings

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. Building on the 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 total savings in FY 2013 of \$0.44 million. For additional information see the Administrative Savings section of the Introduction to the Budget in Brief.

Appropriation: Economic Development Assistance Programs

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2012 Enacted	0	\$420,000
Non-recurring Category B Funding	0	(200,000)
2013 Base	0	220,000
Program Changes	0	(38,000)
2013 APPROPRIATION	0	182,000

Comparison by Activity

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Sustainable Economic Development (Successor to Global Climate Change)	0	\$0	0	\$0	0	\$0	0	\$0
21st Century Innovation Infrastr. (Successor to Public Works)	0	138,528	0	136,640	0	65,500	0	(71,140)
Partnership Planning (Successor to Planning)	0	29,000	0	29,000	0	27,000	0	(2,000)
Technical Assistance	0	12,481	0	12,000	0	12,000	0	0
Research and Evaluation	0	1,537	0	1,500	0	1,500	0	0
Trade Adjustment Assistance	0	15,841	0	15,800	0	15,800	0	0
Economic Adjustment Assistance	0	55,718	0	55,060	0	65,200	0	10,140
Regional Innovation Strategies	0	0	0	0	0	25,000	0	25,000
Category B Appropriations		27,497						
Disaster Recovery Assistance (Category B - New; P.L. 112-55)		200,000						
TOTAL DIRECT OBLIGATIONS	0	480,602	0	250,000	0	212,000	0	(38,000)
REIMBURSABLE OBLIGATIONS		30,000				30,000		
TOTAL OBLIGATIONS	0	510,602			0	242,000		
FINANCING								
Unobligated balance, start of year (Direct)		(30,602)						
Recoveries of prior year obligations		(30,000)				(30,000)		
Offsetting collections from:								
Federal funds		(30,000)				(30,000)		
Subtotal, financing	0	(90,602)			0	(60,000)		
TOTAL BUDGET AUTHORITY	0	420,000			0	182,000		
Unobligated balance rescission	0				0	0		
TOTAL APPROPRIATION	0	420,000			0	182,000		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>21st Century Innovation Infrastructure</u>	0	\$111,640	0	-\$71,140

EDA requests a reduction in funding for the 21st Century Innovation Infrastructure Program (Successor to Public Works) as part of the Agency's alignment with the Administration's efforts to reduce government spending. EDA's request is part of the Agency's overall effort to ensure a balanced portfolio best suited to help distressed communities access the diverse tools that can support the construction of hard and soft infrastructure inputs that drive regional growth. The 21st Century Innovation Infrastructure Program remains a critical component of the Agency's portfolio providing support for "asset poor" communities in the development of basic public assets that can lead to long term economic growth, such as water and sewer system improvements, fiber optic cable, industrial parks, business incubators, expansion of ports and harbors, workforce development facilities, and multi-tenant manufacturing facilities. These investments help distressed communities become more competitive.

<u>Partnership Planning</u>	0	\$29,000	0	-\$2,000
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EDA requests a reduction in funding for EDA's Partnership Planning Program (Successor to Planning) which brings the program to its statutorily required level. 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 Comprehensive Economic Development Strategy (CEDS) to guide resource allocation and project development. The key value of this process is that it is locally determined and involves participation from all the diverse interests in the community.

<u>Economic Adjustment Assistance</u>	0	\$50,060	0	+\$10,140
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EDA requests slightly more funding in its Economic Adjustment Assistance (EAA) Program. Before the creation of the Regional Innovation Strategies Program, EDA used EAA funds to accelerate job creation by providing a more complex and complimentary level of support for "asset rich" communities to develop and implement strategies that leverage existing assets more effectively (e.g., i6 and Jobs and Innovation Accelerator Challenges). EAA funds were also used to provide construction and non-construction support to assist in recovery from sudden and severe economic dislocations. Given that funding to support the job creation efforts of "asset rich" communities is now being requested through the separate Regional Innovation Strategies Program, EDA will be able to focus its EAA funding on the needs of communities recovering from sudden and severe economic dislocations.

<u>Regional Innovation Strategies Program</u>	0	\$0	0	+\$25,000
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EDA requests \$25 million to support the new Regional Innovation Strategies Program. The America COMPETES (COMPETES) Reauthorization Act of 2010 mandated the Department of Commerce to create the Regional Innovation Strategies Program to encourage innovation, regional collaboration, and regional innovation clusters. This program is based on the premise that, while many communities continue to need basic economic development assistance (such as planning and core infrastructure), it is critical to support advanced job creation strategies that promote regional innovation clusters as the basic building blocks of economic development in the 21st Century. This program will be the dedicated forum by which EDA supports its inter-agency efforts in order to more accurately balance its portfolio of other programs to meet the needs of its stakeholders. In addition, EDA will utilize \$7,000,000 in Regional Innovation Strategies Program funds for Science Park loan guarantees.

Performance Objectives and Measures

(Dollars reflect obligations in Millions)

EDA's program activities support the theme of Economic Growth, two corresponding goals (Innovation and Entrepreneurship and Market Development and Commercialization), and three objectives – Stimulate high growth business formation and entrepreneurship through investments in high-risk, high-reward technologies and removing impediments to accelerate technology commercialization (Objective 3); Promote the advancement of sustainable technologies, industries and infrastructure (Objective 6); and, Promote the vitality and competitiveness of our communities and businesses, particularly those that are disadvantaged or in distressed areas (Objective 7). EDA's GPRA performance measures capture the impact of EDA's investments in terms of job creation and private sector leverage and help EDA assess its performance against its goal of cultivating economic development in communities across the country. EDA focuses on assessing the outcomes of investments and identifying mechanisms for ensuring continuous improvement. EDA continues to work to improve its methods for tracking, reporting, and evaluating performance against key goals. EDA has also taken steps to implement new management tools, including a balanced scorecard and a dashboard, and is working to implement a more competitive and standardized grant making process in order to ensure that the Agency is able to most effectively accomplish its mission. Below are EDA's current performance outcomes and selected measures. A more detailed description of these objectives and measures is in the EDA section of the Department of Commerce Budget.

	FY 2011 Actual	2012 Enacted/ Targets	FY 2013 Estimate / Targets
Objective 3: Stimulate high growth business formation and entrepreneurship, through investments in high-risk, high-reward technologies and removing impediments to accelerate technology commercialization ¹	\$124.4	\$62.9	\$107.2
Objective 6: Promote and support the advancement of green and blue technologies and industries	\$19.0	\$28.9	\$21.0
Objective 7: Promote competitiveness of disadvantaged and distressed communities and businesses ¹	\$140.1	\$365.7	\$91.5
Private sector dollars invested in distressed communities as a result of EDA investments ²	\$3,960 M from 2002 investments \$1,617M from 2005 investments \$1,475M from 2008 investments	\$206M by 2015 \$515M by 2018 \$1,029M by 2021	\$115M by 2016 \$288M by 2019 \$576M by 2022
Jobs created or retained in distressed communities as a result of EDA investments ²	56,058 from 2002 investments 26,416 from 2005 investments 14,842 from 2008 investments	4,847 by 2015 12,118 by 2018 24,236 by 2021	2,710 by 2016 6,775 by 2019 13,550 by 2023
% of economic development districts and Indian tribes implementing projects from the CEDS process that lead to private investment and jobs	86%	95%	95%
% of substate jurisdiction members actively participating in the economic development district program	85%	89%	89%
% of University Center (UC) clients taking action as a result of University Center assistance	71%	75%	75%
% of those actions taken by UC clients that achieve the expected results	83%	80%	80%
% of Trade Adjustment Assistance Centers (TAACs) clients taking action as a result of TAAC assistance	71%	90%	90%
% of those actions taken by TAAC clients that achieved the expected results	100%	95%	95%
Total ³	\$283.5	\$457.5	\$219.7

¹ All of EDA's performance measures support DOC Objectives 3, 6 and 7. While the Disaster Recovery Assistance funds support DOC Objective 7, they are not included as part of EDA's FY 2012 target calculations.

² For investments made in FY 2011, FY 2012, and FY 2013, long-term outcome results are reported by investment recipients over a period of nine years at three year intervals. EDA's nine-year targets are derived from a mid-1990s Rutgers University research project that identified and analyzed the actual jobs and private investment generated by EDA investments. EDA's three- and six-year targets are estimates of the percentage of the nine-year projection that will be achieved in those respective time periods. These estimates have been found to underestimate actual results.

³ FY targets are directly dependent on appropriated funding levels for S&E and EDAP. Funding amounts exclude reimbursable, one-time costs and legislative proposal programs since these vary widely from year to year.

