DEPARTMENT OF COMMERCE

Economic Development Administration

[Docket No. 970508107–7107–01]

RIN 0610–ZA04

Research and Evaluation, National Technical Assistance—Request for Proposals

AGENCY: Economic Development Administration (EDA), Department of Commerce (DoC).

ACTION: Notice of availability of funds.

SUMMARY: A total of $328,500,000 is available to EDA for all of its programs for FY 1997 (See Notice of Funding availability for FY 1997 at 61 FR 67434), of which approximately $1,780,000 is or will be available for National Technical Assistance and for Research and Evaluation for specific projects which will aid in better understanding the causes of and solutions to economic distress/underemployment and unemployment throughout the Nation in the specific priority areas described herein. Additional funding may or may not be available. EDA issues this Notice describing the conditions under which eligible applications for these National Technical Assistance under 13 CFR Part 307, Subpart C, and Research and Evaluation under 13 CFR Part 307, Subpart D, projects will be accepted and selected for funding. EDA is soliciting proposals for the specific projects described herein which will be funded if acceptable proposals are received. Remaining funding, if any, may be used to fund additional projects.

DATES: Prospective applicants are advised that EDA will conduct a pre-proposal conference on May 23, 1997, at 10:00 a.m. in the Department of Commerce, Herbert C. Hoover Building, 14th and Constitution Avenue, NW., Washington, DC 20230, Room 1414, at which time questions on the National Technical Assistance and Research and Evaluation projects can be answered. Prospective applicants are encouraged to provide written questions (See **ADDRESSES** section below) by May 20, 1997. Prospective applicants unable to attend the pre-proposal conference may participate by teleconference. Teleconference information may be obtained by calling (202) 482–4085 between 8:30–5:00 EST on May 22, 1997.

Initial proposals for funding under this program will be accepted through June 9, 1997. Initial proposals received after 5:00 p.m. EST in Room 7001A, on June 9, 1997, will not be considered for funding.

By June 20, 1997, EDA will advise successful proponents to submit full applications (containing complete proposals as part of the application), OMB Control Number 0610–0094. Completed applications must be submitted to EDA by July 21, 1997. EDA will make these awards no later than September 30, 1997.

ADDRESSES: Send initial proposals to John J. McNamee, Acting Director, Research and National Technical Assistance Division, Economic Development Administration, Room 7001A, U.S. Department of Commerce, Washington, DC 20230.

FOR FURTHER INFORMATION CONTACT: John J. McNamee, (202) 482–4085.

SUPPLEMENTARY INFORMATION:

I. Introduction

A. Authority

The Public Works and Economic Development Act of 1965 (PWEDA), (Pub. L. 89–136, 42 U.S.C. 3121 *et seq.*), as amended at § 3151 authorizes EDA to provide technical assistance which would be useful in reducing or preventing excessive unemployment or underemployment, and enhancing the potential for economic growth in distressed areas (42 U.S.C. 3151(a)); and a program of research to assist in the formulation and implementation of national, state, and local programs to raise income levels and other solutions to the problems of unemployment, underemployment, underdevelopment and chronic depression in distressed areas and regions (42 U.S.C. 3151(c)(B)). The Omnibus Consolidated Appropriations Act of 1997, Public Law 104–208, makes funds available for these programs.

B. Catalog of Federal Domestic Assistance

11.303 Economic Development—Technical Assistance Program; 11.312 Economic Development—Research and Evaluation Program.

C. Program Descriptions

For descriptions of these programs see PWEDA and EDA's regulations at 13 CFR Chapter III.

D. Briefings and Workshops

Unless otherwise noted, each of the proposals requested below includes a requirement that the applicant conduct a total of up to seven briefings and/or training workshops for individuals and organizations interested in the results of the project. These will take place when the project is completed and the results known. Potential applicants should be aware that the completion dates set forth below are for completion of the project and submission of the final written report. Briefings/workshops will take place no later than one year after completion of the project and submission of the final report, at seven locations and on seven dates at EDA's discretion.

E. Additional Information and Requirements

Applicants should be aware that if they incur any costs prior to an award being made, they do so solely at their own risk of not being reimbursed by the Government. Notwithstanding any verbal or written assurance that may have been received, there is no obligation on the part of EDA to cover pre-award costs.

The total dollar amount of the indirect costs proposed in an application under this program must not exceed either the indirect cost rate negotiated and approved by a cognizant Federal agency prior to the proposed effective date of the award, or 100 percent of the total proposed direct costs dollar amount in the application, whichever is less.

If an application is selected for funding, EDA has no obligation to provide any additional future funding in connection with an award. Renewal of an award to increase funding or extend the period of performance is at the sole discretion of EDA.

Unless otherwise noted below, eligibility, program objectives and descriptions, application procedures, selection procedures, evaluation criteria, and other requirements for this program are set forth in PWEDA and EDA's regulations at 13 CFR Chapter III., and EDA's Notice of Availability for FY 1997 at 61 FR 67434.

No award of Federal funds will be made to an applicant who has an outstanding delinquent Federal debt until either: (1) The delinquent account is paid in full; (2) a negotiated repayment schedule is established and at least one payment is received; or (3) other arrangements satisfactory to the Department of Commerce are made.

Unsatisfactory performance under prior Federal awards may result in an application not being considered for funding.

Applicants should be aware that a false statement on the application is grounds for denial of the application or termination of the grant award and grounds for possible punishment by a fine or imprisonment as provided in 18 U.S.C. 1001.

Applicants are hereby notified that any equipment or products authorized

to be purchased with funding provided under this program must be American-made to the maximum extent feasible.

Notwithstanding any other provisions of law, no person is required to respond to, nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act (PRA) unless that collection of information displays a currently valid Office of Management and Budget (OMB) control number. This notice involves a collection of information requirement subject to the provisions of the PRA and has been approved by OMB under Control Number 0610–0094.

II. How to Apply

A. Eligible Applicants

• National Technical Assistance—See 13 CFR 307.12. Eligible applicants are as follows: Public or private nonprofit organizations including nonprofit national, state, area, district, or local organizations; accredited educational institutions or nonprofit entities representing them; public sector organizations; Native American organizations, including American Indian tribes; local governments and state agencies. Technical Assistance grant funds may not be awarded to private individuals or for-profit organizations.

• Research and Evaluation—See 13 CFR 307.17. Eligible applicants are as follows: private individuals, partnerships, corporations, associations, colleges and universities, and other suitable organizations with expertise relevant to economic development research.

B. Proposal Submission Procedures

The initial proposals submitted by potential applicants may not exceed ten pages in length and should be accompanied by a proposed budget, resumes/qualifications of key staff, and proposed time line. EDA will not accept proposals submitted by fax. Proposals must be received in Room 7001A at the address and by the submission deadline indicated above, in order to be considered.

III. Areas of Special Emphasis

A. National Technical Assistance Program

• Leveraging Capital for Defense Adjustment Infrastructure Assistance

EDA invites proposals to examine the potential for using EDA's defense adjustment appropriations in combination with new or innovative techniques to leverage significant additional capital for defense adjustment assistance, including construction related to military base reuse.

Background: The capital required for most defense adjustment infrastructure (re)development exceeds the ability of many communities to raise. Public funding available for defense adjustment assistance is modest compared with the current need for infrastructure assistance. This project would develop, evaluate, and recommend, if appropriate, alternative ways for using EDA's defense appropriations to leverage other financing for defense adjustment infrastructure projects. This project is not to review, discuss or report on the wide array of development financing techniques presently available for funding public infrastructure. The area of interest for this project is intended to be highly focused on the potential use of relatively small amounts of EDA grant funds in innovative ways to raise or leverage larger amounts of other funds which, in turn, could be used to pay for infrastructure costs associated with the redevelopment of military bases and other economic development activities. In other words, this project will investigate the possibility of using EDA grants funds to raise or leverage money for public infrastructure, as opposed to the present practice of investing EDA grant funds, separately or in conjunction with other public or private funding partners, directly into infrastructure or other economic development activities. Such leveraging might involve using EDA defense appropriations to partially secure large bond issues, or to provide for the first several years of payment on large bond issues until new/future tenants, etc., can pick up the costs. It would also evaluate what role other Federal financing mechanisms might play. The feasibility of such alternatives are not known, but they could possibly serve to greatly extend the impact of limited Federal/EDA defense infrastructure funds. Alternatives considered need not be limited to those possible under EDA's current legislation and regulations, but may also include those that require changes to EDA's or other Federal legislation or regulations.

Scope of Work: The successful applicant will: (1) Bring together a panel of public and private sector financial experts to explore the full range of realistic, innovative financing alternatives for using EDA defense adjustment funds to leverage private or other public financing, including the relative advantages and disadvantages of each; (2) determine what legislative or regulatory changes will be required for implementation, if any; (3) prepare a comprehensive report; and (4) conduct briefings and/or training workshops as set forth in Section I.D. above.

Cost: If properly justified, the Assistant Secretary may consider a waiver of the required 25 percent local share of the total project costs. Part of the funding for this project will be provided by the Office of Economic Adjustment of the Department of Defense.

Timing: This project should be completed and the final report submitted by March 31, 1998.

• Trade Adjustment Assistance (TAA) Program Impact Evaluation

EDA invites proposals to develop evaluation criteria for and to evaluate the impact of the TAA Program on small and medium-sized manufacturing firms injured by increased imports.

Background: The TAA Program is rooted in the presumption that increased international trade is good for the nation as a whole, but there are firms, communities and industries that will suffer a disproportionate share of the impact of changing trade patterns. Each new round of trade agreements has led to the lowering of trade barriers and increased foreign competition for U.S. manufacturers. The EDA-administered TAA Program was developed to help U.S. manufacturing firms and industries injured by import competition regain the ability to compete in the global marketplace. The TAA Program assistance is provided to manufacturers through a network of twelve Trade Adjustment Assistance Centers (TAACs) located at universities and other nonprofit organizations throughout the Nation.

In order to qualify for assistance under the TAA Program, a manufacturer must show a decline in sales or production and a decline in employment, and that imports contributed importantly to such declines. Once a firm is certified, TAAC staff work with the firm to develop and implement recovery strategies based on the firm's own priorities and decisions.

EDA now seeks an evaluation of the impact of the TAA Program. EDA is interested in determining the measurable and ''value added'' aspects of the TAA Program process and in measuring overall program performance. In undertaking this analysis of the implementation of the recovery process, the applicant will need to examine selected grants. The target universe of assisted firms is approximately 550 firms that have completed at least one

task of their approved adjustment proposal between FY 1990 and 1995 and are not doing any additional tasks with TAAC assistance. The applicant should select a representative sample of those firms. The resulting data must be appropriately analyzed and the results, with recommendations as appropriate, presented in a final report to be available for use by interested Federal and state agencies and other interested parties. All available project records are located in, or are accessible through, the twelve TAAC offices. Access to client records may require prior client approval.

EDA will not accept proposals for this project from TAACs, TAAC sponsoring organizations, or trade organizations that have received assistance under the TAA Program.

Scope of Work: The successful applicant will: (1) Evaluate the effectiveness of the TAA Program assistance, including as assessment of the appropriateness of the TAA Program assistance and the impact of the assistance on the firms' economic recovery; (2) examine the current TAA Program performance measures and recommend revisions as necessary; [The current performance measures are Project Outcomes at 2 Years and 4 Years After Completion: (a) The percentage of TAA Program client firms which have completed the adjustment process and have successfully restructured, and (b) Sales and employment after completing assistance compared to sales and employment two years before entering the program and at the time they entered the program.] (3) measure and assess the value and impact of the diagnostic and adjustment proposal process; (4) make recommendations for maintaining the status quo and/or improving both the assistance process and the TAA Program; (5) identify the features of the TAA Program that make the program effective in meeting the needs of its clients, the best practices in the TAACs and the best practices in other business assistance programs that could be incorporated into the TAA Program; and (6) conduct briefings and/or training workshops as set forth in Section I.D above.

Cost: If properly justified, the Assistant Secretary may consider a waiver of the required 25 percent local share of the total project costs.

Timing: An interim report on sections (1) (3) and (5) of the scope of work should be provided by February 28, 1998. The project should be completed and the final report submitted by June 30, 1998.

• Update Overall Economic Development Program

EDA seeks proposals for a cooperative agreement through which the successful applicant will review, evaluate, and make recommendations on the Overall Economic Development Program (OEDP) comprehensive planning process. The goal of this effort is to increase the benefits of the OEDP process and optimize the economic development capacity created at the local level with the assistance provided by the EDA planning programs. A lead applicant may partner with one or more other organizations.

Background: The OEDP is a process that requires a community or region to conduct an inclusive and comprehensive review of the factors and resources affecting the economic development of its area. The OEDP process:

• is intended to maximize the benefit of investments by responding to a locally-initiated economic development plan;

• should incorporate, when feasible, a number of recent or emerging approaches to comprehensive economic development, such as sustainable development, cluster development, and regionalism;

• should take into account planning processes that other Federal programs (EZ/EC, RDC, ISTEA, EPA, etc.) are initiating, to reduce the total administrative burden on planning entities and local communities.

Scope of Work: A cooperative agreement will be awarded to implement the scope of work. The work includes identifying and using diversified expertise from the many sectors dealing in economic development, conducting a series of working meetings, or contracts under the co-operative agreement, if necessary, for specific studies, preparing recommendations and a final report, and conducting briefings. Actions included are:

(1) Developing an agenda and selecting a panel of participants. The number of participants should not exceed 30, and should include:

—Economic development practitioners (representatives of Economic Development Districts, counties, Indian tribes, cities, states, university centers, and urban and rural areas);
—EDA staff (Planners, Regional Directors, Economic Development Representatives, Program Directors);
—Academicians (planning schools, experts in the field);
—National organizations such as for example, (NADO, NARC, CUED, NASDA, APA, Nature Conservancy, Wilderness Society, etc.);
—Other Federal agencies (USDA, HUD, EPA, DOT, DOD, etc.);

(2) Convening an initial meeting of all participants to determine what should be looked at, what issues or topics should be explored, what path to follow;

(3) Conducting specific studies or, if necessary, issuing contracts under the co-operative agreement for specific studies identified in the initial meeting, such as: research and analysis of issues; best practices, models, and success stories; definition of regions and planning areas; and identification of recommendations.

(4) Convening a final meeting to review and discuss the studies and recommendations, selecting best practices, and formalizing recommendations to be incorporated in the final report;

(5) Conducting briefings and/or training workshops as set forth in Section I.D. above.

The expected outcomes of this effort are:

• Incorporate the latest and most effective approaches to comprehensive economic development planning into a revitalized OEDP process;

• Maximize the economic benefit of Federal, other public, and private investments based on a comprehensive local economic development process;

• Standardize the use of a single comprehensive plan to guide the growth and development of the community, as well as to serve to qualify the area to receive assistance from EDA and other Federal and state programs.

Cost: If properly justified, the Assistant Secretary may consider a waiver of the required 25 percent matching share of the total project cost. The recipient organization (or group of organizations) will receive an award to cover the following activities:

• Coordinating the overall process;

• Conducting two general meetings, including the costs of meeting facilities, and the travel expense, lodging, and professional fees of the participants;

• If necessary, contracts under the co-operative agreement for specific studies, not to exceed an aggregate for all such contracts of $100,000;

• Preparing a final report, including recommendation;

• Conducting briefings and/or training workshops as set forth in Section I.D. above.

Timing: The project should be completed and the final report submitted by September 30, 1998.

• Demand for Economic Development Infrastructure

EDA requests proposals for conducting a study of the nature and approximate cost of the infrastructure that is needed for the economic development of (1) areas with high unemployment or low average income and of (2) areas impacted by defense downsizing.

Background: The study's purpose is to determine the demand for public works assistance in such areas. One of the principal ways that economic development assistance fosters the creation of private sector jobs in areas of economic distress is through financing critical public infrastructure. In recent years a number of efforts have been undertaken to assess the infrastructure needs of the United States. For example, in the late 1970s, EDA funded a study, at the direction of Congress, of historical public works investments in the United States and the implications for the then-current trends in such investments. In 1988, the National Council on Public Works Improvement issued a report on the nation's infrastructure, entitled Fragile Foundations. In 1990, the House Committee on Public Works and Transportation tasked the U.S. Army Corps of Engineers to compile abstracts of significant infrastructure studies, which resulted in Infrastructure Reports: Summaries (1992). Studies such as these deal with nationwide needs. EDA's current interest in learning the extent of infrastructure needs is more limited: EDA is interested in determining the critical infrastructure needs of areas suffering long-term economic distress or that are reasonably anticipated to experience defense downsizing, and therefore need such infrastructure in order to grow their local economies so private sector jobs can be created/retained and the economic vitality of the area restored and sustained. EDA is cognizant of the fact that well-defined infrastructure investment needs grow out of a local planning process where the community or region identifies, among other needs, the type of infrastructure that is needed for the economic development or economic adjustment of the area.

This request has two aspects:

• Under its Public Works program, EDA grants help distressed communities attract new industry, encourage private investment and business expansion, diversify local economies, and generate long-term, private sector jobs. It does so by funding critically-needed infrastructure such as water and sewer facilities for industry and commerce, access roads to industrial sites, business incubators, skill training facilities, and modern technological improvements. EDA's public works assistance is focused on areas experiencing significant economic distress, defined principally as unemployment substantially higher than the national average or per capita income substantially lower than the national average. Under this request, EDA is interested in assessing the infrastructure needs of these economically-distressed areas.

• Under its Defense Adjustment program, EDA helps areas to meet the serious structural economic changes caused by or threatened by the closure of military bases or the impacts of reduced defense expenditures by (1) Working with DoD's Office of Economic Adjustment to design adjustment strategies, and (2) helping to implement those strategies through a variety of types of projects, including infrastructure projects. While the process of fully implementing a base-reuse implementation strategy may take as long as twenty years and require significant private development financing, the early projects and access to public financing, such as through EDA's programs are widely viewed as very critical to successful long-term reuse. Under this request, EDA is interested in (a) assessing the actual and anticipated infrastructure needs growing out of defense downsizing at BRAC 88, 91, 93 and 95 base closure sites, (b) assessing the average timeframe from the date of BRAC announcement that is envisioned for full implementation of infrastructure-type projects related to base reuse strategies, and (c) determining an average timeline and level of investment related to the most critical early phase infrastructure for which base-reuse communities look to public funding sources, such as EDA for assistance. This request seeks to determine initially whether there is a relatively simple, and inexpensive, way to assess infrastructure needs in areas of actual economic distress or in areas affected by defense downsizing.

Scope of Work: The scope of work will take place in two phases.

A. In the first phase, EDA will select a grantee to determine whether there is a valid and cost-effective methodology to determine the demand for economic development infrastructure. The potential grantee would:

(1) Propose a method to assess (a) actual and anticipated defense adjustment needs growing out of base closing and realignment and defense downsizing; and (b) the timing when actual infrastructure financing needs will occur;

(2) Propose a method to assess public works needs of areas of economic distress;

B. If an acceptable, cost-effective methodology is developed in the first phase, in the second phase EDA will select a grantee to:

(1) Assess defense adjustment infrastructure needs and estimate the length of time from development of an adjustment strategy to actual financing of the resulting infrastructure;

(2) Assess public works infrastructure needs in areas of economic distress.

(3) Prepare a report; and

(4) Conduct briefings and/or training workshops as set forth in Section I.D. above.

Upon completion of the first phase, EDA may opt not to complete the second phase of the grant, or may extend the grant with the first phase grantee on a non-competitive basis to complete the second phase, or may make a competitive selection of a new grantee to complete the second phase. Completion of the second phase is dependent also on availability of funds in FY 1998.

Cost: If properly justified, the Assistant Secretary may consider a waiver of the required 25 percent local share of the total project cost.

Timing: The first phase of this project should be completed by February 27, 1998.

• Performance Measures for EDA's Planning and Local Technical Assistance Programs

EDA invites proposals to develop performance measures for EDA's planning and local technical assistance programs.

Background: EDA recently established a set of core performance measures for each of its grant program areas, and has begun to systematically test how effective the standards measure each program's performance, and what adjustments to the core measures may be necessary. EDA is interested in developing/validating measures for the performance of the 301(b) Economic Development District and Indian Planning Program, 302(a) State and Urban Planning Program and 301(a) Local Technical Assistance Program. Some types of measures are easy to define. These would include: input measures, such as the number of full-time employees administering the program, the total amount of grants awarded; output measures—the number of applications processed; and efficiency measures—the cost per client served. It is much more difficult to measure the success or outcomes of EDA's planning and local technical

assistance programs, whose outcomes often cannot be measured in easily quantifiable ways, such as measuring the number of jobs created or saved.

The value of planning per se is difficult to measure. Planning activities include: the bringing together of community stakeholders with diverse interests to work in a collaborative manner; the gathering of comprehensive economic information; the identification of strengths, weaknesses, opportunities, and threats; the identification and agreement on goals, measurable objectives and strategies; ongoing feedback and evaluation; and communication of the collaborative process and the plan. Attempts to measure planning performance could focus on planning activities per se, or on the accomplishment of the measurable objectives that are developed as part of the planning process, or a combination of both.

It is also difficult to measure the performance of local technical assistance projects. They are often single-client and/or single-issue focused, such as technical or market feasibility studies, and grantees have little or no control over the outcomes of the projects.

Scope of Work: The successful applicant will: (1) Research the literature and consult with appropriate experts and practitioners; (2) examine a cross-section of EDA planning and local technical assistance projects; (3) develop proposed performance measures; (4) test the proposed performance measures on a sample of planning and local technical assistance grants; (5) prepare a report which identifies performance measures and provides the justification for their selection; and (6) conduct briefings and/or training workshops as set forth in Section I.D. above.

Cost: If properly justified, the Assistant Secretary may consider a waiver of the required 25 percent local share of the total project cost.

Timing: The project should be completed and the final report submitted by April 30, 1998.

B. Research and Evaluation Program

• State Incentives Evaluation

EDA invites proposals to develop a tool to evaluate state incentives.

Background: Incentives have been used in various forms since the founding of the nation to launch business enterprises, improve and settle states and territories, and open up the West. Following World War I, states used incentives to diversify their economies, provide work for their populations and improve the quality of life. ''Smokestack chasing'' began with the South to recruit companies to locate where operating and labor costs would be lower, and encouraged the substantial industrial shift which took place after World War II as companies searched for ways of reducing business costs. During the 1970s, foreign competition began to substantially affect American industry, and some communities lost much or all of their manufacturing base. Incentives packages assumed new importance as states, regions and localities competed with one another to develop strategies to attract and retain companies and assist them in expanding and creating jobs. Examples of controversial incentives packages are the location of a BMW plant in South Carolina and of a Mercedes Benz plant in Alabama. In these and similar cases, critics argue that immediate and long-term loss to the taxpayers and tax base are excessive and not justified by the job gains. What is now seen by some observers as a new ''war between the states,'' may have become too costly in the long-term: communities and states commit themselves to provide essential public services from a reduced tax base due to abatements to individual companies.

Communities do not have an adequate tool(s) to use in evaluating the potential impact of proposed incentives packages. EDA is interested in developing such a tool (or tools) for evaluating incentives packages that would help communities determine whether the outcomes, over the long-term, are commensurate with the investment.

Scope of Work: The successful applicant will: (1) Develop methodologies for analyzing incentive packages to determine, among other things, the costs/benefits, fiscal impact, and return on investment; (2) develop guidelines which state and local officials can use to craft, evaluate and negotiate recruitment policies; (3) develop recommendations on the appropriate role of the Federal Government with regard to incentives; and (4) conduct briefings and/or training workshops as set forth in Section I.D. above.

Cost: No local match is required for this project.

Timing: This project should be completed and the final report submitted by June 30, 1998.

• Outmigration/Population Loss as Indicator of Economic Distress

EDA invites proposals to assess outmigration/population loss as an indicator of economic distress and recommend an appropriate measure.

Background: EDA's primary and least controversial eligibility criteria are high unemployment and low income. In addition, areas may be eligible for assistance if they have had ''a substantial loss of population due to lack of employment opportunity.'' Elsewhere, EDA's authorizing legislation refers more specifically to ''outmigration,'' which is a component of population loss.

Some rural areas of the United States, such as Appalachia, experience outmigration and population loss in addition to high unemployment and/or low income. However, other areas, primarily in the Plains and Rocky Mountains, experience outmigration and population loss in the absence of high unemployment and low income. It is hypothesized that such population loss, by itself, constitutes economic distress, because of the loss of tax base, reduced services, school closures, expensive care for the remaining elderly who do not migrate, and so on.

Scope of Work: The successful applicant will:

(1) Examine all significant forms of dislocation and distress that accompany population loss/outmigration and the adverse effects of the loss/outmigration on the community. The hypothesis of population loss/outmigration as economic distress should be tested against the contrasting view that it is an alleviator of economic distress and its many symptoms. In this view, outmigration is the relief valve that allows the unemployed, underemployed, and those of low income to seek better circumstances elsewhere.

(2) Compare and contrast population loss/outmigration with other measures of economic distress, including high unemployment and low income. Any significant distress-based distinctions between population loss and its outmigration component should be examined and described.

(3) If population loss/outmigration is found to be an indicator of economic distress, evaluate and recommend specific measurements that can be used to quantify this indicator. For example, a high-unemployment-rate threshold can be set at some level above the prevailing national or state rate; and a low-income threshold can be set at some percentage of per-capita income. What threshold can be used to define areas experiencing excessive population loss/outmigration?

(4) Prepare a comprehensive final report containing the project background, methodology, findings, and recommendations.

(5) Conduct briefings and/or training workshops as set forth in Section I.D. above.

Cost: No local match is required for this project.

Timing: The project should be completed and the final report submitted by March 31, 1998.

• Socioeconomic Data Needed for Economic Development Practitioners

EDA invites proposals to assess the need for and quality of state, regional, and local socioeconomic data that are essential for effective economic development.

Background: The many kinds of data used by the economic development community are collected by a variety of agencies. Just at the Federal level, these include decennial population and quinquennial economic censuses by the Bureau of the Census, macroeconomic figures on output and its components and other much more industrially and geographically detailed income and employment data by the Bureau of Economic Analysis, and labor force data by the Bureau of Labor Statistics. All three agencies are variously responsible for the income/poverty data and unemployment data that are crucial to economic development programs. Local and state agencies are also important data sources.

Improvements in data are needed, but budget limitations require that they be prioritized so that the most broadly needed and useful are implemented first. The kinds of improvements most often discussed fall into four categories: (1) Additional topics: Among the many possibilities are improved breakdowns of poverty and unemployment data by minority status, gender status, industry, etc. (2) Greater frequency: Population Census data are collected only every ten years. Some advanced countries conduct their censuses more often. Since the usefulness of decennial data declines rapidly, and to address this concern, the Census Bureau has begun the start-up phase of the American Community Survey, which will start to provide data for sub-state areas in 2001 and, by late in the next decade, will provide annual social and economic profiles about the population for areas as small as city neighborhoods. (3) Finer geographical detail: Many data are available at the national level only. Other data are available no lower than the state or multistate regional levels. The Census Bureau has recently developed statistical models for the county level to produce income and poverty data (small area income and poverty estimates). This program is in its first stages and the first set of estimates is currently being evaluated. Even data available at the county level can be too coarse for purposes of inner-city/poverty-pocket program eligibility and analysis. (4) Greater accuracy: Accuracy can be improved in various ways, but it often involves larger samples, and attendant greater cost for the surveys in which the size is increased. Census Bureau plans for Census 2000 call for the use of sampling in place of some costly door-to-door visits and as a quality check. This will both reduce census costs and improve the accuracy of the totals. With the increased use of sampling, Census 2000 will be more accurate than past decennial censuses, which missed many millions of U.S. residents. Still other categories of data improvement beyond these four—through statistical modeling, for example—are possible and can be addressed by the respondents to this request.

Scope of Work: The successful applicant will:

(1) Be both bold and realistic in the needs assessment and recommendation of data augmentation. For example, a more frequent Census of Population is unlikely and would be extremely expensive. Many of its objectives would be met by the American Community Survey and modifications of the monthly Current Population Survey. Finer geographical detail is both expensive and statistically problematical; most data for small sub-populations have wide error ranges, wherein the reported figures are merely the midpoints. Additional data topics require new questions in the underlying surveys and censuses, bringing up questions of citizen privacy and inconvenience, as well as added expense.

(2) Where data are collected by different levels of government or by different entities, such as states, at the same level of government, examine the difficulties of data comparability and the need for data standards. For example, unemployment data collected by one state should not have biases towards higher or lower values that make such data incompatible with that collected by other states.

(3) Assess how existing data are used, or not used, by the economic development community, in order to understand how demands for new data might be partly satisfied by greater practitioner awareness of the data already available.

(4) Prepare a comprehensive final report containing the project background, methodology, findings, and recommendations.

(5) Conduct briefings and/or training workshops as set forth in Section I.D. above.

Cost: No local match is required for this project.

Timing: The project should be completed and the final report submitted by June 30, 1998.

• Microenterprise as an Economic Adjustment Tool

EDA invites proposals to evaluate the role of microenterprise as an economic adjustment tool.

Background: Microenterprise programs provide entrepreneurial assistance and small loans, sometimes as small as $100, to low and moderate income people, especially women and minorities, who would not be eligible for loans from traditional lending institutions. The programs active in the United States basically fall into two categories (1) Entrepreneur training and technical assistance and (2) access to capital, with many programs offering both services. Many of the programs, especially those which deal exclusively with low-income groups, also provide personal effectiveness assistance, mentoring, and peer support groups to promote and sustain in their clients the discipline of focus, self-confidence, and commitment, among other factors. The supportive environment assists the borrowers in developing the skills needed to start and grow a business, as well as to manage capital financing activities. Some programs also assist in promoting alliances among microenterprises and in connecting them with traditionally inaccessible markets.

For purposes of this evaluation, micro enterprises are defined as businesses with five (5) or fewer employees, and in programs offering access to capital, businesses receiving loans in the amount of 25 thousand dollars or less.

While microenterprise programs no doubt help to promote personal development and self-sufficiency among low income people who have had little opportunity to enter and participate in more traditional ways in the mainstream economy, the question remains as to what extent microenterprise programs meet the more conventional economic development objectives. For example, EDA presently makes grants to establish Revolving Loan Funds (RLFs) under the authority of its Economic Adjustment Program, which is directed at assisting communities struggling with structural economic change. Such changes can occur when significant sectors of a community's economic base are seriously damaged, such as by a natural disaster, or eliminated altogether, such

as by a military base closing. The community's objective is to stabilize, diversify and replace the economic activity that was lost. To what extent can microenterprise activity offset such losses and contribute to economic recovery? Can microenterprise programs assist in the alleviation of the problems of unemployment and underemployment in distressed areas and make a contribution to job creation, creation of wealth, and tax base enhancement? Should microenterprise development be viewed as an appropriate part of overall structural economic recovery, perhaps encouraging the development of adequate services within a community to keep pace with other efforts to rebuild economies? Should EDA assistance, other than RLFs, focus on microenterprise, e.g., microenterprise incubator or technical assistance projects? These questions will be considered in an assessment of the impact of microenterprise programs, and whether they can be an effective tool for addressing the economic adjustment needs of communities facing structural economic problems.

Scope of Work: The successful applicant will: (1) Choose a broad sample of microenterprise programs to analyze, compare, and evaluate in terms of their impact on job creation and income enhancement for targeted groups in distressed areas; (2) assess the utility of microenterprise programs in different environments, e.g., urban, suburban, and rural; (3) determine whether, the extent to which, and under what conditions microenterprise is an effective economic adjustment tool; (4) present these matters in a final report, which will be available to interested parties; and (5) conduct briefings and/or training workshops as set forth in Section I.D. above.

Cost: No local match is required for this project.

Timing: This project should be completed and the final report submitted by September 30, 1998.

IV. Selection Process and Evaluation Criteria

Proposals will receive initial reviews by EDA to assure that they meet all requirements of this announcement, including eligibility and relevance to the specified project as described herein. The Office of Economic Adjustment of the Department of Defense will participate in evaluating proposals submitted for Leveraging Capital for Defense Adjustment Infrastructure Assistance and Demand for Public Works and Defense Adjustment Infrastructure projects described above. If a proposal is selected, EDA will provide the proponent with an Application form, and EDA will carry out its selection process and evaluation criteria as described in 13 CFR Chapter III, part 304 and Sections 307.13, 307.14, 307.18, and 307.19.

From the full proposals and applications, EDA will select the applicants it deems most qualified and cost effective. EDA anticipates that more full proposals and applications will be invited than will eventually be funded.

Dated: May 8, 1997.

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[FR Doc. 97–12492 Filed 5–9–97; 1:29 pm]

BILLING CODE 3510–24–P