NORTHERN BORDER REGIONAL COMMISSION
EXECUTIVE SUMMARY

ACTION NEEDED: Urge your Members of Congress to actively support funding for the Northern Border Regional Commission's (NBRC) community and economic development programs at the FY2010 enacted level of $1.5 million as part of a final FY2013 appropriations measure.

BACKGROUND: The Northern Border Regional Commission was first authorized in the 2008 Farm Bill (P.L. 110-627) 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 was established to target resources to promote economic growth strategies and projects within the northern portions of the four-state region of Maine, New Hampshire, New York, and Vermont. These efforts focus on leveraging the public, private, and philanthropic resources needed to develop and sustain the community building blocks for economic competitiveness and development in this highly distressed region, including: transportation and basic infrastructure, job skills training and entrepreneurial development, comprehensive strategy development, advanced technologies and telecommunications, and sustainable energy solutions.

The 2008 Farm Bill authorized $30 million annually for the NBRC through September 30, 2012. This year Congress has not passed a new Farm Bill reauthorization and will allow the existing measure to expire. On June 21, the U.S. Senate passed a five-year reauthorization measure, the *Agriculture Reform, Food and Jobs Act of 2012* (S. 3240), which would reauthorize the NBRC, and on July 12, the House Agriculture Committee advanced a five-year reauthorization measure, the *Federal Agriculture Reform and Risk Management Act of 2012* (H.R. 6083), which did not include reauthorization for the NBRC. It is unclear if or when Congress will advance a new Farm Bill measure.

COMMISSION FUNDING: Under the FY2010 Energy and Water Appropriations bill, Congress provided $1.5 million for start-up costs for the commission. In FY2010, after receiving over 47 applications for assistance, NBRC awarded $1.3 million in grants to the four states. From these investments, 700 jobs are anticipated to be created or saved and each dollar that NBRC invests will be matched and leveraged by $11 of other public and private funds.

This year, the Administration's FY2013 budget request included $1.42 million for the NBRC. The Commission was funded at $1.5 million in FY2011 and $1.49 million in FY2012. On April 26, the Senate Appropriations Committee approved a FY2013 Energy and Water Appropriations bill (S. 2465) which provided $1.42 million for the NBRC. The Senate has not moved the Energy and Water Appropriations bill to the floor for consideration. On June 6, the U.S. House of Representatives passed a FY2013 Energy and Water Appropriations bill (H.R. 5325) which provided $1.35 million for NBRC.

On September 21, Congress approved a six-month Continuing Resolution or "CR" (H. J. Res. 117), which will fund NBRC at the current FY2012 level ($1.49 million) until March 27, 2013. NBRC is also subject to the automatic, across-the-board cuts (known as "sequestration") scheduled to occur on January 2, 2013, unless Congress passes legislation before that date to avert or postpone the cuts. The White House Office of Management and Budget has projected cuts of at least 8.2 percent to non-exempt domestic discretionary spending, which would include NBRC programs.

GOVERNANCE: The voting leadership of the Northern Border Regional Commission is composed of a Federal Co-Chair, who is appointed by the President and confirmed by the U.S. Senate, along with the governors of each state in the region. Decisions of the commission require the affirmative vote of the Federal Co-Chair 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. Currently, all 36 counties within the NBRC region are economically distressed.

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 technical assistance and regional development activities.

The Commission, upon the approval of the Federal Co-Chair 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
- Identifying, assessing, and facilitating projects and programs to promote economic development
- Serving as a liaison between state and local governments, nonprofit organizations, and the private sector