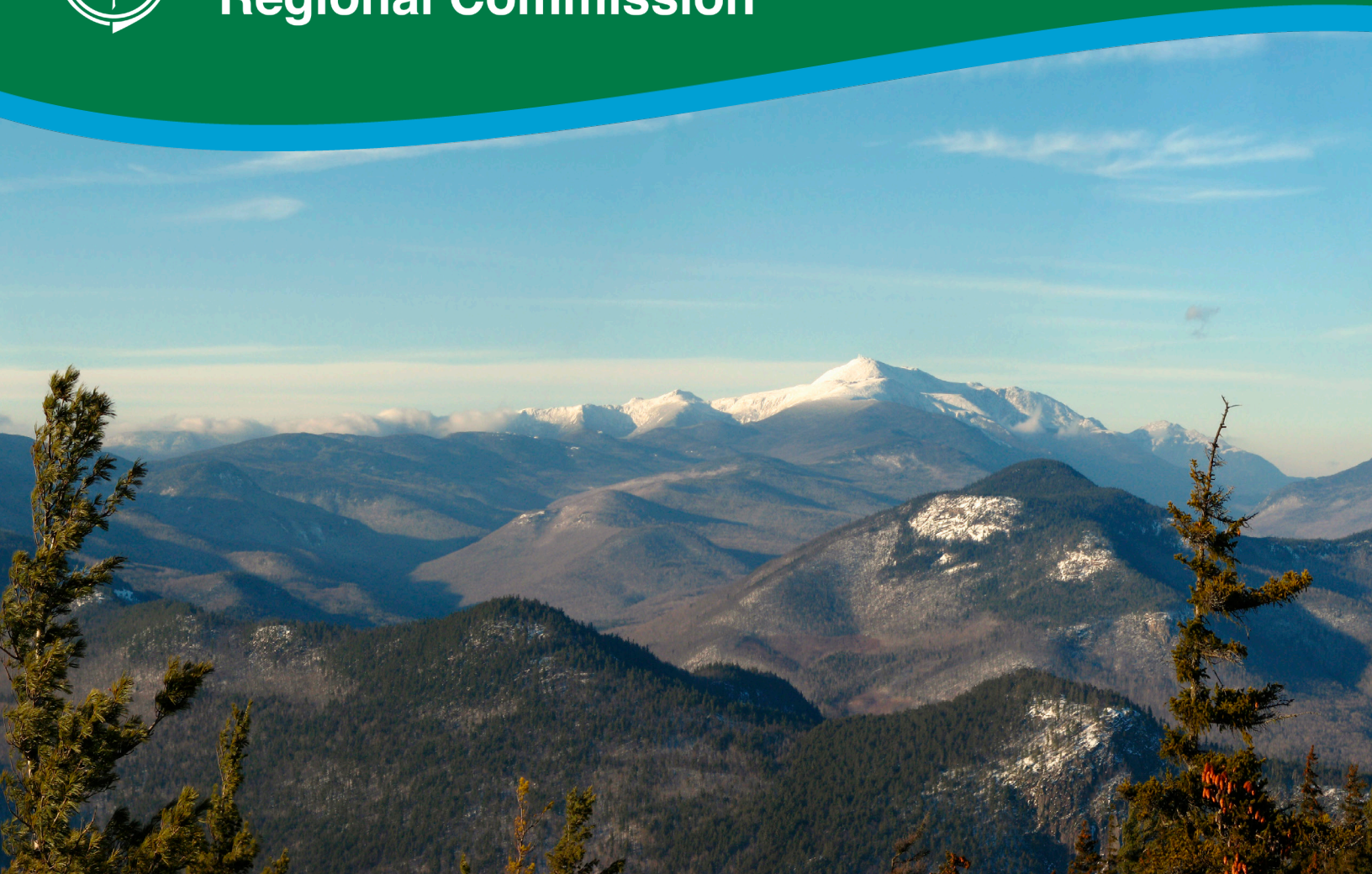




**Northern Border
Regional Commission**



Fiscal Year 2018 Budget Request

Submitted to the House and Senate Appropriations Committees

June 2, 2017

A Federal-State partnership for economic development in northern Maine, New Hampshire, Vermont, and New York

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About the NBRC

Our Vision: *The Northern Border region is known for its vital regional economies and thriving communities that provide for the well-being of the region's residents and support the stewardship of the region's natural and cultural assets.*

Our Mission: *The mission of the Northern Border Regional Commission is to catalyze regional, collaborative, and transformative community economic development approaches that alleviate economic distress and position the region for economic growth.*

Authorized by Congress in 2008 (USC 40, Subtitle V) and first appropriated by Congress in 2010, the Northern Border Regional Commission ("NBRC") was organized on the the Appalachian Regional Commission federal-state partnership model. Like the Appalachian Regional Commission, the NBRC was created to provide infrastructure and economic development assistance to projects in select counties that have varying degrees of economic and demographic distress.

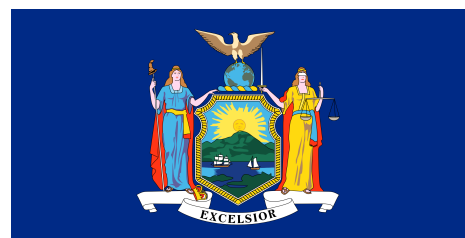
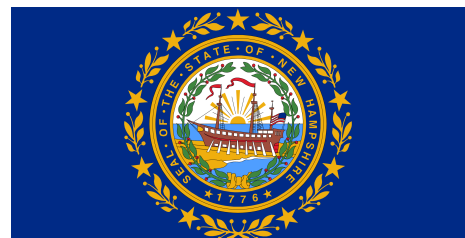
Authority and oversight functions of the NBRC are shared by five Members: a representative of the Federal Government (the Federal Co-Chair) and the Governors of Maine, New Hampshire, Vermont, and New York. NBRC programs, projects, and applications are all approved by the vote of the Federal Co-Chair and the collective vote of the majority of State Governors. Grants are approved by the Members or their chosen Alternate.

As a Federal-State partnership, the NBRC enjoys a strong network of State economic development leaders who provide guidance and support for NBRC programs. Such support also helps NBRC staff maintain knowledge of local conditions throughout its extensive service area.

The NBRC partnership is also aided by a select number of certified Local Development Districts that assist in grant technical assistance, provide information on complementary grants for projects, and generally administer the NBRC grant funds on behalf of recipients.

The NBRC Members have a shared staff that is accountable and responsible to the Members as a whole. The staff provides impartial information and counsel as to NBRC programs and direction. Reflective of its small size, the NBRC has only two employees, a Program Director, who manages the NBRC's grant program, and an Executive Assistant.

Finally, the NBRC offers a wide ranging and popular grant program: the Economic & Infrastructure Development Investment Program. The EID Investment Program's overall parameters are directed by statute but are specifically oriented toward the goals and objective found within the NBRC's Five Year Strategic Plan.



NBRC Members

Programmatic and project funding decisions by the Commission are made by the Federal Co-Chair and a majority of governors from Maine, New Hampshire, Vermont, and New York.



Representing the Federal Government

Mark Scarano, Federal Co-Chair
(603) 369-3001 x 1
mscarano@nbrc.gov
Alternate Federal Co-Chair: Vacant



Representing the State of Maine

The Honorable Paul LePage, Governor
Governor's Alternate:
John Butera, Economic Advisor, Office of the Governor
NBRC Program Manager:
Andrea Smith, Department of Economic & Community Development



Representing the State of New Hampshire

The Honorable Christopher T. Sununu, Governor
Governor's Alternate:
Commissioner Jeffrey Rose, Dept. of Resources & Community Development
NBRC State Program Manager:
Mollie Kaylor, Dept. of Resources & Community Development



Representing the State of Vermont

The Honorable Phil Scott, Governor
Governor's Alternate:
Deputy Secretary Ted Brady Agency of Commerce & Community Development
NBRC State Program Manager:
Katie Corrigan, Agency of Commerce & Community Development



Representing the State of New York

The Honorable Andrew Cuomo, Governor
Governor's Alternate:
Deputy Secretary of State Dierdre Scozzafava, Local Government Services
NBRC State Program Manager:
Kyle Wilber, Local Government Services, NY Secretary of State

The NBRC Service Area

Recognizing similar economic and demographic challenges facing the northern parts of New York, Vermont, New Hampshire, and Maine, Congress delineated the NBRC's service area by statute and only projects within the service area are allowed funding. The thirty-six counties within this service area include:

In New York

Cayuga, Clinton, Essex, Franklin, Fulton, Hamilton, Herkimer, Jefferson, Lewis, Madison, Oneida, Oswego, Seneca, and St. Lawrence counties

In Vermont

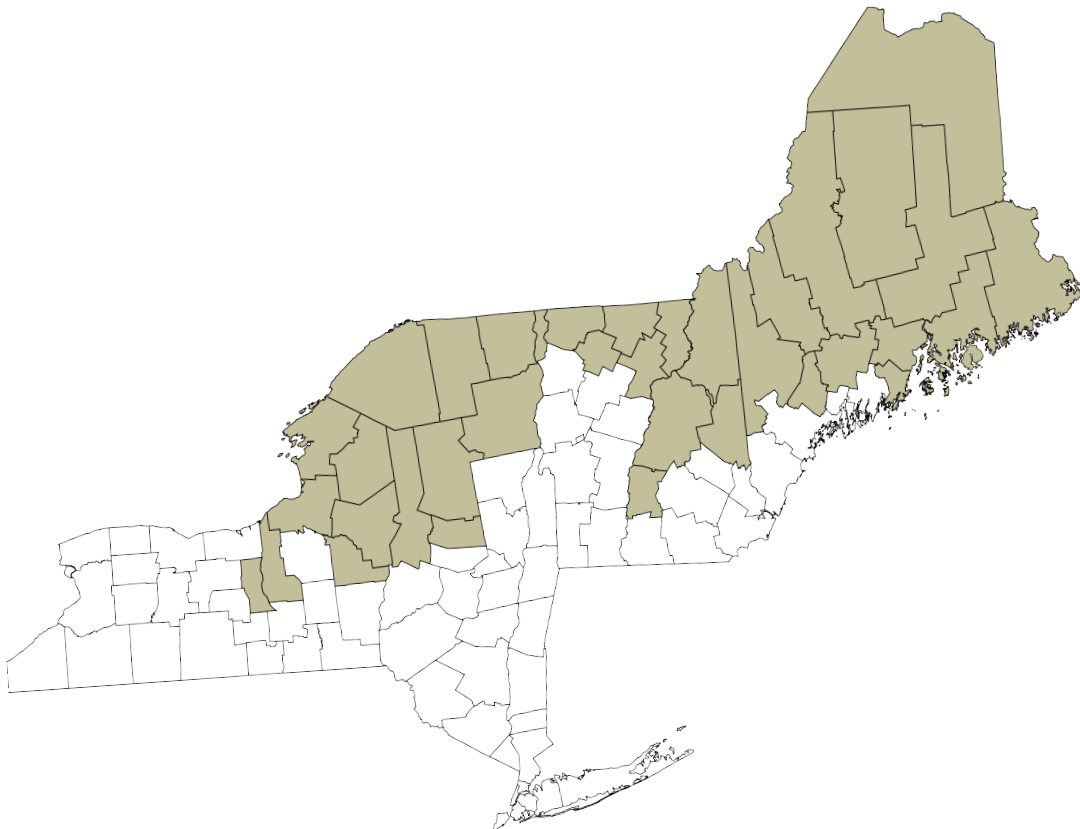
Caledonia, Essex, Franklin, Grand Isle, Lamoille, and Orleans counties

In New Hampshire

Carroll, Coos, Grafton, and Sullivan counties

In Maine

Androscoggin, Aroostook, Franklin, Hancock, Kennebec, Knox, Oxford, Penobscot, Piscataquis, Somerset, Waldo, and Washington counties



Distressed and Transitional Counties

By statute, the NBRC is required to annually assess the level of economic and demographic distress within its 36 county region. The reasons for this annual exercise include:

- To have reliable and timely data that can inform NBRC leadership as they create new- and perfect existing- economic and infrastructure funding programs,
- To create a benchmark in which annual compilations of economic and demographic data can be compared to the NBRC's Five Year Plan goals,
- To identify whether or not the NBRC can provide grants to projects within a county,
- What level of match is required by grant applicants for projects.
- To assist States as they develop their own economic and community development programs, and
- To provide publicly available information so local decision makers can prioritize their economic and community development strategies.

Classification Criteria

The ultimate result of this work is to separate counties and municipalities within the NBRC service area into certain classifications including Distressed Counties, Transitional Counties, and Attainment Counties.

The NBRC bases the classification of counties based on the following distress categories:

Primary Distress Categories

(required by statute for consideration):

- a. Percent of Population below Poverty Level,
- b. Unemployment Rate, and
- c. Percent Change in Population

Secondary Distress Categories

- a. Percent of Population with a Bachelors Degree or Higher,
- b. Median Household Income, and
- c. Percent of Secondary and Seasonal Homes

Distressed Counties

Counties classified as "Distressed" are the most severely and persistently economically distressed and underdeveloped of the NBRC's 36 county service area and have high rates of poverty, unemployment, or outmigration. Distressed counties have at least three of the criteria stated above. The percent of qualified project costs matched by NBRC funds in distressed counties is up to 80%. Federal law requires the NBRC to provide 50% of appropriations to projects categorized as distressed.

Transitional Counties

Counties classified as "Transitional" are economically distressed and underdeveloped or have recently suffered high rates of poverty, unemployment, or outmigration. Transitional counties have at least one of the criteria stated above. The percent of qualified project costs matched by NBRC funds in transitional counties is up to 50%.

Attainment Counties and Isolated Areas of Distress

Finally, "Attainment" counties are those that are neither "distressed" nor "transitional." The NBRC is not allowed to fund projects within an attainment county unless the project is within an "Isolated Area of Distress," or have been granted a waiver. Isolated areas of distress are "areas [municipalities] that have high rates of poverty, unemployment, or outmigration."

Listing of Counties by Distress

Please refer to the NBRC's most recent Annual Report for a listing of counties and their distress designation. All Annual Reports can be found at www.nbrc.gov/content/impact-reporting

Areas of Investment

The following investment categories, as found in Pub.L 110-246, Subtitle V – Regional Economic and Infrastructure Development, represent the allowed seven areas of focus for NBRC grant funds.

1. To develop the transportation infrastructure of its region;
2. To develop the basic public infrastructure of its region;
3. To develop the telecommunications infrastructure of its region;
4. To assist its region in obtaining job skills training, skills development, and employment-related education, entrepreneurship, technology, and business development;
5. To provide assistance to severely economically distressed and underdeveloped areas of its region that lack financial resources for improving basic health care and other public services;
6. To promote resource conservation, tourism, recreation, and preservation of open space in a manner consistent with economic development goals;
7. To promote the development of renewable and alternative energy sources.

Federal law mandates that 40% of NBRC grants be utilized for infrastructure projects (numbers 1, 2, and 3 above) while 50% of NBRC appropriations shall be dedicated for distressed counties.

Strategic Investing

Considering the wide ranging nature of these categories and limited funding for grants - and in respect to the NBRC's enabling legislation that requires a five year investment plan - the NBRC has created a Five Year Strategic Plan that will give the NBRC focus and priorities from 2017-2021. Below are the areas of investment supported in the Strategic Plan:

- Revitalize and modernize essential infrastructure in Northern Border region communities.
- Increase access, affordability, and use of high speed telecommunications by Northern Border residents and businesses.
- Stabilize and reduce electric and thermal energy costs.
- Retain, expand and diversify business enterprise that capitalizes on the region's natural, cultural, and economic assets.
- Position the Northern Border region as an attractive and supportive place for creative and entrepreneurial people.
- Support and expand a highly productive workforce with skills suited to existing and future business needs.
- Foster entrepreneurial leadership and capacity for community economic development.
- Inform and align local, state, and regional economic development decision making with regional data and perspectives.

The NBRC's Five Year Strategic Plan is available for downloading on the NBRC's website:
www.nbrc.gov/content/strategic-plan

FY 2016 Grant Awards

The NBRC has one fund: the Economic & Infrastructure Development (EID) Investment Program. The EID Program funds economic and community development projects and programs within the NBRC's four State region. The parameters of the NBRC's investments are directed by the NBRC's enabling legislation, standard Federal grant requirements, the NBRC's new Five Year Strategic Plan, and State or regional economic development plans.

Below is a summary of the grants awarded during the 2016 EID round. More detailed information on the grants can be found within the NBRC's 2016 Annual Report (easily available at www.nbrc.gov). Because the EID applications are accepted late in the fiscal year, we are unable to provide definitive information on the 2017 round of grant requests or approved applications.

Information on Total NBRC Economic & Infrastructure Grants Awarded, 2016

Number of Awards:	43
Total Amount of NBRC Funds Awarded:	\$7,488,186
Total Amount of Matching Funds:	\$43,738,103
Ratio of Awarded Funds to Match:	1:5.8
Awards Serving a Distressed County:	91%
Awards that are Infrastructure:	48%

Information on All NBRC Applicants for Assistance, 2016

Total Number of Applicants:	83
Total Amount of Funds sought by Applicants:	\$16,536,984
Percent of Applications Funded	45%

FY 2018 Areas of Focus

In accordance with the President's budgetary recommendation to Congress, the NBRC's activities in 2018 will focus on the closure of the agency and ensure that future grant reimbursement requests are processed in a timely manner. In meeting this mandate, NBRC leadership will oversee the following activities:

- To identify acceptable Federal entities that have the capacity and subject matter expertise that can and will assume responsibility for outstanding grant balances,
- Negotiate, create, and enter into inter-agency agreement(s) that will transfer these outstanding grant balances to the accepted entity,
- Work with NBRC's current contracted human resource providers to terminate and compensate NBRC personnel,
- Terminate any outstanding contracts, and
- Properly transfer or dispose of equipment.

FY 2018 Proposed Budget

The proposed Commission Budget Request for the 2018 fiscal year is **\$850,000** in order to carry out the 2018 Areas of Focus described in the previous chapter.

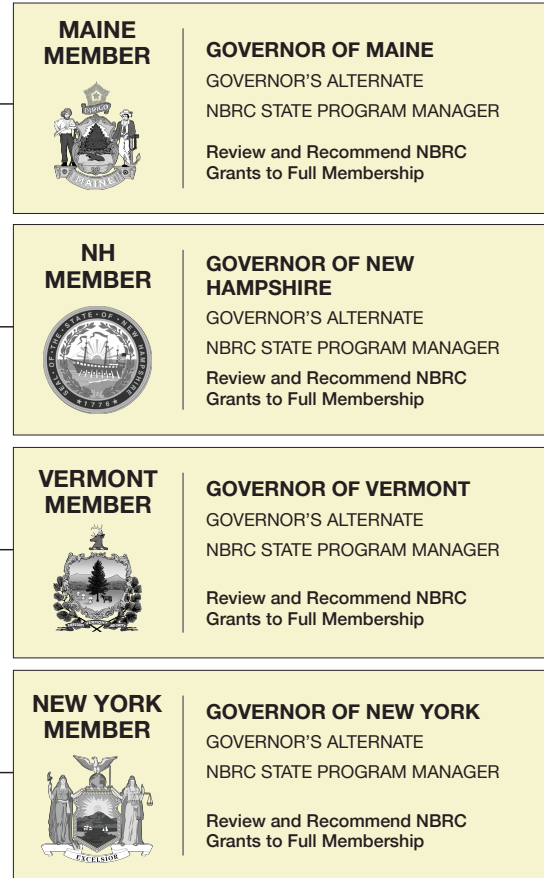
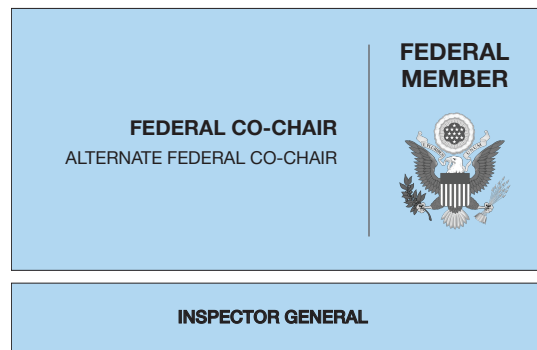
	FY 16 Actual	FY 17 Estimate	FY 18 President's Budget
Administration (Delivered)			
11 Personnel Compensation	\$293,240	\$363,216	\$357,352
12 Personnel Benefits	\$91,007	\$123,626	\$178,676
13 Benefits for Former Personnel	\$0	\$0	\$183,080
21 Travel, Transportation of Persons	\$19,584	\$30,830	\$5,000
22 Transportation of Things	\$3,047	\$0	\$5,000
23 Rent, Communications, Utilities	\$31,686	\$25,528	\$35,499
24 Printing and Reproduction	\$2,237	\$7,000	\$1,000
25 Other Services	\$78,750	\$63,322	\$77,893
26 Supplies and Materials	\$6,635	\$5,678	\$1,500
31 Equipment (general)	\$21,501	\$2,000	\$5,000
Subtotal	\$547,687	\$621,200	\$850,000
Programmatic (Obligated)			
41 Economic & Infrastructure Development Grants	\$12,638,146	\$9,100,000	\$0
31 Equipment (online grant application portal)	\$0	\$159,000	\$0
25 Other Services (three topical conferences)	\$0	\$119,800	\$0
Subtotal	\$12,638,146	\$9,378,800	\$0
TOTAL	\$13,185,833	\$10,000,000	\$850,000

NBRC Organizational Chart

MEMBERS: AUTHORITY & OVERSIGHT

NBRC programs, projects, and applications are all approved by the vote of the Federal Member (Federal Co-Chair) and the collective vote of the majority of State Members (Governors). Oversight activities and policies are provided by the Members collectively as well as through committees of Members who work with the shared staff.

Grants are approved by the Members or their chosen Alternate.



NBRC: MANAGEMENT & OPERATIONS

The NBRC Members have a shared staff that is accountable and responsible to the Members as a whole. The staff provides impartial information and counsel as to NBRC programs and direction.

The NBRC Members approve all grants.





Northern Border Regional Commission
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