

Question 5: Should GLRI track jobs created?

GLAB recognizes the importance of “job creation” as an important economic objective in many federal programs. There is an inherent and significant potential for job creation in GLRI projects that lead to a significant improvement in the Great Lakes ecosystem, because the health of the Great Lakes ecosystem is closely tied to the health of the regional economy. However, projects that do not or cannot demonstrate the potential for job creation should not be ineligible for GLRI funding. Not all projects that offer a significant potential for ecosystem improvement can demonstrate the potential for job creation, and many small communities and tribes have very limited capacity to create jobs. Including “job creation” as an eligibility requirement would disqualify projects that otherwise offer significant potential for ecosystem improvement.

It is critically important, however, to include economic considerations as project selection criteria in the GLRI program. The key consideration in GLRI program implementation should be the potential for investments to achieve measurable improvements to the Great Lakes ecosystem. But GLRI investment decisions should promote economic sustainability as well as social and environmental outcomes. The next action plan should expressly encourage projects that can identify economic benefits and opportunities in affected regions or communities in addition to environmental project outcomes.

Project teams should be allowed to use a variety of factors, not be limited to a single metric, to demonstrate the potential economic impact of a particular project. Some project teams may be able to demonstrate economic benefit using quantifiable economic indicators, such as jobs created or retained, increased capital investment, or increased tax revenues. Federal agencies may be able to provide specific guidance on the selection and use of conventional economic indicators. For other projects, less measurable but still demonstrable economic indicators may be appropriate, such as the redevelopment potential of remediated property, increased tourism from restored habitat, or job/skills training resulting from GLRI-funded work. The next action plan should encourage project teams to be creative in demonstrating economic benefit, and should allow for the use of a wide variety of metrics in making the necessary demonstration.

The agencies can incorporate economic considerations into specific requests for proposals in at least two ways. The best way would be for the agencies to include economic considerations as a *primary* project selection criterion and award applicants a certain number of points (e.g. up to 5% or 10% of the total available points) for effectively demonstrating potential economic impact. Alternatively, the agencies could include economic considerations as an *optional* project selection criterion, in which case applicants would be awarded a certain number of “bonus” points for effectively demonstrating economic impact. The “bonus” points approach might be appropriate, for example, if the agencies require applicants to use a single metric to demonstrate economic impact (e.g. “jobs created”), to avoid “docking” projects that otherwise score well simply because the selected metric is inapplicable.

GLAB recognizes that tracking and quantifying the economic impact of a GLRI project can be expensive, time-consuming, and subject to uncertainty. Few project teams may have the necessary expertise and resources to track and quantify economic benefits as a GLRI project outcome. To address this concern, project teams should be allowed to use a minor portion of their GLRI funds to track the appropriate metrics and demonstrate economic impact as one of their project outcomes. Using GLRI funds for this purpose to some extent would reduce the resources available for protection or restoration of the Great Lakes ecosystem, but would provide essential information about overall GLRI program effectiveness.

Alternatively, agencies could engage regional economic development personnel to participate in the project selection process to evaluate the potential for economic benefit.

Finally, in addition to requiring project teams to evaluate the economic impact of individual projects, we encourage the agencies to consider assessing the economic impact of the GLRI program as a whole. To some extent, the economic impact of GLRI projects may not be measurable for years or even decades. Individual project teams cannot be expected to track economic impacts long after project work has been completed. Devoting GLRI funds to projects designed to assess the economic impact of the GLRI program and measure the return on the GLRI investment portfolio may help to demonstrate program effectiveness and facilitate future US government investment in the Great Lakes region.

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