



***EDA:  
Results-driven  
Performance***



***United States Department of Commerce***

***Economic Development Administration***

***Fiscal Year 2015***

***Congressional Budget Request***

**PRIVILEGED**

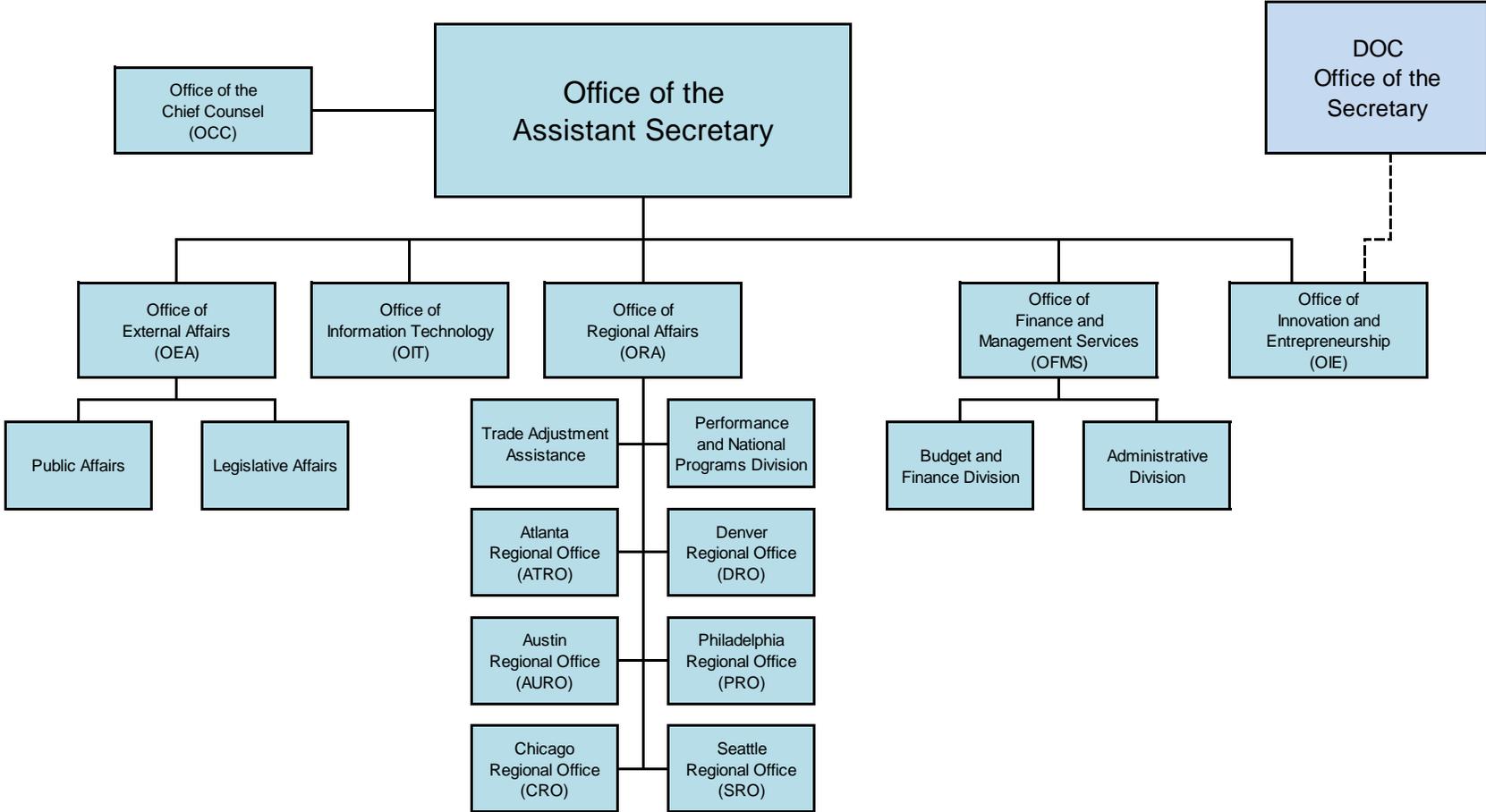
The information contained herein must not be disclosed outside the Bureau until made public by the President or by the Congress.

**Department of Commerce**  
**Economic Development Administration**  
**BUDGET ESTIMATES, FISCAL YEAR 2015**  
**CONGRESSIONAL BUDGET REQUEST**  
**TABLE OF CONTENTS**

<u>Exhibit</u>		<u>Page Number</u>
Exhibit 2	Organization Chart .....	4
Exhibit 3	Executive Summary .....	5
Exhibit 3A	FY 2013 Annual Performance Report / FY 2015 Annual Performance Plan.....	9
Exhibit 5	Summary of Resource Requirements .....	39
Exhibit 6	Summary of Reimbursable Obligations.....	40
Exhibit 7	Summary of Financing.....	42
Exhibit 10	Program and Performance: Direct Obligations .....	43
Exhibit 12-15	Budget Program: Public Works Programs .....	44
Exhibit 10	Program and Performance: Direct Obligations .....	49
Exhibit 12-15	Budget Program: Partnership Planning Program.....	50
Exhibit 10	Program and Performance: Direct Obligations .....	53
Exhibit 12-15	Budget Program: Technical Assistance Program.....	55
Exhibit 10	Program and Performance: Direct Obligations .....	59
Exhibit 12-15	Budget Program: Research and Evaluation Program.....	60
Exhibit 10	Program and Performance: Direct Obligations .....	61
Exhibit 12-15	Budget Program: Trade Adjustment Assistance Program .....	63
Exhibit 10	Program and Performance: Direct Obligations .....	67
Exhibit 12-15	Budget Program: Economic Adjustment Assistance Program.....	68
Exhibit 10	Program and Performance: Direct Obligations .....	71
Exhibit 12-15	Budget Program: SEC. 26 Innovative manufacturing loan guarantees Program....	73
Exhibit 10	Program and Performance: Direct Obligations .....	76
Exhibit 12-15	Budget Program: SEC. 27 Regional Innovation Strategies and Science Park Loan Guarantees Program.....	77
Exhibit 16	Summary of Requirements by Object Class.....	82
Exhibit 5	Summary of Resource Requirements .....	84
Exhibit 6	Summary of Reimbursable Obligations .....	85
Exhibit 7	Summary of Financing: Salaries and Expenses .....	86
Exhibit 9	Justification of Adjustments to Base and Built-in Charges .....	87
Exhibit 10	Program and Performance: Direct Obligations .....	91
Exhibit 12	Budget Program: Salaries and Expenses Program Administration .....	92
Exhibit 15	Program Change Detail by Object Class : Salaries and Expenses .....	98
Exhibit 16	Summary of Requirements by Object Class: Salaries and Expenses.....	99
Exhibit 32	Justification of Proposed Language Changes.....	101
Exhibit 33	Appropriation Language and Code Citations: Salaries and Expenses .....	102

[THIS PAGE INTENTIONALLY LEFT BLANK]

Department of Commerce  
Economic Development Administration  
BUDGET ESTIMATES, FISCAL YEAR 2015  
CONGRESSIONAL BUDGET REQUEST  
ORGANIZATION CHART



**Department of Commerce**  
**Economic Development Administration**  
**BUDGET ESTIMATES, FISCAL YEAR 2015**  
**OMB BUDGET REQUEST**  
**EXECUTIVE SUMMARY**

*“We are entering a new era of opportunity to boost American manufacturing.”*  
*US Commerce Secretary Penny Pritzker*

*“If you want to create jobs right now, but also jobs that will have impacts for years, here’s the way to do it. We know strong infrastructure is a key ingredient to a thriving economy. That’s how the United States became the best place in the world to do business.”*  
*President Barack Obama*

Our nation is in the midst of economic recovery from the worst economic crisis since the Great Depression. While the recovery is taking place, GDP growth and job creation growth are still slow, and many regions and communities across the country are struggling to recover fully.

The American economy is a collection of local and regional economies, and they stand at the forefront of leading the recovery. The demands they face to compete globally and seize the opportunities created by our national comparative advantages have grown ever more intense. Just as the demands have increased, there are significant gaps in resources: state/local finances and higher education budgets are under pressure; private capital continues to be risk-averse.

As our nation adjusts to the new realities of today’s globally competitive market, the federal government can and should play a key role: investing patient capital in a strategic way in the ecosystem, catalyzing private investment, leveraging state and local development funds, and facilitating the reorientation of local economies toward productive investments in the ecosystem. EDA can and should help our regions recover more fully by continuing to invest in bottom-up strategies that leverage regional assets to the fullest extent. These assets include businesses, existing and emerging industry clusters, supply chains, technology, infrastructure, institutions of higher learning, and human talent.

In support of these goals, the Economic Development Administration’s (EDA) FY 2015 budget request is designed to provide communities with the tools necessary to foster the sustainable competitiveness of their regions and help build a 21<sup>st</sup> Century economy that will drive future growth and prosperity.

### **Exclusively Focused on Economic Development**

As the only Federal government agency with a mission and programs focused exclusively on economic development, EDA plays a critical role in driving effective regional economic development in communities across the nation. Through the agency’s diverse and flexible programs, EDA can provide a wide array of construction, technical assistance, financing, and strategic planning tools that local and regional entities can utilize to support their communities’ unique economic development goals.

EDA is unlike most government programs that provide formulaic assistance to states and communities based on given thresholds. Instead, EDA provides assistance directly to distressed communities based on the merit of their proposals and their capacity to achieve the proposed objectives. Therefore, EDA builds direct relationships with local entities which result in investments that are tied to a long term sustainable economic development strategy and maximize regional opportunities to drive economic development objectives, support job creation, and enhance regional prosperity.

### **Supporting 21<sup>st</sup> Century Economies through Regional Innovation Strategies**

Through groundbreaking efforts to bust federal silos and work across agencies like never before, EDA has been an integral part of multiple cross-agency funding initiatives that have resulted in millions of dollars invested in challenge grants awarded for growing and strengthening regional economies all across the country.

EDA's FY 2015 budget request continues this effort of collaboration through the Regional Innovation Strategies Program. 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 job creation – all while using several sources of federal dollars more effectively and efficiently. EDA has positioned itself as a leader in the Federal government in creating and implementing inter-agency challenge competitions that leverage these complementary resources from multiple Federal agencies in order to advance significant regional economic, workforce, and community initiatives.

The Regional Innovation Strategies Program is an important complement to EDA's traditional programs: together they give EDA a mechanism to provide targeted, strategic investments to communities in the way that they most need the assistance. Some communities need the foundational asset building investments while other more asset rich communities need help leveraging their potential more strategically to meet the economic development goals of their broad regional economy.

### **Addressing Unique Needs of Communities**

Local communities and organizations across the country are taking innovative steps to improve their way of life and create stronger businesses and sustainable jobs. Through EDA's traditional programs, the agency partners with communities to help them build the assets they need, including skills-training facilities, business incubator facilities, port and harbor facilities, industrial parks, water and sewer system improvements, and the redevelopment of brownfields. Other times, EDA taps into its flexible Economic Adjustment Assistance Program help communities spearhead economic recovery in regions affected by natural disasters, natural resource depletion, mass layoffs and other severe economic shocks.

EDA tailors its response to each community's unique needs and its available portfolio of programs allows it to be nimble and flexible in addressing these needs. EDA's FY 2015 budget request ensures that the agency has the resources to continue to provide strategic investments that are often the tipping point that leads to job creation and significant private sector investment.

## **Alignment with Department of Commerce Goals**

EDA's FY 2015 budget proposal continues to support the Department of Commerce's goals of promoting advanced manufacturing, helping U.S. companies increase exports, and encouraging more companies to invest in or expand operations in the United States.

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 to the worldwide marketplace.

In short, together EDA's programs offer a complementary, balanced portfolio of tools that are designed to help rural, urban, and metropolitan communities evolve through the economic development process to become robust regional engines for business creation and job growth.

### **EDA Opportunity, Growth and Security Initiative (OGSI) – Budget Proposal Narrative**

The OGSI builds on and advances EDA's proven track record of catalyzing regionally-owned plans to drive innovation and create jobs, and building the strong partnerships that will strengthen regions' and our nation's overall economic competitiveness. Over the past four years, EDA has proven the model of regional collaboration through more than 100 regional innovation initiatives across the U.S. As described below, regions continue to face resource and expertise constraints, and therefore require more co-investment assistance for their bottom-up, locally-led initiatives to accelerate economic growth, job creation, and shared prosperity.

The OGSI will enable EDA to incentivize, reward, and highlight smart, comprehensive and integrated innovation and commercialization capacity building projects that support rapid business expansion at the regional level. These projects will enable businesses to mitigate risk through support from universities, community colleges, research centers, local government, and not-for-profit venture development organizations who can co-invest with EDA to create strong innovation and value creating ecosystems that provide solutions to the current and long term challenges of start-up and accelerating businesses.

#### Justification

The United States currently stands at a critical moment in the global economy to create the jobs, economic growth, innovation, and shared prosperity that will maintain and increase our quality of life. The U.S. must build on our assets and build on our Nation's storied history as innovators to keep us competitive and to drive economic prosperity and opportunity for all Americans.

The American economy is in fact a collection of regional economies, and the demands that regions face in order to compete globally and seize the opportunities created by comparative advantages have grown ever more intense. Therefore, the country's regions need strategic co-investment in critical infrastructure and capacity building; investment that catalyzes private sector growth, supports locally-driven plans, and leverages regional assets.

Research has shown that regions can create strong, job creating Innovation Ecosystems by investing in and building strong, interconnected networks that support solutions in the following key business areas: workforce and training; supply chains; research and development; infrastructure and site development; export promotion and foreign direct investment; commercialization, and access to capital.

New firms are created and existing firms accelerate growth as a result of innovation. Innovation is the invention, improvement, and commercialization of new products, processes, and services and is the primary driver of U.S. competitiveness, wage and job growth, and long-term economic growth. As much as half of economic growth in the United States can be attributed to advances in science, technology, and business processes which precede innovation in the marketplace.

Therefore, the successful model of US economic development comprises the following key elements: focusing on regional economic ecosystems and bottom-up strategies, and leveraging regional assets to the fullest extent - businesses, existing and emerging industry clusters, supply chains, technology, infrastructure, institutions of higher learning, and human talent.

Building the capacity for greater innovation and prosperity in the American economy has never been, and cannot be, fully assumed by the private sector due to the long term capital investments that are required. Thus, strong, place-based economic development that results in sustained productivity requires risk-sharing between the public and private sectors because the level of risk needed to build resilient, globally-competitive regional economies cannot be assumed solely by either the public or private sectors. Public funding is necessary to invest the patient capital in a strategic way in the ecosystem to catalyze private investment, leverage state and local development funds, and facilitate the reorientation of regional economies toward productive investments in the ecosystem.

FY 2013 Annual Performance Report / FY 2015 Annual Performance Plan

***Economic Development Administration***

**Table of Contents**

PART 1- SUMMARY INFORMATION	9
Section 1: Overview	9
Section 2: Corresponding DOC Strategic Themes, Goals, and Objectives	12
PART 2- PERFORMANCE RESULTS AND PLAN	15
Section 1: FY 2013 Summary Description of Performance by Objective	15
Section 2: FY 2013 Description of Performance by Objective	18
PART 3 - RESOURCE REQUIREMENTS TABLE	31
PART 4 - AGENCY PRIORITY GOALS	33
PART 5 – OTHER INFORMATION	33
Section 1: Major Management Priorities and Challenges	33
Section 2: Cross-Agency Priority Goals / Collaborations	34
Section 3: Program Evaluations	37
Section 4: Hyperlinks	37
Section 5: Data Validation and Verification	37

**Part 1 Summary Information**

Section 1      Overview

**Mission Statement**

The Economic Development Administration’s (EDA) mission directly supports the Department of Commerce’s (the Department) goal to maximize U.S. competitiveness, enhance manufacturing, increase exports, and foster regional economic growth to support job creation and foster prosperity for communities across the nation.

**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.

Organizational Structure See Exhibit 2.

Description / Scope of Responsibilities

As the only federal agency with economic development as its exclusive mission, EDA promotes the economic ecosystems in which jobs are created, through a wide range of technical, planning, public works, and innovation infrastructure investments. EDA strives to advance global competitiveness, foster the creation of high-paying jobs, and leverage public and private resources strategically.

EDA's investments establish a foundation for sustainable job growth and the building of durable regional economies throughout the United States. Guided by the basic principle that communities must be empowered to develop and implement their own economic development and revitalization strategies, EDA works directly with a large network of local economic development officials to support bottom up, regionally-owned economic development initiatives; serve as strategic, catalytic seed investments; attract and leverage private capital investment; and emphasize innovation, entrepreneurship, and regional competitiveness. This network includes local and state officials, University Centers, Economic Development Districts, Indian Tribes, non-profits, and economic development practitioners and thought leaders from across the nation. Working in collaboration with these entities, EDA is able to develop and deploy effective policies which result in grant investments that are well defined, timely, and linked to long term sustainable economic development strategies.

EDA administers the majority of its grant programs through its network of six regional offices, which is supported by a headquarters office based in Washington, DC. Additional information on EDA's structure, operations, organizational structure, and number of employees can be found in the Exhibits 12 – 15 in the section on Salaries and Expenses.

### Accomplishments

In FY 2013, EDA invested more than \$200 million in 750 locally-driven economic development projects in communities across the country. These strategic investments helped to drive the growth of the nation's manufacturing sector, spur innovation, and stimulate exports to create new jobs.

The multi-agency Make it in America Challenge and Investing in Manufacturing Communities Partnership (IMCP) continued EDA's leadership role in coordinating federal resources and streamlining grant processes and procedures to better serve potential grantees.

The Make it in America Challenge was issued on March 18, 2013. Led by EDA and in partnership with the Department of Labor, the challenge is working to help foreign and domestic businesses to build and/or expand their operations in the United States. In late October 2013, the Administration announced the 10 winners of the challenge. The winning regions received a total of \$20.5 million for projects supporting regional economic development, advanced skills training, greater supply chain access, and other enhancements.

The IMCP is an Administration-wide initiative designed to accelerate the resurgence of manufacturing and help cultivate an environment for businesses to create well-paying manufacturing jobs in regions across the country. The IMCP will reward communities that demonstrate best practices in attracting and expanding manufacturing by using long-term planning that integrates targeted investments in workforce training, infrastructure, research, and other key assets.

This past fall, the Administration announced the winners of the first phase of the IMCP. More than twenty-five winning regions across the country received planning grants to help them develop implementation-ready action plans that comprise: workforce training, specialized research, strengthen supply chains, improved capital access, and improved infrastructure. In

December 2013, the Obama Administration launched a national competition to designate “manufacturing communities” as phase two of the IMCP, which EDA is leading. The designation offers up to 12 selected communities with preferential consideration for up to \$1.3 billion in federal dollars and assistance from 10 federal agencies.

Since FY 2010, EDA has invested in over 100 of these multi-agency collaborative projects throughout the country which have brought together funding from multiple agencies to leverage higher levels of investment in national strategic priorities.

These national challenges, and the projects launched through them, have critical components in common - they have shifted in a positive and impactful way how regions organize for action and they have changed the very conversation about regional growth. They are setting the stage more effectively for driving the economy in ever-widening circles.

Section 2 Corresponding DOC Strategic Themes, Goals, and Objectives

Goal	Objective Number	Objective Name	Leader
Trade and Investment	1.2	Increase U.S. exports by broadening and deepening the U.S. exporter base.	Tom Guevara, Deputy Assistant Secretary for Regional Affairs
Trade and Investment	1.3	Increase high-impact and high-growth potential inward foreign direct investment in the United States	Tom Guevara, Deputy Assistant Secretary for Regional Affairs
Innovation	2.2	Increase the capacity of U.S. regional economies to accelerate the production of value-added goods and services by providing services to and investments in businesses and communities	Tom Guevara, Deputy Assistant Secretary for Regional Affairs
Innovation	2.4	Accelerate the development of industry-led skills strategies that result in a productive workforce for employers and high-quality jobs for workers	Tom Guevara, Deputy Assistant Secretary for Regional Affairs
Innovation	2.5	Accelerate growth of innovation-intensive economic sectors by building public and private capacity to invent, improve, and commercialize new products and services	Tom Guevara, Deputy Assistant Secretary for Regional Affairs
Environment	3.3	Strengthen the resiliency of communities and regions by delivering targeted services to build capacity	Tom Guevara, Deputy Assistant Secretary for Regional Affairs

Guided by the basic principle that communities must be empowered to develop and implement their own economic development and revitalization strategies, EDA’s investments are designed to be catalytic drivers of economic changes and advancement within their communities. By working directly with local and state governments, Economic Development Districts, universities and community colleges, Native American tribes, and non-profit organizations, EDA enables economically distressed communities to build upon their unique assets, strengths and opportunities to guide their economic future.

EDA’s bottom-up approach translates into flexible programs that cut across Departmental goals to spur Innovation and Entrepreneurship, and foster 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 Public Works Program** provides the critical 21<sup>st</sup> century innovation infrastructure necessary to ensure that regions can successfully compete in a global, knowledge-driven economy. Through the Public Works (PW) Program, EDA makes strategic investments to help communities build or expand access to key infrastructure assets which are critical inputs to driving regional competitiveness and long-term economic prosperity.

**The Economic Adjustment Assistance Program (EAA Program)** provides regions with resources to plan and implement projects that increase the innovation potential of their locale. Importantly, the EAA program provides specific authorities that allow it to work with communities to proactively identify, plan, and mitigate economic transformation or dislocations, and generally projects funded through this program directly respond to or help a community prepare and mitigate economic dislocations. As the most flexible program in EDA's toolbox, the EAA Program provides the Agency a robust array of resources that can be brought to bear to help support construction, technical assistance, and financing projects that will help distressed communities become more competitive and more prosperous in the long-term.

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

**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 21<sup>st</sup> 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.

**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.

EDA continues to pursue and implement management improvements and initiatives that make good business sense and support the Bureau's mission and its Strategic Objectives. EDA is committed to achieving its mission of fostering economic development in communities throughout the nation while also achieving four key objectives that inform our approach to performance measurement: (1) supporting effective outcomes, (2) implementing and managing programs and initiatives in an efficient operational manner, (3) leading the economic development agenda by supporting thought leadership that can inform and drive effective decision making by economic development practitioners and policymakers across the nation, and (4) acting as a responsible steward of the taxpayer investment.

In order to meet its strategic objectives, EDA focuses on the following key areas:

- Cultivating the resiliency and sustainability of regional innovation ecosystems;
- Encouraging job creation and leveraging of private investment;
- Increasing exports and attract foreign direct investment;

- Providing responsive, effective feedback to applicants; and,
- Promoting organizational excellence.

To advance the progress toward these goals, EDA utilizes an array of traditional quantitative measures, as well as an array of qualitative measures designed to assess progress towards the implementation and realization of significant, long-term objectives that are not easily quantified. This combination of both types of measures provides a comprehensive perspective the EDA Senior Managers can utilize to assess progress on achieving goals, evaluate and shift resources to support the successful accomplishment of critical milestones, and learn and improve operations and policy.

To advance this effort, and guide the Agency's overarching work toward supporting these Strategic Objectives, 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 nonprofits.

### **National Strategic Priorities**

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

### **Global Competitiveness**

Initiatives that support high-growth businesses and innovation-based entrepreneurs to expand and compete in global markets, especially investments that expand U.S. exports, encourage foreign direct investment, and promote the repatriation of jobs back to the U.S.

### **Environmentally-Sustainable Development**

Investments that promote job creation and economic prosperity through projects that enhance environmental quality and develop and implement green products, processes, places, and buildings as part of the green economy. This includes support for energy-efficient green technologies.

### **Economically Distressed and Underserved Communities**

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

EDA continues to meet or exceed its goals for jobs created/retained and private investment leveraged. Indeed, projects funded by EDA over the last decade are expected to generate over 220,000 jobs and over \$8.5 billion in private investment by 2016. While EDA's long-term performance continues to closely follow expectations set by a study conducted by Rutgers in 1996, evidence over the past few years has indicated that EDA projects realize much of their performance outcomes earlier than previously anticipated. As such, EDA proposes revising its 3-

and 6- year performance targets substantially upwards for jobs and private investment to reflect historical trends.

In addition, the University of North Carolina at Chapel Hill (UNC), in collaboration with the George Washington Institute for Public Policy (GWIPP), is completing a two-year cooperative agreement with the Economic Development Administration (EDA) to design a system for producing performance and outcome metrics and to incorporate them into a comprehensive, user-friendly evaluation system. The outcome metrics may inform and help EDA better measure the impacts of its non-construction, capacity building grant-based investments.

## **Article I.      Part 2              Performance Results and Plans**

### **Section 1:      FY 2013 Summary Description of Performance by Objective**

Guided by the premise that economic development is most successful when regions are empowered to make and implement their own development and revitalization strategies, EDA works directly with local economic development officials through a *bottom-up* approach that both supports and relies upon a well-established network of local and regional economic development professionals, including Economic Development Districts (EDDs); University Centers (UCs); local, regional, and state development offices; Indian Tribes, and national development organizations.

Through its Economic Development Assistance Programs (EDAP), EDA has a diverse portfolio of resources that can help communities capitalize on their full economic potential and catalyze innovative, *locally-developed* projects. This permits communities to advance the economic development strategies of the region - whether by addressing an immediate critical infrastructure need, assisting with the development of a regional strategic plan, or helping a community connect critical innovation hubs to expand a regional industry into the worldwide marketplace. In short, **together EDA's programs offer a synergistic, balanced portfolio of 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.**

EDA's model for awarding grants that build on and advance strong regional economic development strategies makes it an unique asset for communities across the nation: unlike most government programs that provide formulaic assistance to states and communities based on given thresholds, EDA provides assistance directly to distressed communities based on the merit of their proposals and their capacity to achieve the proposed objectives. This direct relationship enables EDA to make strategic investments in partnership with local entities that maximize regional opportunities as they arise to drive regional economic development objectives, support job creation, and enhance regional prosperity. This collaborative approach results in grant investments that are well-defined, timely, and linked to a long-term sustainable economic development strategy. Linking EDA's investments to a region's strategic economic development plan enables the Agency to more efficiently and effectively support its desired outcomes.

This holistic approach to economic development specifically supports 6 of the Department's Strategic Objectives, as follows:

### ***Article II.      FY 14-18 Strategic Goal: Trade and Investment***

Strategic Objective 1.2: Increase U.S. exports by broadening and deepening the U.S. exporter base.

Strategic Objective 1.3. Increase high-impact and high-growth potential inward foreign direct investment in the United States

Through its targeted economic development grant programs, EDA helps communities develop and implement place-based strategies that allow them to better understand and leverage their regional assets and build overall capacity to expand exports and attract foreign direct investment. In particular, EDA provides grant-based investments to help communities across the country foster the conditions necessary to attract business production back to the U.S. or locate facilities within the U.S. rather than other countries.

*Article III. FY 14-18 Strategic Goal: Innovation*

Strategic Objective 2.2: Increase the capacity of U.S. regional economies to accelerate the production of value-added goods and services by providing services to and investments in businesses and communities

Strategic Objective 2.4: Accelerate the development of industry-led skills strategies that result in a productive workforce for employers and high-quality jobs for workers

Strategic Objective 2.5: Accelerate growth of innovation-intensive economic sectors by building public and private capacity to invent, improve, and commercialize new products and services

Increased international competition and rapid technological change have diminished the economic capacity of communities and regions. To help restore this capacity, EDA provides economic development planning, technical assistance, and infrastructure construction grants to help create “economic ecosystems.” These ecosystems provide the critical mass of aligned resources needed for the private sector to leverage regional and community assets to grow advanced capabilities and create jobs. As part of this effort, EDA continues to play a leadership role in the implementation of the Investment in Manufacturing Communities Partnership (IMCP), an interagency initiative, focused on helping communities cultivate ecosystems that develop and coordinate an array of public goods, including: specialized workforce training, research institutions, transportation and energy networks -- fostering conditions for manufacturing companies to grow, expand local supply chains, and create good jobs.

*Article IV. FY 14-18 Strategic Goal: Environment*

Strategic Objective 3.3: Strengthen the resiliency of communities and regions by delivering targeted services to build capacity

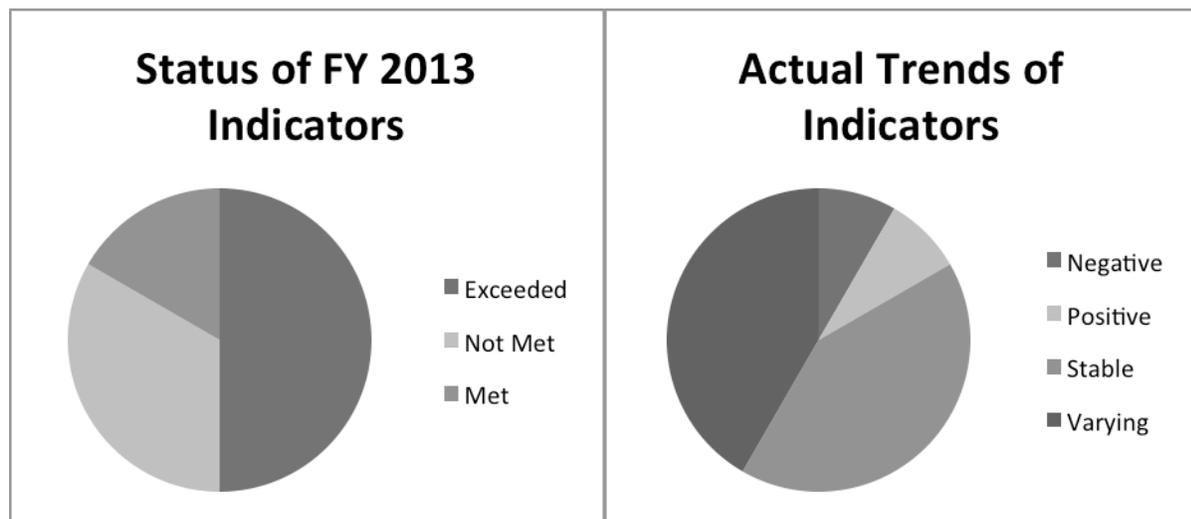
It is becoming increasingly apparent that regional economic prosperity is linked to an area’s ability to withstand, prevent, or quickly recover from major disruptions (i.e., ‘shocks’) to its underlying economic base. The ability to anticipate risk, limit impact and ‘bounce back’ in the face of difficult challenges is often a key differentiator in determining the long-term economic viability of a particular location. EDA provides grants to communities and regions to develop and implement place-based strategies that allow them to better understand and leverage their regional assets to build their overall capacity for economic resiliency.

Article V. Recurring Indicators

**Summary of FY 2013 Indicator Performance**

Indicator	Target	Actual	Status	Trend
Private Investment Leveraged - 9 year totals (in millions)	1,637	3,466	Exceeded	Varying
Private Investment Leveraged - 6 year totals (in millions)	647	2,063	Exceeded	Stable
Private Investment Leveraged - 3 year totals (in millions)	261	1,076	Exceeded	Stable
Jobs Created/Retained - 9 year totals	44,853	33,088	Not Met	Varying
Jobs Created/Retained - 6 year totals	16,570	12,685	Not Met	Varying
Jobs Created/Retained - 3 year totals	6,333	13,576	Exceeded	Varying
Percentage of Economic Development Districts (EDD) and Indian Tribes implementing economic development projects from the Comprehensive Economic Development Strategy (CEDS) that lead to private investment and jobs.	95.0%	89.2%	Met	Stable
Percentage of sub-state jurisdiction members actively participating in the Economic Development District (EDD) program.	89.0%	83.7%	Met	Stable
Percentage of University Center Clients Taking Action as a Result of the Assistance Facilitated by the University Center (UC).	75.0%	65.8%	Not Met	Negative
Percentage of Those Actions Taken by University Center (UC) Clients that Achieved the Expected Results.	80.0%	90.1%	Exceeded	Positive
Percentage of Trade Adjustment Assistance Center (TAAC) clients taking action as a result of the assistance facilitated by the TAAC.	90.0%	75.9%	Not Met	Varying
Percentage of those actions taken by TAAC clients that achieved the expected results.	95.0%	100.0%	Exceeded	Stable

All FY 2013 Indicators:



Section 2: FY 2013 Description of Performance by Objective

Article VI. Summary of Expected Performance for FY 2015 Request

<b>Indicator</b>	<b>Target</b>
Private Investment Leveraged - 9 years from FY (in millions)	\$829
Private Investment Leveraged - 6 years from FY (in millions)	\$622
Private Investment Leveraged - 3 years from FY (in millions)	\$332
Jobs Created/Retained - 9 years from FY	18,922
Jobs Created/Retained - 6 years from FY	14,192
Jobs Created/Retained - 3 years from FY	7,569
Percentage of Economic Development Districts (EDD) and Indian Tribes implementing economic development projects from the Comprehensive Economic Development Strategy (CEDS) that lead to private investment and jobs.	95%
Percentage of sub-state jurisdiction members actively participating in the Economic Development District (EDD) program.	89%
Percentage of University Center Clients Taking Action as a Result of the Assistance Facilitated by the University Center (UC).	75%
Percentage of Those Actions Taken by University Center (UC) Clients that Achieved the Expected Results.	83%
Percentage of Trade Adjustment Assistance Center (TAAC) clients taking action as a result of the assistance facilitated by the TAAC.	90%
Percentage of those actions taken by TAAC clients that achieved the expected results.	95%

EDA uses a formula-driven calculation to project private investment leveraged and jobs created/retained 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 construction investments after 9 years. This approach was reviewed and validated by third-party analysis conducted by Grant Thornton in 2008. Based on this formula, EDA has previously estimated that 20% of the 9-year projection would be realized after 3 years, 50% after 6 years, and 100% after 9 years. However, historical results suggest that EDA has underestimated the percentage of the 9-year projection that is realized at 3 and 6 years. EDA proposes revising the target percentage upwards for the 3 and 6 year intervals, to 40% and 75%, respectively. Targets above for FY 2015 reflect this change.

EDA re-calculates outcome forecasts throughout the budget cycle as input values change, hence the forecast herein may differ from prior iterations. GPRA targets are outcome forecasts based on the final appropriation. Actual targets are established once EDA receives final Congressional Appropriation and the final Spend Plan is approved.

Detailed Performance Indicator Information

Indicator	Jobs Created/Retained - 9 year totals							
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 construction investments after 9 years. This approach was reviewed and validated by third-party analysis conducted by Grant Thornton in 2008. 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.							
Measurement Year <sup>1</sup>	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	56,900	56,500	72,000	57,800	45,800	44,853	36,386	35,097
Actual	57,701	45,866	66,527	56,058	12,675	33,088		
Status	Exceeded	Not Met	Met	Met	Not Met	Not Met		
Trend	Varying							
Explanation (if not met in FY 2013)	NA							
Actions to be taken / Future Plans	None							
Adjustments to targets	No Changes							
Information Gaps	None							
Validation and Verification								
Data Source	Frequency	Data Storage	Internal Control Procedures		Data Limitations		Actions to be Taken	
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 visit with some recipients.		Universe - Regular Appropriation for Public Works, EAA implementation and revolving loan fund investments, and construction investments made through the Investing in Manufacturing Communities Program. Targets of private investment and job creation may be impacted by broad economic cycles.		EDA will continue to monitor investment and job creation data.	

<sup>1</sup> Measurement year is nine years after the award was granted. Targets for FY 2015 reflect expected outcomes of projects funded by EDA in FY 2006.

Indicator	Jobs Created/Retained - 6 year totals
-----------	---------------------------------------

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 construction investments after 9 years. This approach was reviewed and validated by third-party analysis conducted by Grant Thornton in 2008. 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.
-------------	--

Measurement Year <sup>1</sup>	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	28,900	22,900	22,427	18,193	17,548	16,570	15,640	27,958
Actual	30,719	24,533	26,695	26,416	36,046	12,685		
Status	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded	Not Met		

Trend	Varying
-------	---------

Explanation (if not met in FY 2013)	NA
-------------------------------------	----

Actions to be taken / Future Plans	Historical results suggest that EDA has underestimated the percentage of the 9-year projection that is realized at 6 years. EDA proposes revising the target percentage upwards for the 6 year intervals, to 75%.
------------------------------------	---

Adjustments to targets	No Changes to existing targets; changes will be made in calculation of future targets.
------------------------	--

Information Gaps	None
------------------	------

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
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 visit with some recipients.	Universe - Regular Appropriation for Public Works, EAA implementation and revolving loan fund investments, and construction investments made through the Investing in Manufacturing Communities Program. Targets of private investment and job creation may be impacted by broad economic cycles.	EDA will continue to monitor investment and job creation data.

<sup>1</sup> Measurement year is six years after the award was granted. Targets for FY 2015 reflect expected outcomes of projects funded by EDA in FY 2009.

Indicator	Jobs Created/Retained - 3 year totals							
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 construction investments after 9 years. This approach was reviewed and validated by third-party analysis conducted by Grant Thornton in 2008. 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.							
Measurement Year <sup>1</sup>	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	7,227	7,019	6,628	6,256	11,183	6,333	5,357	4,939
Actual	14,819	9,137	9,159	14,842	6,040	13,576		
Status	Exceeded	Exceeded	Exceeded	Exceeded	Not Met	Exceeded		
Trend	Varying							
Explanation (if not met in FY 2013)	NA							
Actions to be taken / Future Plans	Historical results suggest that EDA has underestimated the percentage of the 9-year projection that is realized at 3 years. EDA proposes revising the target percentage upwards for the 3 year interval, to 40%.							
Adjustments to targets	No Changes to existing targets; changes will be made in calculation of future targets.							
Information Gaps	None							
Validation and Verification								
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations			Actions to be Taken	
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 visit with some recipients.	Universe - Regular Appropriation for Public Works, EAA implementation and revolving loan fund investments, and construction investments made through the Investing in Manufacturing Communities Program. Targets of private investment and job creation may be impacted by broad economic cycles.			EDA will continue to monitor investment and job creation data.	

<sup>1</sup> Measurement year is three years after the award was granted. Targets for FY 2015 reflect expected outcomes of projects funded by EDA in FY 2012.

Indicator	Private Investment Leveraged - 9 year totals (in millions)
-----------	--

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 construction investments after 9 years. This approach was reviewed and validated by third-party analysis conducted by Grant Thornton in 2008. 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.
-------------	--

Measurement Year <sup>1</sup>	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	\$2,080	\$2,040	\$2,410	\$1,940	\$1,620	\$1,637	\$1,349	\$1,324
Actual	\$4,173	\$2,210	\$2,758	\$3,960	\$1,593	\$3,466		
Status	Exceeded	Exceeded	Exceeded	Exceeded	Met	Exceeded		

Trend	Varying
-------	---------

Explanation (if not met in FY 2013)	NA
-------------------------------------	----

Actions to be taken / Future Plans	None
------------------------------------	------

Adjustments to targets	No Changes
------------------------	------------

Information Gaps	None
------------------	------

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
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 visit with some recipients.	Universe - Regular Appropriation for Public Works, EAA implementation and revolving loan fund investments, and construction investments made through the Investing in Manufacturing Communities Program. Targets of private investment and job creation may be impacted by broad economic cycles.	EDA will continue to monitor investment and job creation data.

<sup>1</sup> Measurement year is nine years after the award was granted. Targets for FY 2015 reflect expected outcomes of projects funded by EDA in FY 2006.

Indicator	Private Investment Leveraged - 6 year totals (in millions)
-----------	--

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 construction investments after 9 years. This approach was reviewed and validated by third-party analysis conducted by Grant Thornton in 2008. 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.
-------------	--

Measurement Year <sup>1</sup>	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	\$970	\$810	\$824	\$674	\$662	\$647	\$612	\$1,093
Actual	\$1,393	\$855	\$2,281	\$1,617	\$2,402	\$2,063		
Status	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded		

Trend	Stable
-------	--------

Explanation (if not met in FY 2013)	NA
-------------------------------------	----

Actions to be taken / Future Plans	Historical results suggest that EDA has underestimated the percentage of the 9-year projection that is realized at 6 years. EDA proposes revising the target percentage upwards for the 6 year intervals, to 75%.
------------------------------------	---

Adjustments to targets	No Changes to existing targets; changes will be made in calculation of future targets.
------------------------	--

Information Gaps	None
------------------	------

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
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 visit with some recipients.	Universe - Regular Appropriation for Public Works, EAA implementation and revolving loan fund investments, and construction investments made through the Investing in Manufacturing Communities Program. Targets of private investment and job creation may be impacted by broad economic cycles.	EDA will continue to monitor investment and job creation data.

<sup>1</sup> Measurement year is six years after the award was granted. Targets for FY 2015 reflect expected outcomes of projects funded by EDA in FY 2009.

Indicator	Private Investment Leveraged - 3 year totals (in millions)
-----------	--

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 construction investments after 9 years. This approach was reviewed and validated by third-party analysis conducted by Grant Thornton in 2008. 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.
-------------	--

Measurement Year <sup>1</sup>	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	\$270	\$265	\$259	\$245	\$437	\$261	\$224	\$210
Actual	\$1,013	\$484	\$1,544	\$1,475	\$837	\$1,076		
Status	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded		

Trend	Stable
-------	--------

Explanation (if not met in FY 2013)	NA
-------------------------------------	----

Actions to be taken / Future Plans	Historical results suggest that EDA has underestimated the percentage of the 9-year projection that is realized at 3 years. EDA proposes revising the target percentage upwards for the 3 year interval, to 40%.
------------------------------------	--

Adjustments to targets	No Changes to existing targets; changes will be made in calculation of future targets.
------------------------	--

Information Gaps	None
------------------	------

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
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 visit with some recipients.	Universe - Regular Appropriation for Public Works, EAA implementation and revolving loan fund investments, and construction investments made through the Investing in Manufacturing Communities Program. Targets of private investment and job creation may be impacted by broad economic cycles.	EDA will continue to monitor investment and job creation data.

<sup>1</sup> Measurement year is three years after the award was granted. Targets for FY 2015 reflect expected outcomes of projects funded by EDA in FY 2012.

Indicator	Percentage of Economic Development Districts (EDD) and Indian Tribes implementing economic development projects from the Comprehensive Economic Development Strategy (CEDS) that lead to private investment and jobs.
-----------	---

Description	This measure provides an indication of whether the CEDS process is market based and whether EDA is helping to create an environment conducive to the creation and retention of higher skill, higher wage jobs. Research conducted on FY 2002 data established a baseline measure for subsequent years.
-------------	--

Measurement Year	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Actual	92.1%	92.9%	89.1%	86.0%	90.0%	89.2%		
Status	Met	Met	Met	Met	Met	Met		

Trend	Stable
-------	--------

Explanation (if not met in FY 2013)	NA
-------------------------------------	----

Actions to be taken / Future Plans	None
------------------------------------	------

Adjustments to targets	No Changes
------------------------	------------

Information Gaps	None
------------------	------

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
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 data.

Indicator	Percentage of sub-state jurisdiction members actively participating in the Economic Development District (EDD) program.
-----------	---

Description	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 EDD 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.
-------------	--

Measurement Year	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	89.0%	89.0%	89.0%	89.0%	89.0%	89.0%	89.0%	89.0%
Actual	89.5%	92.2%	87.1%	85.0%	87.0%	83.7%		
Status	Exceeded	Exceeded	Met	Met	Met	Met		

Trend	Stable
-------	--------

Explanation (if not met in FY 2013)	NA
-------------------------------------	----

Actions to be taken / Future Plans	None
------------------------------------	------

Adjustments to targets	No Changes
------------------------	------------

Information Gaps	None
------------------	------

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
Investment Recipient Performance Evaluations	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-added 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.

Indicator	Percentage of University Center Clients Taking Action as a Result of the Assistance Facilitated by the University Center (UC).
-----------	--

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 of several areas: economic development initiatives and training session development; linkages to crucial resources; economic development planning; project management; community investment package development; geographic information system services; strategic partnering to public or private sector entities; increased organizational capacity; feasibility plans; marketing studies; technology transfer; new company, product, or patent development; and other services.
-------------	---

Measurement Year	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
Actual	80.2%	69.7%	75.9%	68.0%	70.0%	65.8%		
Status	Exceeded	Met	Exceeded	Met	Met	Not Met		

Trend	Negative
-------	----------

Explanation (if not met in FY 2013)	NA
-------------------------------------	----

Actions to be taken / Future Plans	None
------------------------------------	------

Adjustments to targets	No Changes
------------------------	------------

Information Gaps	None
------------------	------

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
UC client profiles	Annually	EDA Management Information System	Performance data will be verified by the UCs. EDA headquarters will annually review profile data.	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.

Indicator	Percentage of Those Actions Taken by University Center (UC) Clients that Achieved the Expected Results.
-----------	---

Description	This measure is a follow up to the previous measure: "Percentage of UC 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.
-------------	---

Measurement Year	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	83.0%
Actual	83.7%	92.2%	89.8%	83.0%	82.0%	90.1%		
Status	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded		

Trend	Positive
-------	----------

Explanation (if not met in FY 2013)	NA
-------------------------------------	----

Actions to be taken / Future Plans	Based on a review of EDA's historical performance for this measure, EDA proposes to raise its target to 83% beginning in FY 2015. For this measure, one standard deviation (based on a sample) is approximately 3.8%. Thus, one standard deviation from the current 10-year mean of 86.2% would be 82.4%. EDA could move the measure to 83% and would expect to see UCs achieve this target a little less than 67% percent of the time in repeated observations.
------------------------------------	--

Adjustments to targets	No Changes
------------------------	------------

Information Gaps	None
------------------	------

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
UC client profiles	Annually	EDA Management Information System	Performance data will be verified by the UCs. EDA headquarters will annually review data.	Universe - EDA Local Technical Assistance investments only. Outside mitigating factors such as the local economy may affect the measure.	Baseline established from FY 2002 data. EDA will continue to monitor and develop trend data.

Indicator	Percentage of Trade Adjustment Assistance Center (TAAC) clients taking action as a result of the assistance facilitated by the TAAC.
-----------	--

Description	This measure determines the value of assistance provided by TAAC to its clients. Eleven EDA funded TAACs work with U.S. firms and industries that have been adversely impacted as a result of increased imports of similar or competitive goods to identify specific actions to improve each firm's competitive position in world markets. "Taking action as a result of the assistance facilitated" means to implement an aspect of the Trade Adjustment Assistance provided by the TAAC. The TAACs provide three main types of assistance to firms: help in preparing petitions for certification (which must be approved by EDA in order for the firm to receive technical assistance), analysis of the firm's strengths and weaknesses and development of an adjustment proposal, and in depth assistance for implementation of the recovery strategy as set forth in the adjustment proposal.
-------------	--

Measurement Year	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Actual	91.9%	87.6%	82.2%	73.0%	85.0%	75.9%		
Status	Exceeded	Met	Met	Not Met	Met	Not Met		

Trend	Varying
-------	---------

Explanation (if not met in FY 2013)	NA
-------------------------------------	----

Actions to be taken / Future Plans	None
------------------------------------	------

Adjustments to targets	No Changes
------------------------	------------

Information Gaps	None
------------------	------

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
TAAC client profiles	Annually	EDA Management Information System	Performance data will be verified for the TAAC. EDA headquarters will annually review data.	Universe - EDA Trade Adjustment Assistance investments only. Outside mitigating factors such as the local economy may affect the measure.	Baseline established from FY 2002 data. EDA will continue to monitor and develop trend data.

Indicator	Percentage of those actions taken by TAAC clients that achieved the expected results.
-----------	---

Description	This is a follow up to the previous measure: "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.
-------------	---

Measurement Year	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Actual	95.2%	93.4%	100.0%	100.0%	100.0%	100.0%		
Status	Exceeded	Met	Exceeded	Exceeded	Exceeded	Exceeded		

Trend	Stable
-------	--------

Explanation (if not met in FY 2013)	NA
-------------------------------------	----

Actions to be taken / Future Plans	None
------------------------------------	------

Adjustments to targets	No Changes
------------------------	------------

Information Gaps	None
------------------	------

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
TAAC client profiles	Annually	EDA Management Information System	Performance data will be verified by the TAAC. EDA headquarters will annually review data.	Universe - EDA Trade Adjustment Assistance investments only. Outside mitigating factors such as the local economy may affect the measure.	Baseline established from FY 2002 data. EDA will continue to monitor and develop trend data.

**Part 3 - Resource Requirements Table**

(Dollar amounts in millions)	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Enacted	FY 2015 Base	Increase/ Decrease	FY 2015 Request
<b>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.</b>								
Salaries and Expenses (S&E)	\$18.0	\$17.7	\$5.1	\$9.8	\$8.3	\$8.3	\$0.4	\$8.7
Economic Development Assistance Programs (EDAP)	\$106.6	\$102.7	\$57.7	\$47.8	\$46.9	\$46.9	\$1.1	48.0
<b>Total EDA Objective 3</b>	<b>124.6</b>	<b>120.4</b>	<b>62.8</b>	<b>57.6</b>	<b>55.2</b>	<b>55.2</b>	<b>1.5</b>	<b>56.7</b>
FTE	95.5	95.5	28.1	45.9	40.8	40.8	6.0	46.8

<b>DOC Objective 6: Promote the advancement of sustainable technologies, industries and infrastructure.</b>								
Salaries and Expenses (S&E)	\$3.9	\$2.5	\$2.4	\$8.1	\$8.2	\$8.2	(\$0.4)	\$7.8
Economic Development Assistance Programs (EDAP)	\$25.0	\$24.0	\$55.8	\$39.6	\$46.5	\$46.5	(\$3.8)	\$42.7
<b>Total EDA Objective 6</b>	<b>28.9</b>	<b>26.5</b>	<b>58.2</b>	<b>47.7</b>	<b>54.7</b>	<b>54.7</b>	<b>(4.2)</b>	<b>50.5</b>
FTE	15.0	15.0	13.0	38.0	40.4	40.4	1.3	41.7

<b>DOC Objective 7: Promote the vitality and competitiveness of our communities and businesses, particularly those that are disadvantaged or in distressed areas.</b>								
Salaries and Expenses (S&E)	\$18.0	\$17.7	\$30.0	\$19.5	\$20.5	\$20.5	\$1.2	\$21.7
Economic Development Assistance Programs (EDAP)	\$122.8	\$118.8	\$306.5	\$95.0	\$116.1	\$116.1	\$3.2	\$119.3
<b>Total EDA Objective 7</b>	<b>140.8</b>	<b>136.5</b>	<b>336.5</b>	<b>114.5</b>	<b>136.6</b>	<b>136.6</b>	<b>4.4</b>	<b>141.0</b>
FTE	92.5	92.5	163.9	91.2	100.9	100.9	15.6	116.5

<b>Total EDAP</b>	<b>254.4</b>	<b>245.4</b>	<b>420.0</b>	<b>182.4</b>	<b>209.5</b>	<b>209.5</b>	<b>0.5</b>	<b>210.0</b>
<b>Total S&amp;E</b>	<b>39.9</b>	<b>37.9</b>	<b>37.5</b>	<b>37.4</b>	<b>37.0</b>	<b>37.0</b>	<b>1.2</b>	<b>38.2</b>
<b>TOTAL, EDA</b>	<b>294.4</b>	<b>283.3</b>	<b>457.5</b>	<b>219.8</b>	<b>246.5</b>	<b>246.5</b>	<b>1.7</b>	<b>248.2</b>

[THIS PAGE INTENTIONALLY LEFT BLANK]

## **Part 4 Agency Priority Goals**

EDA is committed to helping advance economic development initiatives that help achieve the Department's goals of fostering competitiveness, advancing regional clusters to drive job creation and leverage private investment. EDA does not currently have any Agency Priority Goals under the Department's FY 2014-18 Strategic Plan.

## **Part 5 Other Information -**

### **Section 1: Major Management Priorities and Challenges**

#### **Staffing Challenges**

EDA is committed to building and retaining a world-class workforce capable of efficiently and effectively implementing various initiatives and awarding and managing grant investments to achieve the organization's mission. In order to achieve this, EDA is engaging in an internal review of position descriptions of key positions to ensure that they are revised and consistent throughout the organization to clarify expectations and responsibilities necessary to help the Agency succeed. In 2013, EDA faced attrition due to a combination of staff retiring and the inability to hire new staff because of sequestration. Being unable to fill critical positions has continued to impede the Bureau's ability to meet the demands for various data and information inquiries as well as meeting deadlines for various reporting requirements. Despite these challenges, EDA has worked hard to improve its workforce by coordinating with OPM and providing appropriate training. For example, EDA worked closely with OPM to provide Leadership training to approximately 25 percent of the EDA workforce –divided between current Executives, Supervisors and Aspiring Leaders – in order to help operationalize the organization's succession plan and build a cadre of leaders to successfully lead the organization in the future. EDA continues to work with its staff to effectively deliver its mission despite the major management challenge of continued critical positions remaining unfilled.

#### **Improving Measures of Program Outcomes**

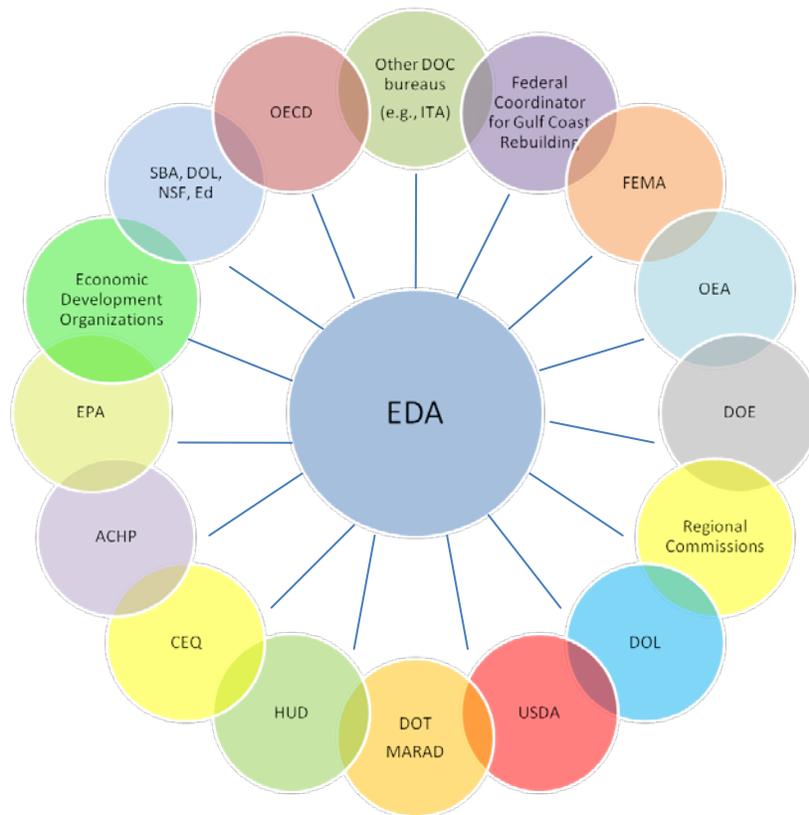
In September 2012, GAO published a report based on its review of the TAA program that was mandated under a 2009 law. GAO recommended in its 2012 report that EDA establish more effective measures of program outcomes, improve its data collection, and allocate funds in a way that considers program needs and costs. However, as GAO has also recognized, measuring the performance of economic development programs is difficult because of the many external factors that can influence local economies. EDA is continuing to support a process of developing metrics to assess economic development, to provide more effective measures of program outcome and improve data collection. EDA took preliminary steps towards a program evaluation in 2013 by beginning to develop such metrics. In 2014, EDA will continue to develop effective measures and intends to conduct a program evaluation that includes the TAA program. As part of additional reforms to improve agency operations, EDA has engaged the University of North Carolina, the George Washington University and SRI International to develop an enhanced program evaluation system that uses third party data sources to assess the impact of economic development initiatives. Focusing on regional innovation ecosystems, the new metrics will enable economic development practitioners, policy makers and funders to understand the impacts of existing programs and better determine how limited resources should be used to build U.S. regional capacity to permit lasting economic development and prosperity.

A pilot test is underway using data from grantees of EDA's i6 Challenge and Jobs and Innovation Accelerator Challenge competitions to better understand (i) the potential value of these new metrics for program planning and evaluation; (ii) the reliability and usability of the third party data sources; and (iii) the extent to which grantee projects and their client firms can be matched to the third party databases on which the various measures are based. An initial set of proposed metrics and future data gathering recommendations has been provided to EDA, and the pilot is expected to be concluded by the end of the 3<sup>rd</sup> fiscal year quarter. EDA will continue to prioritize learning from performance data and using this to continuously improve decision-making across its investments.

## Section 2: Cross-Agency Priority Goals / Collaborations

While EDA has long practiced a collaborative approach to developing policy and administering grant awards, recent years have witnessed a substantial increase in the number of strategic multi-agency collaborations the Bureau is leading. In FY 2013, these collaborations included the Make it in America Challenge and Investing in Manufacturing Communities Partnership, as well as a number of strategic inter-agency policy efforts, such as managing the Secretary's National Advisory Council on Innovation and Entrepreneurship (NACIE) to encourage the development and implementation of policies that cultivate technology commercialization and coordinating the Department's response on the Economic Annex for the National Disaster Recovery Framework (NDRF).

Through all of these cross-agency efforts, EDA is building stronger relationships with a wider network of organizations (Federal, State, private, and local) which can be leveraged to provide more strategic, and complementary resources to drive the realization of economic development goals and objectives. This collaborative model is an important component of EDA's effort to ensure the efficiency of government operations, leverage complementary resources, break down silos, highlight best practices, and ultimately yield a high return on investment.



- 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 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 through its recent Advanced Manufacturing Jobs and Innovation Accelerator Challenge.

- Federal Emergency Management Agency (FEMA) – EDA is working with FEMA to provide complementary assistance to communities impacted by significant disasters in order to support rebuilding and enhance the resilience of the effected community.
- 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) actions.
- 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 – EDA works with these Commissions to provide complementary tools that can support the community and economic development assistance needs of economically distressed areas.
- Department of Labor (DOL) –EDA partners with the Employment and Training Administration and Trade Adjustment Assistance for Workers Program to develop policies, share best practices, and support investments that support both the educational and economic needs of distressed communities.
- Department of Agriculture (USDA), Rural Development/Rural Utilities (RD/RU) – EDA partners with USDA on a number of local projects, and recently collaborated with them to develop and deliver a rural Jobs and Innovation Accelerator Challenge.
- Department of Housing and Urban Development (HUD) Community Development Block Grants (CDBG) and Office of Management and Budget (OMB) – EDA has been working closely with EPA, DOT, and HUD as part of the larger Federal Sustainable Communities Initiative to align Planning Program objectives across the Federal government, and shares and disseminates information with EPA related to the redevelopment of brownfields.
- Council on Environmental Quality (CEQ) – EDA is exploring opportunities to engage with CEQ to support environmental issues while fostering disaster recovery planning and coordination, especially in light of recent droughts.
- Advisory Council on Historic Preservation (ACHP) – EDA continues to collaborate with the ACHP to implement and monitor construction projects, as appropriate.
- Environmental Protection Agency (EPA), HUD CDBG and Office of Management and Budget (OMB) – EDA has been working closely with EPA as part of the larger Federal Sustainable Communities Initiative to align Planning Program objectives across the Federal government, and shares and disseminates information with EPA related to the redevelopment of brownfields.
- Maritime Administration (MARAD) – EDA has an MOU with MARAD which allows the two agencies to cooperate on projects designed to enhance or build port infrastructure.
- Non-profits and economic development organizations (e.g., National Association of Development Organizations, International Economic Development Council, National Association of Regional Councils) – EDA works closely with a strong network of national development organizations and local and regional entities to identify best practices, cultivate thought leadership in emerging areas of the economic development profession,

and disseminate relevant information to policymakers and practitioners across the country.

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.

### Section 3: Program Evaluations

EDA recognizes that management means having good information on the status of key outputs and outcomes, and making informed strategic recalibrations in policy and operations that lead to the successful realization of goals. This principal is central to EDA's model of program and performance evaluation: the goal is not to generate a report or a number, but rather to generate new knowledge which can be considered and applied to inform policy making and improve operations to ultimately enhance the quality of the Bureau's outputs. In this vein, EDA has embarked on a multi-year initiative with the University of North Carolina at Chapel Hill and George Washington University to review the Bureau's performance measures and methods and identify – and ultimately implement – strategic ways to improve them. This important work is designed to build on EDA's robust body of program and performance evaluations, including the FY 2011/FY 2012 evaluation of the Planning Program, and the pending FY 2012/FY 2013 review of best practices in the University Center program.

### Section 4: Hyperlinks

Additional information on EDA's programs can be accessed at <http://www.eda.gov>.

### Section 5: Data Validation and Verification

The FY 2013 Summary of Performance includes in the Secretary's Statement, an assessment of the reliability and completeness of the Department's performance data.

[THIS PAGE INTENTIONALLY LEFT BLANK]

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

	FTE	BUDGET AUTHORITY	DIRECT OBLIGATION
<b>FY 2014 Enacted</b> .....	0	209,500	244,500
<i>Less: Unobligated balance, start of year (Direct)</i> .....	0	0	(51,618)
<i>Less: Estimated Recoveries</i> .....	0	0	(40,000)
<i>Plus: Unobligated balance, end of year (Direct)</i> .....	0	0	56,618
<b>2015 Base</b> .....	0	<u>209,500</u>	<u>209,500</u>
<i>Plus: Program Change</i> .....	0	500	500
<b>2015 Estimate</b> .....	0	210,000	210,000

COMPARISON BY ACTIVITY			2013 Actual	2014 Enacted	2015 Base	2015 Estimate	Increase/ (Decrease)
			Amount	Amount	Amount	Amount	Amount
EDA-39	Global Climate Change Mitigation Incentive Fund	BA	0	0	0	0	0
		Obl	2,574	0	0	0	0
EDA-42	Public Works	BA	77,212	96,000	96,000	85,000	(11,000)
		Obl	97,345	127,000	127,000	116,000	(11,000)
EDA-48	Partnership Planning	BA	28,399	29,000	29,000	29,000	0
		Obl	28,490	29,000	29,000	29,000	0
EDA-51	Technical Assistance	BA	11,751	11,000	11,000	12,000	1,000
		Obl	11,655	11,000	11,000	12,000	1,000
EDA-56	Research & Evaluation	BA	1,469	1,500	1,500	1,500	0
		Obl	1,600	1,500	1,500	1,500	0
EDA-59	Trade Adjustment Assistance	BA	15,472	15,000	15,000	10,000	(5,000)
		Obl	15,122	15,000	15,000	10,000	(5,000)
EDA-61	Economic Adjustment Assistance	BA	48,063	42,000	42,000	47,500	5,500
		Obl	45,040	42,000	42,000	47,500	5,500
EDA-XX	Sec. 26 Innovative Manufacturing Loan Guarantees	BA	0	5,000	5,000	0	(5,000)
		Obl	0	1,000	0	0	0
EDA-XX	Sec. 27 Regional Innovation Strategies & Science Park Loan Guarantees	BA	0	10,000	10,000	25,000	15,000
		Obl	0	15,000	15,000	25,000	10,000

COMPARISON BY ACTIVITY		2013 Actual	2014 Enacted	2015 Base	2015 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
<b>Disaster Recovery Assistance (Category B - New; as provided in P.L. 112-55)</b>	<b>BA</b>	0	0	0	0	0
	<b>Obl</b>	154,464	0	0	0	0
<b>Supplemental Appropriations Act, 2010</b>	<b>BA</b>	0	0	0	0	0
	<b>Obl</b>	0	0	0	0	0
<b>Supplemental Appropriations Act, 2008</b>	<b>BA</b>	0	0	0	0	0
	<b>Obl</b>	2,915	600	0	0	0
<b>Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2008</b>	<b>BA</b>	0	0	0	0	0
	<b>Obl</b>	940	100	0	0	0
<b>Other Prior Year Category B Disaster Supplementals</b>	<b>BA</b>	0	0	0	0	0
	<b>Obl</b>	0	2,300	0	0	0
<b>Total Budget Authority</b>	<b>BA</b>	182,366	209,500	209,500	210,000	500
	<b>Obl</b>	360,145	244,500	240,500	241,000	500
<b>Adjustments to Obligations:</b>						
<b>Recoveries</b>		(43,132)	(40,000)	(40,000)	0	40,000
<b>Unobligated balance, start of year</b>		184,317	(51,618)	0	(31,000)	(31,000)
<b>Unobligated balance, transferred</b>			0	0	0	0
<b>Unobligated balance, end of year</b>		51,618	56,618	0	0	0
<b>Transfer to other accounts (+)</b>		(1,400)	0	0	0	0
<b>Unobligated Balance Rescission</b>		0	0	0	0	0
<b>Appropriations</b>		551,548	209,500	200,500	210,000	9,500

1/ Unobligated balance, end of year for FY 2013 and FY 2014, and Unobligated balance, start of year for FY 2014 are estimates based on carrying forward loan guarantee funds into FY 2015, when EDA anticipates initial execution of loan guarantees under the authorities provided in Section 26 and Section 27 of the COMPETES Act.

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

COMPARISON BY ACTIVITY		2013 Actuals		2014 Enacted		2015 Base		2015 Estimate		Increase/ (Decrease)	
		Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount
Global Climate Change Mitigation Incentive Fund	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl	0	0	0	0	0	0	0	0	0	0
21st Century Innovation Infrastructure Program (Successor to Public Works)	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl	0	0	0	0	0	0	0	0	0	0
Partnership Planning (Successor to Planning)	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl	0	0	0	0	0	0	0	0	0	0
Technical Assistance	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl	0	0	0	0	0	0	0	0	0	0
Research & Evaluation	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl	0	0	0	0	0	0	0	0	0	0
Trade Adjustment Assistance	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl	0	0	0	0	0	0	0	0	0	0
Economic Adjustment Assistance	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl	0	0	0	0	0	0	0	0	0	0
Regional Innovation Strategies	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl	0	0	0	0	0	0	0	0	0	0
Disaster Recovery Assistance (Category B - New; as provided in P.L. 112-55)	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl	0	0	0	0	0	0	0	0	0	0
Reimbursable Obligations	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl	0	0	0	0	0	0	0	0	0	0
Adjustments to Obligations:											
Unobligated balance, start of year											
Total Collections		0	0	0	0	0	0	0	0	0	0

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

COMPARISON BY ACTIVITY	2013 Actuals	2014 Enacted	2015 Base	2015 Estimate	Increase/ (Decrease)
	Amount	Amount	Amount	Amount	Amount
<b>Total Obligations</b>	360,145	244,500	240,500	241,000	500
Financing	0	0	0	0	0
Offsetting collections from					
Federal funds	(250)	0	0	0	0
Trust funds	0	0	0	0	0
Non-Federal sources	0	0	0	0	0
Recoveries	(43,132)	(40,000)	(40,000)	0	40,000
Unobligated balance, start-of-year	184,317	(51,618)	0	(31,000)	(31,000)
Unobligated balance rescission	0	0	0	0	0
Unobligated balance, end-of-year	51,618	56,618	0	0	0
<b>Budget Authority</b>	552,698	209,500	200,500	210,000	9,500
Transferred to/from other accounts	(1,400)	0	0	0	0
Rescission	0	0	0	0	0
<b>Appropriation</b>	551,298	209,500	200,500	210,000	9,500

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

ACTIVITY: Public Works		2013 Actuals	2014 Enacted	2015 Base	2015 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Public Works	BA	\$77,212	\$96,000	\$96,000	\$85,000	(\$11,000)
	Obl.	\$97,345	\$127,000	\$127,000	\$116,000	(\$11,000)

**APPROPRIATION ACCOUNT: Economic Development Assistance Programs****BUDGET PROGRAM: PUBLIC WORKS PROGRAM**

For FY 2015, EDA requests a decrease of \$11.0 million below the FY 2014 Enacted level, for a total of \$85.0 million for the **Public Works Program**.

Funding Requirements by Sub-Program:	Program Budget Profile (Dollars in thousands)						
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Public Works</b>	77,212	96,000	85,000	85,000	85,000	85,000	85,000
<b>Total Dollars:</b>	77,212	96,000	85,000	85,000	85,000	85,000	85,000
<b>Total FTEs:</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**BASE JUSTIFICATION FOR FY 2015:**

Through the Public Works Program, EDA makes strategic co-investments to help communities build or expand access to the infrastructure assets that are the most basic building blocks of an economy and are required to support the growth and economic development of distressed regions. EDA's Public Works 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.

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.

- **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.
- **Fostering Global Competition:** The Administration has established a goal of doubling U.S. exports by 2015. EDA's Public Works 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.
- **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 Public Works Program, EDA provides assistance in the form of infrastructure improvements made to provide improved rail access and off-loading facilities, workforce retraining, upgrading industrial infrastructure, long-term economic analysis, and attracting new private capital.

EDA has been a long-term advocate of place-based reuse strategies such as brownfields redevelopment, and recently re-emphasized the importance of the connection between jobs and workers through smart land use choices in its grant-making decisions. EDA engaged the federal Partnership for Sustainable Communities (PSC) for help in establishing a grant priority focused on place. This includes investments located within mixed-use, transit-oriented areas that increase community revitalization, improve job access and protect rural lands and landscapes or other undeveloped or environmentally sensitive lands. This allows potential EDA applicants interested in emphasizing smart land use in its economic development projects to automatically meet an initial evaluation requirement within EDA's grant application review process. This level of cooperation between the PSC agencies (HUD-DOT-EPA) has established a model for intergovernmental collaboration and effective delivery of assistance to local communities.

EDA's Public Works 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 2015:**

**BUDGET PROGRAM: Public Works. Base Funding: \$96.0 million; Program Change: - \$11.0 million.**

EDA requests a decrease of \$11.0 million below the FY 2014 Enacted level, for a total of \$85.0 million for the Public Works Program.

EDA's programs are designed to provide a full range of tools and resources to help communities capitalize on their full economic potential. In order to compete in the 21<sup>st</sup> Century economy, communities need both hard and soft infrastructure that is tied to a larger strategic regional innovation plan. EDA recognizes, however, that as the U.S. continues its recovery from the biggest recession since the Great Depression, local communities continue to struggle to develop the resources needed to make investments in strategic infrastructure that will catalyze economic growth and create jobs.

EDA's Public Works Program provides investments that help to facilitate the transition of distressed communities to become more competitive in the worldwide economy through the development of key 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. In addition, EDA invests in infrastructure that is directly tied to job creation, including skill-training facilities, water and sewer system improvements, roads and thoroughfares as part of the development or re-development of industrial parks, business incubator facilities, expansion of port and harbor facilities, and the redevelopment of brownfields.

The Public Works Program invests in developing assets that can be leveraged into additional business assets, including basic infrastructure assets, which are the building blocks of an economy, particularly in rural areas and are 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.

### **Statement of Need and Economic Benefits:**

The rationale for the FY 2015 request for EDA's Public Works Program is straightforward: regional economies need modern, job-supporting infrastructure if they are to become and remain globally competitive. State and local government revenues, however, have continued to plummet and the communities EDA serves have been caught in a declining revenue spiral at precisely the time when they need to make significant investments to compete for the jobs of tomorrow. Through the Public Works Program, EDA is forming critical partnerships with state and local governments, helping support the implementation of bottom-up strategic investments that leverage private investment and create sustainable jobs.

EDA's Public Works Program is an important component of the Bureau'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 necessary infrastructure assets that will promote the competitiveness of the regional economy and spur job creation.

EDA considers the Public Works Program one of the critical inputs to growing a strong regional economy. Restoring our industrial commons requires a balanced portfolio of solutions that are critically important to U.S. competitiveness. Taken along with EDA's other program adjustments, these budget modifications are designed to provide the Bureau with a robust and diverse, yet balanced, portfolio of assistance that can be brought to bear on a broad range of the construction, non-construction, and financing projects that will stimulate economic development in regions across the nation.

[THIS PAGE INTENTIONALLY LEFT BLANK]

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

ACTIVITY: Parntership Planning		2013 Actuals	2014 Enacted	2015 Base	2015 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Partnership Planning	BA	\$28,399	\$29,000	\$29,000	\$29,000	\$0
	Obl.	\$28,490	\$29,000	\$29,000	\$29,000	\$0

**APPROPRIATION ACCOUNT: Economic Development Assistance Programs****BUDGET PROGRAM: PARTNERSHIP PLANNING PROGRAM**

For FY 2015, EDA requests no change from the FY 2014 Enacted level, for a total of \$29.0 million for the **Partnership Planning Program**.

<b>Program Budget Profile</b> (Dollars in thousands)							
<b>Funding Requirements by Sub-Program:</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Partnership Planning</b>	28,399	29,000	29,000	29,000	29,000	29,000	29,000
<b>Total Dollars:</b>	28,399	29,000	29,000	29,000	29,000	29,000	29,000
<b>Total FTEs:</b>	N/A						

**BASE JUSTIFICATION FOR FY 2015:**

The **Partnership Planning Program** supports planning projects that help a community identify regional assets, maximize economic opportunities, and establish strategies for promoting the competitiveness of an entire region. EDA's Partnership Planning Program is foundational to all other programs in that it provides the resources to help communities develop the bottom-up strategies that guide the identification and prioritization of future development decisions, and ultimately, to ensure other EDA investments are consistent with strategy and vision outlined therein. EDA's Partnership Planning Program helps support local organizations (EDDs, 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 in the planning process is critical to identifying and ultimately leveraging the unique competitive advantage of a particular region in order to foster job creation, business expansion, and regional prosperity.

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, identifies investment priorities and funding sources, and assigns 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 Public Works 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 Public Works 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.

**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.).**

[THIS PAGE INTENTIONALLY LEFT BLANK]

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

ACTIVITY: Technical Assistance		2013 Actuals	2014 Enacted	2015 Base	2015 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Technical Assistance	BA	\$11,751	\$11,000	\$11,000	\$12,000	\$1,000
	Obl.	\$11,655	\$11,000	\$11,000	\$12,000	\$1,000

[THIS PAGE INTENTIONALLY LEFT BLANK]

**APPROPRIATION ACCOUNT: Economic Development Assistance Programs**

**BUDGET PROGRAM: TECHNICAL ASSISTANCE (TA) PROGRAM**

For FY 2015, EDA requests an increase of \$1.0 million above the FY 2014 Enacted level, for a total of \$12.0 million for the **Technical Assistance Program**.

Program Budget Profile (Dollars in thousands)							
Funding Requirements by Sub-Program:	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Technical Assistance	11,751	11,000	12,000	12,000	12,000	12,000	12,000
<b>Total Dollars:</b>	11,751	11,000	12,000	12,000	12,000	12,000	12,000
<b>Total FTEs:</b>	N/A						

**BASE JUSTIFICATION FOR FY 2015:**

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 approximately 58 University Centers in 43 states and the Commonwealth of Puerto Rico. These Centers provide a range of products directed at 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 Public Works 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.

**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 supporting strong regional ecosystems that support industry.

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.).**

**PROGRAM CHANGE FOR FY 2015:**

**BUDGET PROGRAM: Technical Assistance Program. Base Funding: \$11.0 million;  
Program Change: + \$1.0 million.**

EDA requests an increase of \$1.0 million above the FY 2014 Enacted level, for a total of \$12.0 million for the Technical Assistance Program.

**Statement of Need and Economic Benefits:**

The additional funds would be used to support additional local and regional Technical Assistance project grants. These investments help economically distressed communities look beyond their current, and sometimes obsolete, industrial base to new opportunities that could lead to higher-skill, higher-wage employers. There remains a high demand for these projects as regions recover from the economic downturn of a few years ago.

[THIS PAGE INTENTIONALLY LEFT BLANK]

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

ACTIVITY: Research and Evaluation		2013 Actuals	2014 Enacted	2015 Base	2015 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Research and Evaluation	<b>BA</b>	\$1,469	\$1,500	\$1,500	\$1,500	\$0
	<b>Obl.</b>	\$1,600	\$1,500	\$1,500	\$1,500	\$0

**APPROPRIATION ACCOUNT: Economic Development Assistance Programs****BUDGET PROGRAM: RESEARCH AND EVALUATION PROGRAM**

For FY 2015, EDA requests no change from the FY 2014 Enacted level, for a total of \$1.5 million for the **Research and Evaluation Program**.

<b>Program Budget Profile</b> (Dollars in thousands)							
<b>Funding Requirements by Sub-Program:</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Research and Evaluation</b>	1,469	1,500	1,500	1,500	1,500	1,500	1,500
<b>Total Dollars:</b>	1,469	1,500	1,500	1,500	1,500	1,500	1,500
<b>Total FTEs:</b>	N/A						

**BASE JUSTIFICATION FOR FY 2015:**

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. Research and Evaluation Program 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.

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.

EDA's Research and Evaluation investments are designed to identify and disseminate 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 regional ecosystems that support industry supporting strong regional, the Research and Evaluation Program helps provide the vital economic information and cutting-edge research critical to 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 grants 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, identifying best practices to support venture development organizations, disseminating information on how to develop effective strategic regional plans through the *Know Your Region*

curriculum, and identifying the triple bottom line for public economic development efforts in order to more effectively the broad impacts development projects yield.

**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		2013 Actuals	2014 Enacted	2015 Base	2015 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Trade Adjustment Assistance	BA	\$15,472	\$15,000	\$15,000	\$10,000	(\$5,000)
	Obl.	\$15,122	\$15,000	\$15,000	\$10,000	(\$5,000)

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

For FY 2015, EDA requests a decrease of \$5.0 million below the FY 2014 Enacted level, for a total of \$10 million for the **Trade Adjustment Assistance Program**.

Funding Requirements by Sub-Program:	Program Budget Profile (Dollars in thousands)						
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Trade Adjustment Assistance	15,472	15,000	10,000	10,000	10,000	10,000	10,000
<b>Total Dollars:</b>	15,472	15,000	10,000	10,000	10,000	10,000	10,000
<b>Total FTEs:</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**BASE JUSTIFICATION FOR FY 2015:**

The mission of the Trade Adjustment Assistance for Firms (TAAF) program is to help import-impacted U.S. firms regain competitiveness in the global marketplace, thereby helping to retain and create U.S. jobs. The program provides cost-shared direct technical assistance in the development of business recovery plans, which are known as Adjustment Proposals (APs) under Section 252 of the Trade Act, as well as federal matching funds to implement projects outlined in the proposals to expand markets, strengthen operations and increase competitiveness. Firms contribute a matching share to create and implement their recovery plans.

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.

**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.**

#### **PROGRAM CHANGE FOR FY 2015:**

**BUDGET PROGRAM: Trade Adjustment Assistance Program. Base Funding: \$15.0 million; Program Change: - \$5.0 million.**

EDA requests a decrease of \$5.0 million below the FY 2014 Enacted level, for a total of \$10.0 million for the Trade Adjustment Assistance Program.

#### **Proposed Actions:**

The TAA for Firms programs provides direct technical assistance to firms negatively impacted by global trade. EDA is conducting a thorough review of the program to determine best strategies for implementing operational efficiencies which could potentially be made to enhance the economic benefits afforded by the program, including:

- Alignment with the service areas of EDA's six regional offices to better integrate the full suite of EDA's economic development and competitiveness-enhancing resources and services available to trade-impacted communities and companies. The current 11 TAACs cover an uneven amount of territory, with some covering only one state (NY) and others covering up to 8 states (Southeast TAAC in Atlanta). Meanwhile, collaboration between EDA regional offices and TAACs is the exception as opposed to the rule. Alignment with EDA regional office service areas could facilitate access for import-impacted companies and communities to resources and services available through not only TAACs, but also through EDA-supported University Centers, technology and science centers, business incubators and regional economic development and competitiveness strategies as well.
- Consolidating TAACs to each cover a wider area, with a greater amount of funding for each as well;
- Increased performance by current TAACs that receive an award under the competition, as a competition for funding under the TAAF program will remove the current perception by some TAACs that they are institutional grantees. This perception of guaranteed funding year after year does little to encourage continuous improvements to TAAC performance, and is perhaps a contributor to the sometimes lackadaisical approach to adhering to important special and standard terms of TAAC grant awards (e.g., Northwestern TAAC's disregard for food and beverage cost principles, leading to a finding by DOC OIG that the TAAC had incurred disallowable costs in providing food and alcohol for its Board of Directors);

- New, higher-performing TAACs that are motivated to perform at high levels by the very nature of being awarded new funds that provide an opportunity to assist trade-impacted companies in their region.

**Statement of Need and Economic Benefits:**

The TAAF program supports a national network of 11 Trade Adjustment Assistance Centers (TAACs) to help import-impacted U.S. firms in all 50 States, the District of Columbia, and the Commonwealth of Puerto Rico. Some TAACs are located within universities, while others are independent non-profits.

The TAACs provide technical assistance to firms petitioning EDA for certification of eligibility under the program and in the development and implementation of business recovery plans, working with company management throughout the process. Examples of AP projects funded through the program include export growth (including services to help businesses meet international trade standards and procedures necessary to access overseas markets), financial planning, manufacturing process improvements, market development, support systems upgrades, and website improvements.

**Base Resource Assessment:**

EDA's Trade Adjustment Assistance (TAA) for Firms Program is authorized under chapter 3 of title II of the Trade Act of 1974, as amended. The TAA Program provides technical assistance to help U.S. firms experiencing a decline in sales and employment, resulting in important part from the increase in imports of like of 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 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).

[THIS PAGE INTENTIONALLY LEFT BLANK]

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

ACTIVITY: Economic Adjustment Assistance		2013 Actuals	2014 Enacted	2015 Base	2015 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Economic Adjustment Assistance	BA	\$48,063	\$42,000	\$42,000	\$47,500	\$5,500
	Obl.	\$45,040	\$42,000	\$42,000	\$47,500	\$5,500

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

For FY 2015, EDA requests an increase of \$5.5 million above the FY 2014 Enacted level, for a total of \$47.5 million for the **Economic Adjustment Assistance (EAA) Program**.

Program Budget Profile (Dollars in thousands)							
Funding Requirements by Sub-Program:	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Economic Adjustment Assistance</b>	48,063	42,000	47,500	47,500	47,500	47,500	47,500
<b>Total Dollars:</b>	48,063	42,000	47,500	47,500	47,500	47,500	47,500
<b>Total FTEs:</b>	N/A						

**BASE JUSTIFICATION FOR FY 2015:**

Through the Economic Adjustment Assistance (EAA) Program, EDA helps local communities design and implement strategies to address evolving economic changes that are causing or threaten to cause serious structural damage to the underlying economic base or undermining *locally-developed* development goals. As the most flexible program in EDA's toolbox, the EAA Program provides the Agency a robust array of resources that can be brought to bear to help support construction, technical assistance, and financing projects that will help distressed communities become more competitive and more prosperous. Specifically, the EAA program provides resources 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. 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.
- **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:

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.

In FY 2012, EDA funded four interagency competitions through the EAA Program: two Jobs and Innovation Accelerator Challenges (Jobs Accelerators), the Rural Jobs Accelerator and the Advanced Manufacturing Job Accelerator; a third round of the *i6* Challenge; and the Strong Cities, Strong Communities (SC2) Visioning Challenge. Building on these previous successes, in FY

2014 EDA will continue this support with a fourth round of the *i6* Challenge to promote and strengthen regional innovation ecosystems and foster innovation. These efforts are complementary to the Bureau's historic work fostering place-based investments that spur job creation through its EDAP programs, and are a key component to the balanced portfolio that affords a diverse toolkit of services which EDA can utilize to nimbly respond to the various regional needs facing communities across the nation.

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.

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, ITA, MBDA, and USPTO) and other Federal agencies (e.g., SBA, DOL, ED, U.S. Department of Agriculture (USDA), 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 2015:**

**Budget Program: Economic Adjustment Assistance: Base Funding: \$42.0 million; Program Change: + \$5.5 million.**

EDA requests an increase of \$5.5 million above the FY 2014 Enacted level for a total of \$47.5 million for the Economic Adjustment Assistance (EAA) Program.

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 Public Works. 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.

In addition, in FY 2015, EDA will prioritize investments that support on-shoring investments which encourage firms to expand or retain their locations in the U.S., as well as a continued emphasis on increasing advanced manufacturing and strengthening our innovation capacity resulting from manufacturing.

#### **Statement of Need and Economic Benefits:**

As EDA's most flexible program, EAA is well positioned to implement the place-based activities necessary to help realize bottom-up strategies to catalyze regional economic development and prosperity. 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.

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.

EAA continues to be an integral part of EDA's portfolio. The Bureau's FY 2015 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.

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

ACTIVITY: Sec. 26 Innovative Manufacturing Loan Guarantees		2013 Actuals	2014 Enacted	2015 Base	2015 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Sec. 26 Innovative Manufacturing Loan Guarantees	BA	\$0	\$5,000	\$5,000	\$0	(\$5,000)
	Obl.	\$0	\$1,000	\$0	\$0	\$0

[THIS PAGE INTENTIONALLY LEFT BLANK]

**APPROPRIATION ACCOUNT: Economic Development Assistance Programs**

**BUDGET PROGRAM: SEC. 26 INNOVATIVE MANUFACTURING LOAN GUARANTEES PROGRAM**

For FY 2015, EDA requests a decrease of \$5.0 million below the FY 2014 Enacted level for a total of \$0.0 million for the **Sec.26 Innovative Manufacturing Loan Guarantees Program**.

Funding Requirements by Sub-Program:	Program Budget Profile (Dollars in thousands)						
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Sec. 26 Innovative Manufacturing Loan Guarantees	-	5,000	-	-	-	-	-
<b>Total Dollars:</b>	-	5,000	-	-	-	-	-
<b>Total FTEs:</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**BASE JUSTIFICATION FOR FY 2015:**

**Sec.26 Innovative Manufacturing Loan Guarantees Program Overview**

Section 26 Innovative Manufacturing Loan Guarantee Program provides financing to small- or medium-sized manufacturers for projects that re-equip, expand, or establish a manufacturing facility in the United States for the use or production of innovation technology. This loan program also support commercializing an innovative product, process or idea developed by research funded in whole or in part by a grant from the Federal government.

**The program’s authorizing statute is section 26 of the Stevenson-Wydler Technology Innovation Act of 1980 as amended by the America COMPETES Reauthorization Act of 2010 (15 U.S.C. § 3721).**

**PROGRAM CHANGE FOR FY 2015:**

**Budget Program: Sec.26 Innovative Manufacturing Loan Guarantees Program: Base  
Funding: \$0.0 million; Program Change: - \$5.0 million.**

EDA did not request funding for FY 2015 for Sec. 26 Innovative Manufacturing Loan Guarantees Program.

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

ACTIVITY: Sec.27 Regional Innovation Strategies & Science Park Loan Guarantees		2013 Actuals	2014 Enacted	2015 Base	2015 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Sec.27 Regional Innovation Strategies & Science Park Loan Guarantees	BA	\$0	\$10,000	\$10,000	\$25,000	\$15,000
	Obl.	\$0	\$15,000	\$15,000	\$25,000	\$10,000

**APPROPRIATION ACCOUNT: Economic Development Assistance Programs****BUDGET PROGRAM: SEC. 27 REGIONAL INNOVATIONS STRATEGIES AND SCIENCE PARKS LOAN GUARANTEES PROGRAM**

For FY 2015, EDA requests an increase of \$15.0 million above the FY 2014 Enacted level for a total of \$25.0 for the **Sec.27 Regional Innovations Strategies and Science Parks Loan Guarantees Program**.

<b>Program Budget Profile</b> (Dollars in thousands)							
<b>Funding Requirements by Sub-Program:</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Sec.27 Regional Innovation Strategies &amp; Science Park Loan Guarantees</b>	-	10,000	25,000	25,000	25,000	25,000	25,000
<b>Total Dollars:</b>	-	10,000	25,000	25,000	25,000	25,000	25,000
<b>Total FTEs:</b>	N/A						

**BASE JUSTIFICATION FOR FY 2015:****Sec.27 Regional Innovation Strategies and Science Parks Loan Guarantees Program Overview**

Section 27 Regional Innovation Strategies and Science Parks Loan Guarantees program has four components: Cluster Grants, Science and Research Park Development Grants, Loan Guarantees for Science Park Infrastructure, and a Regional Innovation Research and Information Program. Cluster grants support activities relating to the formation and development of regional innovation clusters. Science and Research Park Development grants support the construction or rehabilitation of essential infrastructure and facilities necessary to generate or retain jobs and investments in science and research fields, attract private sector capital, and promote regional competitiveness, innovation, and entrepreneurship. Loan Guarantees for Science Park Infrastructure provide loan guarantees of up to 80 percent of the loan amount for projects for the construction or expansion, including renovation and modernization, of science park infrastructure. The Regional Innovation Research and Information Program provides research, technical assistance, performance metrics and data pertaining to regional innovation strategies and clusters.

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" helps advance the President's vision by encouraging innovation that builds capacity for regions to improve and advance toward the future. This Act directed the creation of the Regional Innovation Strategies Program, which EDA's budget request supports in order to build upon the understanding that robust regional innovation cluster strategies create a blueprint for improving the conditions or "ecosystem" in which innovative

companies and entrepreneurs can accelerate the development of new businesses, products or services.

The Regional Innovation Strategies Program is an important complement to EDA's traditional programs: together they provide EDA a mechanism to provide targeted, strategic investments to communities in need of foundational asset building investments while also affording an opportunity to incentivize asset rich communities to leverage their potential more strategically to meet the economic development goals of the broad regional economy. Specifically, the Regional Innovation Strategies Program offers an important framework to continue implementing the inter-agency challenge competitions which EDA has led for the past several years from the Economic Adjustment Assistance Program. **Creating a separate and distinct program to support the Regional Innovation Strategies Program is key: without it the Bureau's ability to offer a diversified portfolio of tools is severely constrained and significantly limit investments in a more innovative, collaborative framework for advancing cluster assets in regions.**

In FY 2012, EDA funded four interagency competitions: two new Jobs and Innovation Accelerator Challenges (Jobs Accelerators), the Rural Jobs Accelerator and the Advanced Manufacturing Job Accelerator; a third round of the i6 Challenge; and a second round of Strong Cities, Strong Communities (SC2). Building on previous success, in FY 2014 EDA will continue to support additional rounds of these competitions to promote and strengthen regional innovation clusters and foster innovation. Importantly, these efforts are complementary to the Bureau's historic work fostering place-based investments that spur job creation through its EDAP programs, and are a key component to the balanced portfolio that affords a diverse toolkit of services which EDA can utilize to nimbly respond to the various regional needs facing communities across the nation.

EDA launched the inaugural i6 Challenge in FY 2010. The first i6 Challenge was a \$12 million innovation competition, led by EDA in partnership with the National Institutes of Health and the National Science Foundation, to award the most innovative ideas to drive commercialization and entrepreneurship in regions across the country and 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 are critical innovation infrastructure components for promoting 21st century economic development. One winner of the 2011 i6 Challenge was the Louisiana Tech Proof of Concept Center in Ruston, Louisiana. Louisiana Tech University, a nationally ranked leader in the commercialization of micro- and nanotechnology, was awarded \$1 million from EDA and \$200,000 in supplemental funding from the Environmental Protection Agency and the National Science Foundation to support the Center, which is partnering with companies along the Interstate 20 innovation corridor that runs through Louisiana, Arkansas, Mississippi, and Texas. Through the i6 Challenge investment, the Center will help expedite the introduction of green technology innovations into the marketplace and optimize the environmental and economic impacts of those technologies.

**The program's authorizing statute is section 27 of the Stevenson-Wydler Technology Innovation Act of 1980 as amended by the America COMPETES Reauthorization Act of 2010 (15 U.S.C. § 3722).**

## **PROGRAM CHANGE FOR FY 2015:**

**Budget Program: Sec.27 Regional Innovation Strategies and Science Parks Loan Guarantees Program: Base Funding: \$10.0 million; Program Change: + \$15.0 million.**

EDA requests an increase of \$15.0 million for a total of \$25.0 million for Sec. 27 Regional Innovation Strategies and Science Parks Loan Guarantees Program.

Section 27 Regional Innovation Strategies and Science Parks Loan Guarantees program has four components: Cluster Grants, Science and Research Park Development Grants, Loan Guarantees for Science Park Infrastructure, and a Regional Innovation Research and Information Program. Cluster grants support activities relating to the formation and development of regional innovation clusters. Science and Research Park Development grants support the construction or rehabilitation of essential infrastructure and facilities necessary to generate or retain jobs and investments in science and research fields, attract private sector capital, and promote regional competitiveness, innovation, and entrepreneurship. Loan Guarantees for Science Park Infrastructure provide loan guarantees of up to 80 percent of the loan amount for projects for the construction or expansion, including renovation and modernization, of science park infrastructure. The Regional Innovation Research and Information Program provides research, technical assistance, performance metrics and data pertaining to regional innovation strategies and clusters.

### **Statement of Need and Economic Benefits:**

Creating a separate and distinct program to support the Regional Innovation Strategies Program is key: without it, the Bureau's ability to offer a diversified portfolio of tools is severely constrained as in a time when more innovative, collaborative framework for advancing cluster investments is needed for our regions to stay globally competitive.

Over the last several years, EDA has heard repeatedly from stakeholders who are on the point in America's efforts to build our innovation and competitive capacity, particularly in critical high-technology sectors such as nanotechnology, advanced materials, photovoltaic, additive manufacturing. Embodied in the "America COMPETES Reauthorization Act of 2010," the Regional Innovation Strategies Program builds local capacity to improve and advance toward the future through strategic cross agency co-investment opportunities which leverage the innovation capacity found in America's regions. This Act directed the creation of the Regional Innovation Strategies Program, for which EDA is sustaining funding levels consistent with the FY 2013 President's Budget in order to build upon the understanding that robust regional innovation cluster strategies create a blueprint for improving the conditions or "ecosystem" in which innovative companies and entrepreneurs can accelerate the development of new businesses, products or services.

The Regional Innovation Strategies Program is an important complement to EDA's traditional programs: together they provide EDA a mechanism to provide targeted, strategic investments to communities in need of foundational asset building investments while also affording an opportunity to incentivize asset rich communities to leverage their potential more strategically to meet the economic development goals of the broad regional economy. Specifically, the Regional Innovation Strategies Program offers an important framework to continue implementing the inter-agency challenge competitions which EDA has led for the past several years from the Economic Adjustment Assistance Program.

In FY 2013, EDA funded two interagency competitions: the Make it in America challenge and the IMCP Strategy Grants competition. We also plan to renew the i6 Challenge competition to support the innovation through creation of proof of concept/commercialization centers. Building on previous successes in inter-agency and leading edge investments to foster greater innovation, in FY 2015 EDA will continue to support additional rounds of competitions to promote and strengthen regional innovation clusters and foster innovation capacity. Importantly, these efforts are complementary to the Bureau's historic work fostering place-based investments that spur job creation through its EDAP programs, and are a key component to the balanced portfolio that affords a diverse toolkit of services which EDA can utilize to nimbly respond to the various regional needs facing communities across the nation.

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's EDA, International Trade Administration, National Institute of Standards and Technology, and three other Federal agencies. 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, TARIC launched its first pilot, which was the development and implementation of the Inter-Agency energy regional innovation cluster (eRIC) competition. EDA took a leadership role in coordinating an inter-agency Federal Funding Opportunity as part of this effort involving seven Federal agencies: Department of Energy (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 by announcing the Jobs and Innovation Accelerator Challenge competition in partnership with SBA and DOL's Employment and Training Administration, along with 13 other agencies, to support complementary Federal investments in cluster initiatives across the country. Additionally, in FY 2012, EDA led this partnership to implement and announce two additional Jobs and Innovation Accelerator Challenge competitions with multiple federal agencies – one aimed at helping rural regions capitalize on the benefits of clusters, one focused on stimulating clusters with advanced manufacturing components. In FY 2015, EDA will continue this model to advance collaboration, innovation, and clusters in regions across the country.

[THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

OBJECT CLASS		2013 Actuals	2014 Enacted	2015 Base	2015 Estimate	Increase/ (Decrease)
41.0	Grants	360,145	243,500	240,500	241,000	500
99.0	Subtotal Direct Obligations	360,145	243,500	240,500	241,000	500
99.9	TOTAL OBLIGATIONS	360,145	243,500	240,500	241,000	500
	Less prior year recoveries	(43,132)	(40,000)	(40,000)	0	40,000
	Less prior year unobligated balance	184,317	(51,618)	0	(31,000)	(31,000)
	Transfer to other accounts (+)	(1,400)	0	0	0	0
	Unobligated balance, end of year	51,618	57,618	0	0	0
	Total Budget Authority	551,548	209,500	200,500	210,000	9,500

[THIS PAGE INTENTIONALLY LEFT BLANK]

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

	FTE	BUDGET AUTHORITY	BUDGET OBLIGATIONS
<b>FY 2014 Enacted</b>	205	37,000	41,380
<i>Plus: Adjustment to Base.....</i>	0	940	940
<i>Less: Unobligated balance, Start of Year.....</i>	<u>0</u>	<u>0</u>	<u>(4,380)</u>
<b>2015 Base Request.....</b>	205	37,940	37,940
<i>Plus: Program Change.....</i>	0	1,182	1,182
<i>Inflationary Adjustments.....</i>	0	<u>(940)</u>	<u>(940)</u>
<b>2015 Estimate.....</b>	205	38,182	38,182

COMPARISON BY ACTIVITY		2013 Actuals		2014 Enacted		2015 Base		2015 Estimate		Increase/ (Decrease)	
		Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount
<b>Salaries and expenses, direct</b>	Pos./BA	169	34,835	201	37,000	209	37,940	209	38,182	0	242
	FTE/Obl	175	36,742	182	41,380	205	37,940	205	38,182	0	242
<b>Adjustments to obligations:</b>			0		0		0		0		0
<b>Recoveries</b>			0		0		0		0		0
<b>Unobligated balance, start of year</b>			(4,887)		(4,380)		0		0		0
<b>Unobligated balance transferred</b>			0		0		0		0		0
<b>Unobligated balance, end of year</b>			4,380		0		0		0		0
<b>Unobligated balance expiring</b>			0		0		0		0		0
<b>Transfer from other accounts (-)</b>			(1,400)		0		0		0		0
<b>Transfer to other accounts (+)</b>			0		0		0		0		0
<b>Rescission</b>			0		0		0		0		0
<b>APPROPRIATION</b>		175	34,835	182	37,000	205	37,940	205	38,182	0	242

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

COMPARISON BY ACTIVITY		2013 Actuals		2014 Enacted		2015 Base		2015 Estimate		Increase/ (Decrease)	
		Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount
Salaries and Expenses, Reimbursable Obligations	Pos./BA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	FTE/Obl	1	180	1	950	1	950	1	950	0	0

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

COMPARISON BY ACTIVITY	2013 Actuals	2014 Enacted	2015 Base	2015 Estimate	Increase/ (Decrease)
	Amount	Amount	Amount	Amount	Amount
<b>Total Obligations</b>	36,922	42,330	38,890	39,132	242
Financing:					
Offsetting collections from:					
Federal funds	(180)	(950)	(950)	(950)	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	(4,887)	(4,380)	0	0	0
Unobligated balance transferred	0	0	0	0	0
Unobligated balance, end-of-year	4,380	0	0	0	0
Unobligated balance expiring	0	0	0	0	0
Unobligated balance lapsing	0	0	0	0	0
<b>Budget Authority</b>	36,235	37,000	37,940	38,182	242
Transfer from Other Accounts (+)	(1,400)	0			
Rescission	0				
<b>Appropriation</b>	34,835	37,000	37,940	38,182	242

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

**ADJUSTMENTS:**

	<u>FTE</u>	<u>Amount</u>
<b>RESTORATION OF BASE</b>	0	0
<b>OTHER CHANGES:</b>		
<b><u>Pay</u></b>	0	204
<b>2014 Pay Raise:</b>		
Pay raise of 1% will be effective on January 1, 2014.		
Total cost in 2014 of 2015 pay raise.....	28	
Less amount funded in 2013.....	<u>0</u>	
Amount requested in FY 2014 for FY 2015 Pay raise .....	28	
<b>2015 Pay Increase and Related Costs:</b>		
A general pay raise of 1% is assumed to be effective January 1, 2015.		
Total cost in 2015 of pay increase.....	176	
Payment to Working Capital Fund.....	<u>0</u>	
Amount requested for FY 2015 Pay Raise .....	176	
<b><u>Civil Service Retirement System (CSRS)</u></b> .....		(37)
<p>The estimated percentage of payroll for employees covered by CSRS decreased from 15.70% in 2013 to 12.90% for 2014 for regular employees. The contribution rates will stay at 7% in 2014. This will result in a decrease of \$37,391 in the cost of CSRS contributions.A19</p>		
FY 2015 cost: \$18,685,000 x 12.90% x 7.00%	168,726	
FY 2014 cost: \$18,685,000 x 15.70% x 7.00%	<u>(205,348)</u>	
Total, adjustment to base		(36,622)

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

<b><u>Federal Employees Retirement System (FERS)</u></b> .....		305
<p>The estimated percentage of payroll for employees covered by FERS will increase from 84.30% in 2014 to 87.10% in 2015 for regular employees. The contribution rate for FERS employees will increase to 11.90%.</p>		
FY 2015 cost: \$18,685,000 x 87.10% x 13.20%	2,148,252	
FY 2014 cost: \$18,685,000 x 84.30% x 11.7%	<u>(1,842,920)</u>	
Total, adjustment to base	305,332	
 <b><u>Thrift Savings Plan (TSP)</u></b> .....		10
<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 2015 cost: \$18,685,000 x 87.10% x 2.0%	325,493	
FY 2014 cost: \$18,685,000 x 84.30% x 2.0%	<u>(315,029)</u>	
Total, adjustment to base	10,464	
 <b><u>Employees Compensation fund</u></b> .....		(16)
 <b><u>Federal Insurance Contribution Act (FICA)</u></b> .....		(19)
<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 \$119,100 in 2014. The OASDI rate will remain at 6.2% in 2014.</p>		
FY 2015 cost: \$18,685,000 x 87.10% x 89.40% x 6.2%	902,070	
FY 2014 cost: \$18,685,000 x 84.30% x 94.30% x 6.2%	<u>(920,925)</u>	
Total, adjustment to base	(18,855)	
<u>Other Salaries</u>		
FY 2015 cost: \$359,000 x 87.10% x 89.40% x 6.2%	17,332	
FY 2014 cost: \$359,000 x 84.30% x 94.30% x 6.2%	<u>(17,694)</u>	
Total, adjustment to base	(362)	

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

<b><u>Health insurance</u></b> .....	42
<p>Effective January 2013, EDA's contributions to Federal employees' health insurance premiums increased by an average of 8.1%. Applied against the 2014 estimate of \$1,162,000, the additional amount required is \$94,122.</p>	
<b><u>Travel and transportation of persons</u></b> .....	13
<p><u>Mileage</u>: The reimbursement rate for privately-owned automobiles increase from 52 cents to 57 cents. The percentage increase of 3.6% was applied to the 2014 estimate of \$370,000 to arrive at an increase of \$13,455. <span style="float: right;">13</span></p> <p><u>Per Diem</u>: The General Services Administration issued revised travel per diem rates, resulting in a 0% increase to EDA. This percentage was applied to the 2013 estimate of \$205,000 resulting in an increase of \$0. <span style="float: right;">0</span></p>	
<b><u>Rental payments to GSA</u></b> .....	40
<p>The General Service Administration has provided a preliminary estimated increase of 1.6% over the 2015 cost of \$2,531,000 for currently occupied space. This results in an increase of \$40,496.</p>	
<b><u>Printing and reproduction</u></b> .....	1
<p>GPO has provided an estimated rate increase of 1.2%. This percentage was applied to the 2014 estimate of \$44,000 to arrive at an increase of \$528.</p>	
<b><u>Working Capital Fund (includes IT Reinvestment)</u></b> .....	349
<p>Personal Identity Verification (PIV)..... <span style="float: right;">0</span></p> <p>A \$154,000 increase is required to fund accelerated planning, implementation, training and oversight of the Department-wide efforts to meet 75% PIV compliance by the end of FY 2014. This effort will be executed via the Departmental Management's Advances and Reimbursements Funds.</p>	

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

Electricity.....			(40)
The average decrease of PEPCO electricity is projected to be 18%. This percentage was applied to the 2014 electricity estimate of \$328,000 for an decrease of \$58,000.			
NARA cost are expected to increase by \$7000.....			7
Water/Sewer (DCWASA).....			9
The average increase for DCWASA is projected to be 66%. This percentage was applied to the 2014 amount for an increase of \$9000.			
<b><u>Postage</u></b> .....			2
<b><u>General pricing level adjustment</u></b> .....			
This request applies assumptions for 2014 of 1.7% to sub-object classes where the prices that the Government pays are established through the market system:			
Rental Payments to Others			4
Other Services			51
Supplies and Materials			3
Equipment			12
Total, adjustments to base.....	0		940

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

ACTIVITY: Salaries and Expenses		2013 Actuals		2014 Enacted		2015 Base		2015 Estimate		Increase/ (Decrease)	
		Pos./FTE	Amount	Pos./FTE	Amount	Pos./FTE	Amount	Pos./FTE	Amount	Pos./FTE	Amount
Salaries and Expenses	Pos./BA	169	\$34,835	201	\$37,000	209	\$37,940	209	\$38,182	0	\$242
	FTE/Obl.	175	\$36,742	182	\$41,380	205	\$37,940	205	\$38,182	0	\$242

**APPROPRIATION ACCOUNT: Salaries and Expenses****BUDGET PROGRAM: SALARIES AND EXPENSES PROGRAM ADMINISTRATION**

For FY 2015, EDA requests an increase of \$1.2 above the FY 2014 Enacted level, for a total of \$38.2 million for the **Salaries and Expenses (S&E)** account. The increase reflects FY 2015 Budget Adjustment – Inflationary Costs.

Program Budget Profile (Dollars in thousands)							
Funding Requirements by Sub-Program:	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Salaries and Expenses	34,835	37,000	38,182	38,182	38,182	38,182	38,182
<b>Total Dollars:</b>	34,835	37,000	38,182	38,182	38,182	38,182	38,182
<b>Total FTEs:</b>	205	205	205	205	205	205	205

**BASE JUSTIFICATION FOR FY 2015:**

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 councils. 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.

### **Adjustments-to-Base (ATBs) and Inflationary Adjustments :**

EDA's adjustments-to-base (ATBs) in FY 2015 totals \$940,000. The bureau proposes to offset this necessary increase in ATBs by a \$940,000 reduction to operations. The ATB increase includes the 2015 estimated pay raise of 1 percent and service contracts with inflationary labor rates. Non-labor activities that require inflationary increases include areas such as rent, utilities and security. EDA will manage the offsetting inflationary adjustment by managing travel, training, and through efficiencies within external contracts and service agreements.

### **Program Change(s):**

EDA proposes an increase of \$1,182,000 and 23 FTE for a total of \$38,182,000 and 205 FTE for the Salaries and Expense Program. This increase supports additional personnel at all six regional offices as well as headquarters in Washington, DC. Additional personnel are needed to provide administrative support for all of EDA's grant programs. As the number of applications and grants have increased over recent years, Salaries and Expenses has remained relatively flat. This increase is necessary to regain a balanced staffing level to adequately support the grant programs.

**Exhibit 15**

**PROGRAM CHANGE DETAIL BY OBJECT CLASS: SALARIES AND EXPENSES**  
(Dollar amounts in thousands)

	<b>OBJECT CLASS</b>	<b>2014 Increase</b>
11	Personnel Compensation	0
11.1	Full-time permanent	920
11.3	Other than full-time permanent	0
11.5	Other personnel compensation includes Lump Sum	0
11.9	Total personnel compensation	920
12.1	Civilian personnel benefits	212
13	Benefits for former personnel	0
21	Travel and transportation of persons	45
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	2
25	Other services	0
26	Supplies and materials	2
31	Equipment	2
32	Land and structures	0
33	Investments and Loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and Dividends	0
44	Refunds	0
99.9	<b>TOTAL OBLIGATIONS</b>	<b>1,182</b>

[THIS PAGE INTENTIONALLY LEFT BLANK]

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

OBJECT CLASS		2013 Actuals	2014 Enacted	2015 Base	2015 Estimates	Increase/ (Decrease)
11	Personnel Compensation					
11.1	Full-time permanent	17,591	18,685	19,819	19,819	0
11.3	Other than full-time permanent/WCF	0	0	0	0	0
11.5	Other personnel compensation includes Lump Sum	238	359	359	359	0
11.9	Total personnel compensation	17,829	19,044	20,178	20,178	0
12.1	Civilian personnel benefits	5,231	5,702	6,233	6,233	0
21.0	Travel and transportation of persons	524	857	886	886	0
22.0	Transportation of things	36	14	14	14	0
23.1	Rental payments to GSA	2,456	2,531	2,571	2,571	0
23.2	Rental payments to others	255	250	254	254	0
23.3	Communications, utilities and miscellaneous charges	246	287	288	288	0
24.0	Printing and reproduction	7	43	44	44	0
25.2	Other services	5,769	6,331	2,013	2,013	0
25.3	Purchase of goods and services from Government Accounts	4,307	5,223	5,525	5,525	0
25.7	Operations and maintenance of equipment	0	0	0	0	0
26.0	Supplies and materials	80	240	244	244	0
31	Equipment	2	858	872	872	0
99.0	Subtotal Direct Obligations	36,742	41,380	39,122	39,122	0
99.0	Inflationary Adjustment			(940)	(940)	
99.0	Unobligated Balance, Start of Year	(4,887)	(4,380)			
99.0	Unobligated Balance, Expiring					
99.0	Unobligated Balance, End of Year	4,380				
99.0	Transfer from Other Accounts	(1,400)	0			
99.0	Total ATB amount absorbed	0				
99.9	TOTAL OBLIGATIONS	34,835	37,000	38,182	38,182	0

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

<b>PERSONNEL DATA</b>	<b>2013 Actuals</b>	<b>2014 Enacted</b>	<b>2015 Base</b>	<b>2015 Estimates</b>	<b>Increase/ (Decrease)</b>
Full-Time Equivalent Employment:	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>
Full-time permanent	175	182	205	205	0
Other than full-time permanent	0	0	0	0	0
<b>Total</b>	<b>175</b>	<b>182</b>	<b>205</b>	<b>205</b>	<b>0</b>
Positions:					
Full-time permanent	169	201	209	209	0
Other than full-time permanent	0	0	0	0	0
<b>Total</b>	<b>169</b>	<b>201</b>	<b>209</b>	<b>209</b>	<b>0</b>

[THIS PAGE INTENTIONALLY LEFT BLANK]

**Department of Commerce  
Economic Development Administration  
Economic Development Assistance Programs  
JUSTIFICATION OF PROPOSED LANGUAGE CHANGES**

For grants for economic development assistance as provided by the Public Works and Economic Development Act of 1965, and for trade adjustment assistance.

**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)).