

Better Coordination with Regional Commissions and Performance Management Needed

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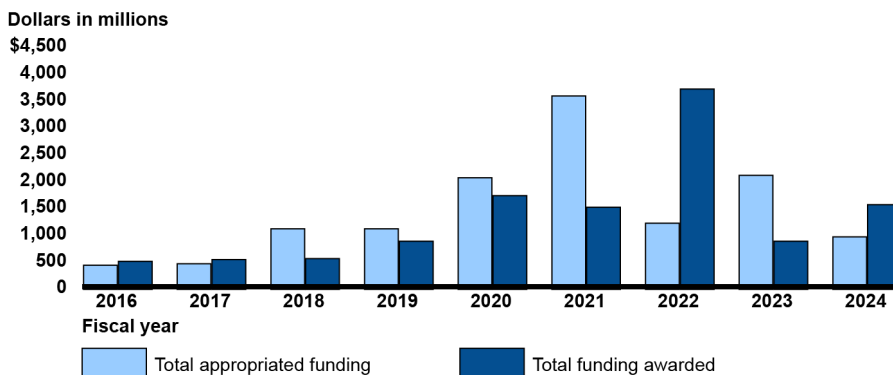
A report to congressional committees

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What GAO Found

The Economic Development Administration (EDA) and five regional commissions—the Appalachian Regional Commission, Delta Regional Authority, Denali Commission, Northern Border Regional Commission, and Southeast Crescent Regional Commission—awarded more than \$12 billion in grants during fiscal years 2016 through 2024 (Southwest Border Regional Commission awarded its first grants in fiscal year 2025). GAO found that economic conditions, such as poverty and unemployment rates, generally improved in regional commission areas, although these changes were difficult to attribute to EDA or regional commission funding. Grantees and local development officials GAO selected for interviews described benefits, including improved infrastructure and expanded job and business opportunities.

Total Dollar Amount of EDA and Regional Commission Grants Awarded and Appropriations, Fiscal Years 2016–2024



Source: GAO analysis of fiscal year grant award data from the Economic Development Administration (EDA), Appalachian Regional Commission (ARC), Delta Regional Authority (DRA), Denali Commission (Denali), Northern Border Regional Commission (NBRC), and Southeast Crescent Regional Commission (SCRC), and fiscal year appropriations data from the Congressional Research Service. | GAO-27-108496

EDA and most regional commissions have procedures for collecting grant performance information to assess progress toward goals and communicate results, which are key performance management practices. The Denali Commission has strategic goals but does not have guidance and procedures for collecting standardized, objective, and measurable performance information across its grants, limiting its ability to assess grant and program performance. In addition, EDA has not systematically validated key performance measure data since 2020, limiting the reliability of these data for assessing and reporting results.

EDA does not have a comprehensive framework for coordinating with the regional commissions. Instead, its coordination arrangements vary—from formal agreements and regular communication to little or no project-level coordination. EDA is statutorily required to coordinate activities related to the preparation and implementation of comprehensive economic development strategies with federal entities carrying out federal programs (including regional commissions). Without a coordination framework, EDA has less assurance that data and resources are being effectively leveraged, and that limited funds for economic development are being used efficiently.

Why GAO Did This Study

The Department of Commerce's EDA provides grants to support economic development in distressed areas and promote growth and job creation. Federal regional commissions are intended to support economic development and infrastructure projects in distressed portions of designated geographic regions.

The Thomas R. Carper Water Resources Development Act of 2024 includes a provision for GAO to review EDA and regional commission programs. This report examines (1) trends in EDA and regional commission grants and economic conditions in the areas they serve, (2) EDA and regional commission performance management practices, and (3) EDA's coordination with regional commissions.

GAO analyzed EDA and regional commission award data for fiscal years 2016 through 2024 and data from the Bureau of Labor Statistics and Census on economic conditions in regional commission areas. GAO also reviewed agency documentation and procedures related to grant performance. GAO visited projects in Maryland, Vermont, and Louisiana and interviewed agency officials and a nongeneralizable sample of grantees and local stakeholders about grant effects, performance, and coordination between EDA and the regional commissions.

What GAO Recommends

GAO recommends that the Denali Commission establish guidance and procedures for collecting and validating performance information from grantees over time across its grants. GAO also recommends that EDA resume procedures for validating grantee-reported performance data and implement a framework for coordinating with federal regional commissions. Denali and EDA agreed with the recommendations.