Jobs and Innovation Accelerator Challenge

FAQ

What is the Jobs and Innovation Accelerator Challenge? The Jobs and Innovation Accelerator Challenge leverages existing financial and technical assistance resources from 16 federal agencies and bureaus to support the development of approximately 20 high-growth industry clusters to be selected through a competitive inter-agency grant process which will be described in a Federal Funding Opportunity (FFO) announcement. The Jobs and Innovation Accelerator Challenge offers a combination of $33 million in funding from three agencies and technical assistance resources from 13 additional agencies and bureaus to support customized solutions for approximately 20 competitively selected industry clusters in urban and rural regions across the nation and across all sectors. Funds awarded to the winning applicants can be used to support and accelerate a range of measurable outcomes including innovation, commercialization, business formation and expansion, job creation, development of a skilled workforce, increasing exports, sustainable economic development and global competitiveness.

Why this approach? This initiative represents the implementation of a number of Obama Administration policy priorities including the acceleration of bottom-up innovation strategies encompassing urban, rural and multijurisdictional geographies, as opposed to imposing 'one size fits all' solutions. Also, it helps reduce federal silos and promote more coordinated federal funding opportunities that offer a more efficient system for customers to access federal resources.

Regional Innovation Clusters (RICs) provide a globally proven approach for developing regional economic prosperity. The Jobs and Innovation Accelerator Challenge is designed to accelerate the benefits of RIC-based economic development, including business formation and expansion, job creation, and enhanced competitiveness in America’s regions by coordinating federal resources to support the development of self-identified, high-growth clusters. The Jobs and Innovation Accelerator Challenge is a project of the Taskforce for the Advancement of Regional Innovation Clusters (TARIC), in partnership with many other federal partners.

The Jobs and Innovation Accelerator Challenge also represents the high-impact implementation of the regional innovation programs called for in the America COMPETES reauthorization legislation (Public Law 111-358) passed by Congress and signed by the President on January 4 of this year.

What is a cluster? Clusters are networks of interconnected firms and supporting institutions that accelerate innovation, business formation and expansion, and job creation. Clusters exist across the U.S. in urban, rural, suburban and multi-jurisdictional regions. They provide a globally proven approach for developing regional economic prosperity.

Clusters may not conform to traditional notions of regional geographies, such as political jurisdictions or federally defined metropolitan statistical areas. Globally competitive industries
may be anchored in a given region as the foundation of a cluster, but have networked assets (e.g., suppliers, investors, research partnerships) in other states or even abroad.

To learn more about clusters, please visit [http://www.eda.gov/Tools.xml](http://www.eda.gov/Tools.xml).

**What is TARIC?** Recognizing the importance of RICs to the U.S. economy, the White House created TARIC to provide more streamlined support to RICs. TARIC agencies offer unique resources and expertise to help advance the long-term economic health of all regions of the U.S. TARIC recognizes that regions can benefit from coordinated, flexible, regionally-customized investments that link economic development, workforce development, and small business development with greater inclusion of historically underrepresented and excluded communities and stronger goals and metrics. Moreover, TARIC recognizes that globally competitive regions address housing, transportation, environmental protection, and other regional issues in alignment with cluster goals. Winning the future requires that regions address competitiveness and sustainability in a comprehensive way.

**What are some examples of clusters?** Well-known clusters include information technology in Silicon Valley, pharmaceuticals in North Carolina’s Research Triangle Park, financial services in New York City, and energy in Houston. Clusters can be found in central Iowa (wind energy), Wichita (aviation), Vermont (cheese making), and southeast Alaska (seafood). Clusters also span state lines. For example, Idaho, Oregon and Washington participate in a multi-state food-manufacturing cluster.

**Which agencies are involved?** The FFO will include details of each agency’s specific role. Here are the participating agencies:

- Department of Agriculture (USDA)
- Department of Commerce’s Economic Development Administration (EDA)
- Department of Commerce’s International Trade Administration (ITA)
- Department of Commerce’s Minority Business Development Agency (MBDA)
- Department of Commerce’s National Institute of Standards and Technology Manufacturing Extension Partnership (NIST MEP)
- Department of Defense (DOD)
- Department of Education (ED)
- Department of Energy (DOE)
- Department of Health and Human Services (HHS)
- Department of Housing and Urban Development (HUD)
- Department of Labor (DOL)
- Department of Transportation (DOT)
- Department of Treasury
- Environmental Protection Agency (EPA)
- National Science Foundation (NSF)
- Small Business Administration (SBA)
What is the difference between a Funding Agency and a Partner Agency? Funding Agencies are developing a joint solicitation to offer cluster development funds through a competitive process. Funding Agencies include EDA, DOL’s Employment Training Administration (ETA), and SBA. Partner Agencies are committing technical assistance to provide streamlined support to the regions selected in the Jobs and Innovation Accelerator Challenge on projects that otherwise qualify for assistance under current appropriation authority.

What kinds of clusters will be most competitive? This competition recognizes that a diversity of clusters and associated industries will play a vital role in helping the U.S. out-innovate, out-educate, and out-build the rest of the world. Competitive applications will provide strong evidence of being a high-growth cluster, clear descriptions of the cluster’s needs and opportunities, the proposed project concept and scope of work, and clearly articulated projected impact and measurable outcomes.

We are directing funds in a smarter, more targeted way that leverages the partnerships in communities and regions, expands success and spurs private investment. This approach empowers local leaders to maximize their regional strengths and assets and create job opportunities to make their region more competitive. This approach provides resources to local leaders to ensure that historically excluded and underrepresented communities participate in and benefit from cluster investments and cluster growth. It acknowledges that the jobs of the future will be generated in local communities, not through a top-down approach from Washington, DC.

How much money will the winning clusters receive? Subject to funding availability, total proposed funding for the Jobs and Innovation Accelerator Challenge is approximately $33 million in direct federal funding with the potential for additional resources. Funding Agencies include the Department of Commerce’s Economic Development Administration, the Department of Labor’s Employment and Training Administration, and the Small Business Administration. In addition, other Participating Agencies are committing technical assistance to provide streamlined support to the regions selected in the Challenge on projects that otherwise qualify for assistance under current appropriation authority.

Is this challenge funded with new federal dollars? This challenge uses existing federal funds, not new resources. Particularly during these challenging economic times, this competition provides a model for smart use of existing funds and resources for broad impact.

When will the formal solicitation be announced? The formal solicitation is expected to be announced by mid-May, 2011.