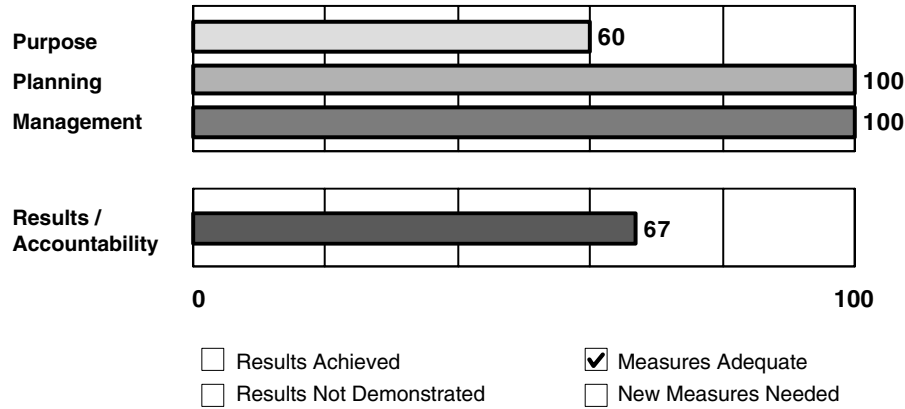


Program: Economic Development Administration

Agency: Department of Commerce

Bureau: Economic Development Administration



Key Performance Measures

Year Target Actual

Long-term Measure: Private sector dollars invested in distressed communities as a result of EDA investments (3-6-9 year increments, e.g., 1997 targets are measured in 2000)	1997	\$116M	\$199M
	1998	\$130M	\$971M
	1999	\$420M	
	2000	\$400M	
Long-term Measure: Jobs created or retained in distressed communities as a result of EDA investments (3-6-9 year increments, e.g., 1997 targets are measured in 2000)	1997	5,040	12,056
	1998	5,400	12,898
	1999	11,300	
	2000	11,300	
Annual Measure: Percentage of investments to areas of highest distress	1999	20%	36%
	2000	30%	45%
	2001	40%	43%
	2002	40%	

Rating: Moderately Effective

Program Type: Competitive Grants

Program Summary:

The Economic Development Administration (EDA) provides grants to economically distressed communities to generate new employment, help retain existing jobs and stimulate industrial and commercial growth.

The program scored well for program management and strategic planning, primarily because the agency has a longitudinal methodology in place for gauging economic development and has met or exceeded its targets. Now that the program has a track record, EDA can set targets that better reflect achievable performance.

1. EDA's primary long-term outcome goals are promotion of private enterprise and job creation in economically distressed communities. It is difficult to judge the effect of specific economic development projects; however, private investment and new or retained jobs are indicators of economic improvement. EDA has demonstrated adequate progress in achieving these long-term goals. EDA exceeded long-term performance targets for 1997 and 1998 investments.
2. Targeting has improved in recent years, but two-thirds of the nation qualifies for EDA assistance and less than half of EDA funds currently go to areas of highest distress.
3. EDA is pursuing a workforce restructuring that would redeploy resources to field offices and consolidate headquarters functions. EDA has also added seven criteria to its evaluation of potential investments that focus on results.
4. EDA utilizes a unit cost to calculate key targets (jobs created and retained). Program performance data for key measures are collected every 3-6-9 years. Capacity-building measures have been revised and data will be collected annually.
5. EDA's purpose is to create wealth and minimize poverty by promoting a favorable business environment to attract private-sector capital investment and jobs. EDA works in concert with states, counties, and municipalities that also address local economic development needs. The agency will continue to examine its role in the context of overall economic development investments and market conditions.

In response to these findings, the Budget provides a \$16 million increase for EDA. In addition, the Administration will work to:

1. Adjust the targets to better reflect achievable performance;
2. Develop unit-cost measures for private sector leverage related to EDA investments; and
3. Better target EDA resources to areas of greatest need through administrative steps and reauthorization.

Program Funding Level (in millions of dollars)

<u>2002 Actual</u>	<u>2003 Estimate</u>	<u>2004 Estimate</u>
366	348	364