

MEMORANDUM

DATE: October 28, 2005

TO: Senior Executive Team

FROM: Mary C. Pleffner
Acting Deputy Assistant Secretary
for Economic Development/COO

SUBJECT: FY 2006 GPRA Operational Guidance

This memorandum establishes the FY 2006 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 No. 17.20 on GPRA, EDA's General Procedures with Respect to GPRA (effective July 22, 2002).

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

U.S. Department of Commerce's Mission: The Department of Commerce creates the conditions for economic growth and opportunity by promoting innovation, entrepreneurship, competitiveness, and stewardship.

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

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

Department General Goal/Objective 1.1: Enhance economic growth for all Americans by developing partnerships with private sector and nongovernmental organizations. (Relevant to EDA performance goals 1 and 2)

ECONOMIC DEVELOPMENT ADMINISTRATION MISSION

Economic Development Administration's Mission: To lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy.

EDA's performance goals and specific performance measures are tied to the Department's performance management structure for FY 2006 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 Department's annual Performance and Accountability Report (PAR) and reviewed by key stakeholders, such as the Office of Management and Budget (OMB), the Government Accountability Office (GAO), and Congress. Performance targets for each measure are set annually and are published in the PAR. EDA's performance measures are tied to the annual budget request and appropriation. The Department

FY 2005 GPRA Operational Guidance

and relevant stakeholders consider EDA's performance results when EDA submits its annual budget requests. EDA's annual Budget and Performance Plan (BAPP) identifies anticipated outcomes based on the investment of our funds by program and by performance measure.

EDA Performance Goals and Measures

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

- Measure: Private sector dollars invested in economically distressed regions as a result of EDA investments.
- Measure: Jobs created or retained in economically distressed regions as a result of EDA investments.

EDA Performance Goal 2: Build community capacity to achieve and sustain regional competitiveness and economic growth. (Supports DOC Strategic Objective 1.1)

- Measure: Percentage of Economic Development Districts (EDD) and Indian Tribes implementing economic development initiatives from the Comprehensive Economic Development Strategy (CEDS) process that lead to private investment and job creation and retention.
- Measure: Percentage of sub-state jurisdiction members actively participating in the EDD program.
- Measure: Percentage of University Center (UC) clients taking action as a result of the assistance facilitated by the UC.
- Measure: Percentage of those actions taken by UC clients that achieved the expected results.
- Measure: Percentage of 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.

PROCEDURES FOR GPRA COMPLIANCE

This 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 GPRA Directive No. 17.20, (effective date: July 22, 2002). For additional information, contact the Budget and Performance Evaluation Division (BPED).

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, including private sector investment and jobs validation procedures
3. EDA FY 2006 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. Applicable EDA Programs: Public Works, Economic Adjustment Assistance (implementation investments only), Defense Economic Adjustment, Disaster Assistance (implementation investments only), Revolving Loan Fund Investments, and Special Appropriation Infrastructure (DOE, DOD).

1.2. Relevant Performance Measures:

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

Analysis method: Data input by the regional offices into the Operations Planning and Control System (OPCS).

Data universe: Public Works, Economic Adjustment Infrastructure, Defense Infrastructure, and Revolving Loan Fund investments. One-time disaster supplemental, Appalachian Regional Commission (ARC), Department of Defense (DOD) reimbursables, and special appropriation investments must be reported on by the regional offices. These are not included in the analysis reported by Headquarters to EDA stakeholders. Joint investments (e.g., EDA/ARC, EDA/HUD) are calculated to reflect EDA's pro-rata share of the private investment amount. If no EDA funds are involved, no results are reported. Infrastructure and RLF investment data must be collected at three (3), six (6) and nine (9) years from the investment award date. RLF recapitalization investment data must be collected three (3), six (6), and nine (9) years from the recapitalization investment award date.

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

Analysis method: Data input by regional offices into the Operations Planning and Control System (OPCS).

Data universe: Public Works, Economic Adjustment Infrastructure, Defense Infrastructure, and Revolving Loan Fund investments. One-time disaster supplemental, Appalachian Regional Commission (ARC), Department of Defense (DOD) reimbursables, and special appropriation investments must be reported by the regional offices. These are not included in the analysis reported by Headquarters to EDA stakeholders. Joint investments (e.g., EDA/ARC, EDA/HUD) 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 and RLF investment data must be collected at three (3), six (6) and nine (9) years from investment award date. RLF recapitalization investment data must be collected three (3), six (6), and nine (9) years from the recapitalization investment award date.

1.3 Definitions:

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

Jobs created or retained: Jobs generated as a direct result of EDA's investments in economically distressed communities and regions.

Greatest economic distress: Defined as those regions in which the 24-month unemployment rate is at least 1 percent greater than the national average, or where the per capita income is not more than 80 percent of the national average. Disaster areas and projects for Indian Tribes are also characterized as being of greatest economic distress.

1.4 Responsibility:

- a. Regional offices are responsible for collecting data from the investment recipients in a timely manner and entering data into EDA's database of record, the Operational Planning and Control System (OPCS), in accordance with this operational guidance.
- b. Regional offices are responsible for notifying investment recipients in writing of EDA's performance measures, reporting requirements, and current instructions within a reasonable period of time (normally 45 days) prior to performance reporting deadlines.
- c. Regional offices confirm private investment, job creation and retention, and sources of state, local and other non-federal funds reported by recipients through letters, phone calls, or on-site visits. Regional offices validate reported performance of EDA investments that leveraged private sector investment of \$6 million and over and/or created or retained 3,500 jobs or more.
- d. Regional offices are responsible for recording statistical data and special initiative codes to document the level of economic distress in the region where the investment is located. Regional offices also ensure that OPCS records identify the eligible region, including boundary definitions for regions 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. The Office of Information Technology (OIT) ensures that statistical data and special initiative codes are available for use by regional office staff in accordance with guidance by BPED and provides the uniform data entry instructions required to obtain accurate data for performance reports.
- f. Regional offices ensure that all data are recorded accurately in OPCS.
- g. OMB requires QUARTERLY REPORTS from each bureau. All data MUST be submitted or entered into OPCS promptly.

1.5 Data collection timeframes:

- a. For infrastructure investments, data must be collected and input into OPCS:
 - ▶ three (3) years after investment award,
 - ▶ six (6) years after investment award, and
 - ▶ nine (9) years after investment award.

Regardless of closeout date, performance data must be collected and entered into OPCS three (3) years after the investment award. The number of jobs created or retained and private sector investment amount leveraged three (3) years after the investment award date must be collected and entered into OPCS. Even if a project is not closed out, performance data must be collected, although it will often be zero. Cumulative data will also be collected six (6) and nine (9) years after the investment award date.

FY 2005 GPRA Operational Guidance

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

All First, Second, and Third Quarter performance data must be entered in OPCS as soon as it is received (for those programs where OPCS screens are available) or, in the case of multi-component investments, submitted to Headquarters within 10 (ten) days of the end of the quarter by means of pre-formatted 57s provided with this Operational Guidance. Fourth Quarter data must be entered in OPCS or submitted to Headquarters no later than September 15.

Example: The recipient of an infrastructure investment awarded August 1, 2000 (FY 2000 investment) should be notified not later than June 17, 2006 that performance results for the six (6) year period must be submitted to the regional office by August 16, 2006. This should provide adequate time for the regional office to confirm and input the data no later than September 15, 2006.

- b. RLF data must be collected and input into OPCS using the same timeframes and reporting periods described for infrastructure investments in 1.5a.
- c. *Special Provision for RLF Recapitalization Investments:* For GPRA purposes, private investment and job creation or retention reported three (3), six (6), and nine(9) years following an RLF recapitalization investment should be reported from the date of the recapitalization, not from the date of the initial RLF. For example, if the RLF was initially awarded in 2000 and the recipient received a recapitalization in 2003, only those jobs and private sector investments dollars generated from 2003 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 is being collected at three (3), six (6) and nine (9)years from investment award date for all public works and economic adjustment infrastructure (construction) and revolving loan fund investments from FY 1997 to the present. **During FY 2006, three (3), six (6) , and nine (9) year data on jobs created or retained and private investment leveraged should be collected for fiscal years 2003, 2000, and 1997 investments respectively.** Although RLFs may not closeout, data should be entered three (3), six (6), and nine (9) years after the award or recapitalization date as indicated in 1.5.b or 1.5.c.
- c. Job figures from EDA training facility investments should be collected, if there is reasonable assurance from the recipient that students are placed into full-time jobs upon graduation. The jobs created or retained are counted and confirmed at the appropriate periods: three (3), six (6) and nine (9) years after award date.

FY 2005 GPRA Operational Guidance

- 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 (3), six (6) and nine (9) years after the date of the award.
- 1.8 Reporting to Stakeholders: The annual Performance and Accountability Report (PAR) provides stakeholders (the public, Congress, OMB) with comprehensive information about EDA's performance results three (3), six (6) and nine (9) years after investment award date. The PAR provides stakeholders with graphic overviews, detailed figures, and project examples to produce a nuanced view of EDA's programs. Regardless of when the project actually closes, EDA must report on these measures at those specific dates. Quarterly 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 (implementation investments only), and RLF investments.

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 (GPRA). 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: District Planning, University Center, Local Technical Assistance, Trade Adjustment Assistance, and Economic Adjustment Assistance (planning investments only) investments.

2.2 Relevant Performance Measures:

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 job creation or retention.

Analysis Method: Data collected from recipients by regional offices. Regional offices input data individually onto a specifically designed spreadsheet that is sent to Headquarters using Headquarters provided reporting forms. The data are collected for analysis and reporting by Budget and Performance Evaluation Division (BPED) analysts.

Data Universe: Investment awards made to Planning Organizations under Section 203 of PWEDA, as amended, including, but not limited to, those made to EDDs and Indian Tribes.

Measure: Percentage of sub-state jurisdiction members actively participating in the EDDs program.

Analysis Method: Data collected from recipients by regional offices. Regional offices enter data individually into a specifically designed spreadsheet that is sent to Headquarters using Headquarters provided reporting forms. The data are collected for analysis and reporting by BPED analysts.

Data Universe: EDDs.

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

Analysis Method: Excel spreadsheets specifically designed by Headquarters to report UC results. Data are analyzed in the aggregate by BPED analysts. (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 by Headquarters to report UC results. Data are analyzed in the aggregate by BPED analysts. (See unique data collection requirements for UCs in section 2.6.b.)

Data Universe: University Centers.

Measure: Percentage of TAAC clients taking action as a result of the assistance facilitated by the TAAC.

Analysis Method: Excel spreadsheets specifically designed by Headquarters to report TAAC results. Data are analyzed in the aggregate by BPED analysts. (See unique data collection requirements for TAACs in section 2.6.c.)

Data Universe: TAACs.

FY 2005 GPRA Operational Guidance

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

Analysis Method: Excel spreadsheets specifically designed by Headquarters to report TAAC results. Data are analyzed in the aggregate by BPED analysts. (See unique data collection requirements for TAACs in section 2.6.c.)

Data Universe: TAACs.

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

Analysis Method: Data generated by the Operations Planning and Control System (OPCS) in correlation with project location input by regional offices, and per capita income and unemployment data in the OPCS.

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 formation document.

Active participation: Attending meetings or financially contributing to a District Organization.

Greatest economic distress: Defined as those regions in which the 24-month unemployment rate is at least one (1) percent of national average, or the per capita income is not more than 80 percent of national average. Disaster areas and Indian Tribes are also characterized as being of greatest economic distress.

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

EDA-funded investments: Investments awarded directly to a recipient (other than the EDD or Indian Tribe) and identified in the CEDS. The investment will have its own EDA project number.

Taking action (for UCs) as a result of the assistance facilitated means to implement an aspect of the technical assistance provided by the UC 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 that a firm has initiated and completed a technical assistance task outlined in its EDA approved adjustment proposal. For example, a technical assistance task in a firm's approved adjustment proposal might include hiring a consultant to develop a company website to promote electronic commerce. In this example, the firm would be counted as taking action as a result of the assistance facilitated if the consultant is hired to do this task; the consultant's fee is partially paid by the TAAC; the consultant completes the coding and design for the website; and the firm makes the website accessible to internet users.

2.4 Responsibility:

- a. Regional offices are responsible for collecting data from the investment recipients in a timely manner and entering data into OPCS in accordance with this operational guidance.
- b. Regional offices are responsible for notifying investment recipients in writing of EDA's performance measures and reporting requirements within a reasonable period of time (normally 45 days) prior to the submission deadline for performance reports.

FY 2005 GPRA Operational Guidance

- c. Regional offices confirm private investment, job creation and retention, 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 applicable data are recorded accurately and completely in OPCS.
- e. OMB requires QUARTERLY REPORTS from each bureau. All data MUST be submitted or entered into OPCS promptly.

2.5 Data collection timeframes:

- a. For EDDs and Indian Tribes data must be collected and entered into the appropriate, Headquarters supplied, Excel spreadsheets and forwarded to Headquarters not later than seven (7) calendar days after the end of the quarter. .
- b. For UCs and TAACs, the APPROPRIATE fiscal year data must be collected entered into the appropriate, Headquarters supplied, Excel spreadsheets and forwarded to Headquarters no later than seven (7) calendar days after the end of the quarter.
- c. **All First, Second, and Third Quarter performance data must be entered into the appropriate Excel spreadsheets and submitted as described above. Fourth Quarter data must be submitted to Headquarters no later than September 15.**

2.6 Data collection:

- a. See the attached Data Collection Forms, instructions, and Validation Reporting forms for capacity building investment recipients.
- b. Data Collection for UCs: Data are collected by the UCs from their clients individually and sent to regional offices. Regional office staff enters the University's collective data into the Headquarters supplied spreadsheet and forwards it to Headquarters. The data from all the UCs are collected for analysis and reporting by BPED. 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.

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. Data collection for TAACs: Data are collected by the TAACs from their clients and 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 BPED. TAACs *must* report on assistance provided during the investment award period two (2) years prior to the current fiscal year.

FY 2005 GPRA Operational Guidance

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 and Indian Tribe investment recipients reporting private sector investments totaling \$100 million or more, and/or jobs totaling 1,500 and more 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 or more, and/or jobs totaling 500 or more must complete and attach the UC Validation Form. This is for the clients that were provided eight (8) hours or more of technical assistance as reported on the GPRA Data Collection Form.
3. For TAA firms reporting, private sector investments totaling \$40 million or more, and/or jobs totaling 500 or more must complete and attach the TAAC Validation Form. This is for the TAAC clients assisted as reported on the GPRA Data Collection Form.

- e. Regional office staff 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 not scheduled for availability in FY 2006.

2.8 Reporting to Stakeholders: The annual Performance and Accountability Report (PAR) to our stakeholders highlights the performance results of capacity-building investments annually. The PAR reports EDA's goals, measures, and targets. **Reports to the Department and OMB must be issued from EDA on a quarterly basis. Quarterly reports are generated to analyze trend data and monitor the progress of data collection.**

1.10 GPRA Reporting Special Award Condition: The following is language for inclusion in the Special Award Conditions for EDA capacity building investments only.

Reporting Requirements

Performance Measures: 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 capacity building investment special award conditions.

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

- a. Public Works, Economic Adjustment Infrastructure, RLF Data Collection form and instructions
- b. EDD and Indian Tribe Data Collection form and instructions
- c. UC Data Collection form and instructions
- d. TAAC Data Collection form and instructions
- e. Sample notification letter for Public Works, Economic Adjustment Assistance Infrastructure, and RLF investments
- f. Sample notification letter for capacity-building investments

5. EDA GPRA PERFORMANCE VALIDATION FORMS *(Attached)*

- a. Investment Recipient Validation Reporting Form for Public Works, Economic Adjustment Infrastructure, and Revolving Loan Fund recipients
- b. Investment Recipient Validation Reporting Form for EDDs and Indian Tribe recipients
- c. Investment Recipient Validation Reporting Form for UC recipients
- d. Investment Recipient Validation Reporting Form for TAAC recipients

EDA GPRA TRANSMITTAL SPREADSHEETS FOR CAPACITY BUILDING INVESTMENTS
(Attached)

- a. EDD and Indian Tribe Data Spreadsheet
- b. UC Data Spreadsheet
- c. TAAC Spreadsheet