



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



United States Department of Commerce

Economic Development Administration

Fiscal Year 2016

Congressional Budget Request

February 2, 2015

PRIVILEGED

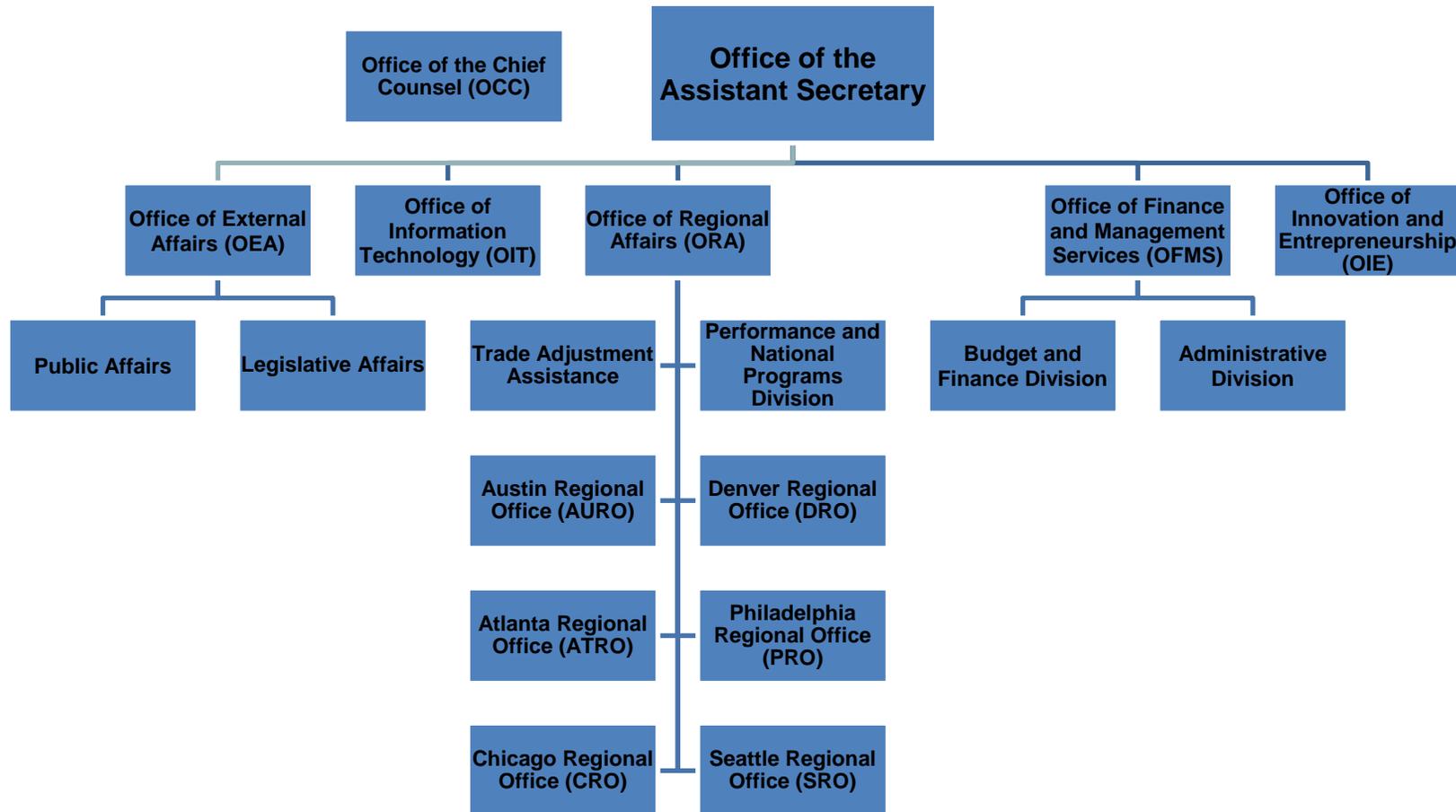
The information contained herein must not be disclosed outside the Bureau until made public by the President or by the Congress.

Department of Commerce
Economic Development Administration
BUDGET ESTIMATES, FISCAL YEAR 2016
CONGRESSIONAL BUDGET REQUEST

TABLE OF CONTENTS

Exhibit		Page Number
Exh. 1	TABLE OF CONTENTS	2
Exh. 2	ORGANIZATION CHART	3
Exh. 3	EXECUTIVE SUMMARY	4
Exh. 5	SUMMARY OF RESOURCE REQUIREMENTS	9
Exh. 6	SUMMARY OF REIMBURSABLE OBLIGATIONS	11
Exh. 7	SUMMARY OF FINANCING	12
Exh. 10	PROGRAM PERFORMANCE DIRECT OBLIGATIONS	13
Exh. 12-15	BUDGET PROGRAM: PUBLIC WORKS PROGRAM	14
Exh. 10	PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS	19
Exh. 12-15	BUDGET PROGRAM: PARTNERSHIP PLANNING PROGRAM	21
Exh. 10	PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS	24
Exh. 12-15	BUDGET PROGRAM: TECHNICAL ASSISTANCE PROGRAM	26
Exh. 10	PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS	30
Exh. 12-15	BUDGET PROGRAM: RESEARCH AND EVALUATION PROGRAM	32
Exh. 10	PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS	34
Exh. 12-15	BUDGET PROGRAM: TRADE ADJUSTMENT ASSISTANCE PROGRAM	36
Exh. 10	PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS	40
Exh. 12-15	BUDGET PROGRAM: ECONOMIC ADJUSTMENT ASSISTANCE PROGRAM	42
Exh. 10	PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS	47
Exh. 12-15	BUDGET PROGRAM: INNOVATIVE MANUFACTURING LOANS / SECTION 26 PROGRAM	49
Exh. 10	PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS	51
Exh. 12-15	BUDGET PROGRAM: REGIONAL INNOVATION STRATEGIES PROGRAM	53
Exh. 16	SUMMARY OF REQUIREMENTS BY OBJECT CLASS	57
Exh. 32	JUSTIFICATION OF PROPOSED LANGUAGE CHANGES	58
Exh. 33	APPROPRIATION LANGUAGE AND CODE CITATIONS: SALARIES AND EXPENSES	59
Exh. 5	SUMMARY OF RESOURCE REQUIREMENTS: SALARIES AND EXPENSES	61
Exh. 6	SUMMARY OF REIMBURSABLE OBLIGATIONS	62
Exh. 7	SUMMARY OF FINANCING: SALARIES AND EXPENSES	63
Exh. 9	JUSTIFICATION OF ADJUSTMENTS-TO-BASE	64
Exh. 10	PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS	68
Exh. 12-15	BUDGET PROGRAM: SALARIES AND EXPENSES	69
Exh. 16	SUMMARY OF REQUIREMENTS BY OBJECT CLASS	76
Exh. 32	JUSTIFICATION OF PROPOSED LANGUAGE CHANGES	78
Exh. 33	APPROPRIATION LANGUAGE AND CODE CITATIONS: SALARIES AND EXPENSES	79
Exh. 36	AVERAGE GRADE AND SALARIES: SALARIES AND EXPENSES	82
Exh. 3A	SUMMARY OF GOALS, OBJECTIVES AND PERFORMANCE MEASURES	83

**Department of Commerce
Economic Development Administration
BUDGET ESTIMATES, FISCAL YEAR 2016
CONGRESSIONAL BUDGET REQUEST
ORGANIZATION CHART**



**Department of Commerce
Economic Development Administration
BUDGET ESTIMATES, FISCAL YEAR 2016
CONGRESSIONAL BUDGET REQUEST
EXECUTIVE SUMMARY**

*“After five years of grit and determined effort, the United States is better-positioned for the 21st century than any other nation on Earth.”
President Barack Obama*

*“I believe that we are entering a key moment in which the United States has an opportunity to strengthen its leadership in the global economy...”
US Commerce Secretary Penny Pritzker*

Economic development has changed significantly in the 50 years since EDA was created, and in order to do its job effectively, the agency must also adapt to reflect the current needs of the regions and communities it serves. The Department of Commerce and EDA are leading the Administration’s efforts to build a more innovation-driven, entrepreneurial economy. EDA’s vision is to continue to make investments in communities based on their locally-driven strategies and needs which could include planning, infrastructure or other investments that might spur local innovation and entrepreneurship.

EDA works directly with local economic development officials to support their bottom up, regionally-owned economic development initiatives. Linking EDA’s investments to a community’s strategic economic development plan enables the federal government to better leverage public and private sector investments to achieve economic development goals. The way in which EDA can have such a dramatic impact all across the country, even with constrained resources, is through its Comprehensive Economic Development Strategy requirements. Economic development planning through the Comprehensive Economic Development Strategies (CEDS) is not only a cornerstone of EDA’s programs, but successfully serves as a means to engage the community and region in building the regional capacity to ultimately create an environment for regional economic prosperity.

EDA’s FY 2016 budget reflects our priority of empowering regions to develop their own plans that will transform their communities into globally competitive regions and ultimately improve the quality of life for their residents. Recognizing the need to increase the impact of our programs in a time of more limited resources, federal agencies have worked more effectively and efficiently over the last several years to break down silos through joint funding opportunities and other cross-agency initiatives. As result, we have learned that integrating resources more effectively meets the complex needs of regions suffering from economic distress. The outcome for communities and taxpayers is a better use of grant funds that allow communities to address what are typically multiple causes of economic distress, such as, for example, poor or no planning, an unskilled workforce, uncompetitive businesses, or lack of business-enabling infrastructure.

EDA’s budget request expands on that effort through the federal government’s approach to planning, setting EDA up as the government’s premiere resource for communities engaged in

regional planning. Our request for increased resources, especially in our Salaries and Expenses budget, will increase EDA's capacity to support the bottom-up efforts of the communities we serve. These additional resources will result in stronger plans, faster project implementation, better information and understanding of economic assets, and ultimately more competitive regions with more jobs and economic growth.

EDA will assume a central role in coordinating the Partnerships for Workforce and Economic Revitalization Plus (POWER+) Plan, an interagency initiative to target assistance through competitively awarded grants to partnerships anchored in communities impacted by changes in the power sector and coal industry. These funds will help communities to: diversify their economies; create good jobs in existing or new industries; attract new sources of job-creating investment; and provide reemployment services and job training to dislocated workers in order to connect them to high-quality, in-demand jobs.

Building EDA's capacity to work directly with communities will mean more EDA regional staff with the resources they need to be physically present in an increasing number of communities. EDA's regional office staff already works in a consultative role with communities and an increase in staff capacity will allow more communities to be served and result in even better services. The staff increases along with the stronger emphasis on the CEDS process will pave the way for EDA to serve as an effective integrator of federal economic development resources. Communities that collaborate on a regional basis are better poised to take advantage of opportunities to grow, attract businesses and jobs, and create a better way of life for their residents. The administration's place-based initiatives, many of which have been led by EDA, seek to reward those communities and support their efforts to become stronger and more competitive in the global economy. EDA's deep experience across multiple programs, and its demonstrated return on investment, make it uniquely positioned to effectively support the integration of cross-agency resources for transformative economic development in regions across the country.

Our local and regional economies stand at the forefront of leading our nation back to full recovery. The demands they face, however, to compete globally and seize the opportunities created by our national comparative advantages remain intense. And while the competitive pressure and demands for greater productivity have increased, many regions of our country still lack key resources to address their economic development needs. Most notably, state/local finances and higher education budgets remain under pressure while private capital is prioritized around faster return, lower risk investments. Venture capital remains concentrated on the coasts, with slow movement inward.

As our nation adjusts to the new realities of today's globally competitive market, the federal government has a key role to play. Economic development is about creating the conditions for sustained economic growth and improved quality of life and prosperity for our citizens. Economic growth is achieved by expanding the capacity of individuals, firms, and communities to maximize the use of their talents and skills to support innovation, lower transaction costs, and responsibly produce and trade valuable goods and services.

Justification

Through strategic investments in times of constrained resources the Obama Administration has positioned economic recovery to take hold after the worst crisis since the Great Depression. The recovery is more fully in place, with GDP and job growth indicators returning to pre-recession levels, yet there are still many regions and communities across the country struggling.

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.

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.

EDA's successful model of economic development includes 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.

To build long-term capacity for sustained economic growth, EDA invests in partnership with our local communities to build strategic economic development assets which support long term growth and competitiveness. These partnerships have a laser focus: catalyze private investment; leverage resources to support the establishment and growth of globally competitive businesses; as well as strengthen innovation, manufacturing supply chains, an employer-driven, skilled workforce, exports, and foreign direct investment.

In support of these goals, the Economic Development Administration's (EDA) FY 2016 budget includes a request for modest program increases to provide communities and the businesses they serve with the tools and data necessary to foster the sustainable competitiveness of their regions in the 21st Century economy.

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 economic development in communities across the nation. Through the agency's diverse and flexible programs, EDA provides a broad portfolio of construction, technical assistance, financing, and strategic planning tools that local and regional entities can use 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.

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 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 2016 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 2016 budget proposal specifically supports the Department of Commerce's goals of Trade and Investment, Innovation, Environment and Operational Excellence. As part of the Trade and Investment Goal, EDA helps U.S. companies increase exports and encourages more companies to invest in or expand operations in the United States. As part of the Innovation Goal, EDA strengthens community and regional capacity for advanced manufacturing, accelerates the job-driven skill strategies in communities and regions, and assists in building the public-sector capacity that allows the private sector to commercialize new products and services. As part of the Environment Goal, EDA helps communities and regions leverage assets to build the capacity for overall economic resilience. Finally, EDA's Salaries and Expense budget focuses on greater integration of economic development programming across the Department and other federal agency programs.

EDA's programs are designed to provide a full range of tools and resources that can help communities build the capacity to 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.

Supporting 21st Century Economies through Regional Innovation Strategies

Through groundbreaking efforts to bust federal silos and support bottom-up, not top-down, local and regional strategies, EDA has helped lead 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 has helped lead interagency 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 2016 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.

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.

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

	FTE	BUDGET AUTHORITY	DIRECT OBLIGATION
FY 2015 Estimate	0	213,000	256,439
<i>Plus: Unobligated balance, start of year (Direct)</i>	0	0	(62,556)
<i>Plus: Estimated Recoveries</i>	0	0	(35,000)
<i>Less: Unobligated balance, end of year (Direct)</i>	0	0	54,117
2016 Base	0	<u>213,000</u>	<u>213,000</u>
<i>Plus: Program Change</i>	0	14,500	5,761
2016 Estimate	0	227,500	218,761

COMPARISON BY ACTIVITY		2014 Actuals	2015 Enacted	2016 Base	2016 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Global Climate Change Mitigation Incentive Fund	BA	0	0	0	0	0
	Obl	1,014	0	0	0	0
Public Works	BA	96,000	99,000	99,000	85,000	(14,000)
	Obl	132,952	109,000	109,000	105,000	(4,000)
Partnership Planning	BA	29,000	30,000	30,000	39,500	9,500
	Obl	29,278	31,000	31,000	39,500	8,500
Technical Assistance	BA	11,000	11,000	11,000	12,000	1,000
	Obl	11,443	11,000	11,000	12,000	1,000
Research and Evaluation	BA	1,500	1,500	1,500	3,000	1,500
	Obl	490	2,500	2,500	3,000	500
Trade Adjustment Assistance	BA	15,000	12,500	12,500	10,000	(2,500)
	Obl	7,561	19,939	19,939	10,000	(9,939)
Economic Adjustment Assistance	BA	42,000	45,000	45,000	53,000	8,000
	Obl	59,548	60,000	60,000	62,700	2,700
Innovative Manufacturing Loans / Section 26	BA	5,000	4,000	4,000	0	(4,000)
	Obl	0	0	0	5,000	5,000
Regional Innovation Program and Science Park Loan Guarantees	BA	10,000	10,000	10,000	25,000	15,000
	Obl	0	20,000	20,000	25,000	5,000

COMPARISON BY ACTIVITY		2014 Actuals	2015 Enacted	2016 Base	2016 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Disaster Recovery Assistance (Category B - New; as provided in P.L. 112-55)	BA	0	0	0	0	0
	Obl	0	0	0	0	0
Supplemental Appropriations Act, 2010	BA	0	0	0	0	0
	Obl	0	0	0	0	0
Supplemental Appropriations Act, 2008	BA	0	0	0	0	0
	Obl	103	0	0	0	0
Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2008	BA	0	0	0	0	0
	Obl	644	3,000	3,000	0	(3,000)
Other Prior Year Category B Disaster Supplementals	BA	0	0	0	0	0
	Obl	698	0	0	0	0
Total Appropriations	BA	209,500	213,000	213,000	227,500	14,500
	Obl	243,731	256,439	256,439	262,200	5,761
Adjustments to Obligations:						
Recoveries		(45,549)	(35,000)	(35,000)	(30,000)	5,000
Unobligated balance, start of year		(51,238)	(62,556)	(62,556)	(54,117)	8,439
Unobligated balance, transferred		0	0	0	0	0
Unobligated balance, end of year¹		62,556	54,117	54,117	49,417	(4,700)
Transfer to other accounts (+)		0	0	0	0	0
Rescission		0	(5,000)	(5,000)	0	5,000
Budget Authority		209,500	208,000	208,000	227,500	19,500

1/ Unobligated balance, end of year for FY 2015, and Unobligated balance, start of year for FY 2016 are estimates based on carrying forward loan guarantee funds and Category B Disaster funds into FY 2016, when EDA anticipates initial execution of loan guarantees under the authorities provided in Section 26 and Section 27 of the COMPETES Act. All carryover obligations are shown in the Public Works line.

**Department of Commerce
Economic Development Administration
Economic Development Assistance Programs
SUMMARY OF REIMBURSABLE OBLIGATION**

COMPARISON BY ACTIVITY		2014 Enacted		2015 Enacted		2016 Base		2016 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
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	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
Innovative Manufacturing Loans / Section 26	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 Program and Science Park Loan Guarantees	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:		0	0	0	0	0	0	0	0	0	0
Unobligated balance, start of year		0	0	0	0	0	0	0	0	0	0
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	2014 Actual	2015 Enacted	2016 Base	2016 Estimate	Increase/ (Decrease)
	Amount	Amount	Amount	Amount	Amount
Total Obligations	243,731	256,439	256,439	262,200	5,761
Financing	0	0	0	0	0
Offsetting collections from					
Federal funds	0	0	0	0	0
Trust funds	0	0	0	0	0
Non-Federal sources	690	0	0	0	0
Recoveries	(45,549)	(35,000)	(35,000)	(30,000)	5,000
Unobligated balance, start-of-year ¹	(51,238)	(62,556)	(62,556)	(54,117)	8,439
Unobligated balance transferred	0	0	0	0	0
Unobligated balance, end-of-year	62,556	54,117	54,117	49,417	(4,700)
Unobligated balance expiring	0	0	0	0	0
Unobligated balance lapsing	0	0	0	0	0
Budget Authority	210,190	213,000	213,000	227,500	14,500
Transferred to/from other accounts	0	0	0	0	0
Rescission	0	0	0	0	0
Appropriation	210,190	213,000	213,000	227,500	14,500

1/ Unobligated balance, end of year for FY 2015, and Unobligated balance, start of year for FY 2016 are estimates based on carrying forward loan guarantee funds and Category B Disaster funds into FY 2016, when EDA anticipates initial execution of loan guarantees under the authorities provided in Section 26 and Section 27 of the COMPETES Act. All carryover obligations are shown in the Public Works line.

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

ACTIVITY: Public Works		2014 Actual	2015 Enacted	2016 Base	2016 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Public Works	BA	\$96,000	\$99,000	\$99,000	\$85,000	(\$14,000)
	Obl.	\$132,952	\$109,000	\$109,000	\$105,000	(\$4,000)

APPROPRIATION ACCOUNT: Economic Development Assistance Programs

BUDGET PROGRAM: PUBLIC WORKS PROGRAM

For FY 2016, EDA requests a decrease of \$14.0M below the FY 2015 Enacted level, for a total of \$85.0 million for the **Public Works Program**.

Program Budget Profile (Dollars in thousands)			
Funding Requirements by Sub-Program:	FY 2014	FY 2015	FY 2016
Public Works	96,000	99,000	85,000
Total Dollars:	96,000	99,000	85,000
Total FTEs:	N/A	N/A	N/A

BASE JUSTIFICATION FOR FY 2016:

Through the Public Works Program, EDA makes strategic co-investments to help communities build or expand access to the infrastructure assets that are the 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:** Some examples of these economically distressed and underserved communities are located along the U.S.-Mexico Border, as well as the Mississippi Delta, and Appalachian regions. These regions and other similarly challenged communities continue to experience high distress and economic decline, and face barriers to economic diversification. In the Border Regions, for example, increased truck, barge, and rail traffic threaten the adequacy of transportation infrastructure. The majority of the Delta Region remains rural and agricultural. As a result, transportation and logistics generated by shipping commodities out of the region challenge the existing infrastructure. Forty-two percent of the Appalachian population is rural with relatively few assets to generate robust economic activity, 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:** EDA's Public Works Program supports the Administration's focus on exports and foreign direct investment by providing the critical resources many regions need to expand the export potential of their area businesses. Through strategic public works 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 their economic base. Even in areas where 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 often result in significant job losses and create long-term high unemployment. Through the Public Works Program, EDA public works grants provide 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. These grants help create jobs for displaced workers and help train those workers for the newly created jobs.

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 2016:

BUDGET PROGRAM: Public Works. Base Funding: \$99.0 million; Program Change: -\$14.0 million.

EDA requests a decrease of \$14.0M below the FY 2015 Enacted level, for a total of \$85.0 million for the Public Works Program. This decrease maintains sufficient funding levels to continue providing public works assistance to eligible communities while allowing EDA to support other programs with greater flexibility that can fund planning, technical assistance as well as public works projects. 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 21st 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 2016 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 not recovered and remain well below levels needed 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.

Public Works Performance Measures:	FY 2015 PB Request	FY 2016 Estimate	Increase/ (Decrease)
Projected Jobs Created/Retained	15,879	13,623	(2,256)
Projected Private Investment	\$698,544	\$599,760	(98,784)

[THIS PAGE INTENTIONALLY LEFT BLANK]

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

ACTIVITY: Partnership Planning		2014 Actual	2015 Enacted	2016 Base	2016 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Partnership Planning	BA	\$29,000	\$30,000	\$30,000	\$39,500	\$9,500
	Obl.	\$29,278	\$31,000	\$31,000	\$39,500	\$8,500

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPROPRIATION ACCOUNT: Economic Development Assistance Programs

BUDGET PROGRAM: PARTNERSHIP PLANNING PROGRAM

For FY 2016, EDA requests a \$9.5M increase from the FY 2015 enacted level, for a total of \$39.5 million for the **Partnership Planning Program**.

Program Budget Profile			
(Dollars in thousands)			
Funding Requirements by Sub-Program:	FY 2014	FY 2015	FY 2016
Partnership Planning	29,000	30,000	39,500
Total Dollars:	29,000	30,000	39,500
Total FTEs:	N/A	N/A	N/A

BASE JUSTIFICATION FOR FY 2016:

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 (Economic Development Districts (EDD), 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.

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 2016:

BUDGET PROGRAM: Partnership Planning. Base Funding: \$30.0 million; Program Change: \$9.5 million.

EDA requests an increase of \$9.5M above the FY 2015 Enacted level, for a total of \$39.5 million for the Partnership Planning Program. This increase allows EDA to fund 100 percent of the EDDs and Indian Tribes, adding an additional 16 EDDs which were previously unfunded. It also provides funds for EDDs to conduct a one-time refresh of community's Comprehensive Economic Development Strategies (CEDS), reducing the time to develop from 5 years to 4 years, as well as incorporate important new elements of EDA's new CEDS guidelines such as economic resiliency and the integration of other Federal, state and local resources into their plans. After the one-time accelerated refresh new cycle is completed, no additional resources will be needed.

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 enable better and more strategic use of 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.

Statement of Need and Economic Benefits:

EDA's FY 2016 Planning Partnership Program helps provide communities with comprehensive, market-based, local and regional planning, 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 acquire technical assistance and develop strategic plans and activities of participating organizations. Strong strategic plans are necessary to formulate relevant goals and objects, which lead to investments with greater positive impacts on distressed communities. Organizations which lack capacity to develop CEDS documents may 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 sufficient resources to organizations that need assistance in the development of plans due to their limited capacity.

[THIS PAGE INTENTIONALLY LEFT BLANK]

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

ACTIVITY: Technical Assistance		2014 Actual	2015 Enacted	2016 Base	2016 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Technical Assistance	BA	\$11,000	\$11,000	\$11,000	\$12,000	\$1,000
	Obl.	\$11,443	\$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 2016, EDA requests an increase of \$1.0 million to the FY 2015 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 2014	FY 2015	FY 2016
Technical Assistance	11,000	11,000	12,000
Total Dollars:	11,000	11,000	12,000
Total FTEs:	N/A	N/A	N/A

BASE JUSTIFICATION FOR FY 2016:

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 communities and organizations located in the economically distressed areas 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 when university research is translated to local technical assistance. 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 as assisting their service region, including: feasibility studies, data analysis, geographic analysis, strategic planning, and other targeted technical assistance.

The Local Technical Assistance sub-program, one of EDA's smallest programs in terms of funding, is an extremely flexible and useful economic development tool. The most common purpose of a Local TA project has been to analyze the feasibility of a potential economic development project, such as an industrial park or a high-technology business incubator. Feasibility studies are an effective tool for determining whether the market will support a particular activity or site. While Local TA investments are typically small in size and scope, they can prevent costly mistakes and misguided investments. Economically distressed communities often have a pre-disposition towards the same type of industry that have historically been employers in the area, while market forces may be moving in another direction. 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 recently partnered 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 2016:

**BUDGET PROGRAM: Technical Assistance Program. Base Funding: \$12.0 million;
Program Change: + \$1.0 million.**

EDA requests an increase of \$1.0 million to the FY 2015 enacted level, for a total of \$12.0 million for the Technical Assistance Program.

Statement of Need and Economic Benefits:

The funds will be used to support 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		2014 Actual	2015 Enacted	2016 Base	2016 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Research and Evaluation	BA	\$1,500	\$1,500	\$1,500	\$3,000	\$1,500
	Obl.	\$490	\$2,500	\$2,500	\$3,000	\$500

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPROPRIATION ACCOUNT: Economic Development Assistance Programs

BUDGET PROGRAM: RESEARCH AND EVALUATION PROGRAM

For FY 2016, EDA requests an increase of \$1.5M from the FY 2015 enacted level, for a total of \$3.0 million for the **Research and Evaluation Program**.

Program Budget Profile (Dollars in thousands)			
Funding Requirements by Sub-Program:	FY 2014	FY 2015	FY 2016
Research and Evaluation	1,500	1,500	3,000
Total Dollars:	1,500	1,500	3,000
Total FTEs:	N/A	N/A	N/A

BASE JUSTIFICATION FOR FY 2016:

EDA's Research and Evaluation funds support the development of tools, recommendations, and resources that shape investment decisions in the Agency and inform policy makers as well as regional planning decision-making at the local level. Research and Evaluation Program investments provide critical, cutting-edge research and evaluation of EDA's programs, including the identification of best practices which can be disseminated to regional, state, and local practitioners, thereby enhancing the impact of 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 to identify the most effective ways to increase the return on taxpayer investment, increase private capital investment, and create 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 provides the vital economic information and cutting-edge research critical to developing sound investment strategies. 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.

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 2016:

**BUDGET PROGRAM: Research and Evaluation Program. Base Funding: \$1.5 million;
Program Change: + \$1.5 million.**

For FY 2016, EDA requests an increase of \$1.5 million from the FY 2015 enacted level, for a total of \$3.0 million.

The increased funds will be used to support additional regional Research and Evaluation project grants. EDA has recently completed a multi-year research design study to identify important new activity and performance data that should be collected from grantees and their beneficiaries. As a result of this ground breaking work, using logic models to identify how federal resources translate into economic growth, prosperity and increased quality of life, EDA is positioned to take the next step by increasing the number of research studies it undertakes, collecting more data and information, and reporting on program results to all stakeholders. These investments will help the EDA target assistance to economically distressed communities even more effectively and increase positive outcomes from all Federal economic development investments.

Statement of Need and Economic Benefits:

EDA continues to pursue a stronger, more 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, and identifying more effective measures of the impacts development projects yield on capacity building, job creation, wage growth and quality of life.

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

ACTIVITY: Trade Adjustment Assistance		2014 Actual	2015 Enacted	2016 Base	2016 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Trade Adjustment Assistance	BA	\$15,000	\$12,500	\$12,500	\$10,000	(\$2,500)
	Obl.	\$7,561	\$19,939	\$19,939	\$10,000	(\$9,939)

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPROPRIATION ACCOUNT: Economic Development Assistance Programs

BUDGET PROGRAM: Trade Adjustment Assistance For Firms Program

For FY 2016, EDA requests a decrease of \$2.5M from the FY 2015 enacted level, for a total of \$10 million for the **Trade Adjustment Assistance for Firms Program**.

Program Budget Profile			
(Dollars in thousands)			
Funding Requirements by Sub-Program:	FY 2014	FY 2015	FY 2016
Trade Adjustment Assistance	15,000	12,500	10,000
Total Dollars:	15,000	12,500	10,000
Total FTEs:	N/A	N/A	N/A

BASE JUSTIFICATION FOR FY 2016:

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 our 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 TAAF 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 TAAF 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 TAAF 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 TAAF 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 2016:

BUDGET PROGRAM: Trade Adjustment Assistance Program. Base Funding: \$12.5 million; Program Change: - 2.5 million.

EDA requests a decrease of \$2.5 million from the FY 2015 enacted level, for a total of \$10.0 million for the Trade Adjustment Assistance for Firms program. This decrease takes advantage of a program restructuring which will achieve savings within the program.

Proposed Actions:

EDA completed its review of the TAAF program to determine the best strategies for implementing operational efficiencies which could potentially be made to enhance the economic benefits afforded by the program.

- The Economic Development Administration (EDA) will hold a Trade Adjustment Assistance for Firm (TAAF) funding competition in FY 2015 through the issuance of a Federal Funding Opportunity (FFO). The competition is expected to be completed by the end of the grant period for current TAACs.
- Through this competition, EDA aims to improve the efficiency and effectiveness of the program. To further the aforementioned programmatic and policy priority, EDA will employ enhanced program performance measurement techniques, take steps to decrease program administrative costs, more closely align geographic service areas of TAACs with the service areas of EDA's six regional offices, and foster more equitable distribution of services across all U.S. states and territories during the competition.
- Applicants will be required to address how their TAAC will advance these priorities if selected. Recipients under the announcement will be required to provide TAAF services to eligible entities both within their immediate U.S. State or Territory and two to seven additional geographically proximate U.S. States. Applicants will be encouraged to propose a service area that they will cover; however, EDA will determine the final service area for each TAAC after winning proposals are chosen. Preferably, all States and Territories served by a TAAC will be within one EDA Region, and not spread across multiple EDA Regions.

Statement of Need and Economic Benefits:

The TAAF program currently 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 TAAF 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 directly competitive articles, to become more competitive in the global marketplace. The TAAF 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).

Performance Measures for Trade Adjustment Assistance for Firms	Fiscal Year	FY 2014	FY 2015	FY 2016
	Amount:	\$15,000	\$10,000	\$10,000
Number of Petitions Processed	With Increase	105	105	105
	Without Increase ¹		105	105
Number of Adjustment Proposals Processed	With Increase	114	114	114
	Without Increase ²		114	114
Firms Receiving TAAF Services	With Increase	882	882	882
	Without Increase ²		882	882
Amount Available for Services to Firms - Petitions	With Increase		\$3.5 M	\$3.5 M
	Without Increase ³		\$2.0 M	\$2.0 M
Amount Available for Services to Firms - Adjustment Prposals (APs)	With Increase	\$6.2 M	\$6.2 M	\$6.2 M
	Without Increase ³		\$4.4 M	\$4.4 M

1/ Firm participation in TAAF program is not dependent on appropriations, rather eligibility based on the economic climate at the time of submission.

2/ Firms have two years from the date of certification to submit an AP; therefore, there is no expectation for the number of APs submitted to decline. APs.

[THIS PAGE INTENTIONALLY LEFT BLANK]

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

ACTIVITY: Economic Adjustment Assistance		2014 Actual	2015 Enacted	2016 Base	2016 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Economic Adjustment Assistance	BA	\$42,000	\$45,000	\$45,000	\$53,000	\$8,000
	Obl.	\$59,548	\$60,000	\$60,000	\$62,700	\$2,700

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPROPRIATION ACCOUNT: Economic Development Assistance Programs

BUDGET PROGRAM: Economic Adjustment Assistance Program

For FY 2016, EDA requests an increase of \$8.0 million above the FY 2015 enacted level, for a total of \$53.0 million for the **Economic Adjustment Assistance (EAA) Program**.

Program Budget Profile (Dollars in thousands)			
Funding Requirements by Sub-Program:	FY 2014	FY 2015	FY 2016
Economic Adjustment Assistance (EAA)	42,000	45,000	53,000
Total Dollars:	42,000	45,000	53,000
Total FTEs:	N/A	N/A	N/A

BASE JUSTIFICATION FOR FY 2016:

Through the Economic Adjustment Assistance (EAA) Program, EDA helps local communities design and implement strategies to address evolving economic conditions that are causing or threaten to cause serious structural damage to the underlying economic base or are 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 to transform and diversify their economies and position them competitively. EAA funds can be used to provide important support such as designing a transition strategy, constructing or upgrading public infrastructure, conducting feasibility or environmental studies, supporting construction and operations of incubators and business accelerators, capitalizing locally or regionally administered Revolving Loan Funds for entrepreneurs competing in a growing 21st century business climate.

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).

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

- **Construction of physical infrastructure:** EAA funds may be used to fund the construction of infrastructure owned by public or non-profit entities, 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.

- **Strategic Planning:** These types of investments can be critical when, for example, 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.
- **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.

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, in its role as integrator for Federal grant efforts, 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 or for singular purposes. 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 2016:

Budget Program: Economic Adjustment Assistance: Base Funding: \$45.0 million; Program Change: + \$8.0 million.

America's economy is not composed of output from a single, or limited, number of industries. In fact, our economy is comprised of many regional economies, which often possess similar types of industries, but may also be composed of multiple industry sectors. These industry sectors include many businesses that are competing not just within their region, but across U.S. regions and across the world. In today's complex global economy, regional competitiveness hinges on its ability to maximize its productivity. To achieve the highest level of productivity U.S. businesses need a constant and robust flow of information and data about products, markets and processes. The best way to achieve this is for industry sectors to work together in a pre-competitive stage to generate the information they need to stay ahead of the game. EDA's request for an increase of \$8.0 million above the FY 2015 enacted level for a total of \$53.0 million in its Economic Adjustment program prioritizes grants that will provide industry sectors across U.S. regions with the technical assistance and pre-competitive research they need to become and remain globally competitive. This approach will not only increase the efficiency of EAA technical assistance grants, but most importantly, increase the competitive posture of industry sectors that face stiff competition from across the globe.

This increase prioritizes funds toward initiatives which provide coordinated, comprehensive hard and soft infrastructure aid to communities affected by job losses, including those in coal mining or coal generated power plants, to include critical investments such as economic diversification planning, and implementation, technical assistance, and access to business start-up facilities and equipment.

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 cluster assets, by providing targeted infrastructure assistance to help expand existing or developing industry clusters in a 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 2016, EDA also will prioritize investments that support on-shoring investments which encourage firms to expand or retain their locations in the U.S., as well as maintain 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.

EAA's unique mechanisms provide a streamlined process that reduces grantees' administrative burdens because EDA can fund a 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 2016 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. EDA estimates this additional \$8.0M in funding will result in

another \$14.4M of Private sector dollars invested in distressed communities and create or retain 323 jobs in distressed communities.

Economic Adjustment Assistance Performance Measures:	FY 2015 PB Request	FY 2016 Estimate	Increase/ (Decrease)
Projected Jobs Created/Retained	4,901	5,224	323
Projected Private Investment Leveraged	\$215,596	\$229,969	\$14,373

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

ACTIVITY: Innovative Manufacturing Loans / Section 26		2014 Actual	2015 Enacted	2016 Base	2016 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Innovative Manufacturing Loans / Section 26	BA	\$5,000	\$4,000	\$4,000	\$0	(\$4,000)
	Obl.	\$0	\$0	\$0	\$5,000	\$5,000

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPROPRIATION ACCOUNT: Economic Development Assistance Programs

BUDGET PROGRAM: Innovative Manufacturing Loans / Section 26 PROGRAM

For FY 2016, EDA requests a \$4.0 million reduction to the FY 2015 enacted level for a total of \$0.0 million for the **Innovative Manufacturing Loans / Section 26 Program**.

Program Budget Profile (Dollars in thousands)			
Funding Requirements by Sub-Program:	FY 2014	FY 2015	FY 2016
Innovative Manufacturing Loans / Section 26	5,000	4,000	-
Total Dollars:	5,000	4,000	-
Total FTEs:	N/A	N/A	N/A

BASE JUSTIFICATION FOR FY 2016:

Innovative Manufacturing Loans / Section 26 Program Overview

Innovative Manufacturing Loans / Section 26 Program provides financing to small- to medium-sized manufacturers for projects that equip, expand, or establish a manufacturing facility in the United States for the use or production of innovation technology. This loan program also supports 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: Innovative Manufacturing Loans / Section 26 Program: Base Funding: \$4.0 million; Program Change: -\$4.0 million.

EDA does not request funding for FY 2016 for the Innovative Manufacturing Loans/Section 26 Program. EDA will fund its first innovative manufacturing loan guarantees in FY 2016 using funds previously appropriated for this program. Additional funding is not needed for FY 2016.

[THIS PAGE INTENTIONALLY LEFT BLANK]

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

ACTIVITY: Regional Innovation Program and Science Park Loan Guarantees		2014 Actual	2015 Enacted	2016 Base	2016 Estimate	Increase/ (Decrease)
		Amount	Amount	Amount	Amount	Amount
Regional Innovation Program and Science Park Loan Guarantees	BA	\$10,000	\$10,000	\$10,000	\$25,000	\$15,000
	Obl.	\$0	\$20,000	\$20,000	\$25,000	\$5,000

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPROPRIATION ACCOUNT: Economic Development Assistance Programs

BUDGET PROGRAM: Regional Innovation Program

For FY 2016, EDA requests a \$15 million increase to the FY 2015 enacted level for a total of \$25.0 million for the **Regional Innovation Program**.

Program Budget Profile (Dollars in thousands)			
Funding Requirements by Sub-Program:	FY 2014	FY 2015	FY 2016
Regional Innovation Program	10,000	10,000	25,000
Total Dollars:	10,000	10,000	25,000
Total FTEs:	N/A	N/A	N/A

BASE JUSTIFICATION FOR FY 2016:

Regional Innovation Program Overview

Regional Innovation Program has four components: Cluster Grants, Science and Research Park Development Grants, , 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 feasibility studies for 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. The Regional Innovation Research and Information Program provides research, technical assistance, performance metrics and data pertaining to regional innovation strategies and clusters.

The “America COMPETES Reauthorization Act of 2010” and the “Revitalize American Manufacturing and Innovation Act of 2014” help 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.

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.

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 2016 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.

PROGRAM CHANGE FOR FY 2016:

Budget Program: Regional Innovation Program and Science Park Loan Guarantees: 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 Regional Innovation Program. This increase will support EDA's vision to lead the national economic development agenda by integrating and focusing federal economic development resources to:

1. Support the private sector in creating high growth, globally competitive regions of innovation and prosperity.
2. Achieve improved return on federal investment.
3. Achieve better outcomes for regions and communities.

The administration's vision is for the effective integration of federal economic development resources and the institutionalization of the Administration's successful and impactful place-based initiatives. This supports EDA's efforts to assume the key integrator role and strengthen its efforts to build the capacity to serve as the U.S Government-wide leader in the integration of economic development resources from multiple federal agencies to achieve more successful economic development outcomes.

EDA possesses broad and deep experience across multiple programs and special initiatives, which can be used to create an administrative infrastructure that effectively supports integration of cross-agency resources for transformative economic development and growth in economically challenged regions.

Statement of Need and Economic Benefits:

Continuing as 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 at the forefront 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 "Revitalize American Manufacturing and Innovation Act of 2014," 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 extended the Regional Innovation Strategies Program through FY 2019, for which EDA is sustaining funding levels consistent with previous President's Budgets 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.

Research performed by UNC/SRI in 2014 indicates that Regional Innovation Strategies result in broadly distributed impacts, expanding business and technical networks; and enhancing ecosystems. UNC/SRI found that, "a tremendous amount of work has been done... training, referrals, new concepts, improved technologies, new business plans, new markets, and so on – in ways tightly aligned around program goals. This waterfront of activity, and the outputs and increased participant capabilities that flow from it, will surely grow and improve the regional economies that are a focus of the program." 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 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 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 2016, EDA will continue this model to advance collaboration, innovation, and clusters in regions across the country.

In FY 2013, EDA funded two interagency competitions. In FY 2014 EDA renewed the i6 Challenge competition to support the innovation through creation of proof of concept/commercialization centers

as part of our first ever appropriation to implement regional innovation strategies under Section 27 of the America COMPETES Reauthorization Act. Building on previous successes in inter-agency and leading edge investments to foster greater innovation, in FY 2016 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.

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

OBJECT CLASS		2014 Actual	2015 Enacted	2016 Base	2016 Estimate	Increase/ (Decrease)
41.0	Grants	243,731	256,439	256,439	262,200	5,761
99.0	Subtotal Direct Obligations	243,731	256,439	256,439	262,200	5,761
99.9	TOTAL OBLIGATIONS	243,731	256,439	256,439	262,200	5,761
	Plus prior year recoveries	(45,549)	(35,000)	(35,000)	(30,000)	5,000
	Plus prior year unobligated balance	(51,238)	(62,556)	(62,556)	(54,117)	8,439
	Transfer to other accounts (+)	0	0	0	0	0
	Unobligated balance, end of year	62,556	54,117	54,117	49,417	(4,700)
	Total Budget Authority	209,500	213,000	213,000	227,500	14,500

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

(AUTHORIZATIONS)

This language is proposed to continue previously authorized programs under the Public Works and Economic Development Act of 1965, for trade adjustment assistance, and Regional and Innovative Manufacturing Programs under section 27 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3722).

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

For grants for economic development assistance as provided by the Public Works and Economic Development Act of 1965, and for trade adjustment assistance grants, and for the cost of grants authorized by section 27 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3722) of such Act, \$227,500,000, to remain available until expended; of which \$25,000,000 shall be for grants under such section 27.

**Department of Commerce
Economic Development Administration**

APPROPRIATION LANGUAGE AND CODE CITATIONS: Economic development assistance programs (EDAP)

- 1 For necessary expenses of 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 Technical Assistance

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 Trade 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 authorized by section 27 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3722)

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

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

	FTE	BUDGET AUTHORITY	BUDGET OBLIGATIONS
FY 2015 Estimate	205	37,000	37,000
<i>Plus: Adjustment to Base.....</i>	0	1,487	1,487
<i>Less: Unobligated balance, Start of Year.....</i>	<u>0</u>	<u>0</u>	<u>0</u>
2016 Base Request.....	205	38,487	38,487
<i>Plus: Program Change.....</i>	19	7,041	7,041
2016 Estimate.....	224	45,528	45,528

COMPARISON BY ACTIVITY		2014 Actuals		2015 Enacted		2016 Base		2016 Estimate		Increase/ (Decrease)	
		Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount
Salaries and expenses, direct	Pos./BA	201	37,000	209	37,000	209	38,487	228	45,528	19	7,041
	FTE/Obl	162	34,682	205	37,000	205	38,487	224	45,528	19	7,041
Adjustments to obligations:			0		0		0		0		0
Recoveries			0		0		0		0		0
Unobligated balance, start of year			0		0		0		0		0
Unobligated balance transferred			0		0		0		0		0
Unobligated balance, end of year			0		0		0		0		0
Unobligated balance expiring			2,318		0		0		0		0
Transfer from other accounts (-)			0		0		0		0		0
Transfer to other accounts (+)			0		0		0		0		0
Rescission			0		0		0		0		0
APPROPRIATION		162	37,000	205	37,000	205	38,487	224	45,528	19	7,041

Exhibit 6

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

COMPARISON BY ACTIVITY		2014 Actuals		2015 Enacted		2016 Base		2016 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	2014 Actuals	2015 Enacted	2016 Base	2016 Estimate	Increase/ (Decrease)
	Amount	Amount	Amount	Amount	Amount
Total Obligations	34,862	37,950	39,437	46,478	7,041
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	0	0	0	0	0
Unobligated balance transferred	0	0	0	0	0
Unobligated balance, end-of-year	0	0	0	0	0
Unobligated balance expiring	2,318	0	0	0	0
Unobligated balance lapsing	0	0	0	0	0
Budget Authority	37,000	37,000	38,487	45,528	7,041
Transfer from Other Accounts (+)	0	0	0	0	0
Rescission	0	0	0	0	0
Appropriation	37,000	37,000	38,487	45,528	7,041

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

<u>ADJUSTMENTS:</u>	<u>Amount</u>
RESTORATION OF BASE	-
OTHER CHANGES:	
<u>Pay Raise</u>	293
2015 Pay Raise:	
Pay raise of 1.05% will be effective on January 1, 2015.	
Total cost in 2015 of 2016 pay raise.....	69,000
Less amount funded in 2015.....	<u>0</u>
Amount requested in FY 2016 for FY 2015 Pay raise	69,000
2016 Pay Increase and Related Costs:	
A general pay raise of 1.3% is assumed to be effective January 1, 2016.	
Total cost in 2016 of pay increase.....	<u>224,000</u>
Amount requested for FY 2016 Pay Raise	224,000
<u>Compensable Day</u>	89
Compensable days increase by one from 261 to 262 in FY 2016	
<u>Civil Service Retirement System (CSRS)</u>	(37)
The estimated percentage of payroll for employees covered by CSRS decreased from 15.70% in 2015 to 12.10% for 2016 for regular employees. The contribution rates will stay at 7% in 2016. This will result in a decrease of \$43,588 in the cost of CSRS contributions.	
FY 2016 cost: \$18,917,000 x 9.30% x 7.00%	123,150
FY 2015 cost: \$18,917,000 x 12.10% x 7.00%	<u>(160,227)</u>
Total, adjustment to base	(37,077)

JUSTIFICATION OF ADJUSTMENTS TO BASE AND BUILT-IN CHANGES

(Dollar amounts in thousands)

Federal Employees Retirement System (FERS)..... 156

The estimated percentage of payroll for employees covered by FERS will increase from 87.90% in 2015 to 90.70% in 2016 for regular employees. The contribution rate for FERS employees will increase to 11.90%.

FY 2016 cost: \$18,917,000 x 90.70% x 13.70%	2,350,608
FY 2015 cost: \$18,917,000 x 87.90% x 13.20%	<u>(2,194,902)</u>
Total, adjustment to base	155,706

Thrift Savings Plan (TSP)..... 5

The cost of EDA's contributions to the Thrift Savings Plan will increase as FERS participation increases. The contribution rate is projected at 1.0%.

FY 2016 cost: \$18,917,000 x 90.70% x 1.0%	171,577
FY 2015 cost: \$18,917,000 x 87.90% x 1.0%	<u>(166,280)</u>
Total, adjustment to base	5,297

Employees Compensation fund..... 75

Federal Insurance Contribution Act (FICA)..... 43

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 \$118,800 in 2015. The OASDI rate will remain at 6.2% in 2016.

FY 2016 cost: \$18,917,000 x 90.70% x 95.40% x 6.2%	1,014,845
FY 2015 cost: \$18,917,000 x 87.90% x 94.30% x 6.2%	<u>(972,175)</u>
Total, adjustment to base	42,670

Other Salaries

FY 2016 cost: \$335,000 x 90.70% x 95.40% x 6.2%	17,972
FY 2015 cost: \$335,000 x 87.90% x 94.30% x 6.2%	<u>(17,216)</u>
Total, adjustment to base	756

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

<u>Health insurance</u>	53
<p>Effective January 2015, EDA's contributions to Federal employees' health insurance premiums increased by an average of 4.0%. Applied against the 2015 estimate of \$1,313,000, the additional amount required is \$52,550.</p>	
<u>Travel and transportation of persons</u>	6
<p><u>Mileage</u>: The reimbursement rate for privately-owned automobiles decreased from 57 cents to 56 cents. The percentage decreased of 3.6% was applied to the 2015 estimate of \$285,000 to arrive at a decrease of \$5,182. (5,182)</p> <p><u>Per Diem</u>: The General Services Administration issued revised travel per diem rates, resulting in a 4.9% increase to EDA. This percentage was applied to the 2015 estimate of \$234,000 resulting in an increase of \$11,415. 11,415</p>	
<u>Rental payments to GSA</u>	32
<p>The General Service Administration has provided a preliminary estimated increase of 2.3% over the 2015 cost of \$2,159,000 for currently occupied space. This results in an increase of \$32,385.</p>	
<u>Printing and reproduction</u>	-
<p>GPO has provided an estimated rate increase of 2.1%. This percentage was applied to the 2015 estimate of \$16,000 to arrive at an increase of \$336.</p>	
<u>Working Capital Fund</u>	696
<p>The amount of \$696,000 to fund inflationary costs within the Departmental Working Capital Fund.</p>	
<u>Electricity</u>	(3)
<p>The average decrease of PEPCO electricity is projected to be 18%. This percentage was applied to the 2015 electricity estimate of \$328,000 for an decrease of \$3,200.</p>	

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

NARA

Cost are expected to increase by \$3,000..... 3

Water/Sewer (DCWASA)..... -

There is no rate adjustments for water in FY 2016

Postage..... 1

General pricing level adjustment.....

This request applies assumptions for 2015 of 1.6% to sub-object classes where the prices that the Government pays are established through the market system:

Rental Payments to Others 2

Other Services 64

Supplies and Materials 1

Equipment 8

Total, adjustments to base..... 1,487

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

ACTIVITY: Salaries and Expenses		2014 Actuals		2015 Enacted		2016 Base		2016 Estimate		Increase/ (Decrease)	
		Pos./FTE	Amount	Pos./FTE	Amount	Pos./FTE	Amount	Pos./FTE	Amount	Pos./FTE	Amount
Salaries and Expenses	Pos./BA	201	\$37,000	209	\$37,000	209	\$38,487	228	\$45,528	19	\$7,041
	FTE/Obl.	162	\$34,682	205	\$37,000	205	\$38,487	224	\$45,528	10	\$7,041

APPROPRIATION ACCOUNT: Salaries and Expenses

BUDGET PROGRAM: SALARIES AND EXPENSES PROGRAM ADMINISTRATION

For FY 2016, EDA requests an increase of \$8.5 million above the FY 2015 enacted level, for a total of \$45.5 million for the **Salaries and Expenses (S&E)** account. The increase includes \$1.4M of adjustments to EDA's FY 2016 base amount to fund inflationary costs for commodities and price increases for rent and increases to support the Department of Commerce's working capital fund.

Departmental Working Capital Fund Increase (0 FTE and \$0.7 million):

Within the adjustments to base is an increase of \$696,000 to cover additional shared service investments within the Departmental Working Capital Fund (WCF). These Departmental requirements include necessary investments in DOC-wide systems, network security initiatives and replacement of degrading IT infrastructure. A full discussion of all WCF program changes is in the WCF section of the Departmental Management Congressional Budget Submission document.

BASE JUSTIFICATION FOR FY 2015:

The administration of EDA's Economic Development Assistance Programs (EDAP), Trade Adjustment Assistance, and Loan Guarantees are 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; for the cost of loan guarantees and grants authorized by section 27 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3722), 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 and directs EDA's efforts for 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, the Performance and National Programs Division and the Loan Guarantee program; 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.

The Loan Guarantee Program carries out the implementation of Sections 26 and 27(d) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3721, 3722(d)), as amended to provide loan guarantees.

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.

Program Change(s):

The increase reflects FY 2016 Budget Adjustment for an increase of 19 personnel to strengthen EDA's capacity to integrate and focus federal economic support across multiple programs and agencies; supports additional staffing to enhance EDA's representation with economic development districts across the nation; continues EDA's growth of Loan Guarantee Programs which are expected to make their first guarantees in FY 2016.

With these additional resources EDA will have the capacity to work more closely with communities and economic development stakeholders to not only plan better, but create stronger economic growth strategies by increasing their understanding of their own competitive assets as well as identifying ways to integrate resources from multiple sources to address the full range of community needs.

EDA grants the majority of its program funds to rural and severely economically distressed areas. These areas often lack the resources and knowledge needed to plan and execute an effective strategy for economic prosperity. By increasing EDA staff and related expenses both at headquarters and in our regional offices, more time can be spent with communities in need to provide comprehensive program information, create better plans and execute better projects using, when needed, integrated resources from across the federal government.

Personnel Support Increases (19 FTE and \$7.0 million):

EDA proposes a program increase of \$7.0 million and 19 FTEs for a total of \$45.5 million and 228 FTE for the Salaries and Expense Program. This increase supports additional personnel at all six regional offices as well as headquarters offices in Washington, DC. Additional personnel and contract support are needed to support EDA's priority of empowering regions to develop their own plans that will transform their communities into globally competitive regions and ultimately improve the quality of life for their residents. With a larger presence, EDA will reach a larger number of communities, setting EDA up as the government's premiere resource for communities engaged in regional planning.

This increase advances the Administration's vision for EDA to lead the national economic development agenda by integrating and focusing federal economic development resources to:

1. Support the private sector in creating high growth, globally competitive regions of innovation and prosperity.
2. Achieve improved return on federal investment.
3. Achieve better outcomes for regions and communities.

The Administration's vision is for the effective integration of federal economic development resources and the institutionalization of the Administration's successful and impactful placed-based initiatives. This vision includes EDA growing capacity to assume the key integrator role and strengthen its efforts to build the capacity to serve as the U.S Government-wide leader in the integration of economic development resources from multiple federal agencies to achieve more successful economic development outcomes.

Building EDA's capacity to work directly with communities will mean more EDA regional staff with the resources they need to be physically present in an increasing number of communities. EDA's regional office staff already works in a consultative role with communities and an increase in staff capacity will allow more communities to be served and result in even better services. The staff increases along with the stronger emphasis on the CEDS process will pave the way for EDA to serve as an effective integrator of federal economic development resources. Communities that collaborate on a regional basis are better poised to take advantage of opportunities to grow, attract businesses and jobs, and create a better way of life for their residents. The administration's placed-based initiatives, many of which have been led by EDA, seek to reward those communities and support their efforts to become stronger and more competitive in the global economy. EDA's deep experience across multiple programs, and its demonstrated return on investment, make it uniquely positioned to effectively support the integration of cross-agency resources for transformative economic development in regions across the country.

EDA possesses broad and deep experience across multiple programs and special initiatives that with sufficient resources can be used to create an administrative infrastructure which effectively supports integration of cross-agency program resources for transformative economic development and growth in economically challenged regions.

PROGRAM CHANGE PERSONNEL DETAIL
(Dollar amounts in thousands)

Activity: Salaries and Expenses

Title:		Grade	Number	Annual Salary	Total Salaries
Management and Program Analyst	Washington, DC	GS-13	5	\$ 90,823	454,115
Management and Program Analyst	Washington, DC	GS-14	5	\$107,325	536,625
Director	Washington, DC	GS-15	2	\$126,245	252,490
Director	Washington, DC	GS-15	1	\$126,245	126,245
Management and Program Analyst	Atlanta, GA	GS-14	1	\$103,605	103,605
Management and Program Analyst	Austin, TX	GS-14	1	\$ 98,633	98,633
Management and Program Analyst	Chicago, Ill.	GS-14	1	\$108,085	108,085
Management and Program Analyst	Denver, CO	GS-14	1	\$105,856	105,856
Management and Program Analyst	Philadelphia, PA	GS-14	1	\$105,225	105,225
Management and Program Analyst	Seattle, WA	GS-14	1	\$105,243	105,243
Total			19		\$ 1,996,122
Less lapse	25.0%		4.75		499,031
Total full-time permanent (FTE)			14		\$ 1,497,092
2016 Pay Adjustment (1.3%)					11,565
Total					\$ 1,508,657
Personnel Data:					
Full-time permanent			14		
Other than full-time permanent			0		
Total			14		
Authorized Positions:					
Full-time permanent			19		
Other than full-time permanent			0		
Total			19		

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

	OBJECT CLASS	2016 Increase
11	Personnel Compensation	-
11.1	Full-time permanent	1,420
11.3	Other than full-time permanent	-
11.5	Other personnel compensation includes Lump Sum	24
11.9	Total personnel compensation	1,444
12.1	Civilian personnel benefits	64
13	Benefits for former personnel	-
21	Travel and transportation of persons	40
22	Transportation of things	-
23.1	Rental payments to GSA	400
23.2	Rental payments to others	100
23.3	Communications, utilities and miscellaneous charges	-
24	Printing and reproduction	30
25	Other services	4,850
26	Supplies and materials	3
31	Equipment	110
32	Land and structures	-
33	Investments and Loans	-
41	Grants, subsidies and contributions	-
42	Insurance claims and indemnities	-
43	Interest and Dividends	-
44	Refunds	-
99.9	TOTAL OBLIGATIONS	7,041

**Department of Commerce
Economic Development Administration**

**SUMMARY OF REQUIREMENTS BY OBJECT CLASS: SALARIES AND EXPENSES
(Dollar amounts in thousands)**

OBJECT CLASS		2014 Actuals	2015 Enacted	2016 Base	2016 Estimate	Increase/ (Decrease)
11	Personnel Compensation					
11.1	Full-time permanent	18,685	18,917	19,210	20,630	1,420
11.3	Other than full-time permanent/WCF	0		0	0	0
11.5	Other personnel compensation includes Lump Sum	359	335	335	359	24
11.9	Total personnel compensation	19,044	19,252	19,545	20,989	1,444
12.1	Civilian personnel benefits	5,702	5,651	5,946	6,010	64
21.0	Travel and transportation of persons	857	772	778	818	40
22.0	Transportation of things	14	10	10	10	0
23.1	Rental payments to GSA	2,531	2,159	2,191	2,591	400
23.2	Rental payments to others	250	121	123	223	100
23.3	Communications, utilities and miscellaneous charges	287	261	262	262	0
24.0	Printing and reproduction	43	16	16	46	30
25.2	Other services	6,331	1,476	1,540	3,849	2,309
25.3	Purchase of goods and services from Government Accounts	5,223	6,727	7,423	9,964	2,541
25.7	Operations and maintenance of equipment	0	0	0	0	0
26.0	Supplies and materials	240	80	81	84	3
31	Equipment	858	475	483	593	110
99.0	Subtotal Direct Obligations	41,380	37,000	38,398	45,439	7,041
99.0	Inflationary Adjustment					
99.0	Unobligated Balance, Start of Year	(4,380)	0	0	0	0
99.0	Unobligated Balance, Expiring	0	0	0	0	0
99.0	Unobligated Balance, End of Year	0	0	0	0	0
99.0	Transfer from Other Accounts	0	0	0	0	0
99.0	Total ATB amount absorbed	0	0		0	0
99.9	TOTAL OBLIGATIONS	37,000	37,000	38,398	45,439	7,041

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

PERSONNEL DATA	2014 Actuals	2015 Enacted	2016 Base	2016 Estimate	Increase/ (Decrease)
Full-Time Equivalent Employment:	Amount	Amount	Amount	Amount	Amount
Full-time permanent	162	205	205	224	19
Other than full-time permanent	0	0	0	0	0
Total	162	205	205	224	19
Positions:					
Full-time permanent	201	209	209	228	19
Other than full-time permanent	0	0	0	0	0
Total	201	209	209	228	19

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

(AUTHORIZATIONS)

This language is proposed to continue previously authorized programs under the Public Works and Economic Development Act of 1965, for trade adjustment assistance, and Regional and Innovative Manufacturing Programs under section 27 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3722).

SALARIES AND EXPENSES

For necessary expenses of administering the economic development assistance programs as provided for by law, \$45,528,000: Provided, That these funds may be used to monitor projects approved pursuant to title I of the Public Works Employment Act of 1976, title II of the Trade Act of 1974, for grants and grants authorized by section 27 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3722) of such Act, and the Community Emergency Drought Relief Act of 1977.

**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 authorized by section 27 of the Stevenson-Wydler Technology Innovation Act of 1980 (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))

[THIS PAGE INTENTIONALLY LEFT BLANK]

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

	2014 <u>Actual</u>	2015 <u>Enacted</u>	2016 <u>Estimate</u>
Average GS Grade	12.4	12.6	12.6
Average GS Salary	\$66,964	\$73,863	\$78,227

FY 2016 Annual Performance Plan / FY 2014 Annual Performance Report

Economic Development Administration

Part 1: Agency and Mission Information

Section 1.1: Overview

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.

Section 1.2: 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.

Part 3: Strategic Goals and Objectives

Section 3.1: Corresponding DoC Strategic 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

Section 3.2: Strategies for Objectives

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 21st 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 cultivate their unique regional assets to support the growth of innovation clusters to fully maximize their economic potential. Innovation is the key to long-term productivity that increase wages, firm growth and global competitiveness. Funds may also be used to support inter-agency challenge competitions supporting regional innovation strategies.

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

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

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

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.

Section 26 Innovative Manufacturing Loan Guarantee Program provides financing to small- to 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 supports commercializing an innovative product, process or idea developed by research funded in whole or in part by a grant from the Federal government.

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 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 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.

Section 3.3: Progress Update for Strategic Objectives

In FY 2014, EDA invested approximately \$240 million in more than 600 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. EDA achieved success in three main areas during FY 2014: promoting innovation, supporting manufacturing, and harnessing data to assist with economic development.

EDA made significant strides in promoting the innovation platform of the Commerce Strategic Plan last fiscal year. In May, Secretary Pritzker announced the appointment of a new director of EDA's Office of Innovation and Entrepreneurship (OIE). OIE is charged with fostering a more innovative U.S. economy focused on turning new ideas and inventions into products and technologies that spur job growth and competitiveness while promoting economic development. In June, OIE announced it was accepting applications for the 2014-2016 National Council on Innovation and Entrepreneurship (NACIE), which will advise Secretary Pritzker on issues related to innovation, entrepreneurship, and industry-led skills training. In August, OIE launched a Regional Innovation Strategies program, a \$15 million grant competition designed to spur innovation capacity-building activities in regions across the nation. Under this program, EDA solicited applications for three separate funding opportunities, including: the i6 Challenge, Science and Research Park

Development grants, and cluster grants to support the development of Seed Capital Funds. The program garnered 257 applicants requesting more than \$100 million in support. The grants will be awarded in early 2015.

EDA also extensively supported efforts to bolster American manufacturing in FY 2014, investing in roughly 89 manufacturing projects, totaling nearly \$78 million. The projects were diverse, representing different industries, different geographies, and different community needs. Half of the manufacturing projects EDA supported in the last fiscal year were construction projects, which are expected to create more than 7,000 jobs and generate nearly \$4.3 billion in private investment. Beyond supporting manufacturing through economic development grants, EDA also continued its work on the Investing in Manufacturing Communities Partnership (IMCP) program.

IMCP is a critical part of Commerce's 'Open for Business Agenda' to strengthen the American manufacturing sector and attract more investment to the United States and is a great example of the way the President is leading the Federal government in a more coordinated way to better serve the American people. In May of this year, Secretary of Commerce Penny Pritzker announced the first 12 designated manufacturing communities under the IMCP initiative. Of the more than 70 communities that applied, the 12 were selected by an interagency panel based on the strength of their economic development plans, the potential for impact in their communities, and the depths of their partnerships across the public and private sector to carry out their plans. These 12 Manufacturing Communities are diverse, public-private consortiums that have put in place best practice economic development strategies that can be replicated by other American communities – including all those who applied for the IMCP designation.

On the data front, in June, EDA, in partnership with Harvard Business School's Institute for Strategy and Competitiveness, launched the Cluster Mapping Tool and Registry, a national economic initiative based at Harvard. The U.S. Cluster Mapping and Registry project aims to strengthen U.S. competitiveness by understanding the economic performance of clusters and regions across the United States. This resource provides a modern web experience, with access to actionable cluster and regional data reflecting the state of today's economy. With an extensive organization registry, this tool can help connect businesses with the organizations that are promoting their clusters. The project allows users to share and discuss best practices in economic development, policy and innovation by compiling a user-contributed repository of cluster initiatives, studies, and news reports.

Section 3.4: Next Steps

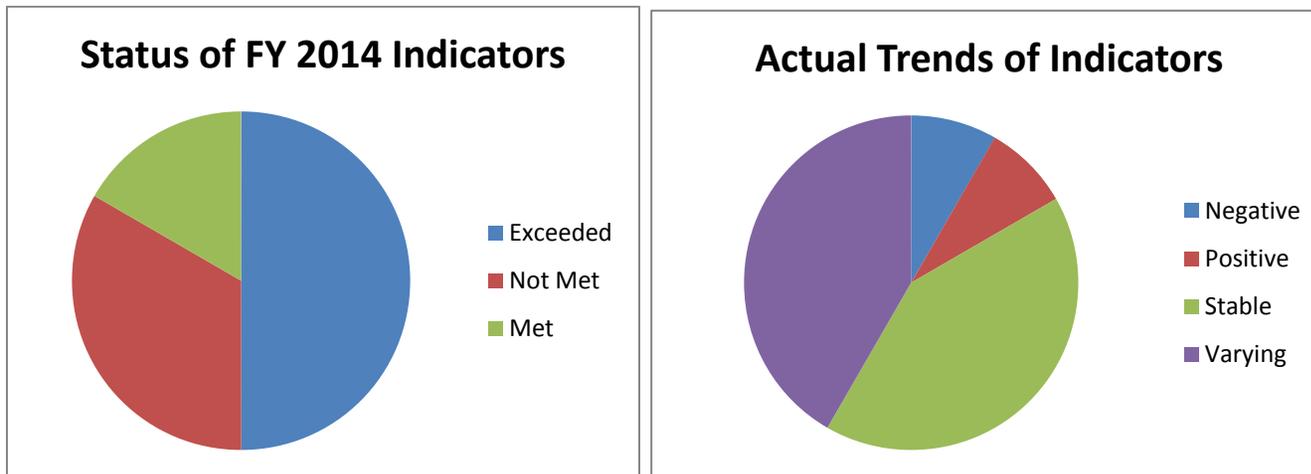
To maximize the job creation impact of workforce development investments, the workforce developers, economic developers, educators, businesses, and other stakeholders have to be actively engaged and working together. As all of these stakeholders are working towards the same overall goal of America's economic growth and prosperity, the question is how to get them to complement each other's efforts to get there faster. To assist with this, in FY 2015, EDA will launch a pilot initiative to identify best practices in regional collaboration around job-driven workforce and economic development regional partnership and to facilitate the sharing of best practices in workforce development investments across communities. This project is aimed at finding replicable ways to accelerate the development of relationships between local development resources and businesses and get them to work together

and forms an integral part of EDA’s strategy in FY 2015 under Strategic Objective 2.4. In FY 2016, EDA’s vision is to continue to make investments in communities based on their locally-driven strategies and needs which could include planning, infrastructure or other investments that might spur local innovation and entrepreneurship. Specifically, this would include infusing the concept of economic resilience and integrating other regional planning efforts, including the use of other available Federal funds, private sector resources, and state support, which can advance a region’s Comprehensive Economic Development Strategies (CEDS) goals and objectives. 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.

To further its work under Strategic Objective 3.3, EDA regulations, released in early fall 2014, include a requirement for a resiliency component in EDA-funded Comprehensive Economic Development Strategies (CEDS). EDA’s corresponding CEDS Content Guidelines were released at the same time. The resiliency component will further EDA’s efforts to ensure that communities are proactive in their efforts to withstand economic and environmental shocks, and make strategic choices in the face of hardship in order to reap long-term economic benefits rather than short-term gains.

Part 4 Performance Goals / Indicators

Section 4.1: Summary of Performance



Status is based on the following standard:

Exceeded	More than 100 percent of target
Met	90 - 100 percent of target
Not Met	Below 90% of target

An indicator with a positive trend is one in which performance is improving over time while a negative trend is an indicator that has declining performance. A stable trend is one in which the goal is to maintain a standard, and that that is occurring. A varying trend is one in which the data fluctuates too much to indicate a trend. At a minimum these indicators must have three years of data.

Section 4.2: Summary of Indicator Performance

Indicator	Target	Actual	Status	Trend
Private Investment Leveraged - 9 year totals (in millions)	1,349	2,958	Exceeded	Varying
Private Investment Leveraged - 6 year totals (in millions)	612	1,744	Exceeded	Stable
Private Investment Leveraged - 3 year totals (in millions)	224	951	Exceeded	Varying
Jobs Created/Retained - 9 year totals	36,386	33,822	Met	Varying
Jobs Created/Retained - 6 year totals	15,640	12,486	Not Met	Varying
Jobs Created/Retained - 3 year totals	5,357	6,538	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%	92.4%	Met	Varying
Percentage of sub-state jurisdiction members actively participating in the Economic Development District (EDD) program.	89.0%	80.3%	Met	Varying
Percentage of University Center Clients Taking Action as a Result of the Assistance Facilitated by the University Center (UC).	75.0%	73.2%	Met	Negative
Percentage of Those Actions Taken by University Center (UC) Clients that Achieved the Expected Results.	80.0%	91.7%	Exceeded	Varying
Percentage of Trade Adjustment Assistance Center (TAAC) clients taking action as a result of the assistance facilitated by the TAAC.	90.0%	77.8%	Not Met	Varying
Percentage of those actions taken by TAAC clients that achieved the expected results.	95.0%	100.0%	Exceeded	Stable

Section 4.3 Detailed Indicator Plans and Performance

The following 10 measures associated with EDA overlap among Strategic Objectives 1.2, 1.3, 2.2, 2.4, 2.5, 3.3.

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 and a review of EDA's historical results, EDA estimates that 40% of the 9-year projection would be realized after 3 years, 75% after 6 years, and 100% after 9 years.							
Measurement Year ¹	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Target	56,500	72,000	57,800	45,800	44,853	36,386	35,097	33,141
Actual	45,866	66,527	56,058	12,675	33,088	33,822		
Status	Not Met	Met	Met	Not Met	Not Met	Met		

¹ Measurement year is nine years after the award was granted. Targets for FY 2016 reflect expected outcomes of projects funded by EDA in FY 2007.

Trend	Varying
Actions to be taken / Future Plans	None
Adjustments to targets	No Changes
Information Gaps	None

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 and a review of EDA's historical results, EDA estimates that 40% of the 9-year projection would be realized after 3 years, 75% after 6 years, and 100% after 9 years.
-------------	---

Measurement Year ¹	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Target	22,900	22,427	18,193	17,548	16,570	15,640	27,958	15,834
Actual	24,533	26,695	26,416	36,046	12,685	12,486		
Status	Exceeded	Exceeded	Exceeded	Exceeded	Not Met	Not Met		

¹ Measurement year is six years after the award was granted. Targets for FY 2016 reflect expected outcomes of projects funded by EDA in FY 2010.

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

Explanation (if not met in FY 2014)	Results of EDA jobs created/retained appear to reflect the recent economic downturn. This finding is supported by EDA GPRA validation site visits, during which grantees generally cited the negative impact of the economic downturn as a primary factor for underperformance.
-------------------------------------	---

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

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

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

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 and a review of EDA's historical results, EDA estimates that 40% of the 9-year projection would be realized after 3 years, 75% after 6 years, and 100% after 9 years.

Measurement Year ¹	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Target	7,019	6,628	6,256	11,183	6,333	5,357	4,939	3,633
Actual	9,137	9,159	14,842	6,040	13,576	6,538		
Status	Exceeded	Exceeded	Exceeded	Not Met	Exceeded	Exceeded		

¹ Measurement year is three years after the award was granted. Targets for FY 2016 reflect expected outcomes of projects funded by EDA in FY 2013.

Trend	Varying
Actions to be taken / Future Plans	None
Adjustments to targets	No Changes
Information Gaps	None

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 and a review of EDA's historical results, EDA estimates that 40% of the 9-year projection would be realized after 3 years, 75% after 6 years, and 100% after 9 years.
-------------	---

Measurement Year ¹	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Target	\$2,040	\$2,410	\$1,940	\$1,620	\$1,637	\$1,349	\$1,324	\$1,293
Actual	\$2,210	\$2,758	\$3,960	\$1,593	\$3,466	\$2,958		
Status	Exceeded	Exceeded	Exceeded	Met	Exceeded	Exceeded		

¹ Measurement year is nine years after the award was granted. Targets for FY 2016 reflect expected outcomes of projects funded by EDA in FY 2007.

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

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

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

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

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 and a review of EDA's historical results, EDA estimates that 40% of the 9-year projection would be realized after 3 years, 75% after 6 years, and 100% after 9 years.
-------------	---

Measurement Year ¹	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Target	\$810	\$824	\$674	\$662	\$647	\$612	\$1,093	\$652
Actual	\$855	\$2,281	\$1,617	\$2,402	\$2,063	\$1,744		
Status	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded		

¹ Measurement year is six years after the award was granted. Targets for FY 2016 reflect expected outcomes of projects funded by EDA in FY 2010.

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

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

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

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

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 and a review of EDA's historical results, EDA estimates that 40% of the 9-year projection would be realized after 3 years, 75% after 6 years, and 100% after 9 years.
-------------	---

Measurement Year ¹	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Target	\$265	\$259	\$245	\$437	\$261	\$224	\$210	\$156
Actual	\$484	\$1,544	\$1,475	\$837	\$1,076	\$951		
Status	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded		

¹ Measurement year is three years after the award was granted. Targets for FY 2016 reflect expected outcomes of projects funded by EDA in FY 2013.

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

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

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

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

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 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Target	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Actual	92.9%	89.1%	86.0%	90.0%	89.2%	92.4%		
Status	Met	Met	Met	Met	Met	Met		

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

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

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

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

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 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Target	89.0%	89.0%	89.0%	89.0%	89.0%	89.0%	89.0%	89.0%
Actual	92.2%	87.1%	85.0%	87.0%	83.7%	80.3%		
Status	Exceeded	Met	Met	Met	Met	Met		

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

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

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

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

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 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Target	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
Actual	69.7%	75.9%	68.0%	70.0%	65.8%	73.2%		
Status	Met	Exceeded	Met	Met	Not Met	Met		

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

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

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

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

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 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Target	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	83.0%	83.0%
Actual	92.2%	89.8%	83.0%	82.0%	90.1%	91.7%		
Status	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded		

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

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

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

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

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 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Target	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Actual	87.6%	82.2%	73.0%	85.0%	75.9%	77.8%		
Status	Met	Met	Not Met	Met	Not Met	Not Met		

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

Explanation (if not met in FY 2014)	Targets for this measure may have been impacted by higher levels of requests for assistance this year, reducing the TAACs ability to assist all clients; however, EDA is very pleased with their ability to satisfactorily complete those projects that were initiated.
-------------------------------------	---

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

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

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

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 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Target	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Actual	93.4%	100.0%	100.0%	100.0%	100.0%	100.0%		
Status	Met	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded		

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

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

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

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

Part 5: Other Indicators

None

Part 6: Agency Priority Goals

None

Part 7: Resource Requirements Table (Columns may not add due to rounding)

All EDA programs support Commerce Goals of Trade and Investment, Innovation, and Environment. Funding for EDA's programs is not attributable to any single goal or objective.										
Amounts in millions	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Enacted	FY 2016 Base	FY 2016 Request	Increase / Decrease
Salaries and Expenses (S&E)	\$33.60	\$39.90	\$37.90	\$37.50	\$37.40	\$35.70	\$37.00	\$37.50	\$45.50	\$8.00
Economic Development Assistance Programs (EDAP)	\$393.10	\$254.40	\$245.40	\$420.00	\$182.40	\$243.70	\$213.00	\$213.00	\$227.50	\$14.50
Total Funding (Direct)	\$426.70	\$294.30	\$283.30	\$457.50	\$219.80	\$279.40	\$250.00	\$250.50	\$273.00	\$22.50
Subtotal FTE	158	188	188	202	175	162	205	205	215	10

Part 8: Other Information

Section 8.1: Major Management Priorities, Challenges, and Risks

Staffing Challenges

Leader: Andy Baldus, Chief Financial Officer/Chief Administrative Officer

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 has a recurring internal review of positions to ensure the positions to its success are identified and steps initiated to fill the positions. In 2013, EDA faced attrition due to a combination of staff retiring and leaving the agency. FY 2015 is a rebuilding year with a goal of reaching a staff of 205 personnel by fiscal year end. These additional staff will fill roles both in the field working with local and regional organizations and at the headquarters to run EDA's new loan guarantee program and its new Regional Innovation Strategies program first funded in FY 2014 under the America COMPETES act. In FY 2016, EDA will continue to grow its staff to further its mission to lead the federal economic development agenda by promoting innovation and competitiveness and preparing American regions for growth and success in the worldwide economy. These additional staff will also help with the growth of the EDA's Partnership Planning program supporting the preparation and implementation of Comprehensive Economic Development Strategies (CEDs) that guide EDA's Public Works and EAA implementation investments, including Revolving Loan Funds. In this way, EDA's

Partnership Planning program plays a foundational role in helping communities develop important strategies that inform future economic development decisions.

The EDA remains resolute to quickly fill positions as new positions become vacant. Despite the management challenge of continued positions remaining unfilled, EDA works with its available staff to provide full coverage for all fifty states and US Territories and effectively fulfill its mission.

Improving Measures of Program Outcomes

Leader: Tom Guevara, Deputy Assistant Secretary for Regional Affairs

EDA is continuing a process of developing new and more robust metrics to assess economic development in order to provide more effective measures of program outcome and improve data collection. EDA took preliminary steps toward a significantly improved program evaluation in 2012 by designing a new research and evaluation methodology developing new metrics to add to its existing performance data. EDA has completed its feasibility analysis of new indicators in partnership with leading research institutions and is now working with the Economics and Statistics Administration of the Department to identify specific new measures to be captured as part of its regional innovation strategies program and select other programs providing planning and technical assistance services (“soft infrastructure”).

In FY 2014, EDA conducted its second customer satisfaction survey of grant applicants to determine how EDA can improve customer service through a better understanding of the perceptions of EDA’s application process. The results of this survey are guiding EDA’s ongoing efforts to continuously improve its application process and application forms.

Further, EDA plans to implement changes to its application forms to increase the level of performance data that will be gathered from grantees and private sector beneficiaries of EDA grant support. The objective of gathering additional metrics is to enable economic development practitioners, policy makers and funders to understand the impacts of existing programs and to better determine how limited resources should be used to build U.S. regional capacity to permit lasting economic development and prosperity.

In addition, where feasible, EDA will soon request that EDA grantees maintain certain basic client firm data that from firms that received services and technical assistance from the EDA-funded project over a limited period of time beyond the end of the grant period. To the greatest extent possible EDA will look to capture, at a minimum, firm address, and where possible, the DUNS or FEIN numbers to enable EDA and other researchers to match client firms to third party databases and track their progress as a result of receiving federal assistance.

Grantees will also be asked to define in a quantitative manner to the greatest extent possible, cluster data and the industrial classification (NAICS) of private sector firms that are identified beneficiaries of EDA assistance, as well as report on non-firm specific business impacts (spillovers) that increase local service and industrial capacity.

Finally, EDA will work more closely with the Economics and Statistics Administration to develop improved evidence-based methods for evaluating EDA’s programs to enhance decision making.

Section 8.2: Cross-Agency Collaborations

While EDA has long practiced a collaborative approach to developing policy and administering grant awards, in recent years there has been a substantial increase in the number of strategic multi-agency collaborations the Bureau is leading. Through 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.

- 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.
- 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 to develop policies, share best practices, and support investments that support both the educational and economic needs of distressed communities.
- 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 also is supporting the President's High Level Economic Dialogue initiative to increase greater trade and investment with Mexico. EDA has provided consultative and technical assistance to the International Trade Administration to achieve several important milestone projects, including the first America Competitiveness Exchange of EDA project sites by government, university and private sector executives from 19 countries of Americas and the Caribbean. EDA collaborates with other agencies to identify best practices and mitigation strategies for developing and implementing new programs.

Section 8.3: Evidence Building

EDA is continuing a process of developing metrics to assess economic development in order 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. Currently, EDA is conducting an assessment in partnership with leading research institutions and will continue to develop such measures.

Further, EDA plans to implement changes to its application forms to increase the level of performance data that will be gathered from grantees and private sector beneficiaries of EDA grant support. The objective of gathering additional metrics is to enable economic development practitioners, policy makers and funders to understand the impacts of existing programs and to better determine how limited resources should be used to build U.S. regional capacity to permit lasting economic development and prosperity.

EDA is working more closely with the Economics and Statistics Administration to develop improved evidence-based methods for evaluating EDA's programs to enhance decision making.

Section 8.4: Hyperlinks

Additional information on EDA's programs is located at <http://www.eda.gov>.

Section 8.5: Data Validation and Verification

Indicators	Jobs Created/Retained – 3, 6, and 9 year totals; Private Investment Leveraged – 3, 6, and 9 year totals (in millions)
Data Source	Investment Recipient performance reports
Frequency	At 3-year intervals (typically 3, 6, and 9 years after investment award)
Data Storage	EDA Management Information System
Internal Control Procedures	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.
Data Limitations	Universe - Regular Appropriation for Public Works, and EAA implementation and revolving loan fund investments. Targets of private investment and job creation may be impacted by broad economic cycles.
Actions to be Taken	EDA will continue to monitor investment and job creation data.

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.
Data Source	Investment Recipient Performance Evaluations and Comprehensive Economic Development Strategy
Frequency	Annually
Data Storage	EDA Management Information System
Internal Control Procedures	EDA will conduct periodic performance reviews and site visits
Data Limitations	Universe - EDA Partnership Planning investments only. This measure may vary with economic cycles due to limited local resources during downturns for project investments.
Actions to be Taken	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.
Data Source	Investment Recipient Performance Evaluations
Frequency	Annually
Data Storage	EDA Management Information System
Internal Control Procedures	EDA conducts performance reviews and site visits on approximately one-third of the EDDs and Indian Tribe investments per year.
Data Limitations	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.
Actions to be Taken	EDA will continue to monitor compliance with the new definition of sub-state member jurisdictions.

Indicators	Percentage of University Center Clients Taking Action as a Result of the Assistance Facilitated by the University Center (UC). Percentage of Trade Adjustment Assistance Center (TAAC) clients taking action as a result of the assistance facilitated by the TAAC.
Data Source	UC and TAAC client profiles
Frequency	Annually
Data Storage	EDA Management Information System
Internal Control Procedures	Performance data will be verified by the UCs / TAACs. EDA headquarters will annually review profile data.
Data Limitations	Universe - EDA Local Technical Assistance and Trade Adjustment Assistance for Firms investments. This measures the value of the UCs/TAACs; however, while the assistance may be valued, clients may choose not to act for other reasons.
Actions to be Taken	Baseline established from FY 2002 data. EDA will continue to monitor and develop trend data.

Indicators	Percentage of Those Actions Taken by University Center (UC) Clients that Achieved the Expected Results. Percentage of those actions taken by TAAC clients that achieved the expected results.
Data Source	UC and TAAC client profiles
Frequency	Annually
Data Storage	EDA Management Information System
Internal Control Procedures	Performance data will be verified by the UCs/TAACs. EDA headquarters will annually review data.
Data Limitations	Universe - EDA Local Technical Assistance and Trade Adjustment Assistance for Firms investments only. Outside mitigating factors such as the local economy may affect the measure.
Actions to be Taken	Baseline established from FY 2002 data. EDA will continue to monitor and develop trend data.

The FY 2014 Summary of Performance and Finance Information includes in the Secretary's Statement, an assessment of the reliability and completeness of the Department's performance data.

Section 8.6: Lower-Priority Program Activities

The President's Budget identifies the lower-priority program activities, where applicable, as required under the GPRA Modernization Act, 31 U.S.C. 1115(b)(10). The public can access the volume at: <http://www.whitehouse.gov/omb/budget>.