



# Northern Border Regional Commission



## NBRC Fiscal Year 2027 Budget Justification

## About the NBRC

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Authorized by Congress in 2008 (USC 40, Subtitle V) and first appropriated by Congress in 2010, the Northern Border Regional Commission was created to provide infrastructure and economic development assistance to projects in counties that have varying degrees of economic and demographic distress. Our mission has been to catalyze community vitality and economic prosperity in the northern border region with flexible funding and strategic support and is modeled after the Appalachian Regional Commission federal-state partnership. Authority and oversight functions of the NBRC are shared by five Members: The Federal Government represented by the Federal Co-Chair, and the States of Maine, New Hampshire, New York and Vermont, represented by the Governors of those States. NBRC investments and policies are approved by the vote of the Federal Co-Chair and a majority vote of State Governors.

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 with grants, provide information on complementary grants for projects, and administration of the NBRC grant funds. 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 in support of NBRC programs and direction, as well as a range of administrative functions including finance and contractual relationships.

## The NBRC Service Area

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Recognizing similar economic and demographic challenges facing Maine, New Hampshire, New York and Vermont, Congress delineated the NBRC's service area by statute and only projects within the service area are eligible to receive funding. As of FY 2025, the following counties are included in the NBRC's service area:

**Maine:** Androscoggin, Aroostook, Franklin, Hancock, Kennebec, Knox, Lincoln, Oxford, Penobscot, Piscataquis, Somerset, Waldo, and Washington counties.

**New Hampshire:** Belknap, Carroll, Cheshire, Coös, Grafton, Merrimack, and Sullivan counties

**New York:** Cayuga, Clinton, Essex, Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison, Montgomery, Niagara, Oneida, Orleans, Oswego, Rensselaer, St. Lawrence, Saratoga, Schenectady, Schoharie, Seneca, Sullivan, Warren, Washington, Wayne, Wyoming and Yates counties.

**Vermont:** all counties within the State

## Distressed and Transitional Counties

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

- To have reliable and timely data that can inform NBRC leadership as they create new (and improve 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 the NBRC can provide grants to projects within a county,

- To determine the amount of match required<sup>1</sup> 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.

## Areas of Investment

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As described in **40 U.S.C., Subtitle V, §15501**, NBRC is authorized to support the following economic development activities:

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.
8. To grow the capacity for successful community economic development in its region.

Federal law (**40 U.S.C., Subtitle V, §15501**) 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.

## Grant Programs and 2025 Grant Awards

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In calendar year 2025, NBRC made over \$90 million in grant awards across four programs: The Catalyst Program, the Forest Economy Program (FEP), the Timber for Transit Program (T4T) and the State Capacity Grant Program (SCG). NBRC awarded 133 projects in the region.

In addition to base appropriations, NBRC received transferred funds from the United States Department of Agriculture (USDA), and the Federal Highway Administration (FHWA). The Department of Labor (DoL) via the Workforce Opportunity for Rural Communities (WORC) program, and the Health Resources & Services Administration (HRSA) via Rural Northern Border Region Outreach Program and Rural Communities Opioid Response Program also collaborate with NBRC.

The **Catalyst Program** focuses on rural economic vitality across the NBRC's four State region. Infrastructure projects include transportation, basic public, telecommunication, and energy infrastructure, and non-infrastructure projects include those that support rural healthcare, workforce, and outdoor recreation and tourism initiatives. In 2025, the Catalyst Program awarded over \$77 million from base appropriations, Infrastructure Investment and Jobs Act (IIJA) funds, and transferred funds from USDA.

The **Forest Economy Program (FEP)** supports the growth and diversification of the forest products industry in the NBRC's region. Awards support a range of activities, including research on new uses for wood products, workforce development initiatives focused on industry, and technical assistance in support of wood products and forestry-focused businesses.

The **Timber for Transit Program (T4T)** made eight awards in the 2025 program year, awarding funds transferred to NBRC from the FHWA. Funded projects utilize wood-based materials and composites

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<sup>1</sup> In FY 2021, Congress instructed the NBRC to waive matching funds requirements dating back to FY 2020, and in FY 2021 and future years, due to the impacts of the COVID-19 pandemic.

(advanced wood materials) through applied research and demonstration projects to showcase the suitability of such materials to transportation and transportation adjacent infrastructure.

The **State Capacity Grant (SCG)** made its first awards in FY 2020. The funds are used to build capacity within each state for economic development activities that lead to NBRC and other Federal project proposals.

## FY 2027 Budget

The FY 2027 President’s Budget proposes to eliminate funding for several agencies, including the Northern Border Regional Commission.

NBRC would use \$3.95 million in unobligated balances to conduct a responsible and orderly shutdown of Commission operations. The Budget also requests the permanent cancellation of \$40 million in unobligated discretionary balances and \$50 million in IJA emergency balances.

The NBRC’s activities in FY2027 would focus on the closure of the agency. In meeting this mandate, NBRC leadership will oversee the following activities:

- Reduce staff levels throughout the fiscal year and work to provide compensation, as appropriate;
- Identify appropriate Federal entities to assume responsibility for outstanding grant balances;
- Negotiate, create, and enter into agreement(s) that will transfer outstanding grant balances to the accepted entity;
- Continue to process grant reimbursement requests in a timely manner while transitioning grant responsibilities with the accepted entity;
- Terminate outstanding contracts, and
- Properly transfer or dispose of equipment.

Table 1: FY 2027 Budget Request	FY 2027 Budget
Administrative Federal	\$ 831,517
50/50 (State Share / Federal Match)	\$628,799
Office of Federal Co-Chair	\$ 541,300
Programmatic	\$1,948,384
<b>Total</b>	<b>\$3,950,000</b>

Table 1: Close Out Budget	FY 2027 Budget
Personnel Compensation	\$ 2,895,000
Travel	\$20,000
Lease, Communications, & IT	\$ 130,000
Insurance	\$30,000
Other Services	\$ 8,750,000
<b>Total</b>	<b>\$3,950,000</b>

## Appropriations Language

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The 2027 President's Budget includes the appropriations language listed below.

### Northern Border Regional Commission

*Of the unobligated balances from prior year appropriations available under this heading, \$90,000,000 is hereby permanently cancelled, which shall include \$50,000,000 in unobligated balances from amounts made available under this heading in division J of Public Law 117-58: Provided, That any remaining unobligated balances from amounts previously made available under this heading shall be available only for expenses necessary to carry out the closure of the Northern Border Regional Commission.*