43

New Hampshire Department of
BUSINESS AND
ECONOMIC AFFAIRS

November 18, 2024

His Excellency, Governor Christopher T. Sununu
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Business and Economic Affairs (DBEA) to **retroactively** pay the Northern Border Regional Commission (NBRC) (VC # 314530), Concord, NH, 03301 the amount of $76,310.59 for New Hampshire's portion of the required administrative cost sharing for the federal fiscal period of October 1, 2024 to September 30, 2025 per the NBRC's governing statute, **40 U.S.C. Subtitle V** effective upon approval of the Governor and Executive Council. **100% General Funds.**

Funds are available in the following account for Fiscal Year 2025 and are anticipated to be available in Fiscal Year 2026, upon the continued appropriation of funds in the future operating budget.

03-22-22-220510-14480000, Economic Development Admin

	FY 2025	FY 2026
026-500251 - Membership Fees	$57,232.94	$19,077.65

EXPLANATION

This request is for **retroactive** approval due to the date of invoice issuance compared to the period covered by the invoice.

The NBRC, a Federal-State partnership for economic and community development in northern New Hampshire, Maine, Vermont, and New York, was created by federal legislation in 2008. New Hampshire has willingly participated because this partnership provides access to funds and opportunities that benefit the state and businesses in key regions and industries, as the NBRC provides federal funds for critical economic and community development projects for many of our rural communities each year. The authorizing statute (**40 U.S.C. Subtitle V**) not only dictates what states shall comprise the NBRC, it also determines what communities in New Hampshire can participate in NBRC programming (six counties).

Federal funds provided through the NBRC are focused on state-prioritized rural economic and community development strategies and projects, which are decided on by the collective votes of the Federal Co-Chair and each of the Governors of the four member states (or their designees). Since its inception, the NBRC has provided over $40 million to communities and organizations in the State, including $11 million just this past year.

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The NBRC is an entity unlike other partnerships or programs in which the State participates. Federal statute conscribes participants, operations, and costs. As part of NBRC programming, BEA leads award rounds, hosts workshops and webinars, provides technical assistance, conducts significant outreach, advocates for and works with awardees to advance their projects, and assists awardees in meeting regulatory requirements associated with their awards, which requires significant, dedicated administrative efforts. Moreover, in order for eligible communities to benefit and states to receive funding, each state is required to contribute toward the administrative costs of the NBRC itself. This mandated cost-sharing fluctuates slightly from year-to-year. Other than these administrative costs contributed by the State, NBRC programs and projects are completely federally funded.

Listed below are answers to standard questions required for Governor and Executive Council relative to organization dues and membership approval submissions. Because of the nature of the NBRC and the State's role in it, BEA does not view these administrative costs as dues or membership fees. However, many of the listed questions are still informative as to the nature of the entity.

1. How long has this organization been in existence and how long has this agency been a member of this organization? ***The Northern Borders Regional Commission (NBRC) was enacted by Congress in 2008 (16 years). BEA has been a member since the BEA was formed in 2017.***

2. Is there any other organization which provides the same or similar benefits which your agency belongs to? ***No***

3. How many other states belong to this organization and is your agency the sole New Hampshire state agency that is a member? ***Three other states (Maine, Vermont, and New York) are part of the four-state federal-state partnership working to alleviate economic challenges in the northern counties.***

4. How is the dues structure established? ***Although not dues, within the NBRC's governing statute, the four states (New Hampshire, Maine, Vermont, and New York) are required to collectively contribute 50% of the administrative expenses of the NBRC itself.***

5. What benefit does the state receive from participating in this membership? ***This year, the NBRC distributed $50 million across the four-state region including $13.2 million to communities and organizations in six counties in New Hampshire. This funding is aimed at helping rural economic and demographic distress communities. Projects are eligible for the Catalyst program in all, or portions of, Belknap; Carroll; Cheshire; Coos; Grafton and Sullivan counties. Without New Hampshire's participation on the Commission, these communities would be ineligible for NBRC grant funds and New Hampshire's portion would be reallocated to the other three northern states.***

   This funding is aimed at helping rural economic and demographic distress communities. Projects are eligible for the Catalyst program in all, or portions of, Belknap; Carroll; Cheshire; Coos; Grafton and Sullivan counties. Without New Hampshire's participation on the Commission, these communities would be ineligible for NBRC grant funds and New Hampshire's portion would be reallocated to the other three northern states.

6. Are training or educational research materials included in the membership? If so, is the cost included? Explain in detail. ***BEA staff provides information sessions, outreach and workshops in all of the six eligible counties and provides grant writing technical assistance services for applicants.***

7. Is the membership required to receive any federal grants or required in order to receive or participate in licensing or certification exams? Explain. ***Although New Hampshire is a member of the NBRC, as defined by federal statute, these administrative costs are not membership dues. Nevertheless, being a part of the NBRC is required in order to receive the federal funds made available for New Hampshire's rural communities and projects.***

   The federal statute that governs the operation of the NBRC - 40 USC Subtitle V - states that any State that is more than one year delinquent in paying the state's administrative share is not eligible for assistance. If no longer eligible, New Hampshire's six rural communities and organizations would not be able to access the grant program and tens of millions of dollars in funds would be reallocated to the other three northern states.

8. Is there any travel included with this membership fee? Explain in detail any travel to include the number of employees involved, the number of trips, destination if known and purposes of membership supported trips. ***The administrative costs contributed by the State relate to the operation of the NBRC itself, not the State's own administrative costs.***

9. Which state agency employees are directly involved with this organization? (Indicate if they are members, voting members, committee members, and/or officers of the organization.) ***The Commissioner of BEA is assigned as the Governor's Alternate. Additionally, one staff member (BEA's Administrator of Rural and Economic Development) functions as the designated NBRC State Program Manager and carries out duties relating to promoting NBRC opportunities in the rural communities and facilitating the grant application process.***

10. Explain in detail any negative impact to the State if the Agency did not belong to this organization. ***If New Hampshire did not participate in the NBRC, rural communities (six counties), would not have access to the tens of millions of dollars in Federal funds used for rural economic and community strategy and development projects, and those funds would instead be re-allocated to Maine, Vermont, and New York.***

Respectfully Submitted,

Taylor Caswell
Commissioner

Northern Border Regional Commission

October 23, 2024

Taylor Caswell, NBRC Governor's Alternate
New Hampshire Department of Business & Economic Affairs
1 Eagle Square, Suite 100
Concord, NH 03301

Dear Commissioner Caswell,

I would like to thank you for your continued support of the Northern Border Regional Commission during the past year, and I look forward to another successful partnership with your state for the coming year.

The Northern Border Regional Commission (Commission) was enacted by Congress through the 2008 Farm Bill, which amended **40 U.S.C. Subtitle V**, to include the creation of the Commission as well as other similar Commissions nationwide. The statutory authority to create programs and fund projects is based on one vote of the Federal Co-Chair and the collective vote of the four Governors of the member States. The partnership and collaboration that the Commission has demonstrated to date has produced valuable new employment, critical infrastructure to meet the needs of businesses, and expanded the skills and capacity of the region to succeed.

On **September 13, 2024,** the Commission approved the budget and state share of the administrative expenses for the federal fiscal year 2025.

Within the Commission's governing statute, **40 U.S.C. Subtitle V, §15304 (c)** states that the administrative expenses of a Commission shall be paid – *(A) by the Federal Government, in an amount equal to 50 percent of the administrative expenses of the Commission; and (B) by the States participating in the Commission, in an amount equal to 50 percent of the administrative expenses.*

In accordance with the above, please remit **$76,310.59**, payable to the Northern Border Regional Commission, by Friday March 1, 2025.

The Commission looks forward to continued success and investment in the region for many years to come.

If you have any questions or would like additional information, please feel free to contact me.

With best regards,

Rich Grogan, Executive Director, Northern Border Regional Commission

Northern Border Regional Commission

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Phone:

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Invoice #: 2025NH

Invoice Date: October 23, 2024

Invoice For: FY 2025 Northern Border Regional Commission Administrative Expenses

Item #	Description	Qty	Unit Price	Discount	Price
1	FY 2025 Northern Border Regional Commission Administrative Expenses	1	$76,310.59		$ 76,310.59
					$ -
					$ -
					$ -
					$ -
					$ -
					$ -
					$ -
					$ -
					$ -
					$ -
				Invoice Subtotal	$ 76,310.59
				Tax Rate	
				Sales Tax	$ -
				Other	
				Deposit Received	
				TOTAL	$ 76,310.59