



SOUTHEAST CRESCENT REGIONAL COMMISSION EXECUTIVE SUMMARY

ACTION NEEDED: Members of Congress are asked to actively support full funding for the Southeast Crescent Regional Commission. The 2008 Farm Bill conference report (P.L. 110-627) authorized the establishment of the Southeast Crescent Regional Commission to help address the community and economic development needs of the most severely distressed portions of the Southeastern 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 distressed portions of the seven-state region of Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, and Virginia. 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, including: transportation and basic infrastructure, job skills training and entrepreneurial development, comprehensive strategy development, advanced technologies and telecommunications, and sustainable energy solutions.

COMMISSION FUNDING: The 2008 Farm Bill authorized \$30 million annually through fiscal year 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 (S. 3240), which would reauthorize the Commission and on July 12, the House Agriculture Committee advanced a five-year reauthorization measure (H.R. 6083), which did not reauthorize the Commission. It is unclear if or when Congress will advance a new Farm Bill measure.

In FY2011 and FY2012, Congress provided \$250,000 under the Energy and Water Appropriations bill to assist in the start-up of the Commission. For FY2013, the House voted to eliminate funding for the Commission and the Senate passed a bill through the Appropriations Committee to fund the Commission at \$250,000. The final FY2013 funding level for the Commission has not been determined. The appointment of a Federal Co-Chair by the President is still needed to launch the start-up phase.

GOVERNANCE: The voting leadership of the Southeast Crescent 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 seven Governors.

AREA COVERED: All counties in the seven-state region of Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, and Virginia that are not already served by the Appalachian Regional Commission (ARC) or Delta Regional Authority (DRA). If a county is eligible for assistance under more than one commission, it must choose which regional commission it will receive assistance from. No county may receive assistance from more than one federal-state regional commission. In addition, 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.

GENERAL DUTIES OF THE SOUTHEAST CRESCENT 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 for their public administration and technical assistance duties outlined in law.

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

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

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