

**EDA REGULATIONS: PART 306 TRAINING, RESEARCH AND TECHNICAL ASSISTANCE INVESTMENTS
COMPARISON OF 1999 EXISTING RULES VS 2005 INTERIM-FINAL RULES**

CURRENT FEDERAL REGULATIONS (1999)	INTERIM FINAL RULES (2005)	ANALYSIS / COMMENTS
<p>Subpart A—Local and National Technical Assistance § 307.1 Purpose and scope.</p> <p>Local Technical Assistance projects are intended to:</p> <p>(a) Determine the causes of excessive unemployment, underemployment, low per capita income, or high poverty rates in areas and regions of the Nation;</p> <p>(b) Assist in formulating and implementing new economic development tools, models, and innovative techniques that will raise employment and income levels; and</p> <p>(c) Assist distressed communities in formulating and implementing new economic development programs to increase the technology and human capacity of the communities. Local Technical Assistance funds may not be used to start or expand a private business.</p> <p>§ 307.9 Purpose and scope.</p> <p>(a) The purposes of National Technical Assistance, Training, Research, and Evaluation projects are:</p> <p>(1) To determine the causes of excessive unemployment, underemployment, outmigration or other problems indicating economic distress in areas and regions of the Nation;</p> <p>(2) To assist in formulating and implementing new economic development tools and national, State, and local programs that will raise employment and income levels and otherwise</p>	<p>§ 306.1 Purpose and scope.</p> <p>(a) Local and National Technical Assistance Investments may:</p> <p>(1) Determine the causes of excessive unemployment, underemployment, low per capita income, outmigration or other problems throughout the nation;</p> <p>(2) Formulate and implement economic development tools, models, and innovative techniques that will alleviate or prevent conditions of excessive unemployment or underemployment;</p> <p>(3) Formulate and implement economic development programs to increase local, regional and national capacity;</p> <p>(4) Evaluate the effectiveness and economic impact of programs, projects and techniques to alleviate economic distress and promote economic development;</p> <p>(5) Conduct project planning and feasibility studies;</p> <p>(6) Provide management and operational assistance;</p> <p>(7) Establish business outreach centers;</p> <p>(8) Disseminate information about effective programs, projects and techniques that alleviate conditions of economic distress and promote economic development;</p> <p>(9) Assess, market and establish business clusters and associations; or</p> <p>(10) Perform other activities determined by EDA to be appropriate under the Local and National Technical Assistance program.</p>	<p>New rules generally maintain existing purpose and scope of local and national technical assistance programs. New section consolidates the existing and separate sections for the two programs, Subpart A (Local Technical Assistance) and Subpart C (National Technical Assistance). The purpose of scope of local and national technical assistance investments is expanded.</p>

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<p>produce solutions to problems resulting from the above conditions; (3) To evaluate the effectiveness and economic impact of programs, projects, and techniques used to alleviate economic distress and promote economic development, and (4) To assist in disseminating information about effective programs, projects and techniques that alleviate economic distress and promote economic development. (b) EDA may during the course of the year, identify specific national technical assistance, training, research or evaluation projects it wishes to have conducted. Ordinarily, EDA specifies these projects in a NOFA, which also provides the appropriate point of contact and address. (c) National technical assistance, research, training, and evaluation funds may not be used to start or expand a private business.</p>	<p>(b) Investment Assistance may not be used to start or expand a private business. (c) EDA may identify specific training, research or technical assistance Projects it will fund, which will be subject to competition. Ordinarily, these Projects are specified in an FFO, which will provide the specific requirements, timelines and the appropriate points of contact and addresses. (d) In providing Local and National Technical Assistance under this subpart, EDA, in addition to making Investments, may: (1) Provide Local and National Technical Assistance through officers or employees of the Department; (2) Pay funds made available to carry out this subpart to Federal Agencies; or (3) Employ private individuals, partnerships, businesses, corporations, or appropriate institutions under contracts entered into for this purpose.</p>	
<p>§ 307.2 Application evaluation criteria.</p> <p>EDA selects local technical assistance projects for grant awards according to the general application evaluation criteria set forth in part 304 of this chapter and the extent, as appropriate, the project: (a) Strengthens the local capacity to undertake and promote effective economic development programs targeted to people and areas of distress; (b) Benefits distressed areas; (c) Helps to diversify distressed economies;</p>	<p>§ 306.2 Award requirements.</p> <p>EDA selects Projects for Local and National Technical Assistance Investments in accordance with the general evaluation and selection criteria set forth in part 301 of this chapter and the extent to which the Project: (a) Strengthens the capacity of local, State or national organizations and institutions to undertake and promote effective economic development programs targeted to Regions of distress;</p>	<p>Section consolidates existing sections 307.2 and 307.10. Section eliminates provision that technical assistance projects work to diversify distressed economies and adds provision that additional criteria will be contained in the Federal Funding Opportunity notice.</p>

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<p>(d) Demonstrates innovative approaches to stimulating economic development in distressed areas; and (e) Is consistent with the CEDS or other strategy accepted by EDA for the area in which the project is located.</p> <p>307.10 Application evaluation criteria.</p> <p>EDA selects projects for national technical assistance, training, research or evaluation grant awards according to the general application evaluation criteria set forth in part 304 of this chapter and the extent, as appropriate, the project:</p> <p>(a) Does not depend upon further EDA or other Federal funding assistance to achieve results; (b) Strengthens the capability of local, State, or national organizations and institutions, including nonprofit economic development groups, to undertake and promote effective economic development programs targeted to people and areas of distress; (c) Benefits severely distressed areas; (d) Helps to diversify distressed economies; and (e) Demonstrates innovative approaches to stimulating economic development in distressed areas.</p>	<p>(b) Benefits distressed Regions; (c) Demonstrates innovative approaches to stimulate economic development in distressed Regions; (d) Is consistent with an EDA approved CEDS, as applicable, for the Region in which the Project is located; and (e) Meets the criteria outlined in the applicable FFO.</p>	

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<p>§ 307.3 Award and grant rate requirements.</p> <p>(a) EDA will provide assistance for the period of time required to complete the project scope of work, generally not to exceed twelve months.</p> <p>(b) If the project is regional in scope, EDA may determine that the requirement that public or private nonprofit organizations must act in cooperation with officials of a political subdivision of a State is satisfied by the nature of the project;</p> <p>(c) Grant rate:</p> <p>(1) The maximum Federal grant rate for a project under this subpart is:</p> <p>(i) 50 percent, except as supplemented as provided in § 301.4(b); or</p> <p>(ii) Up to and including 100 percent, if the project is not feasible without, and merits, a reduction or waiver of the non-Federal share required under the rate provided in § 301.4(b).</p> <p>(2) A project is eligible for a supplemental grant increasing the Federal share up to and including 100 percent when the applicant is able to demonstrate that,</p> <p>(i) It cannot provide the non-Federal share otherwise required because in the overall economic situation there is a lack of available non-Federal share due, for instance, to the pressing demand for its use elsewhere;</p> <p>(ii) The project is addressing major causes of distress in the service area and requires the unique characteristics of the applicant, which will not participate in the program if it must provide all or part of a 50 percent non-Federal share; or</p>	<p>§ 306.3 Application requirements.</p> <p>(a) EDA will provide Investment Assistance under this subpart for the period of time required to complete the Project's scope of work, generally not to exceed twelve (12) to eighteen (18) months.</p> <p>(b) For a Project of significant Regional or national scope, EDA may waive the requirement set forth in § 301.2(b) of this chapter that the nonprofit organization act in cooperation with officials of a political subdivision of a State.</p> <p>(c) The Investment Rate for Investments under this subpart shall be determined in accordance with § 301.4(b)(3) of this chapter.</p>	<p>Section consolidates existing sections 307.3 and 307.11. Extends time period of awards from 12 months to 12-18 months. Federal grant rate has been changed to reflect new investment rate guidelines under Section 301. Previously, local and national technical assistance projects were often 100% federally funding, however federal rate is now tied to distressed chart.</p>

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<p>(iii) The project is for the benefit of local, State, regional, or national economic development efforts, and will be of no or only incidental benefit to the recipient.</p> <p>(3) A project receiving a supplemental grant increasing the Federal share under paragraph (c)(2) of this section is not eligible for additional Federal grant assistance under § 301.4(d) of this chapter, i.e., the 10 percent incentive increase for certain projects in districts.</p> <p>(4) A local technical assistance project is eligible for a Federal grant rate of more than 75 percent, up to 100 percent, only if approved by the Assistant Secretary.</p> <p>§ 307.11 Award and grant rate requirements.</p> <p>(a) EDA will provide assistance for the period of time required to complete the project scope of work. Normally, this does not exceed twelve months.</p> <p>(b) If the project is regional or national in scope, EDA may determine that the requirement that public or private nonprofit organizations must act in cooperation with officials of a political subdivision of a State is satisfied by the nature of the project;</p> <p>(c) Grant rate:</p> <p>(1) The maximum Federal grant rate for a project under this subpart is:</p> <p>(i) 50 percent, except as supplemented as provided in § 301.4(b); or</p> <p>(ii) Up to and including 100 percent, if the project is not feasible without, and merits, a</p>		

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<p>reduction or waiver of the non-Federal share required under the rate provided in § 301.4(b) of this chapter.</p> <p>(2) A project is eligible for a supplemental grant increasing the Federal share up to and including 100 percent when the applicant is able to demonstrate that:</p> <p>(i) The project is addressing major causes of distress in the area serviced and requires the unique characteristics of the applicant, which will not participate in the program if it must provide all or part of a 50 percent non-Federal share; or</p> <p>(ii) The project is for the benefit of local, State, regional, or national economic development efforts, and will be of no or only incidental benefit to the recipient.</p>		
<p>§ 307.4 Post-approval requirements.</p> <p>Financial reports, progress reports, and project products will be specified in the Special Award Conditions of the grant or cooperative agreement.</p>		<p>Section is removed since new rules outlined general post-approval requirements for all grantees.</p>

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<p>§ 307.5 Purpose and scope.</p> <p>The University Center technical assistance program is designed to help improve the economies of distressed areas. It helps institutions of higher education (or other applicants) use their own and other resources to address the economic development problems and opportunities of areas serviced.</p>	<p>Subpart B—University Center Economic Development Program § 306.4 Purpose and scope.</p> <p>The University Center Economic Development Program is intended to help improve the economies of distressed Regions. Institutions of higher education have many assets, such as faculty, staff, libraries, laboratories and computer systems that can address local economic problems and opportunities. With Investment Assistance, institutions of higher education establish and operate research centers (“University Centers”) that provide technical assistance to public and private sector organizations with the goal of enhancing local economic development.</p>	<p>New rule revises language in this section. Name of program is changed from University Center to University Center Economic Development Program. Adds rationale and language outlining benefits of working with universities for economic development advancement.</p>
<p>§ 307.6 Application evaluation criteria.</p> <p>EDA selects University Center projects for grant awards according to the general application evaluation criteria set forth in part 304 of this chapter and the extent, as appropriate, the project:</p> <p>(a) Has the commitment of the highest management levels of the sponsoring institution;</p> <p>(b) Provides evidence of adequate non-Federal financial support, either from the sponsoring institution or other sources;</p> <p>(c) Outlines activities consistent with the expertise of the proposed staff, the academic programs, and</p>	<p>§ 306.5 Award requirements.</p> <p>EDA provides Investment Assistance to University Center Projects in accordance with the general evaluation and selection criteria set forth in part 301 of this chapter, the competitive selection process outlined in the applicable FFO, and the extent to which the Project:</p> <p>(a) Addresses the economic development needs, issues and opportunities of the Region and will benefit distressed areas in the Region;</p> <p>(b) Provides service and value that are unique and will maximize coordination with other organizations in the Region;</p>	<p>Section removes language that University Center must be able to provide adequate non-federal match since requirements are already outlined in previous section. New rules remove current requirement that there must be a balanced distribution of University Centers across the country. Adds requirements for coordination and ability to address economic development needs.</p>

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<p>other resources available within the sponsoring institution; (d) Documents past experience of the sponsoring institution in operating technical assistance programs; and (e) Balances the geographic distribution of University Centers across the country. Only the Assistant Secretary has the authority to approve the selection for grant assistance of a University Center that has not received University Center assistance for the previous year.</p>	<p>(c) Has the commitment and support (both financial and non-financial) of the highest management levels of the sponsoring institution; (d) Outlines activities consistent with the expertise of the proposed staff, academic programs and other resources available within the sponsoring institution; and (e) Documents past experience of the sponsoring institution in operating technical assistance programs.</p>	
<p>§ 307.7 Award and grant rate requirements.</p> <p>(a) EDA will provide assistance for the period of time required to complete the project scope of work, generally not to exceed twelve months. (b) If the project is regional in scope, EDA may determine that the requirement that public or private nonprofit organizations must act in cooperation with officials of a political subdivision of a State is satisfied by the nature of the project; (c) Grant rate: (1) The maximum Federal grant rate for a project under this subpart is: (i) 50 percent, or (ii) 75 percent, if the project is not feasible without, and merits, a reduction or waiver of the non-Federal share. (2) A project is eligible for a supplemental grant increasing the Federal share up to and including 75 percent when the applicant is able to demonstrate that:</p>	<p>§ 306.6 Application requirements.</p> <p>(a) EDA will provide Investment Assistance under this subpart for the period of time required to complete the Project's scope of work, as specifically outlined in the applicable FFO. (b) For a Project of significant Regional or national scope, EDA may waive the requirement set forth in § 301.2(b) of this chapter that the nonprofit organization act in cooperation with officials of a political subdivision of a State. (c) The Investment Rate for Investments under this subpart shall be determined in accordance with § 301.4(b)(3) of this chapter. (d) At least eighty (80) percent of EDA funding must be allocated to direct costs of program delivery.</p>	<p>New rules modify Investment rate criteria modified to conform to amended sections on investment rates and eligibility. Similar to EDD and other planning investments, federal and local match share for University Center investments are now related to distress levels of service region, rather than set at 50-50% match, with potential waiver for 75-25% rate.</p>

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<p>(i) It cannot provide the non-Federal share otherwise required because in the overall economic situation there is a lack of available non-Federal share due, for instance, to the pressing demand for its use elsewhere;</p> <p>(ii) The project is addressing major causes of distress in the area serviced and requires the unique characteristics of the applicant, which will not participate in the program if it must provide all or part of a 50 percent non-Federal share; or</p> <p>(iii) The project is for the benefit of local, State, regional, or national economic development efforts, and will be of no or only incidental benefit to the recipient.</p> <p>(3) A project awarded under this subpart is not eligible for additional Federal grant assistance under the table in § 301.4(b) or the provisions of § 301.4(d) of this chapter, i.e., the 10 percent incentive increase for certain projects in districts.</p> <p>(d) Direct costs: At least 80 percent of EDA funding must be allocated to direct costs of program delivery.</p>		

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<p>§ 318.1 University Center performance evaluations.</p> <p>(a) EDA will evaluate the performance of each University Center. EDA will:</p> <p>(1) Evaluate each University Center at least once every three years;</p> <p>(2) Assess the University Center's contribution to providing technical assistance, conducting applied research, and disseminating project results, in accordance with the scope(s) of work funded during the evaluation period; and</p> <p>(3) For peer review, ensure the participation of at least one other University Center, as appropriate, in the evaluation on a cost-reimbursement basis.</p> <p>(b) A purpose of the evaluation is to determine if the University Center should continue to receive funding under the program.</p>	<p>§ 306.7 Performance evaluations of University Centers.</p> <p>(a) EDA will:</p> <p>(1) Evaluate each University Center within three (3) years after the initial Investment award and at least once every three (3) years thereafter, so long as such University Center continues to receive Investment Assistance; and</p> <p>(2) Assess the University Center's contribution to providing technical assistance, conducting applied research, meeting program performance objectives (as evidenced by retention and creation of employment opportunities) and disseminating Project results in accordance with the scope of work funded during the evaluation period.</p> <p>(b) The performance evaluation will determine in part whether a University Center can compete to receive Investment Assistance under the University Center Economic Development Program for the following Investment Assistance cycle.</p> <p>(c) For peer review, EDA shall ensure the participation of at least one (1) other University Center in the performance evaluation on a cost-reimbursement basis.</p>	<p>Section is substantively unchanged.</p>
<p>§ 307.12 Post-approval requirements.</p> <p>Financial reports, progress reports, and project products will be specified in the Special Award Conditions of the grant or cooperative agreement.</p>		<p>Section is removed since new rules outlined general post-approval requirements for all grantees.</p>