



Creating Jobs

And

Minimizing

Poverty



United States Department of Commerce

Economic Development Administration

Fiscal Year 2005 Congressional Request

Department of Commerce
Economic Development Administration
RESOURCE REQUIREMENTS SUMMARY FOR PERFORMANCE
(Dollar amounts in millions)

	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Obligations	FY 2004 Estimate	FY 2005 Base	FY 2005 Estimate	Increase/ Decrease
Salaries & Expenses	26.5	28.7	30.4	30.1	30.2	30.5	30.5	0.0
Economic Development Assistance Programs	359.5	410.3	335.0	295.5	283.9	284.6	289.8	5.0
Total ¹	386.0	439.0	365.4	326	314.1	315.1	320.3	5.0
FTE	268	254	239	229	261	261	261	0
IT Funding ²	1.9	1.4	2.7	1.3	1.2	1.2	1.2	0.0
Emergency Supplemental ³	20.5	64.9	6.7	5.6	0.0	0.0	0.0	0.0
Reimbursable ⁴	20.6	24.4	7.9	15.1	17.9	17.9	17.9	0.0
Total Funds Accounted For	427.1	528.3	380.0	347	335.4	333.0	338.2	5.0

¹ Total funding includes program dollars and Salaries and expenses. It also reflects direct obligations. It does not include one-time, disaster investments.

² IT funding is not included in total funding.

³ EDA receives emergency supplemental funding on an irregular basis to respond to disasters or emergencies.

⁴ EDA receives reimbursable funding that is variable in nature from year-to-year. Therefore, reimbursable resources are not factored into the performance goals.

**Department of Commerce
Economic Development Administration
RESOURCE REQUIREMENTS SUMMARY FOR PERFORMANCE
(Dollar amounts in thousands)**

Performance Goal 1: Increase Private Enterprise and Job Creation in Economically Distressed Communities	2000 Actual	2001 Actual	2002 Actual	2003 Actual	2004 Estimate	2005 Base	2005 Estimate	Increase/Decrease
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Salaries and Expenses	17.2	18.7	19.8	19.6	21.1	21.4	21.4	0.0
Economic Development Assistance Program								
Public Works	204.5	285.3	249.9	208.8	198.3	200.1	200.1	0.0
Economic Adjustment	90.3	58.3	26.9	29.9	28.3	28.2	31.8	3.5
Total Funding Performance Goal 1¹	312.0	362.3	296.6	258.3	247.7	249.7	253.3	3.5
IT Funding ²	1.2	0.9	1.8	0.8	0.8	0.8	0.8	0.0
FTE	174	165	155	149	174	174	174	174
Performance Goal 2: Improve Community Capacity to Achieve and Sustain Growth								
Salaries and Expenses	9.3	10.0	10.6	10.5	9.1	9.1	9.1	0.0
Economic Development Assistance Program								
Planning	23.9	24.0	24.0	23.9	23.5	23.6	23.6	0.0
Technical Assistance	9.2	9.2	9.5	9.2	8.7	8.3	8.3	0.0
Research and Evaluation	0.5	0.5	0.4	0.5	0.5	0.5	0.5	0.0
Trade Adjustment Assistance	10.5	10.5	10.5	10.4	11.6	11.8	11.8	0.0
Economic Adjustment	20.6	22.5	13.8	12.8	12.1	12.1	13.6	1.5
Total Funding Performance Goal 2¹	74.0	76.7	68.8	67.4	65.7	65.4	67.0	1.5
IT Funding ²	0.7	0.5	0.9	0.5	0.4	0.4	0.4	0.0
FTE	94	89	84	80	87	87	87	0
Appropriation Total								
Salaries and Expenses	26.5	28.7	30.4	30.1	30.2	30.5	30.5	0.0
Economic Development Assistance Program	359.5	410.3	335.0	295.5	283.2	284.6	289.7	5.0
TOTAL ECONOMIC DEVELOPMENT ADMINISTRATION¹	386.0	439.0	365.4	326.0	313.4	315.1	320.3	5.0

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Targets and Performance Summary

Performance Goal 1: Increase Private Enterprise and Job Creation in Economically Distressed Communities

<i>Measure</i>	<i>FY 2000 Target</i>	<i>FY 2000 Actual</i>	<i>FY 2001 Target</i>	<i>FY 2001 Actual</i>	<i>FY 2002 Target</i>	<i>FY 2002 Actual</i>	<i>FY 2003 Target</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Target</i>	<i>FY 2005 Target</i>
Private sector dollars invested in distressed communities as a result of EDA investments	\$400M by FY 2003		\$480M by FY 2004		\$390M by FY 2005		\$320M by FY 2006	\$1,251M from FY 2000 investments ⁷	\$318M by FY 2007	\$320M by FY 2008
	\$1,020M by FY 2006	\$199M ¹	\$1,200M by FY 2007	\$971M ³	\$970M by FY 2008	\$640M ⁵	\$810M by FY 2009		\$795M by FY 2010	\$800M by FY 2011
	\$2,040M by FY 2009		\$2,410M by FY 2010		\$1,940M by FY 2011		\$1,620M by FY 2012	\$2,475M from FY 1997 investments ⁸	\$1,590M by FY 2013	\$1,620M by FY 2014

² Actual jobs created/retained - Three Year Performance exceeds the FY 1997 projected target of 5,040 jobs by FY 2000. (snapshot of performance at first reporting interval for FY 1997 investments)

³ Actual private sector - Three Year Performance exceeds the FY 1998 projected target of \$130 million by FY 2001. (snapshot of performance for first reporting interval for FY 1998 investments; see specific explanation of measure)

Jobs created or retained in distressed communities as a result of EDA investments	11,300 by FY 2003 28,200 by FY 2006 56,500 by FY 2009	12,056 ²	14,400 by FY 2004 36,000 by FY 2007 72,000 by FY 2010	12,898 ⁴	11,500 by FY 2005 28,900 by FY 2008 57,800 by FY 2011	29,912 ⁶	9,170 by FY 2006 22,900 by FY 2009 45,800 by FY 2012	39,841 from FY 2000 investments ⁹ 47,607 from FY 1997 investment ¹⁰	9,140 by FY 2007 22,850 by FY 2010 45,700 by FY 2013	9,000 by FY 2008 22,500 by FY 2011 45,100 by FY 2014
State and local dollars committed per EDA dollar	\$1-\$1	\$1-\$1.2	\$1-\$1	\$1-\$1	\$1-\$1	\$1-\$1	\$1-\$1	\$1-\$1.08	\$1-\$1	\$1-\$1
Percentage of investments areas of highest distress	40%	45%	40%	43%	40%	40.1%	37-43%	37.6%	37-43%	37-43%
Percentage of EDA dollars invested in technology-related projects in distressed areas	NEW	N/A	NEW	N/A	10%	11.8%	7-10%	8.8%	7-10%	7-10%

⁴ Actual jobs created/retained - Three Year Performance exceeds the FY 1998 target of 5,400 jobs by FY 2001. (snapshot of performance at first reporting interval for FY 1999 investments)

⁵ Actual private sector dollars - Three Year Performance exceeds the FY 1999 projected target of \$420 million by FY 2002. (snapshot of performance for first reporting interval for FY 1999 investments)

⁶ Actual jobs - Three Year Performance exceeds the FY 1999 target of 11,300 jobs by FY 2002. (snapshot of performance at first reporting interval for FY 1999 investments)

⁷ Actual private sector - Three Year Performance exceeds the FY 2000 projected target of \$400 million by FY 2003. (snapshot of performance for first reporting interval for FY 2000 investments)

⁸ Actual jobs - Three Year Performance exceeds the FY 2000 target of 11,300 jobs by FY 2003. (snapshot of performance at first reporting interval for FY 2000 investments)

⁹ Actual private sector dollars - Six Year Performance exceeds the FY 1997 projected target of \$581 million by FY 2003. (snapshot of performance for second reporting interval for FY 2000 investments)

¹⁰ Actual jobs - Six Year Performance exceeds the FY 1997 target of 25,200 jobs by FY 2003. (snapshot of performance at second reporting interval for FY 2000 investments)

Performance Goal 2: Improve Community Capacity to Achieve and Sustain Economic Growth

<i>Measure</i>	<i>FY 2000 Target</i>	<i>FY 2000 Actual</i>	<i>FY 2001 Target</i>	<i>FY 2001 Actual</i>	<i>FY 2002 Target</i>	<i>FY 2002 Actual</i>	<i>FY 2003 Target</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Target</i>	<i>FY 2005 Target</i>
Percentage of economic development districts and Indian tribes implementing economic development projects from the comprehensive economic development strategy process that lead to private investment and jobs	TBD ¹	NEW	TBD ¹	NEW	TBD ¹	NEW	95%	98.7%	95%	95%
Percentage of sub-state jurisdiction members actively participating in the economic development district program	89-93%	95%	89-93%	92%	89-93%	95.3%	89-93%	96.7%	89-93%	89-93%
Percentage of University Center clients taking action as a result of the assistance facilitated by the University Center	NEW	NEW	NEW	NEW	NEW	NEW	75%	78.1%	75%	75%
Percentage of those actions taken by University Center clients that achieved the expected results	NEW	NEW	NEW	NEW	NEW	NEW	80%	85.7%	80%	80%
Percentage of Trade Adjustment Assistance Centers (TAACs) clients taking action as a result of the assistance facilitated by the TAACs	NEW	NEW	NEW	NEW	NEW	NEW	90%	92.4%	90%	90%
Percentage of those actions taken by Trade Adjustment Assistance Center clients that achieved the expected results	NEW	NEW	NEW	NEW	NEW	NEW	95%	98.4%	95%	95%
Percentage of local technical assistance and economic adjustment strategy investment awarded in areas of highest distress	30-35%	35%	30-35%	32%	30-35%	30%	30-35%	30.2%	30-35%	30-35%

**Annual Performance Plan
Summary of Goals, Objectives and Performance Measures**

Activities that EDA undertakes with public dollars demonstrate return on investment through measurable, quantifiable performance measures. EDA looks for partners willing to work hand in hand to assure the success of their ventures.

EDA programs support:

Strategic Goal 1: Provide the information and the tools to maximize U.S. competitiveness and enable economic growth for American industries, workers and consumers.

The President's FY 2005 Budget requests an increase \$3.5 million for Performance Goal 1, and \$1.5 million for Performance Goal 2. These increases are discussed in more detail in Exhibit 13 for the Public Works and Economic Adjustment programs.

PERFORMANCE GOALS

Performance Goal 1: Increase Private Enterprise and Job Creation in Economically Distressed Communities

EDA's Performance Goal 1 includes program activities associated with Public Works and Development Facilities program, and the Economic Adjustment infrastructure and revolving loan fund program. The Public Works program promotes long-range economic development in distressed areas by providing investments for vital public infrastructure and development facilities. These critical investments enable communities to attract new, or support existing, businesses that will generate new jobs and income for unemployed and underemployed residents. Among the types of projects funded are water; sewer; fiber optics; access roads; and facilities such as redevelopment of "brownfields," industrial and business parks, business incubator and skill training facilities, and port improvements. The Economic Adjustment program provides flexible investments for communities facing sudden or severe economic distress, including revolving loan fund investments that capitalize a locally administered fund. The RLF investments are used for making loans to local businesses, which creates jobs and leverages other private investment while helping a community to diversify and stabilize its economy. Factors that seriously threaten the economic survival of local communities include essential plant closures, military base closures or realignments, defense laboratory or contractor downsizings, natural disasters, natural resource depletion, outmigration, underemployment, and destructive impacts of foreign trade.

EDA performance targets for long-term program outcomes are based on nine-year projections for private dollars invested and jobs created. Performance data are obtained at three-year intervals to provide snapshots of current progress in achieving the full, nine-year performance projection. FY 2000 was the first year for which data are available on long-term outcomes.

According to the performance evaluation of EDA's Public Works program (Rutgers et al. 1997), the investments "produce jobs, usually in increasing amounts, after project completion." The study found that "direct jobs six years after completion (nine years after investment award) are, on average, twice those found at completion." Because most investments are completed an average of three years after award, EDA monitors performance results at three, six, and nine years after investment award.

Rationale for Performance Goal 1

EDA fosters a favorable environment for the private sector to risk capital investment to produce goods and services and increase productivity. While successful economic development projects attract private sector capital investment and create value-added jobs, they are also beneficial for local communities and all levels of government. By investing in successful undertakings, creating jobs, and expanding the economy, the demand for government expenditures for social services decreases while tax revenues increase.

EDA's investment guidelines set standards to achieve its performance goals of promoting private investment and job creation in distressed communities. Potential investments must be market-based and proactive; maximize private capital investment; create higher-skill, higher-wage jobs; and offer a positive return on the taxpayer's investment.

Within the framework of this goal, EDA investments in public works serve as catalysts for other public and private investments for the establishment or expansion of commercial and industrial facilities in distressed communities. EDA also provides economic adjustment investments for infrastructure improvements and revolving loan funds to help communities and businesses respond to actual or threatened sudden and severe disruption or long-term deterioration of a local economy.

EDA Performance Measures

Measure 1a: Private Sector Dollars Invested in Distressed Communities as a Result of EDA Investments

Explanation of Measure: This measure is based on the anticipated three-year performance results of FY 2000 public works and development facilities and economic adjustment infrastructure and revolving loan fund investments and the six year performance results of the FY 1997 public works and economic adjustment investments. The formula-driven calculation projects investment data at three-, six-, and nine-year intervals from the investment award. The formula is based on a study done by Rutgers University, which compiled and analyzed the performance of EDA Public Works projects after nine years. Based on this formula, EDA initially estimated that 10 percent of the nine-year projection would be realized after three years, and 50 percent after six years.

A review of the actual results for FY 1997 and FY 1998 performance measures shows that 20 percent of the projected private investment was realized within the first three years. Analyses of FY 1997 and FY 1998 revealed several anomalies of unusually large private investment amounts. Based on that review, EDA adjusted the three-year target to 20 percent. EDA will continue to analyze actual private investment results to collect smooth trend data prior to modifying the target further. Actual results reported here reflect a 25 percent discount to provide a margin of attrition for the possible change in economic conditions over the nine-year period, pending final review and analysis of performance data reported by EDA grantees.

Measure	FY 2003 Actual	FY 2004 Target	FY 2005 Target
Private sector dollars invested in distressed communities as a result of EDA investments	\$1,251M from FY 2000 Investments (Three year performance)	\$318M by FY 2007	\$320M by FY 2008
	\$2,475M from FY 1997 Investments (Six year performance)	\$795M by FY 2010	\$800M by FY 2011
		\$1,590M by FY 2013	\$1,620M by FY 2014

Discussion of Target: There are no anticipated changes to the FY 2005 target that is based on the same calculations as the previous targets. EDA consistently reviews targets to align them with achievable outcomes. EDA will conduct an in-depth review of its results from the FY 2000 investments and FY 1997 investments. The analysis will help determine whether to adjust its three year targets again, and whether to collect a second year of six year investment data prior to adjusting the six and nine year targets. FY 2003 Performance for Performance Goal 1 cites several exceptional examples of EDA successful investments and their results.

Measure 1b: Jobs Created or Retained in Distressed Communities as a Result of EDA Investments

Explanation of Measure: This measure is based on the anticipated results of the FY 2000 public works and economic adjustment implementation and revolving loan fund investments three years after investment award. The formula-driven calculation projects investment data at three-, six-, and nine- year intervals from the investment award. The formula is based on a study done by Rutgers University, which compiled and analyzed the performance of EDA Public Works projects after nine years. Based on this formula, EDA initially estimated that 10 percent of the nine-year projection would be realized after three years, and 50 percent after six years.

A review of the actual results for FY 1997 and FY 1998 performance measures shows that 20 percent of the projected jobs were realized within the first three years. Analyses of FY 1997 and FY 1998 revealed several anomalies of unusually large private investment amounts. Based on that review, EDA adjusted the three-year target to 20 percent. EDA will continue to analyze actual job creation results to collect smooth trend data prior to modifying the target further. Actual results reported here reflect a 25 percent discount to provide a margin of attrition for the possible change in economic conditions over the nine-year period, pending final review and analysis of performance data reported by EDA grantees. FY 1997 and 1998 target data included both direct and indirect jobs for EDA Public Works projects. In response to comments from GAO, job targets were adjusted to exclude indirect jobs. This downward adjustment was offset when EDA set job targets to include economic adjustment construction and revolving loan fund projects beginning in FY 1999.

Measure	FY 2003 Actual	FY 2004 Target	FY 2005 Target

Jobs created or retained in distressed communities as a result of EDA investments	39,841 from FY 2000 investments (Three year performance)	9,140 by FY 2007	9,000 by FY 2008
	47,607 from FY 1997 investments (Six year performance)	22,850 by FY 2010 45,700 by FY 2013	22,500 by FY 2011 45,100 by FY 2014

Discussion of Target: There are no anticipated changes to the FY 2005 target that is based on the same calculations as the previous targets. EDA consistently reviews targets to align them with achievable outcomes. EDA will conduct an in-depth review of its results from the FY 2000 investments and FY 1997 investments. The analysis will help determine whether to adjust its three year targets again, and whether to collect a second year of six year investment data prior to adjusting the six and nine year targets. FY 2003 Performance for Performance Goal 1 cites several exceptional examples of EDA successful investments and their results.

Measure 1c: State and Local Dollars Committed per EDA Dollar

Explanation of Measure: EDA's Economic Adjustment program assists those communities that experience sudden and severe economic distress and qualify for higher investment grant rates. Original targets for this measure were based on program evaluations (Rutgers et al. 1997), which found that construction projects funded under the section 201 Public Works Program had an EDA share of 53.6 percent and that projects funded under the section 209 Economic Adjustment Program had a median EDA share of 75 percent (reflecting different grant rate requirements for these programs under prior legislation). After reviewing the findings from both studies during FY 1998, EDA determined that an EDA share of 60 percent was a reasonable estimate for the combined program activities. With the enactment of the Economic Development Administration Reform Act of 1998, EDA issued new regulations during FY 1999, increasing requirements for non-federal funding to 50 percent of total project costs, except for areas of high distress, which qualify for higher EDA grant rates. EDA will continue to collect multi-year data on this measure to analyze any trends to determine adjustments to the target as sufficient data become available.

Measure	FY 2003 Actual	FY 2004 Target	FY 2005 Target
State and local dollars committed / EDA dollar	\$1.00 to \$1.08	\$1.00 to \$1.00	\$1.00 to \$1.00

Discussion of Target: At this time, there are no anticipated changes to the FY 2005 target. The target for the ratio of state and local dollars to federal dollars remain constant for two reasons. First, statutory requirements regarding the community's matching funds changed for economic adjustment implementation investments from 75 percent to 50-80 percent to match the public works program in FY 1999. Second, external factors such as economic downturns increase the number of areas eligible for higher grant rates and decrease the availability of state and local dollars in distressed communities. Areas of severe economic distress can qualify for higher investment grant rates, which can lower the average.

Measure 1d: Percentage of Investments to Areas of Highest Distress

Explanation of Measure: EDA actively encourages proposals from areas of highest distress, and directs program and staff resources to assist these communities in developing viable proposals and plans for successful investments. Highest distress areas are defined as those areas where the 24-month unemployment rate is at least 180 percent of the national average, or where the per capita income is not more than 60 percent of the national average. EDA investments in areas of highest distress have surpassed the performance target for two consecutive years following implementation of the Economic Development Reform Act of 1998. To qualify for the minimum EDA assistance, distressed communities must show that per capita income is not more than 80 percent of the national average, or that the 24-month unemployment rate is at least one percent greater than the national average, as opposed to those with highest distress that must meet the criteria discussed above.

Measure	FY 2003 Actual	FY 2004 Target	FY 2005 Target
Percentage of investments areas of highest distress	37.6%	37-43%	37-43%

Discussion of Target: The only change from the FY 2003 and FY 2004 targets was to establish a target range. The FY 2003 and 2004 target ranges are based on the same calculations as the

previous targets. The target ranges will remain consistent for two reasons. First, the impact of the current economic contraction is unknown. Second, EDA is in the process of determining an optimum investment portfolio mix, which is critical to the overall impact of EDA's limited resources. While EDA's assistance is available to many distressed communities across the nation, targeting more than 37-43 percent to a specific category of applicants significantly reduces the ability of other deserving applicants to compete for assistance.

Measure 1e: Percentage of EDA Dollars Invested in Technology-related Projects in Distressed Areas

Explanation of Measure: EDA programs provide support for the efforts of the nation's distressed communities to become competitive in the new global economy. By supporting technology-based economic development, EDA offers those parts of the U.S. that have lagged behind in the opportunity to become leaders in the new economy. The new measure supports increased investment in technology-led economic development to provide better jobs and opportunities for growth in distressed communities. EDA already supports local and state initiatives to upgrade infrastructure, telecommunications, and technology-transfer facilities to support existing firms and new enterprise development. EDA also encourages greater participation by universities, community colleges, and business organizations to ensure that local firms and communities benefit from new information technologies, manufacturing processes, and applied research and development in environmental and life sciences. A task force researched EDA investments and other federal assistance available to support technology-led economic development in distressed areas.

Measure	FY 2003 Target	FY 2004 Target	FY 2005 Target
Percentage of EDA dollars invested in technology-related projects in distressed areas	8.8%	7-10%	7-10%

Discussion of Target: The only change to the FY 2003 and FY 2004 targets is to establish a target range, instead of a static target. The measure had a target of 10% for FY 2002. The results showed 11.8%. Given that the baseline was established during FY 2002, and it was the first year data was reported, more trend data will need to be collected prior to any adjustments to this measure. A range of 7-10% was developed for FY 2003 investments. Technology-related investments tend to produce greater private investment and higher-skill, higher-wage jobs. EDA is increasing its emphasis on these types of projects, therefore the target will be revised in the future.

Cross-cutting Activities

Intra-Department of Commerce

EDA collaborates with the following Department of Commerce bureaus on cross-cutting initiatives:

- National Oceanic and Atmospheric Administration (NOAA) Strategies to promote Port Improvement and Economic Revitalization (PIER), sustainable development, disaster reduction, protection of natural resources, and the development of eco-industrial parks.
- National Institute of Standards and Technology (NIST) Technology deployment and assistance to small manufacturers in economically distressed areas.
- National Telecommunications and Information Administration (NTIA) Strategies to upgrade telecommunications infrastructure in distressed rural and urban communities.
- Minority Business Development Agency (MBDA) Increased support for minority business development and entrepreneurship and for minority-serving institutions.

Other Government Agencies

EDA builds effective partnerships with federal, state, and local entities on program delivery and information dissemination. At the federal level, major partners include:

- Federal Emergency Management Agency (FEMA) Early response, coordination, assessment, mitigation, and economic recovery efforts following major disasters.
- Environmental Protection Agency (EPA) Strategies to redevelop brownfields and improve air quality in ways that benefit economically distressed communities.
- Department of Defense Office of Economic Adjustment (OEA) Economic adjustment strategies and investments for base reuse and communities affected by Base Realignment and Closure Commission (BRAC) decisions.
- Department of Energy (DOE) Economic adjustment assistance to communities affected by closures of federal energy labs and facilities.
- Appalachian Regional Commission (ARC) Community and economic development assistance for economically distressed areas in the thirteen-state Appalachian region.
- Department of Labor (DOL) Dislocated Worker Program.
- Department of Agriculture (USDA), Rural Development/Rural Utilities (RD/RU) Infrastructure and business financing for enterprise development in rural areas.
- Department of Transportation (DOT) Improvements to highway, port, rail, and airport facilities to support private investment in distressed communities.

- Department of Housing and Urban Development (HUD) Coordination of Community Development Block Grants (CDBG) funds for economic development at the state and local levels; support for Empowerment Zones, Enterprise Communities, and Renewal Communities.
- Delta Regional Authority

Government/Private Sector

EDA reviewed interagency agreements and supported GAO's review of cross-cutting federal programs for state and local economic development projects. EDA will provide leadership to improve federal assistance for economic development programs in distressed communities.

External Factors and Mitigation Strategies

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

National or regional economic trends, such as slowdowns in the national economy, can cause firms to delay or postpone investments in new products, markets, plants, equipment, and workforce development. Such trends can affect the rate at which jobs are created or retained.

Changes in business climate and financial markets can impact the level of private capital and degree of risk associated with investment decisions, particularly for firms considering establishing or expanding operations in highly distressed areas.

Downturns in the national or regional economy can increase the demand for EDA assistance and reduce the availability of state and local funding. EDA regulations provide for waivers or reductions of the non-federal share, allowing EDA to cover a higher share of total project costs depending on the level of distress demonstrated by the local community.

Natural disasters and other major events can dramatically impact local economies and create an unanticipated demand for EDA assistance. This can affect performance in several ways, increasing the number of areas that are eligible for assistance and the number of areas in highest distress. Such emergencies can alter funding priorities under regular EDA programs and at times result in emergency supplemental funding. The impact on regular program assistance is more apparent when supplemental funding is delayed or unavailable.

Mitigation Strategies Include:

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

Performance Goal 2: Improve Community Capacity to Achieve and Sustain Economic Growth

EDA's Performance Goal 2 includes the following program activities: the Planning program for investments to Economic Development Districts, Indian tribes, and other planning organizations; Economic Adjustment program strategy investments; and the Technical Assistance program for University Centers; and local technical assistance. Performance measures for trade adjustment assistance to firms authorized by the Trade Act of 1974, as amended, are included under this goal.

The Partnership Planning program is the cornerstone of effective economic and sustainable development. EDA supports local planning and long-term partnerships with state and regional

organizations that assist distressed communities with strategic planning and investments. The program helps communities set priorities, determine the viability of projects, leverage resources to improve the local economy, and sustain long-term growth. Evaluations of EDA's public works and defense adjustment programs show that EDA planning and technical assistance programs play a significant role in the successful completion and outcomes of its infrastructure and revolving loan fund projects.

The Economic Adjustment Assistance program provides flexible investments to develop economic adjustment strategies for communities facing sudden or severe economic distress. Under this program, states, cities, counties, and other eligible applicants can receive grant assistance to assess the dislocation and to develop an economic adjustment plan.

EDA's Technical Assistance program has three major components. The Local Technical Assistance program supports community leaders by providing technical expertise to assess local development issues and market-based solutions, specialized engineering and environmental services, and other special services. The University Center program is a partnership that draws on the expertise of colleges and universities to strengthen distressed communities by providing access to current economic data, technical knowledge, analytical skills, and manpower. The National Technical Assistance program disseminates timely economic development resources, tools, and information critical for economic development professionals responding to economic changes in communities.

The Trade Adjustment Assistance program, reauthorized under the Trade Act of 1974, as amended, helps U.S. firms and industries injured as the result of trade agreements. The TAA program is a national network of Trade Adjustment Assistance Centers (TAACs) funded by EDA to assist trade-injured U.S. manufacturing firms. TAACs provide three main types of assistance to firms: help in preparing petitions for certification (which must be approved by EDA), analysis of the firm's strengths and weaknesses and development of an adjustment strategy, and in-depth assistance for implementation of the strategy.

Rationale for Performance Goal

Powerful economic forces are at work today and will grow stronger in the years to come. Organizations will be pushed to reduce costs, improve quality of products and services, and increase productivity. Although adjustment to changing conditions and requirements is a challenge, EDA is nonetheless committed to it. EDA is creating a new, stronger organization that provides practitioners with a one-stop source for information and professional development.

EDA is proud of its active partnership with its economic development partners at the state, regional, and local levels. The partnership approach to economic development is key to effectively and efficiently addressing the economic development challenges facing U.S. communities.

EDA continues to build upon its partnerships with local development officials; Economic Development Districts; University Centers; faith-based and community-based organizations; and local, state, and federal agencies. But more importantly, EDA will forge strategic working partnerships with private capital markets, and look for innovative ways to spur development.

Economic development is a local process; however, the federal government plays an important role by helping distressed communities build capacity to identify and overcome barriers that inhibit economic growth. EDA's approach is to support local planning and long-term partnerships with state and regional organizations that can assist distressed communities with strategic planning and investment activities. This process helps communities set priorities, determine the viability of projects, leverage outside resources to improve the local economy, and sustain long-term economic growth.

EDA planning funds support the preparation of Comprehensive Economic Development Strategies (CEDS) that guide EDA Public Works and Economic Adjustment 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. Evaluations of EDA's Public Works and Defense Adjustment programs show that EDA capacity-building programs play a significant role in the successful outcomes of its infrastructure and revolving loan fund projects.

EDA Performance Measures

Measure 2a: Percentage of Economic Development Districts and Indian Tribes Implementing Economic Development Projects from the Comprehensive Economic Development Strategy Process that Lead to Private Investment and Jobs

Explanation of Measure: This measure provides an indication of whether the CEDS process is market-based, and whether EDA is creating an environment conducive to higher-skill, higher-wage jobs. Research conducted on FY 2002 data will establish a baseline for the FY 2003 target. The CEDS is a plan that emerges from a broad-based, continual planning process that addresses economic strengths and weaknesses, and opportunities and threats posed by external trends and forces, as well as partners and resources for development.

Measure	FY 2003 Actual	FY 2004 Target	FY 2005 Target
Percentage of Economic Development Districts and Indian Tribes Implementing Economic Development Projects from the Comprehensive Economic Development Strategy Process that Lead to Private Investment and Jobs	98.7%	95%	95%

Discussion of Target: EDA established targets based on the analysis of FY 2002 data. EDA will continue to analyze trend data for further refinement.

Measure 2b: Percentage of Sub-state Jurisdiction Members Actively Participating in the Measure Economic Development District Program

Explanation of Measure: Under EDA's amended legislation, participation of sub-state jurisdictions in Economic Development Districts was reduced from 75 percent to more than 50 percent for district designation purposes. Economic Development Districts generally consist of three or more counties that are considered member jurisdictions. Sub-state jurisdiction participation indicates the District's responsiveness to the area it serves and shows that the services it provides are of value. Active participation was defined as either attendance at meetings or financial support of the Economic Development District during the reporting period. Sub-state jurisdiction members are independent units of government (cities, towns, villages, counties, etc.) and eligible entities substantially associated with economic development, as set forth by the district's by-laws or alternate enabling document.

Measure	FY 2003 Actual	FY 2004 Target	FY 2005 Target
Percentage of Sub-state Jurisdiction Members Actively Participating in the Measure Economic Development District Program	96.7%	89-93%	89-93%

Discussion of Target: The only change to the FY 2003 and FY 2004 targets is to establish a target range, instead of a static target. The FY 2003 and 2004 target ranges are based on the same calculations as the previous targets. EDA will continue to analyze trend data for further refinement.

Measure 2c: Percentage of University Center Clients Taking Action as a Result of the Assistance Facilitated by the University Center

Explanation of Measure: This measure will determine the perceived value-add of the University Centers to their clients. EDA funds 69 University Centers that 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. University Centers develops client profiles and report findings to EDA, which evaluates the performance of each center once every three 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 University Center in one or several areas: economic development initiatives and training session development; linkages to crucial resources; economic development planning; project management; community investment package development; geographic information system services; strategic partnering to public- or private-sector entities; increased organizational capacity; feasibility plans; marketing studies; technology transfer; new company, product, or patent developed; and other services.

Measure	FY 2003 Actual	FY 2004 Target	FY 2005 Target
Percentage of University Center Clients Taking Action as a Result of the Assistance Facilitated by the University Center	78.1%	75%	75%

Discussion of Target: EDA established targets based on the analysis of FY 2002 data. EDA will continue to analyze trend data for further refinement.

Measure 2d: Percentage of Those Actions Taken by University Center Clients that Achieved the Expected Results

Explanation of Measure: This measure is a follow-up to the measure, "Percentage of University Center clients taking action as a result of the assistance facilitated by the University Center." It will further define the relevance of the assistance facilitated by the University Centers. EDA-funded University Centers provide technical assistance and specialized services to local officials and communities. This assistance enhances the community's capacity to plan and manage successful development projects. This measure will determine if the assistance provided by the University Center is market-based. University Centers will develop client profiles and report findings to EDA, which will evaluate the performance of each center once every three years and verify the data.

Measure	FY 2003 Actual	FY 2004 Target	FY 2005 Target
Percentage of Those Actions Taken by University Center Clients that Achieved the Expected Results	85.7%	80%	80%

Discussion of Target: EDA established targets based on the analysis of FY 2002 data. EDA will continue to analyze trend data for further refinement.

Measure 2e: Percentage of Trade Adjustment Assistance Center (TAAC) Clients Taking Action as a Result of the Assistance Facilitated by the TAAC

Explanation of Measure: This measure will determine the value-add of the funded TAAC to its clients. Twelve EDA-funded TAACs work jointly with U.S. firms and industries that have been adversely impacted as a result of trade agreements to identify and define specific actions to improve each firm's competitive position in world markets.

These centers develop client profiles and report findings to EDA, which will review the profiles to verify data as part of periodic site visits to monitor and evaluate each center's performance. 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), analysis of the firm's strengths and weaknesses and development of an adjustment strategy, and in-depth assistance for implementation of the strategy." *Only petitions for certification that are actually approved can be counted.

Measure	FY 2003 Actual	FY 2004 Target	FY 2005 Target
Percentage of Trade Adjustment Assistance Center Clients Taking Action as a Result of the Assistance Facilitated by the Trade Adjustment Assistance Center	92.4%	90%	90%

Discussion of Target: EDA established targets based on the analysis of FY 2002 data. EDA will continue to analyze trend data for further refinement.

Measure 2f: Percentage of Those Actions Taken by TAAC Clients that Achieved the Expected Results

Explanation of Measure: This is a new measure that is a follow-up to the measure, "Percentage of TAAC clients taking action as a result of the assistance facilitated by the TAAC." It will further

define the relevance of the assistance facilitated by the TAAC. EDA-funded TAACs work jointly with trade-impacted firms to identify and define actions to improve each firm's competitive position in world markets. This measure will determine if the assistance facilitated by the TAACs is market-based. The centers will conduct client surveys and report findings to EDA.

Measure	FY 2003 Actual	FY 2004 Target	FY 2005 Target
Percentage of Those Actions Taken by Trade Adjustment Assistance Center Clients that Achieved the Expected Results	98.4%	95%	95%

Discussion of Target: EDA established targets based on the analysis of FY 2002 data. EDA will continue to analyze trend data for further refinement.

Measure 2g: Percentage of Local Technical Assistance and Economic Adjustment Strategy Investments Awarded in Areas of Highest Distress

Explanation of Measure: Local technical assistance investments provide specialized technical or professional services to help local officials evaluate investment opportunities and solve complex development issues. Strategy investments help local communities adjust to sudden and severe economic dislocations and long-term declines that affect key sectors of the local economy. Areas of *highest* distress for this measure include areas where the 24-month unemployment rate is at least 180 percent of the national average and where per capita income is not more than 60 percent of the national average, as well as Indian Tribes or areas suffering from natural disasters. To qualify for the minimum EDA assistance, distressed communities must show that per capita income is not more than 80 percent of the national average, or that the 24-month unemployment rate is at least one percent greater than the national average, as opposed to those with highest distress that must meet the criteria discussed above.

Measure	FY 2003 Actual	FY 2004 Target	FY 2005 Target
Percentage of Local Technical Assistance and Economic Adjustment Strategy Investments Awarded in Areas of Highest Distress	30.2%	30-35%	30-35%

Discussion of Target: The only change to the FY 2003 and FY 2004 targets is to establish a target range, instead of a static target. The FY 2003 and 2004 target ranges are based on the same calculations as the previous targets. The target ranges will remain consistent for several reasons. First, the impact of the current economic contraction is unknown. Second, EDA is in the process of determining an optimum investment portfolio mix, which is critical to the overall impact of EDA's limited resources. While EDA's assistance is available to many communities across the nation, targeting more than 30-35 percent to a specific category of applicants significantly reduces the ability of other deserving grantees to compete for assistance.

Cross-cutting Activities

See Performance Goal 1.

External Factors and Mitigation Strategies

See Performance Goal 1.

Program Assessment Rating Tool (PART)

In 2002, OMB conducted a performance assessment of EDA. The PART assessment informed the FY 2005 budget request and is reflected in this justification. EDA has significantly improved the design of its program to increase its impact on alleviating conditions of economic distress. It has done so by establishing investment policy guidelines that focus on results rather than process. Application of these guidelines encourages investment in America's communities based on expected return on the taxpayer's investment.

Within the new investment strategy in FY 2005, EDA will remain focused on its core mission to promote regional economic development by giving priority to those regions that seek to invest in their regional systems of education, research, physical infrastructure and quality of life. EDA's investments attract private sector capital investment and promote growth in personnel, knowledge, and capital that serve as a "platform for economic growth." In the next generation economy that regions seek to build, the hallmark of vitality will be the agility of institutions and their leaders to collaborate on the improvement of existing, or creation of new, sources of economic advantages, including the accessibility of technology, adaptability of human resources, the availability of financing, the adequacy of physical infrastructure, or capacity to achieve quality of life.

The following is EDA's response to OMB's PART recommendations.

Recommendation 1: Adjust targets to better reflect achievable performance.

Since implementation of its performance management system in FY 1997, EDA has adjusted targets on various measures to reflect the performance results of its programs as data has been collected.

Private Sector Investment and Jobs Created or Retained

The measures for private sector investment and jobs are based on the anticipated results of the public works, economic adjustment implementation, and revolving loan fund investments.

1. A review of the actual results for FY 1997 and 1998 performance measures shows that 20% of the projected jobs were realized within the first three years instead of 10% as initially projected.
2. Based on that review, EDA adjusted the three-year target to 20% beginning with FY 1999 investments (reported in FY02).
 - a. EDA's analyses of these interim fiscal year results also revealed several anomalies with exceptionally large private investment and jobs.
3. The actual trend analyzed and reported for jobs created and retained in FY 2000, FY 2001, and FY 2002 remain consistently close to the FY 2002 target of 20%.
4. Excluding the two anomalies investments, EDA would have reported \$435 million (20.9%) in private investment compared to a target of \$420 million (20.1%), and 17,000 jobs (29.8%) compared to a target of 11,300 (20%) jobs.
5. The end of FY 2003 will be the first year that EDA will collect the first set of interim six-year investment results from its FY 1997 investments.
6. Prior to modifying the six-year target, EDA will need to adequately analyze and obtain smooth trend data for two consecutive years.

Conclusion: The results from anomalies should not be factored into initial long-term economic projections. The targets should remain the same.

State and Local Match

EDA's FY 2002 target for the measure regarding state and local match is \$1.00 to EDA's \$1.00 investment:

1. In FY 2002, the results showed the match to be \$1.13 state & local to \$1.00 EDA.
2. In FY 2001, the results showed the match to be \$1.00 state & local to \$1.00 EDA.
3. In FY 2000, the results showed the match to be \$1.00 state & local to \$1.00 EDA.
4. Many state and local governments are facing tight budgets and fiscal shortfalls, and so may have to contribute lower match.

Conclusion: This target should not be revised.

Investments in areas of Highest Distress

EDA has two measures recognizing our efforts in those communities having what EDA defines as “highest” distress that is higher than required by legislation.

1. FY 2002 target for construction investments was 40%. The results showed 40.1%. For FY 2003 and 2004 targets, a target range was developed of 37-43%.
2. For 2002 technical assistance and strategy investments, the target was 30%. The results showed 30%. A target range of 30-35% was developed.

Conclusion: This target should not be revised.

Technology-related investments

The measure regarding the percent of technology-related dollars invested in distressed areas had a target of 10% for FY 2002. The results showed 11.8%.

1. Given that the baseline was established during FY 2002, and it was the first year data was reported, more trend data will need to be collected prior to any adjustments to this measure.
2. A range of 7-10% was developed for FY 2003 investments.

Conclusion: Technology-related investments tend to produce greater private investment and higher-skill, higher-wage jobs. EDA is increasing its emphasis on these types of projects; therefore, the target will be revised in the future.

Capacity-building investments

EDA developed new capacity building measures during FY 2002 and began data collection.

1. EDA continues to analyze the capacity building results and will establish a baseline for FY 03.

Conclusion: This target should not be revised.

Recommendation 2: Develop Unit-cost measures for private sector leverage related to EDA investments.

The ratio of EDA investment dollars to private sector dollars leveraged are reflected below.

(Dollar amount in thousands)

	FY 1997 Actual	FY 1998 Actual	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Estimate	FY 2004 Estimate	FY 2005 Estimate
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Infrastructure Obligations	\$164,802	\$177,905	\$304,392	\$296,608	\$345,712	\$277,176	\$232,111	\$281,450	\$309,400
3-year Target projections	116,000	130,000	420,000	400,000	480,000	390,000	320,000	380,000	438,000
Target ratio	0.70	0.73	1.38	1.35	1.39	1.41	1.38	1.35	1.42
6-year Target projections	581,000	650,000	1,040,000	1,020,000	1,200,000	970,000	810,000	950,000	1,095,000
Target ratio	3.53	3.65	3.42	3.44	3.47	3.50	3.49	3.38	3.54
9-year Target projections	1,162,000	1,300,000	2,080,000	2,040,000	2,410,000	1,940,000	1,620,000	1,900,000	2,191,000
Target ratio	7.05	7.31	6.83	6.88	6.97	7.00	6.98	6.75	7.08

	FY 1997 Actual	FY 1998 Actual	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Estimate	FY 2004 Estimate	FY 2005 Estimate
Actual Private Investment	199,000	971,000	640,000						
3-year ratio	1.21	5.46	2.10						
Private Investment minus anomalies	119,000	340,000	205,574						
3-year ratio using anomaly total	0.72	1.91	0.68						

Recommendation 3: Better target EDA resources to areas of greatest need through administrative steps and reauthorization.

This recommendation is being addressed through reauthorization and the resulting regulations. As part of the process to draft a new reauthorization bill, EDA researched a variety of modifications to the eligibility criteria to address this recommendation. EDA offered five options, but OMB ultimately determined that the most appropriate mechanism for better targeting EDA resources would be new regulations.

EDA Data Validation and Verification

The EDA GPRA pilots provided trend data on past performance, as presented earlier. They also provided critical outreach and training for EDA investment recipients and staff on valid reporting methods and verification of performance data on long-term outcomes. EDA achieved a 98 percent response rate on the FY 1999 pilots and conducted site visits to more than 25 percent of the projects to validate and verify data reported. The data was provided to Rutgers University for review and comparison with the original evaluations.

EDA validates some of the annual performance results of private sector investment and job creation upon receipt of the data. For FY 1999 EDA investments reported on in FY 2002, regional offices verified 89 percent of the private sector investment generated by its public works and economic adjustment investment, and 58 percent of the jobs created by its public works and economic adjustment investments. Regional offices directly contacted those investment recipients to request supporting information. Reports were completed that identified how the data was verified and the person or business contacted to verify the data. During FY 2002, EDA conducted validation site visits on six FY 1998 investments, one in each region that had been closed out by the end of FY 2001. At the time of the visit, the investments were reviewed utilizing the data report outline below. In all cases, the private investment and jobs created were verified, and the results were even higher at the time of the visit than at the time the data was reported which ranged from one to two years earlier.

EDA processing procedures specify that staff verify proposed private investment and jobs. Proposals for EDA investments are reviewed by regional Investment Review Committees (IRC) then forwarded to the Senior Advisor for Performance Evaluation at headquarters. This quality assurance process was implemented to determine whether the IRC endorsed investment satisfies the regulations and the Investment Policy Guidelines, as amended. Once a project has been invited for investment, the application includes a form, Assurances of Compliance, Exhibit V.B.1.b., that requires the entity to identify the estimated number of jobs and sign the form.

EDA utilizes the following criteria for site selection to verify the private investment and job creation and retention data reported for its performance measures.

- The fiscal year data being verified are from an investment that was closed within the appropriate three-, six-, or nine-year reporting time-frame.
- EDA investment is equal to or greater than \$500,000.
- Private investment dollars and jobs created or retained is present.
- At least one verification site visit per region will be conducted.
- A varied selection of public works and economic adjustment (regular, defense, or revolving loan fund) investments will be reviewed.

The GPRA site validation visit report includes background of the EDA investment and a project description. The following data are requested from the investment recipient with accompanying documentation for each item to verify the information.

- The tax assessment of the property or the building, before and after the construction or renovation.
- The number of jobs retained at the time of project close-out and at the time of the site visit. Sources must be identified with documentation.
- The number of jobs created at the time of project close-out and at the time of the site visit. Sources must be identified with documentation.
- The average salary of building's previous tenants, if applicable, or average annual wage before EDA investment.
- The average annual wage after EDA investment. Are the present jobs considered 'higher skilled' than the previous jobs?
- The amount of private investment at the time of project closeout and at the time of the site visit. Sources must be identified with documentation.
- The increase in Local Real or Business Property Tax Base (in dollars).
- The percentage of population growth (or decline) since investment award.
- Direct project-related results, direct non-project-related results, and indirect results (if any) are identified in the report, as well as an overall assessment of the EDA investment. Photos, brochures, news-related articles (if available) are also included.

As EDA collects and analyzes the data, EDA will use it to adjust performance targets as needed.

**Economic Development Administration
Data Validation and Verification Chart**

<i>Performance Measure</i>	<i>Data Source</i>	<i>Frequency</i>	<i>Data Storage</i>	<i>Internal Control Procedures</i>	<i>Data Limitations</i>	<i>Actions to be Taken</i>
<p>Measure 1a: Private Sector Dollars Invested in Distressed Communities as a Result of EDA Investments</p> <p>Measure 1b: Jobs Created or Retained in Distressed Communities as a Result of EDA Investments</p>	Investment Recipient performance reports	At three-year intervals (typically three, six, and nine years after investment award)	EDA Management Information System	To validate data, EDA regions contacted recipients, or confirmed with engineers or project officers who had been on site. EDA will perform regional validation on-site visit with some recipients.	Universe - Regular Appropriation for Public Works and Development Facilities and Economic Adjustment implementation and revolving loan fund investments. Private investment may vary along with economic cycles.	EDA will continue monitoring investment and job creation data.
Measure 1c: State and Local Dollars Committed per EDA Dollar	Investment Recipient applications and progress reports	At the time of award of investment and at project completion	EDA Management Information System	EDA verifies non-federal funds committed to projects prior to disbursement of investment funds.	Universe - Regular Appropriations for Public Works and Development Facilities, Economic Adjustment Implementation, and Defense Economic Adjustment Implementation investments; the match rate may decrease in cases of severe distress while eligible areas increase during economic downturns.	Continue monitoring state and local investment data.
Measure 1d: Percentage of Investments to Areas of Highest Distress	Investment Recipient applications	Ongoing	EDA Management Information System	EDA samples projects periodically to ensure accurate project location codes. Statistical data are based on the Bureau of Labor Statistics' current 24-month unemployment data and most current Bureau of Economic Analysis per capita income data.	Universe - Regular Appropriations for Public Works and Development Facilities, Economic Adjustment Implementation, and Defense Economic Adjustment Implementation investments; the number of highest distressed areas will increase during economic downturns and decrease during economic expansions.	Determine appropriate investment portfolio mix for EDA's limited resources and continue to monitor results
Measure 1e: Percentage of EDA Dollars Invested in Technology-related Projects in Distressed Areas	Investments that are specifically identified and coded in EDA's Management Information System	Ongoing	EDA Management Information System	Testing performance projections, providing training, and improving reporting.	Universe - Investments from all EDA funding sources that are direct investments in technology-related construction or acquisition, or investments related to expanding the technology potential of companies, communities, or areas; EDA investments are dependent on the type of opportunities communities present.	EDA will continue to monitor and develop trend data.
Measure 2a: Percentage of Economic Development Districts and Indian Tribes Implementing Economic Development Projects from the Comprehensive Economic Development Strategy Process that Lead to Private Investment and Jobs	Investment Recipient Performance Evaluations and Comprehensive Economic Development Strategy	Annually	EDA Management Information System	EDA will conduct periodic performance reviews and site visits	Universe - EDA Partnership Planning investments only. This measure may vary with economic cycles due to limited local resources during downturns for project investments.	Baseline to be established.

Measure 2b: Percentage of Sub-state Jurisdiction Members Actively Participating in the Economic Development District Program	Investment Recipient Performance Evaluations	Annually	EDA Management Information System	EDA conducts performance reviews and site visits on approximately one-third of the District and Indian Tribe investments per year.	Universe - EDA Partnership Planning investments only. This measures shows the value-add of the Economic Development Districts in which EDA invests. While an Economic Development District may be effective, members still may not participate for other reasons.	EDA will continue to monitor compliance with the new definition of sub-state member jurisdictions.
Measure 2c: Percentage of University Center Clients Taking Action as a Result of the Assistance Facilitated by the University Center	University Center client profiles	Annually	EDA Management Information System	Performance data will be verified by the University Centers. EDA headquarters will annually review profile data.	Universe - EDA Local Technical Assistance investments. This measures the value of the University Centers; however, while the assistance may be valued, clients may choose not to act for other reasons.	Baseline to be established.
Measure 2d: Percentage of Those Actions Taken by University Center Clients that Achieved the Expected Results	University Center client profiles	Annually	EDA Management Information System	Performance data will be verified by the University Centers. EDA headquarters will annually review data.	Universe - EDA Local Technical Assistance investments only. Outside mitigating factors such as the local economy may affect the measure.	Baseline to be established.
Measure 2e: Percentage of Trade Adjustment Assistance Center Clients Taking Action as a Result of the Assistance Facilitated by the TAAC	Trade Adjustment Assistance Center client profiles	Annually	EDA Management Information System	Performance data will be verified for the Trade Adjustment Assistance Centers. EDA headquarters will annually review data.	Universe - EDA Trade Adjustment Assistance investments only. Outside mitigating factors such as the local economy may affect the measure.	Baseline to be established.
Measure 2f: Percentage of Those Actions Taken by Trade Adjustment Assistance Center Clients that Achieved the Expected Results	Trade Adjustment Assistance Center client reports	Annually	EDA Management Information System	Performance data will be verified by the Trade Adjustment Assistance Centers. EDA headquarters will annually review data.	Universe - EDA Trade Adjustment Assistance investments only. Outside mitigating factors such as the local economy may affect the measure.	Baseline to be established.
Measure 2g: Percentage of Local Technical Assistance and Economic Adjustment Strategy Investments Awarded in Areas of Highest Distress	Bureau of Labor Statistics current 24-month unemployment data and most current Bureau of Economic Analysis per capita income data	Ongoing	EDA Management Information System	EDA verifies data prior to grant approval.	Universe - EDA Local Technical Assistance and Economic Adjustment Strategy investments. The number of highly distressed areas will increase during economic downturns and decrease during economic expansions affecting EDA investments in these communities.	Determine appropriate investment portfolio mix for EDA's limited resources and continue to monitor results.