

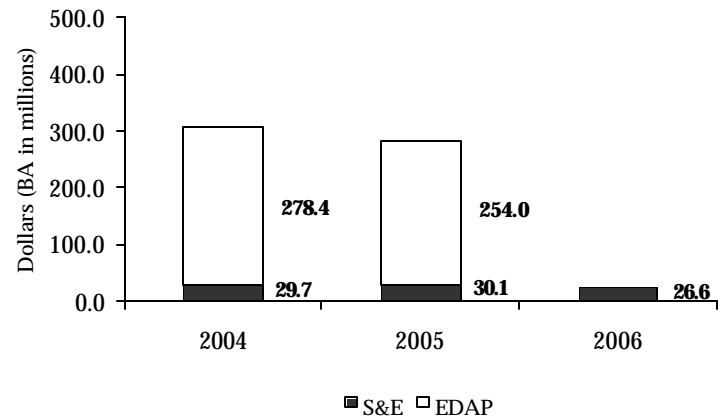
## Economic Development Administration

The Economic Development Administration (EDA) strives to lead the Federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy. EDA carries out its programs through a network of headquarters and regional personnel that work directly with local organizations and leaders to identify and invest in projects that demonstrate potential for the greatest economic impact in distressed communities.

EDA works in partnership with other federal agencies; state and local governments; regional economic development districts; public and private non-profit organizations including faith-based organizations; Native American Indian Tribes; and Alaska Native Villages to accomplish its mission. EDA investments assist communities characterized by substantial and persistent unemployment levels, low income, low population growth, loss of jobs, out-migration, long-term economic deterioration and special needs arising from actual or threatened severe unemployment problems. EDA continues to place a priority on investments that drive economic growth, enhance regional competitiveness, and diversify the regional and local economy.

**The Economic Development Assistance Program (EDAP)** serves as a catalyst for assisting the nation's distressed communities in achieving their long-term economic potential through the strategic investment of resources based upon locally and regionally developed priorities. In FY 2006, the President's Budget proposes that this program and other Federal community and economic development programs be replaced with a more consolidated approach in the new Strengthening America's Communities Grant Program, to be housed within the Commerce Department.

### EDA Funding



## Summary of Appropriations

### Funding Levels

Appropriation	2004 <u>Actual</u>	2005 <u>Estimate</u>	2006 <u>Estimate</u>	Increase <u>(Decrease)</u>
Salaries and Expenses	\$30,244	\$30,075	\$26,584	(\$3,491)
EDAP	285,083	253,985	0	(253,985)
<b>TOTAL APPROPRIATION</b>	<b>315,327</b>	<b>284,060</b>	<b>26,584</b>	<b>(257,476)</b>

Unobligated balance rescission, S&E (550)

Unobligated balance rescission, EDAP (6,667)

### **Budget Authority**

Salaries and Expenses	29,694	30,075	26,584	(3,491)
EDAP	278,416	253,985	0	(253,985)
EDA Revolving Fund	0	0	0	0
<b>TOTAL BUDGET AUTHORITY</b>	<b>308,110</b>	<b>284,060</b>	<b>26,584</b>	<b>(257,476)</b>

### **FTE**

Salaries and Expenses	212	240	240	0
Reimbursable	7	7	7	0
<b>Total</b>	<b>219</b>	<b>247</b>	<b>247</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>2005 Appropriation</b>			240	\$30,075
<b>Adjustments to Base</b>				
<b>Other Changes</b>				
2005 Pay raise		\$86		
2006 Pay raise		545		
Payment to Working Capital Fund		11		
Change in Compensable Days		(80)		
Civil Service Retirement System (CSRS)		(28)		
Federal Employees' Retirement System (FERS)		42		
Thrift Savings Plan		8		
Federal Insurance Contributions Act (FICA) - OASDI		20		
Health insurance		104		
Employees' Compensation Fund		(53)		
Travel				
Mileage		9		
Per Diem		14		
Rent payments to GSA		38		
Printing & Reproduction		3		
Other services		90		
General Level Pricing Adjustment:		55		
Subtotal, other cost changes			0	864
<b>TOTAL, ADJUSTMENTS TO BASE</b>			<b>0</b>	<b>864</b>
<b>2006 Base</b>			<b>240</b>	<b>30,939</b>
Program Changes			0	(4,355)
<b>2006 APPROPRIATION</b>			<b>240</b>	<b>26,584</b>

#### Comparison by Activity

	2005 Currently Avail.		2006 Base		2006 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>DIRECT OBLIGATIONS</b>								
Salaries & Expenses	240	\$33,310	240	\$30,939	240	\$26,584	0	(\$4,355)
<b>TOTAL DIRECT OBLIGATIONS</b>	240	33,310	240	30,939	240	26,584	0	(4,355)
REIMBURSABLE OBLIGATIONS	7	3,800	7	2,000	7	2,000	0	0
<b>TOTAL OBLIGATIONS</b>	247	37,110	247	32,939	247	28,584	0	(4,355)
<b>FINANCING</b>								
Unobligated balance, start of year (Direct)		(2,006)						
Unobligated balance, start of year (Reimbursable)		(1,229)						
Offsetting coll. from Federal funds	(7)	(3,800)			(7)	(2,000)		
Subtotal, financing	(7)	(7,035)			(7)	(2,000)		
<b>TOTAL BUDGET AUTHORITY / APPROPRIATION</b>	240	30,075			240	26,584		

## Appropriation: Economic Development Assistance Programs

### Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
<b>2005 Appropriation</b>		\$253,985
<b>Adjustments to Base</b>		0
<b>2006 Base</b>		253,985
Program Changes		(253,985)
<b>2006 APPROPRIATION</b>		0

### Comparison by Activity

	2005 Currently Avail.		2006 Base		2006 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>DIRECT OBLIGATIONS</b>								
Public Works		\$166,860		\$164,368		\$0		(\$164,368)
Planning		24,583		24,174		0		(24,174)
Technical Assistance		9,488		8,322		0		(8,322)
Research and Evaluation		710		488		0		(488)
Trade Adjustment Assistance		12,006		11,840		0		(11,840)
Economic Adjustment		45,589		44,793		0		(44,793)
SUB-TOTAL	0	259,236	0	253,985	0	0	0	(253,985)
Floods and Southern California		2,638						
Earthquake								
<b>TOTAL DIRECT OBLIGATIONS</b>		261,874						
REIMBURSABLE OBLIGATIONS		30,500				0		
<b>TOTAL OBLIGATIONS</b>	0	292,374			0	0		
<b>FINANCING</b>								
Unobligated balance, start of year		(10,005)						
Transfer to Treasury		2,116						
Offsetting collections from:								
Federal funds		(30,500)				0		
Subtotal, financing	0	(38,389)			0	0		
<b>TOTAL BUDGET AUTHORITY / APPROPRIATION</b>	0	253,985			0	0		

### 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	\$253,985	0	-\$253,985

This program will be replaced by with the new Strengthening America's Communities Grant Program in FY 2006.

## **EDA Performance Measures**

EDA performance measures and targets focus on program outcomes, some of which are generated over a period of years following EDA investment and project completion. Performance targets for the promotion of private sector investment and job creation are based on evaluations conducted by a consortium of independent research institutions led by Rutgers University. The "Public Works Program: Performance Evaluation" (May 1997) reported on 205 public works projects whose last payment was received in FY 1990. The methodology for evaluating results ensured that projects were completed and in operation long enough to assess results. The evaluation showed that actual results can be quantified at project completion (typically three years after the awarding of the grant), and increase substantially over the next six years, resulting in a median of \$3,058 EDA dollars per job and a leveraging ratio of \$10.08 private dollars for each EDA dollar (1996 dollars). Targets are discounted pending availability of more complete trend data.

EDA has established an ongoing reporting system, beginning with FY 1997 grant awards, to track long-term program outcomes for private sector investment and job creation in distressed communities. This reporting system is designed to obtain data on actual performance that are comparable to the baseline evaluations and long-term performance projections discussed above. EDA will collect data (snapshots of actual performance) at three-year intervals for up to nine years following the awarding of the grant. This reporting system will enable EDA to develop a database with multi-year trend data on jobs and private sector investment generated by EDA projects.

In FY 2006, the performance previously reported in EDA will be merged into the proposed Economic Development Challenge.

A more detailed description of these goals and measures is in the EDA section of the Department of Commerce budget.

## Performance Goals (Obligations) and Measures (Targets)

(Obligations in millions)

	2004	2005	2006
	<u>Actual</u>	<u>Estimate / Target</u>	<u>Estimate / Target</u>
<b>Goal 1: Promote private enterprise and job creation in economically distressed communities</b>	\$254.8	\$212.4	---
Private sector dollars invested in distressed communities as a result of EDA investments**	\$947M from 2001 funding \$1,740M from 1998 funding	\$270 M by 2008 \$675 M by 2011 \$1,349 M by 2014	---
Jobs created or retained in distressed communities as a result of EDA investments	21,901 from 2001 funding 68,109 from 1998 funding	7,277 by 2008 18,193 by 2011 36,386 by 2014	---
<b>Goal 2: Improve community capacity to achieve and sustain growth</b>	\$68.1	\$71.6	---
% of economic development districts and Indian tribes implementing projects from the CEDS process that lead to private investment and jobs	97.0%	95%	---
% of substate jurisdiction members actively participating in the economic development district program	90.1%	89-93%	---
% of University Center (UC) clients taking action as a result of University Center assistance	78.4%	75%	---
% of those actions taken by UC clients that achieve the expected results	87.5%	80%	---
% of Trade Adjustment Assistance Centers (TAACs) clients taking action as a result of TAAC assistance	90.0%	90%	---
% of those actions taken by TAAC clients that achieved the expected results	98.0%	95%	---
<b>* Total</b>	<b>\$322.9</b>	<b>\$284.0</b>	---

\* All funding amounts do not include reimbursable and one time costs since these vary widely from year to year. FY 2004 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.