



NATIONAL ASSOCIATION OF DEVELOPMENT ORGANIZATIONS
LEGISLATIVE ISSUE BRIEF
PROMOTING REGIONAL APPROACHES TO ADVANCING AMERICA'S LOCAL COMMUNITIES

NORTHERN BORDER REGIONAL COMMISSION

EXECUTIVE SUMMARY

The 2008 Farm Bill (HR 2419) authorizes the establishment of the Northern Border Regional Commission to help address the community and economic development needs of the most severely distressed portions of the Northeastern United States.

Under the five-year authorization measure, the new federal-state regional commission, which is modeled after the Appalachian Regional Commission (ARC), will target new resources to promote wealth generation and economic growth strategies and projects within the four-state region of Maine, New Hampshire, New York and Vermont. These efforts will focus on leveraging the public, private and philanthropic resources needed to develop and sustain the community building blocks for economic competitiveness and development, such as: transportation and basic infrastructure, job skills training and entrepreneurial development, comprehensive strategy development, advanced technologies and telecommunications, and sustainable energy solutions.

COMMISSION FUNDING: The legislation authorizes \$30 million annually for fiscal years 2008 – 2012. However, the actual funding levels for the commission are subject to the annual federal appropriations process.

GOVERNANCE: The voting leadership of the Northern Border Regional Commission is composed of a Federal Co-chairperson, who is appointed by the President and confirmed by the United States Senate, along with the governors of each state in the region. Decisions of the commission require the affirmative vote of the Federal Co-chairperson and a majority of the four governors.

Area Covered: Portions of the four-state region of Maine, New Hampshire, New York and Vermont. Counties in these states include:

- **Maine** – Androscoggin, Aroostook, Franklin, Hancock, Kennebec, Knox, Oxford, Penobscot, Piscataquis, Somerset, Waldo and Washington
- **New Hampshire** – Carroll, Coos, Grafton and Sullivan
- **New York** – Cayuga, Clinton, Essex, Franklin, Fulton, Hamilton, Herkimer, Jefferson, Lewis, Madison, Oneida, Oswego, Seneca and St. Lawrence
- **Vermont** – Caledonia, Essex, Franklin, Grand Isle, Lamoille and Orleans

GENERAL DUTIES OF THE NORTHERN BORDER REGIONAL COMMISSION:

The authorization statute outlines several core duties of the commission, including:

- 1) Assess the needs and assets of the region
- 2) Develop economic and infrastructure strategies and priorities and make grants to support economic development within the region
- 3) Encourage private investment in the region
- 4) Within one year, set priorities in a regional development plan, including five-year “regional outcome targets”

- 5) Work with states and local agencies to develop model legislation to enhance local and regional development
- 6) Work with states to enhance economic development programs and to encourage interstate cooperation
- 7) Enhance the capacity of and support for local development districts (which are economic development districts designated by the U.S. Economic Development Administration) and work with states to establish local development districts where none exist

PROJECT PRIORITIES: By law, the commission must allocate at least 40 percent of its project funding to develop transportation infrastructure, basic public infrastructure or telecommunications infrastructure. The commission may also invest in projects related to job skills training and employment-related education; basic healthcare and other public services; promotion of resource conservation, tourism, recreation and open space preservation; and the development of renewable and alternative energy sources.

LOCAL MATCH REQUIREMENTS FOR PROJECT FUNDING: By law, the commission is mandated to allocate at least 50 percent of the federal appropriations to serve the needs of distressed counties and isolated areas of distress. The Commission is required to review each county in the region and identify those that are distressed, transitional and attainment, as well as isolated areas of distress.

In general, the commission may not contribute more than 50 percent of a project's cost. The commission's share may rise up to 80 percent of a project's cost in a distressed county or area. The commission may also increase its share to 60 percent for regional projects involving the participation of three or more counties or more than one state and 90 percent for regional projects in distressed areas.

Attainment counties are ineligible to receive project funding. However, the commission may fund multi-county projects that include participation by an attainment county or a project that brings "significant benefit" to areas of the region outside the attainment county. In addition, local development districts in attainment counties would still be eligible to receive grants to fund administrative expenses.

The commission, upon the approval of the Federal Co-Chairperson and in accordance with the above contribution limits, may use funds to meet local matching fund requirements for other federal grant programs or to increase the federal share of a program, up to 80 percent.

PROJECT AND GRANT CERTIFICATION AND APPROVAL: Project or grant proposals will be submitted to the state for review and approval. The state will then forward the project application to the commission for certification, including the approval of the Federal Co-chair. A majority vote of the commission is required for final approval.

LOCAL DEVELOPMENT DISTRICTS: In addition to the involvement of federal and state officials, the commission model includes a network of local development districts that serve as the lead organizations at the sub-state, multi-county regional level. The commission is required by law to use the existing network of economic development districts designated by the U.S. Economic Development Administration (EDA) to assist the commission in:

- Conducting outreach activities to local governments, community development groups, business organizations and the general public
- Assist in identifying, assessing and facilitating projects and programs to promote economic development
- Serve as a liaison between state and local governments, nonprofit organizations and the private sector

The commission may make grants to local development districts to offset development planning and administrative expenses. The federal share for grants to local development districts cannot exceed 80 percent.

For additional information, please contact NADO Legislative Director Jason Boehlert at 202.624.8590 or email jboehlert@nado.org.