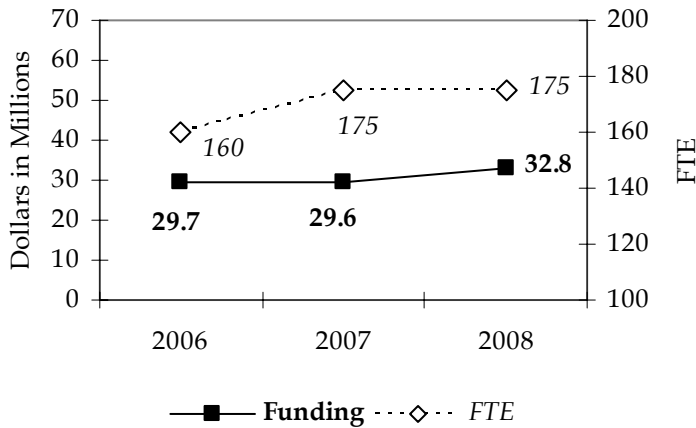
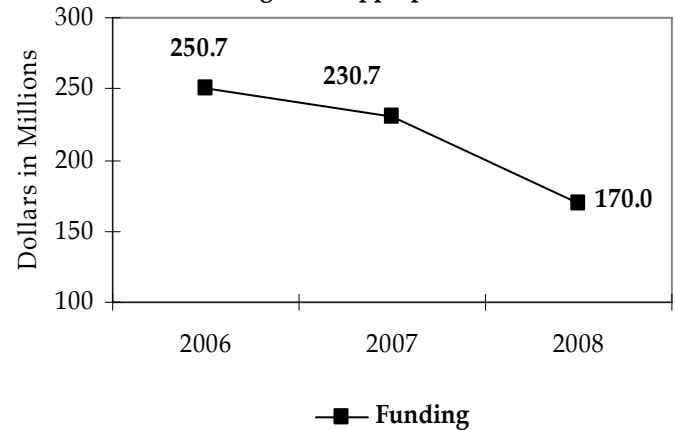


# Economic Development Administration

Salaries and Expenses Appropriation and FTE



Economic Development Assistance Programs Appropriation



The Economic Development Administration (EDA) will promote regional economic development efforts that benefit distressed communities, and especially distressed rural communities. In FY 2008, EDA will facilitate the streamlining of its application process into a comprehensive, simplified procedure under the Regional Development Account (RDA) that is easier and quicker for applicants to access. Under the RDA, the parameters of EDA's programs, eligibility requirements, and targeting of economic development to distressed areas will remain unchanged. In addition, EDA will work to create a broader and more collaborative role for its vital partners: Economic Development Districts, University Centers and Indian Tribes.

The Regional Development Account will support EDA's traditional programs of infrastructure development, capacity building, and technical assistance through a more streamlined process that will be more user-friendly and flexible for EDA investment partners (grantees). The RDA will increase EDA's efficiency by providing a single, flexible program account that will avoid the challenges inherent in accessing multiple funds, accounting, and management. The RDA construct will enable investment partners to engage simultaneously in multiple activities in support of a common initiative with just one EDA grant (e.g., infrastructure and technical assistance) or to focus on comprehensive investments for different phases of a development project that could span several years.

With the exception of the Planning program, the RDA will encompass all Economic Development Assistance programs (EDAP) authorized under the Public Works and Economic Development Act of 1965, as amended (PWEDA), including Public Works, Technical Assistance, Research and Evaluation, Economic Adjustment Assistance and Defense Economic Adjustment Assistance. The RDA also does not include the Trade Adjustment Assistance for Firms Program, which is authorized under the Trade Act of 1974, as amended, and will continue to be funded separately. The FY 2008 request decreases EDAP funding due to competing priorities. Funding is requested to maintain a six regional office structure.

## Summary of Appropriations

### Funding Levels

Appropriation	2006 <u>Actual</u>	2007 <u>Estimate</u>	2008 <u>Estimate</u>	Increase <u>(Decrease)</u>
Salaries and Expenses	\$29,691	\$29,557	\$32,800	\$3,243
EDAP	250,741	230,741	170,000	(60,741)
<b>TOTAL APPROPRIATION</b>	<b>280,432</b>	<b>260,298</b>	<b>202,800</b>	<b>(57,498)</b>

Transfer to Salaries and Expenses from

EDAP 700

Transfer from EDAP to Salaries and  
Expenses (700)

### **Budget Authority**

Salaries and Expenses	30,391	29,557	32,800	3,243
EDAP	250,041	230,741	170,000	(60,741)
EDA Revolving Fund	0	0	0	0
<b>TOTAL BUDGET AUTHORITY</b>	<b>280,432</b>	<b>260,298</b>	<b>202,800</b>	<b>(57,498)</b>

### **FTE**

Salaries and Expenses	160	175	175	0
Reimbursable	8	7	7	0
<b>Total</b>	<b>168</b>	<b>182</b>	<b>182</b>	<b>0</b>

## Highlights of Budget Changes

### Appropriation: Salaries and Expenses

#### Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b>2007 Continuing Resolution</b>			175	\$29,557
<b>Adjustment to support level in 2007 President's Budget</b>				143
<b>Adjustments to Base</b>				
<b><u>Other Changes</u></b>				
2007 Pay raise		\$120		
2008 Pay raise		385		
Payment to Working Capital Fund		30		
Civil Service Retirement System (CSRS)		(48)		
Federal Employees' Retirement System (FERS)		77		
Change in compensable days		133		
Thrift Savings Plan		14		
Federal Insurance Contributions Act (FICA) - OASDI		46		
Health insurance		52		
Employees' Compensation Fund		19		
NARA		1		
Travel				
Mileage		25		
Per Diem		26		
Postage		3		
Rent payments to GSA		57		
Printing and Reproduction		2		
Other services/Working Capital Fund		72		
General Level Pricing Adjustment:		106		
Subtotal, other cost changes			0	1,120
<b>TOTAL, ADJUSTMENTS TO BASE</b>			0	1,120
<b>2008 Base</b>			175	30,820
Program Changes			0	1,980
<b>2008 APPROPRIATION</b>			175	32,800

#### Comparison by Activity

	2007 Currently Avail.		2008 Base		2008 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b>DIRECT OBLIGATIONS</b>								
Salaries and Expenses	175	\$31,323	175	\$30,820	175	\$32,800	0	\$1,980
<b>TOTAL DIRECT OBLIGATIONS</b>	175	31,323	175	30,820	175	32,800	0	1,980
REIMBURSABLE OBLIGATIONS	7	2,758	7	2,000	7	2,000	0	0
<b>TOTAL OBLIGATIONS</b>	182	34,081	182	32,820	182	34,800	0	1,980
<b>FINANCING</b>								
Unobligated balance, start of year (Direct)	0	(1,766)			0	0		
Unobligated balance, start of year (Reimb.)	0	(758)			0	0		
Offsetting coll. from Federal funds	(7)	(2,000)			(7)	(2,000)		
Subtotal, financing	(7)	(4,524)			(7)	(2,000)		
<b>TOTAL BUDGET AUTHORITY / APPROPRIATION</b>	175	29,557			175	32,800		

**Highlights of Program Changes**

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Salaries and Expenses	175	\$30,820	0	+\$1,980

The FY 2008 Salaries and Expenses (S&E) program budget has been carefully crafted to provide the necessary staffing and support for EDA to carry out its mission utilizing a six regional office structure. In order to maintain six regional offices, EDA requires a \$32.8 million S&E budget, a \$3.1 million increase, which includes \$1.1 million in adjustments to base (ATBs) and a \$2.0 million program increase over the FY 2007 President’s Budget. The FY 2008 Request will fully fund the staff level of 175 FTE.

EDA has managed to flat-line S&E budgets since FY 2002 through efforts such as reducing headquarters staff through the FY 2004 Headquarters Restructuring and FY 2005 buyouts. A second headquarters restructuring reflected in this request further reduces the authorized and funded level of headquarters staff from the FY 2004 level, eliminates the Office of Strategic Initiatives, and moves management responsibility for the Regional Offices, Performance Evaluation and the EDA national programs of Research, National Technical Assistance and Trade Adjustment Assistance from the Office of Management Services to a new Office of Regional Affairs.

**Appropriation: Economic Development Assistance Programs**

*Summary of Requirements*

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
<b>2007 Continuing Resolution</b>	0	\$230,741
<b>Adjustment to support level in 2007 President's Budget</b>	0	66,726
<b>2008 Base</b>	0	297,467
Program Changes	0	(127,467)
<b>2008 APPROPRIATION</b>	0	170,000

**Comparison by Activity**

	2007 Currently Avail.		2008 Base		2008 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b>DIRECT OBLIGATIONS</b>								
Regional Development Account	0	\$0	0	\$257,597	0	\$130,130	0	(\$127,467)
Public Works	0	148,157	0	0	0	0	0	0
Planning	0	27,000	0	27,000	0	27,000	0	0
Technical Assistance	0	8,655	0	0	0	0	0	0
Research and Evaluation	0	90	0	0	0	0	0	0
Trade Adjustment Assistance	0	12,910	0	12,870	0	12,870	0	0
Economic Adjustment	0	46,686	0	0	0	0	0	0
<b>SUB-TOTAL</b>	<b>0</b>	<b>243,498</b>	<b>0</b>	<b>297,467</b>	<b>0</b>	<b>170,000</b>	<b>0</b>	<b>(127,467)</b>
Floods and Southern California Earthquake	0	1,058			0	0		
<b>TOTAL DIRECT OBLIGATIONS</b>	<b>0</b>	<b>244,556</b>			<b>0</b>	<b>170,000</b>		
<b>REIMBURSABLE OBLIGATIONS</b>		<b>24,000</b>			<b>0</b>	<b>24,000</b>		
<b>TOTAL OBLIGATIONS</b>	<b>0</b>	<b>268,556</b>			<b>0</b>	<b>194,000</b>		
<b>FINANCING</b>								
Unobligated balance, start of year	0	(13,859)			0	0		
Transfer to Treasury	0	44			0	0		
Offsetting collections from:								
Federal funds	0	(24,000)			0	(24,000)		
Subtotal, financing	0	(37,815)			0	(24,000)		
<b>TOTAL BUDGET AUTHORITY / APPROPRIATION</b>	<b>0</b>	<b>230,741</b>			<b>0</b>	<b>170,000</b>		

**Highlights of Program Changes**

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Economic Development Assistance Programs	0	\$297,467	0	-\$127,467

The FY 2008 budget request of \$170.0 million for EDAP represents a \$127.5 million decrease from the FY 2007 President's Budget, which reflects current competing budget priorities and constraints. A funding level of \$170.0 million will enable EDA to carry out a nationwide grant program that focuses resources on distressed communities. This funding will generate approximately \$720 million in private investment and create 19,000 jobs. EDA will also continue funding University Centers, and provide local and national technical assistance, and short term planning at levels comparable to the assistance provided in previous years.

## EDA Performance Measures

All EDA program activities support the Department of Commerce (DOC) strategic goal to provide the information and tools to maximize U.S. competitiveness and enable economic growth for American industries, workers, and consumers. In 2007, EDA will track private investment and jobs generated by its investments, and will develop a new goal and associated measures to track the results of its assistance in supporting innovation-led regional development in support of global competitiveness. For investments made in 2006, 2007, and 2008, long-term outcome results will be reported by investment recipients over a period of nine years at three year intervals. EDA nine-year targets are derived from a mid-1990s Rutgers University research project that identified and analyzed the actual jobs and private investment generated by EDA investments. EDA three- and six-year targets are estimates of the percentage of the nine-year projection that will be achieved in those respective time periods. These estimates have been found to underestimate actual results. Therefore, EDA will be evaluating the formula-based projections and the underlying study when final nine-year results are received. EDA will track that its trade adjustment assistance programs are providing market-based and value-added services.

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

### Performance Goals and Measures

(Dollars reflect obligations in Millions)

	2006 Actual	2007 Estimate / Target	2008 Estimate / Target
<b>Goal 1: Promote private enterprise and job creation in economically distressed communities</b>	<b>\$208.3<sup>1</sup></b>	<b>\$181.3</b>	<b>\$122.5</b>
Private sector dollars invested in distressed communities as a result of EDA investments	\$2,210M from 1997 investments \$1,058M from 2000 investments \$1,669M from 2003 investments	\$230M by 2010 (1.4 to 1) \$576M by 2013 (3.5 to 1) \$1,152M by 2016 (7.0 to 1)	\$144M by 2011 (1.4 to 1) \$360M by 2014 (3.5 to 1) \$720M by 2017 (7.0 to 1)
Jobs created or retained in distressed communities as a result of EDA investments	11,702 from 2003 investments 42,958 from 2000 investments 50,546 from 1997 investments	6,119 by 2010 (37 to \$1M) 15,297 by 2013 (93 to \$1M) 30,595 by 2016 (186 to \$1M)	3,830 by 2011 (37 to \$1M) 9,576 by 2014 (93 to \$1M) 19,152 by 2017 (186 to \$1M)
<b>Goal 2: Improve community capacity to achieve and sustain growth</b>	<b>\$72.1</b>	<b>\$78.9</b>	<b>\$80.3</b>
% of economic development districts and Indian tribes implementing projects from the CEDS process that lead to private investment and jobs	96.5%	95%	95%
% of substate jurisdiction members actively participating in the economic development district program	89.5%	89-93%	89-93%
% of University Center (UC) clients taking action as a result of University Center assistance	76.0%	75%	75%
% of those actions taken by UC clients that achieve the expected results	82.3%	80%	80%
% of Trade Adjustment Assistance Centers (TAACs) clients taking action as a result of TAAC assistance	90.0%	90%	90%
% of those actions taken by TAAC clients that achieved the expected results	95.8%	95%	95%
<b>Total<sup>2</sup></b>	<b>\$280.4</b>	<b>\$260.2</b>	<b>\$202.8</b>

<sup>1</sup> This dollar amount has been updated as of December 2006, and includes \$700K reprogrammed to Salaries and Expenses.

<sup>2</sup> All funding amounts do not include reimbursable and one time costs since these vary widely from year to year. FY targets are directly dependent on funding amounts, so the funding amount reflects the S&E and EDAP appropriated levels since those are the only certain funding amounts.