



On behalf of Governor Corbett and Secretary Walker, the Department of Community and Economic Development (DCED) wants to thank you for your service to this commonwealth, especially during these last few challenging years. Today we stand at the beginning of a new era in Pennsylvania economic development. As indicators of Pennsylvania's economic performance have begun to improve, a growing number of businesses have expressed to us a cautious but bold outlook on new projects and new hiring as they forge ahead in this post-recession environment.

We recognize that many of our proposed changes represent a new approach, and yet we firmly believe that we owe something more to Pennsylvania's businesses and communities seeking a better future. We believe the true value of the work of this department lies in our service and support to commonwealth businesses and citizens, and that same improved service is at the heart of our proposal before you.

With this in mind, our goal is to ensure that the customer will be at the center of the new statewide economic development system. Our vision is no less than a *NEW MODEL* of a fully integrated network of organizations where, for any business person, veteran or aspiring entrepreneur, there is no wrong door to enter and no wrong question to ask.

To accomplish this vision, we need you. We need your leadership, your guidance and your willingness to join us in thinking boldly about how we can build a customer-centric economic development network right here in Pennsylvania. We ask for your thoughtful consideration of the following preliminary guidance on the *Partnerships for Regional Economic Performance* or **PREP** Program.

The PREP Program proposes to use \$12 million in fiscal year 2011-2012 to develop these regional networks of partners to increase collaboration, enhance innovative approaches and create a higher standard of customer service to the business community across all regions, resulting in increased job growth and global competitiveness.

Through the recent regional DCED forums, sponsored by the Team Pennsylvania Foundation, DCED presented several new budget proposals, including PREP, and sought input from regional partners and businesses. This feedback is being used to further refine the PREP Program and to develop guidelines for program implementation. To continue that momentum and to further enhance the planning that has already started in regions across the commonwealth, DCED is providing this preliminary guidance to assist regions and those participating partners in the development of applications for the proposed PREP Program. The guidance provided below has been developed from the Governor's proposed budget and further refined as a result of feedback from the regional forums and internal DCED deliberations.

- Core service providers to be included in each application: Industrial Resource Centers, Local Development Districts, Small Business Development Centers and Industrial Development Organizations. The core service providers are strongly encouraged to include other economic development partners in the regional planning to create a comprehensive and more inclusive strategic plan, which aligns with DCED's vision of the PREP program.
- The Governor's proposed PREP budget for the entire commonwealth is \$12 million and will be used to fund specific geographic regions across the commonwealth. Leveraging existing federal funding to enhance the commonwealth's support will be an important aspect of a comprehensive and effective regional strategy.
- Geographic regions will not be predetermined or defined by the commonwealth; but rather, will be established by a region's core service providers and other partners, with a justification as to how that region was derived.
- Core service providers may be part of several regional applications (given the various DCED program regions), but individual counties will not be divided between regions.
- DCED prefers a single fiscal agent, but will discuss other options to delivering funding support to a region.
- DCED will only approve one joint plan from each region that, at minimum, must include the four core service providers (except for LDDs in non-Appalachian regions).
- Regions are encouraged to document their current services to the business community. Following this process and developing a matrix will allow each region to clarify roles of each organization, identify areas of potential overlap, determine each organization's core competencies and identify gaps in service delivery to the business community. DCED expects the services currently provided by the four core service providers serve as simply a baseline of what should be included in a regional plan.
- Services that are encouraged to be outlined in an application include, but may not be limited to: comprehensive technical assistance to all business sectors, including manufacturing; market development and expansion; business financing; entrepreneurial development; business management; economic development marketing; and real estate development/site selection.
- Regional proposals should include a description of other non-PREP funding that will be leveraged in support of a regional plan, including federal, local, private, etc.
- Regional proposals should include endorsements from the participating partners as well as support from the private sector such as business associations, professional societies or other private sector firms and organizations. Endorsements may include a signed compact, agreed upon mission statement, letters of support, etc.
- A regional proposal will have to demonstrate that it will accomplish an integrated, collaborative and efficient delivery of economic development services. Standards to evaluate this requirement may include: cooperative lead generation; defined referral systems; joint service calls to business clients; "no wrong door" access for businesses; collaborative marketing; shared administrative, IT or delivery services; co-location; and a process to receive and document client satisfaction and impact results.
- The budget information should include individual budgets for organizations receiving funding for services and an overview of shared services between those organizations.

- Regional communication structures are encouraged to be developed – whether through a council of advisors, an advisory board or some other regional exchange of activities, performance and success.

As this exciting vision of the new DCED and its regional partners continues to develop, DCED will maintain a collaborative approach in soliciting feedback and support for the PREP Program, as we have done thus far. Without a strong partnership and transparent process between the commonwealth and its regions, we will fall short of the goal of achieving a more effective and successful economic development system to better serve our business community. Our provider network has performed with great success in the past, but with these new enhancements, we will achieve greater impact and customer satisfaction and make Pennsylvania a top five US economy again.

For more information, or to offer additional feedback regarding the proposed PREP Program, please contact DCED Customer Service at 1-800-379-7448.