

MEMORANDUM

DATE: June 2, 2003

TO: Senior Executive Team

FROM: Mary C. Pleffner
Chief Financial Officer

SUBJECT: FY 2003 GPRA Operational Guidance Revised

This memorandum establishes the FY 2003 operational procedures for compliance with the Government Performance and Results Act (GPRA) of 1993. These procedures support the efficient and effective management of the Economic Development Administration's (EDA) program performance. All documentation and reporting must be consistent with the EDA Directive 17.20 on GPRA, as amended July 18, 2002.

U.S. DEPARTMENT OF COMMERCE MISSION, STRATEGIC GOAL, AND OBJECTIVES

U.S. Department of Commerce's Mission: Promote job creation and improved living standards for all Americans by creating an infrastructure that encourages economic growth, technological competitiveness and sustainable development.

The Department of Commerce (Department) pursues its mission through strategic goals supported by outcome-oriented objectives. The Department's strategic goal and objectives relevant to EDA are:

Department Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably.

Department Strategic Objective 1.1: Provide the infrastructure to enable the participation of all Americans in the new economy. (Relevant to EDA performance goal 1 defined on next page)

Department Strategic Objective 1.3: Support the effective decision-making of policymakers, businesses, and the American public. (Relevant EDA performance goal 2 defined on next page)

ECONOMIC DEVELOPMENT ADMINISTRATION MISSION

Economic Development Administration's Mission: Help our partners across the nation (states, regions, and communities) create wealth and minimize poverty by promoting a favorable business environment to attract private capital investment and higher-skill, higher-wage jobs through world-class capacity building, planning, infrastructure, research grants, and strategic initiatives.

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The Economic Development Administration's (EDA) performance goals and their specific performance measures are tied to the Department's performance management structure for FY 2003 as outlined below. The performance data are analyzed for economic and program trends, and used to enhance EDA's program performance. The data are reported in the Annual Program Performance Report (APPR), which is published by the Department and reviewed by key stakeholders, such as OMB, GAO, and Congress. Performance targets for each measure are set annually after the reported data have been analyzed and are published in the APPR. EDA's performance measures are tied to our annual budget request and appropriation. Performance results are considered when EDA submits its annual budget requests. EDA's Annual Performance Plan (APP) identifies anticipated outcomes as a result of the investment of our funds. Therefore, in order to link the results to the performance targets in the APP and in the budget, performance must be reported by fiscal year.

EDA Performance Goals and Measures

EDA Performance Goal 1: Promote private enterprise and job creation in economically distressed communities. (Supports DOC Strategic Objective 1.1)

- Measure: Private sector dollars invested in distressed communities as a result of EDA investments.
- Measure: Jobs created or retained in distressed communities as a result of EDA investments.
- Measure: State and local dollars committed per EDA dollar.
- Measure: Percentage of investments to areas of highest distress.
- Measure: Percentage of EDA dollars invested in technology-related projects in distressed areas.

EDA Performance Goal 2: Build community capacity to achieve and sustain economic growth. (Supports DOC Strategic Objective 1.3)

- Measure: Percentage of sub-state jurisdiction members actively participating in the Economic Development Districts (EDD) program.
- Measure: Percentage of EDDs and Indian Tribes implementing economic development initiatives from the Comprehensive Economic Development Strategy (CEDs) process that lead to private investment and jobs.
- Measure: Percentage of University Center (UC) clients taking action as a result of the assistance facilitated by UC.
- Measure: Percentage of those actions taken by UC clients that achieved expected results.
- Measure: Percentage of Trade Adjustment Assistance Center (TAAC) clients taking action as a result of the assistance facilitated by the TAAC.
- Measure: Percentage of those actions taken by TAAC clients that achieved the expected results.
- Measure: Percentage of local technical assistance and economic adjustment strategy investments awarded in areas of highest distress.

PROCEDURES FOR GPRA COMPLIANCE

The Operational Guidance provides crucial information on the following data collection and reporting procedures for each of EDA's major programs. This document is a vital companion to the GPRA Directive, dated July 18, 2002. For additional information, contact the GPRA Management Analyst.

1. Data Collection procedures for infrastructure and revolving loan fund investments, including private sector investment and jobs validation procedures
2. Data Collection procedures for capacity-building investments
3. EDA FY 2003 performance targets
4. EDA GPRA Data Collection forms, instructions, and sample notification letter for recipients
5. EDA GPRA Performance Validation forms for Investment Recipient Reporting

1. DATA COLLECTION PROCEDURES FOR INFRASTRUCTURE (CONSTRUCTION) AND REVOLVING LOAN FUND (RLF) INVESTMENTS

1.1. EDA Applicable Programs: Public Works, Economic Adjustment Implementation, Defense Implementation, Disaster Implementation, Revolving Loan Fund Investments, and Special Appropriation Infrastructure (DOE, DOD).

1.2. Relevant Performance Measures:

Measure: Private sector dollars invested in distressed communities as a result of EDA investments.

Analysis method: Data input by regions into EDA's Management Information System (MIS).

Data universe: Public Works, Economic Adjustment Infrastructure, Defense Infrastructure, and Revolving Loan Fund investments. One-time disaster, Appalachian Regional Commission (ARC), Department of Defense (DOD) reimbursables, and special appropriation investments must be reported on by the regions. These are not included in the analysis reported by headquarters to EDA stakeholders, with the exception of joint EDA/ARC investments. Joint EDA/ARC investments are calculated to reflect EDA's pro-rata share of private investment amount. If no EDA funds are involved, no results are reported. Infrastructure investment data must be collected at three, six and nine years from investment award date. RLF investment data must be collected three, six, and nine years from investment award date. RLF recapitalization investment data must be collected three, six, and nine years from the recap award date.

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Measure: Jobs created or retained in distressed communities as a result of EDA investments.

Analysis method: Data input by regions into EDA's Management Information System (MIS).

Data universe: Public Works, Economic Adjustment Infrastructure, Defense Infrastructure, and Revolving Loan Fund investments. One-time disaster, Appalachian Regional Commission (ARC), Department of Defense (DOD) reimbursables, and special appropriation investments must be reported on by the regions. These are not included in the analysis reported by headquarters to EDA stakeholders, with the exception of joint EDA/ARC investments. Joint EDA/ARC investments are calculated to reflect EDA's pro-rata share of jobs created and retained. If no EDA funds are involved, no results are reported. Infrastructure investment data must be collected at three, six and nine years from investment award date. RLF investment data must be collected three, six, and nine years from investment award date. RLF recapitalization investment data must be collected three, six, and nine years from the recap award date.

Measure: State and local dollars committed per EDA dollar.

Analysis method: Data input by regions into EDA's Management Information System (MIS).

Data universe: Public Works, Economic Adjustment Infrastructure, Revolving Loan Fund, and Disaster investments.

Measure: Percentage of investments to areas of highest distress.

Analysis method: Data generated by EDA's Management Information System (MIS) in correlation with the project location, and the per capita income or unemployment data.

Data universe: Public Works, Economic Adjustment Infrastructure, Revolving Loan Fund and Disaster investments.

Measure: Percentage of EDA dollars invested in technology-related projects in distressed areas.

Analysis method: Data input by regions into EDA's Management Information System (MIS).

Data universe: Public Works, Economic Adjustment Infrastructure, Revolving Loan Fund, specifically coded with the Technology Initiative (EI), primarily and directly relating to constructing or acquiring infrastructure or equipment.

1.3 Definitions:

Private sector investments: Private sector dollars committed as a direct result of EDA's investment.

Job creation or retention: Jobs generated as a direct result of EDA's investment in the distressed community.

State and local dollars: The dollar amount of state, local, and other non-Federal funds committed at the time of investment (excluding private sector dollars).

Highest distress: Defined as those areas in which the 24-month unemployment rate is at least 180 percent of national average, or where the per capita income is not more than 60 percent of the national average. Disaster areas and projects for Indian tribes are also characterized as being of highest distress.

Technology-related investments: 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.

1.4 Responsibility:

- a. Regional Offices are responsible for timely data collection from the investment recipients and data input until such time as direct electronic interface can be established with the recipient.
- b. Regional Offices notify investment recipients in writing of the reporting requirements and current instructions within a reasonable period of time (normally 45 days) prior to the submission of performance reports until such time as direct electronic interface can be established with the recipient.
- c. Regional Offices confirm private investment; jobs; and sources of state, local and other non-federal funds reported by recipients through letters, direct phone calls, or on-site visits. Regional offices record validation of reported performance by EDA investments with private sector investment of \$6 million and over. Performance validation form is attached.
- d. Regional Offices are responsible for recording statistical data and special initiative codes, consistent with guidance provided by the Office of Program Operations (OPO) to document the level of distress for the project area. Regional Offices also ensure that OPCS records identify the eligible project area, including boundary definitions for areas that do not conform to standard location codes. Regional Offices are also responsible for entering the appropriate special initiative codes for technology-related projects.
- e. ISD ensures that statistical data and special initiative codes are available for use by the Regional Office staff in accordance with guidance by OPO, and provides uniform instructions for data entry when required to obtain accurate data for performance reports.
- f. Regional offices ensure that all data are recorded accurately in OPCS.

1.5 Data collection timeframes:

*****CHANGE*****

- a. For infrastructure investments, data must be collected and input into OPCS at:
 - ▶ **three years from investment award;**
 - ▶ six years from investment award; and
 - ▶ nine years from investment award.

Whether a project is closed within one year or later than three (3) years, you will need to collect and enter into OPCS performance data for that project three years from the investment award. The data reported should be the total number of jobs and private sector investment amount generated after the investment award date. Cumulative data will also be collected six and nine years after the investment award date. Even if a project is not closed out, performance data must be collected, even though it will often be zero.

At the three (3), six (6), and nine (9) year reporting periods, regional offices should notify investment recipients at least forty-five (45) days prior to their investment award date to ensure the receipt of performance data no later than 15 days after the award date or September 1, whichever is earlier.

Performance data must be entered in OPCS as soon as it is received (for those programs that OPCS screens are available) or submitted to headquarters for analysis no later than September 15.

Example: The recipient of an infrastructure investment awarded June 1, 2000 (FY 2000 investment) should be notified by at least April 15, 2006 that performance results for the six (6) year period must be submitted to the regional office by June 15, 2006. This should provide time for the region to confirm and input the data no later than July 1, 2006.

- b. For a revolving loan fund (RLF), data must be collected and input into OPCS (if available) using the same timeframes and reporting periods as stated above for infrastructure investments in 1.5a.**
- c. Special Provision for RLF Recapitalization Investments* - For GPRA purposes, private investment and jobs reported in years three, six and nine (3, 6 and 9) following award of an RLF recapitalization should be reported from the date of the recap, not from the date of the initial RLF. For example, if the RLF was initially awarded in 1995 and received a recap in 1999, only those jobs and private sector investments dollars generated from 1999 to the end of the appropriate reporting period should be reported.

1.6 Data Collection:

- a. See attached Data Collection forms, instructions, sample letter and Performance Validation form for infrastructure and revolving loan fund investment recipients.
- b. Data should be entered for all public works and economic adjustment infrastructure (construction) and revolving loan fund investments from FY 1997 to the present. Data for infrastructure investments should be entered at three, six and nine years from investment award date. Although RLFs may not close, data should be entered at three, six, and nine years from award as indicated in 1.5.b or 1.5.c.

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- c. To gauge investment impact, count jobs from EDA investments in training facilities if there is reasonable assurance from the investment recipient that the student is placed into a full-time job at the time of graduation. The jobs created or retained are counted and confirmed at the appropriate periods: three, six and nine years from award date.
 - d. Jobs created by companies utilizing space in EDA-invested business incubators may also be counted, if there is evidence that *but for* EDA's investment, the business incubator would not have come to fruition.
- 1.7 OPCS data input: In OPCS, the Project Information section provides the performance data input screen under Project Related, Performance Measures. Specific directions for OPCS data input are included in the OPCS Release Notes Version 2.7. Data collection and input should occur at three, six and nine years (3, 6, and 9) from the date of the award.

For three year investment reporting of those projects that are closed-out, EDA uses the project close date (PCL) in OPCS to establish the date of project completion.

- 1.8 Reporting to Stakeholders: The Annual Program Performance Report (APPR) to our stakeholders highlights the performance results of these investments at three, six and nine (3, 6 & 9) years after award. Regardless of when the project actually closes, EDA must report on these measures at those specific dates. Mid-term and other reports are generated to analyze trend data and monitor the progress of data collection.
- 1.9 GPRA Reporting Special Award Condition: The following is language for inclusion in the Special Award Conditions for public works, economic adjustment construction, and RLF investments only.

Reporting Requirements

Performance Measures: The recipient agrees to report on program performance measures and program outcomes in such form and at such intervals as may be prescribed by EDA in compliance with the Government Performance and Results Act of 1993. Performance measures and reporting requirements that apply to program activities funded by this investment will be provided in a separate GPRA information collection document. EDA will advise recipients in writing within a reasonable period prior to the time of submission of the reports, and in the event that there are any modifications in the performance measures.

2. DATA COLLECTION PROCEDURES FOR CAPACITY BUILDING INVESTMENTS

2.1 EDA Capacity-building Programs: Planning Continuation, University Center and Local Technical Assistance, Trade Adjustment Assistance, and Economic Adjustment Strategy.

2.2 Relevant Performance Measures:

Measure: Percentage of sub-state jurisdiction members actively participating in the Economic Development Districts (EDD) program.

Analysis Method: Data collected from recipients by regional offices. Regions enter data individually into a specifically designed spreadsheet that is sent to headquarters. The data are collected for analysis and reporting by GPRA headquarters.

Data Universe: Economic Development Districts.

Measure: Percentage of EDDs and Indian Tribes implementing economic development initiatives from the Comprehensive Economic Development Strategy (CEDs) process that lead to private investment and jobs.

Analysis Method: Data collected from recipients by regional offices. Regions input data individually onto a specifically designed spreadsheet that is sent to headquarters. The data are collected for analysis and reporting by GPRA headquarters.

Data Universe: Planning Partnership Continuation investments for Economic Development Districts and Indian Tribes.

Measure: Percentage of University Center (UC) clients taking action as a result of the assistance facilitated by UC.

Analysis Method: Excel spreadsheets specifically designed to report a UC's collective results by region. Data are analyzed in the aggregate by GPRA headquarters. See unique data collection requirements for UCs in section 2.6.b.

Data Universe: University Centers.

Measure: Percentage of those actions taken by UC clients that achieved expected results.

Analysis Method: Excel spreadsheets specifically designed to report a UC's collective results by region. Data are analyzed in the aggregate by GPRA headquarters. See unique data collection requirements for UCs in section 2.6.b.

Data Universe: University Centers.

Measure: Percentage of Trade Adjustment Assistance Center (TAAC) clients taking action as a result of the assistance facilitated by the TAAC.

Analysis Method: Excel spreadsheets specifically designed to report a TAAC's collective results by region. Data are analyzed in the aggregate by GPRA headquarters. See unique data collection requirements for TAACs in section 2.6.c.

Data Universe: Trade Adjustment Assistance Centers.

Measure: Percentage of those actions taken by TAAC clients that achieved the expected results.

Analysis Method: Excel spreadsheets specifically designed to report a TAAC's collective results by region. Data are analyzed in the aggregate by GPRA headquarters. See unique data collection requirements for TAACs in section 2.6.c.

Data Universe: Trade Adjustment Assistance Centers.

Measure: Percentage of local technical assistance and economic adjustment strategy investments awarded in areas of highest distress.

Analysis Method: Data generated by EDA's Management Information System (MIS) in correlation with project location input by regions, and per capita income and unemployment data in the MIS.

Data Universe: Local Technical Assistance and Economic Adjustment Strategy investments.

2.3 Definitions:

Sub-state jurisdictions: 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.

Active participation: Attending meetings or financially contributing to the district.

Highest distress: Defined as those areas in which the 24-month unemployment rate is at least 180 percent of national average, or the per capita income is not more than 60 percent of national average. Disaster areas and Indian tribes are also characterized as being of highest distress.

Initiatives: Projects or strategies. These should be counted only in the year they were started.

Taking action (for UCs) 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.

Taking action (for TAACs) as a result of the assistance facilitated means to implement an aspect of the trade adjustment assistance provided by the Trade Adjustment Assistance Centers. The Trade Adjustment Assistance Centers 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.

2.4 Responsibility:

- a. Regional offices are responsible for timely data collection from the investment recipients and data input until such time as an appropriate direct electronic interface can be established with the recipient.
- b. Regional offices notify investment recipients in writing of the reporting requirements and current instructions within a reasonable period of time (normally 45 days) prior to the submission of performance reports until such time as an appropriate direct electronic interface can be established with the recipient.
- c. Regional offices confirm private investment; jobs; and state, local and other non-federal sources reported by recipients through letters, direct phone calls, or on-site visits.
- d. Regional offices ensure that all data are recorded accurately in OPCS.

2.5 Data collection timeframes: *****CHANGE*****

- a. **For Economic Development Districts and Indian Tribes, data must be collected and input into OPCS no later than thirty days after the end of their investment award period, in most cases, January, April, or July.**
- b. **For University Centers and Trade Adjustment Assistance Centers, the APPROPRIATE fiscal year data must be collected and input into OPCS no later than thirty days after the end of their investment award period.**

2.6 Data collection:

- a. See the attached Data Collection forms, instructions, and Validation Reporting forms for Capacity Building investment recipients.

b. *****CHANGE*****

Data Collection for University Centers: Data are collected by the UCs from their clients individually, then sent to regional offices. Regional office staff enters the University's collective data onto a specifically designed spreadsheet that is sent to headquarters. The data from all the University Centers are collected for analysis and reporting by GPRA headquarters. There is a two-year lag between the date the assistance was provided and the date the results are reported because the majority of the benefits resulting from UC assistance are not immediately realized. **UCs must report on assistance provided during their investment award period two years prior to the current fiscal year.**

Examples:

- **UC#1 is awarded an EDA investment for January 1, 2001 to December 31, 2001. In January 2003, UC#1 must report on assistance provided during their FY 2001 investment award period.**
- **UC#2 is awarded an EDA investment for July 1, 2001 to June 30, 2002. In July 2003, UC#2 must report on assistance provided during their FY 2001 investment award period.**

c. *****CHANGE*****

Data collection for Trade Adjustment Assistance Centers: Data are collected by the TAACs from their clients individually and then sent to the Trade Adjustment Assistance program headquarters staff. The headquarters staff inputs the TAAC's collective data onto a specifically designed spreadsheet. The data from all the TAACs is collected for analysis and reporting by GPRA headquarters. **TAACs must report on assistance provided during their investment award period two years prior to the current fiscal year.**

Examples:

- TAAC#1 is awarded an EDA investment for January 1, 2001 to December 31, 2001. In January 2003, TAAC#1 *must* report on assistance provided during their FY 2001 investment award period.
- TAAC#2 is awarded an EDA investment for July 1, 2001 to June 30, 2002. In July 2003, TAAC#2 *must* report on assistance provided during their FY 2001 investment period.

d. Performance Data Validation Reporting forms:

- 1. For EDD investment recipients reporting private sector investments totaling \$100 million and over, or jobs totaling 1,500 and over must complete and attach the EDD validation form. This is for the EDA-funded investments only as reported on the GPRA Data Collection form.**
- 2. For UC investment recipients reporting private sector investments totaling \$5 million and over, or jobs totaling 500 and over must complete and attach the UC validation form. This is for the clients that were provided eight hours or more of technical assistance as reported on the GPRA Data Collection form.**
- 3. For TAA investment recipients reporting private sector investments totaling \$40 million and over, or jobs totaling 500 and over must complete and attach the TAAC validation form. This is for the TAAC clients assisted as reported on the GPRA Data Collection form.**

e. The region should review the performance validation form and contact any investment recipient whose performance data are incomplete or disproportionate.

- 2.7 OPCS data input: In OPCS, capacity building data input screens are scheduled for availability by the end of FY 2003. The OPCS Project Information section provides the data input screen under Project Related, Performance Measures. Specific directions for data input are included in each version of the OPCS Release Notes.
- 2.8 Reporting to Stakeholders: The Annual Program Performance Report (APPR) to our stakeholders highlights the performance results of capacity-building investments annually. Mid-term and other reports are generated to analyze trend data and monitor the progress of data collection. The Annual Performance Plan reports EDA's goals, measures, and targets.
- 2.9 GPRA Reporting Special Award Condition: Capacity building investments must comply with the Department of Commerce Financial Assistance Standard Terms and Conditions, Section B.01.a, Programmatic Requirements Performance (Technical) Reports. No additional wording should be included in the capability building investment special award conditions.

3. EDA PERFORMANCE MEASURES AND TARGETS FOR FY 2003 REPORTING

(Note: This will be the first year that three- and six-year performance data are collected on public works, economic adjustment infrastructure, and RLF investments.)

<i>Performance Goal 1 Measures</i>	<i>Targets for FY 2003 reporting</i>
Private sector dollars invested in distressed communities as a result of EDA investments <i>Three year reporting</i>	\$400 million projected from FY 2000 investments
Private sector dollars invested in distressed communities as a result of EDA investments <i>Six year reporting</i>	\$581 million projected from FY 1997 investments
Jobs created or retained in distressed communities as a result of EDA investments <i>Three year reporting</i>	11,300 jobs projected from FY 2000 investments
Jobs created or retained in distressed communities as a result of EDA investments <i>Six year reporting</i>	25,200 jobs projected from FY 1997 investments
State and local dollars committed per EDA dollar	1 to 1
Percentage of infrastructure and revolving loan fund investments to areas of highest distress.	37-43%
Percentage of EDA dollars invested in technology-related projects in distressed areas	7-10%

<i>Performance Goal 2 Measures</i>	<i>Targets for FY 2003 reporting</i>
Percentage of sub-state jurisdiction members actively participating in the EDD program	89-93%
Percentage of EDDs and Indian Tribes implementing economic development projects from the CEDS process that lead to private investment and jobs	95%
Percentage of UC clients taking action as a result of the assistance facilitated by the UC	Baseline to be determined from FY 2002 data
Percentage of those actions taken by UC clients that achieved the expected results	Baseline to be determined from FY 2002 data
Percentage of TAAC clients taking action as a result of the assistance facilitated by the TAAC	Baseline to be determined from FY 2002 data
Percentage of those actions taken by TAAC clients that achieved the expected results	Baseline to be determined from FY 2002 data
Local technical assistance and economic adjustment strategy investments in areas of highest distress	30-35%

4. DATA COLLECTION FORMS, INSTRUCTIONS, AND SAMPLE NOTIFICATION LETTER *(Attached)*

- a. Public Works, Economic Adjustment Infrastructure, RLF Data Collection form and instructions
- b. Economic Development District and Indian Tribe Data Collection form and instructions
- c. University Center Data Collection form and instructions
- d. Trade Adjustment Assistance Center Data Collection form and instructions
- e. Sample notification letter for public works, economic adjustment infrastructure, and RLF investments
- f. Sample notification letter for capacity-building investments

5. EDA GPRA PERFORMANCE VALIDATION FORMS

- a. Investment Recipient Validation Reporting form for Public Works, Economic Adjustment Infrastructure, and Revolving Loan Fund recipients
- b. Investment Recipient Validation Reporting form for Economic Development Districts and Indian Tribe recipients
- c. Investment Recipient Validation Reporting form for University Center recipients
- d. Investment Recipient Validation Reporting form for Trade Adjustment Assistance Center recipients
- e. Sample Regional Validation Reporting compilation spreadsheet form for Public Works, Economic Adjustment Infrastructure, and Revolving Loan Fund investments (to be sent electronically to regions by July 1)
- f. Sample Regional Validation Reporting compilation spreadsheet form for Capacity-building investments (to be sent electronically to regions by July 1)