
BUDGET JUSTIFICATION
**FISCAL YEAR 2025**

Message from the Federal Co-Chair

On behalf of the Southwest Border Regional Commission (SBRC), I am presenting the attached budget justification for Fiscal Year 2025.

The 2025 Budget requests $4 million to support the grant-making activities and operations of the Commission. The SBRC is a federal-state partnership between the states of Arizona, California, New Mexico, and Texas and the Federal Government. I serve as the SBRC's first Federal Co-Chair, and New Mexico Gov. Michelle Lujan Grisham serves as the SBRC's first State Co-Chair; together with the commissioners, we aim to advance SBRC mission to further economic development in the Southwest Border Region by strategically investing in the human and physical infrastructure of the most economically distressed communities.

The Commission aims to help create jobs, empower impoverished communities, and improve the lives of those who reside in the ninety-three counties of the four-state region. During FY 2024, the Commission will continue actively engaging state and community stakeholders, finalize, and implement its five-year strategic plan, and open and award its first competitive grant program. In FY 2025, the Commission's attached budget justification demonstrates our strategy to positively impact historically distressed communities through our funding and following our guiding principles and priorities, including:

- Investing in Underserved Communities and Assisting the Most Distressed Communities First.
- Eliminating Barriers to Economic Development, Building Local Capacity, and Providing Technical Assistance.
- Leveraging Commission Funds, Forming Partnerships, Reducing Costs, and Completing Projects.

I am eager to tackle these priorities and look forward to creating and supporting grants with the Commission's FY 2025 Budget throughout the Southwest Border Region.

Sincerely,

Juan E. Sanchez
Federal Co-Chair

## TABLE OF CONTENTS

**About the Southwest Border Regional Commission (SBRC)**
- Commission Members
- Organizational Structure
- Legislative History

**Service Area**
- SBRC County Map
- List of SBRC Counties
- Counties Economic Status
- County Classification by State
- SBRC Demographics

**FY 2025 Budget Justification**
- Appropriations History
- Summary of Resources
- Summary of Expenditures
- Office of the Federal Co-Chair -Administrative Expenses
- Office of the Commission -Administrative Expenses

**Programs and Initiatives**

- SBRC Competitive Grant Program
- FY 2025 Program Principles and Priorities.
    - Investing in Underserved Communities and Assisting the Most Distressed Communities First.
    - Eliminating Barriers to Economic Development, Building Local Capacity, and Providing Technical Assistance.
    - Leveraging Commission Funds, Forming Partnerships, Reducing Costs, and Completing Projects.

## About Southwest Border Regional Commission (SBRC)

### Overview

The Southwest Border Regional Commission (SBRC) is a federal-state partnership authorized in the 2008 Farm Bill, **(P.L. 110-234)**, to foster economic development in the southern border regions of Arizona, California, New Mexico, and Texas.

### Structure

The commission structure comprises a Federal Co-Chair, appointed by the President and confirmed by the Senate, and governors of the member states (AZ, CA, NM, TX), of which one is appointed the state co-chair on a rotating basis. SBRC also ensures the equitable participation of federally recognized tribal governments in the region. The process of approving any action is consensus-based, as the Federal Co-Chair has one vote while the four Governors collectively share one vote.

There are ninety-three counties and over 35 million people in the commission's region; thirty-one counties are categorized as persistent poverty, having consistently had over 20 percent of the population living in poverty during the last 30-year period. These counties represent over three million people living in persistent poverty. SBRC was established to provide a comprehensive approach to addressing persistent economic distress.

The commission is congressionally authorized to assess the needs and assets of its region, develop comprehensive and coordinated economic and infrastructure development strategies, enhance the capacity of local development districts, establish priorities, and approve grants, encourage private investment to support job creation, and strengthen local and regional economies.

The commission is on track to provide grants for local and regional planning initiatives as well as economic and infrastructure development projects. Eligible entities for grants will include state, local and tribal governments, universities, and 501(c)(3) non-profit organizations.

**Legislative History**

Congress has long recognized the need for targeted economic development in the southwest border region. As a result, the concept of an economic development agency focusing on the southwest border region has existed since at least 1976. However, the SBRC was authorized in law and funded through more recent efforts. In 1999, Executive Order 13122 created the Interagency Task Force on the Economic Development of the Southwest Border. It examined socioeconomic distress and economic development issues in the southwest border regions and advised on federal efforts to address them.

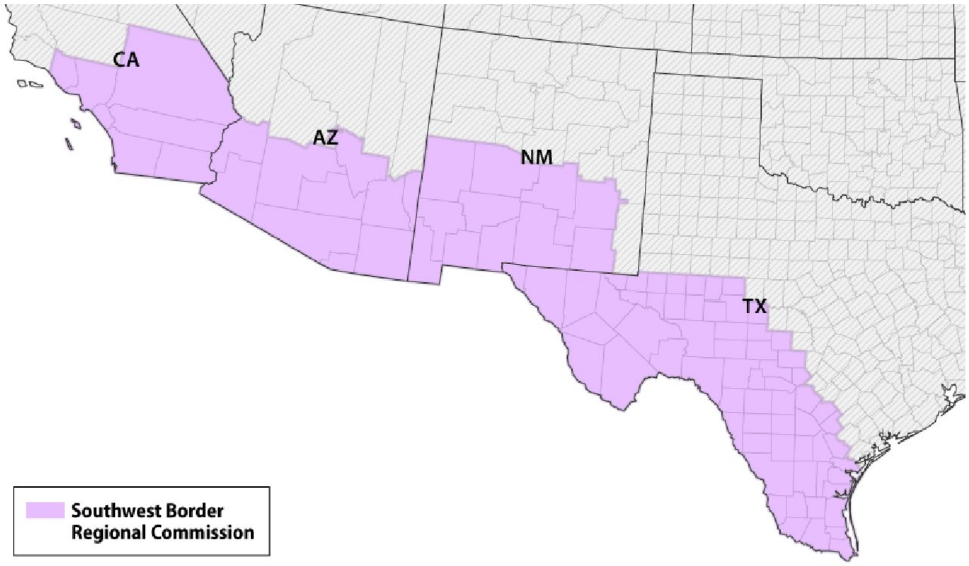
In the 108th Congress, in February 2003, a "Southwest Regional Border Authority" was proposed in S. 458, and a companion bill, H.R. 1071, was introduced in March 2003. The SBRC was reintroduced in the Regional Economic and Infrastructure Development Act of 2003 (H.R. 3196).

In the 109th Congress in 2006, the proposed Southwest Regional Border Authority Act would have created the "Southwest Regional Border Authority" (H.R. 5742), similar to S. 458 in 2003.

In the 110th Congress in 2007, the SBRC was reintroduced in the Regional Economic and Infrastructure Development Act of 2007 (H.R. 3246), which would have authorized the SBRC and other regional commissions.

In 2008, Congress incorporated the authorization for establishing the SBRC in the 2008 Farm Bill, H.R.2419 - Food, Conservation, and Energy Act of 2008, which became Public Law No: 110-234. (Lawhorn, 2022)

## SBRC GEOGRAPHIC AREA




**Source: Map** by CRS.

**<u>The Counties of the Southwest Border Regional Commission</u>**

The region of the Southwest Border Regional Commission shall consist of the following political subdivisions:

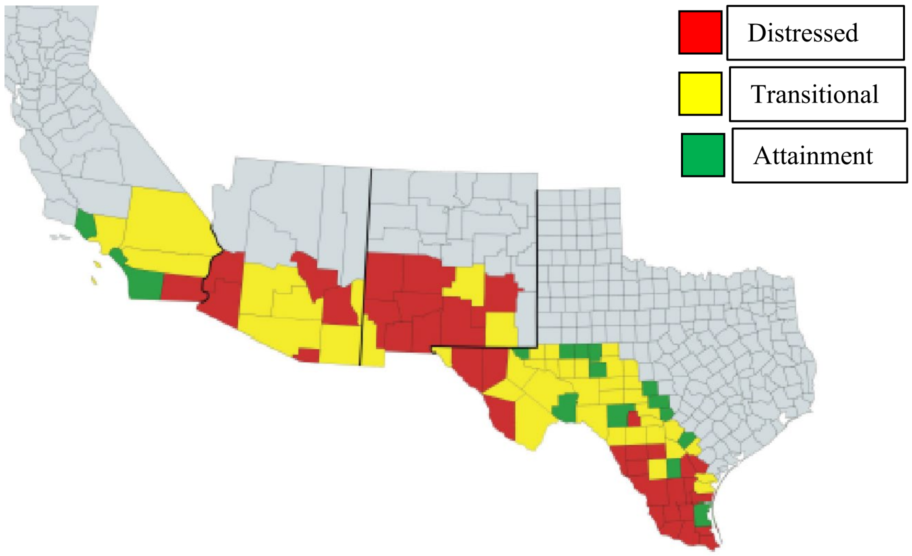
**Arizona—**The counties of Cochise, Gila, Graham, Greenlee, La Paz, Maricopa, Pima, Pinal, Santa Cruz, and Yuma in the State of Arizona

**California—**The counties of Imperial, Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura in the State of California

**New Mexico—**The counties of Catron, Chaves, Dona Ana, Eddy, Grant, Hidalgo, Lincoln, Luna, Otero, Sierra, and Socorro in the State of New Mexico

**Texas—**The counties of Atascosa, Bandera, Bee, Bexar, Brewster, Brooks, Cameron, Coke, Concho, Crane, Crockett, Culberson, Dimmit, Duval, Ector, Edwards, El Paso, Frio, Gillespie, Glasscock, Hidalgo, Hudspeth, Irion, Jeff Davis, Jim Hogg, Jim Wells, Karnes, Kendall, Kenedy, Kerr, Kimble, Kinney, Kleberg, La Salle, Live Oak, Loving, Mason, Maverick, McMullen, Medina, Menard, Midland, Nueces, Pecos, Presidio, Reagan, Real, Reeves, San Patricio, Shleicher, Sutton, Starr, Sterling, Terrell, Tom Green, Upton, Uvalde, Val Verde, Ward, Webb, Willacy, Wilson, Winkler, Zapata, and Zavala in the State of Texas

## SBRC COUNTIES ECONOMIC DESIGNATION




The SBRC is required to assess its region's economic and demographic distress level annually and to classify counties' distress levels. This map depicts the economic status of the SBRC's counties using the Appalachian Regional Commission's (ARC) national index-based economic classification system. The system compares each county to national averages of the three-year average unemployment rates, per capita market income, and poverty rates. Based on their comparative ranking, each county is classified within one of ARC's five economic statuses designations- distressed, at risk, transitional, competitive, or attainment.

This framework was used to extract comparable data for the SBRC's statutory service area, cross-referenced with the Census Bureau, American Community Survey 5-Year Estimates, Bureau of Economic Analysis, Local Area Personal Income. Outmigration was calculated using the percent change in total population from 2010 to the 2020 Census at the county levels. Because the SBRC's authorizing statute only designates three classification levels– distressed, transitional, and attainment – the comparative economic classification range has been adjusted so that each one of the SBRC counties has been designated one of these three statuses. The designations are defined as follows.

(1) **Distressed counties** — counties that are the most severely and persistently economically distressed and underdeveloped and have high rates of poverty, unemployment, or outmigration. They rank in the worst 25% of the nation's counties. The SBRC can fund up to 80 percent of the costs of a project in distressed counties. The SBRC must also allocate 50% of its total appropriations to projects in counties falling within this designation.

(2) **Transitional counties** —counties that are economically distressed and underdeveloped or have recently suffered high rates of poverty, unemployment, or outmigration. Transitional counties rank between the worst 25% and the best 25% of the national counties. The SBRC can fund up to 50 percent of the costs of a project in transitional counties.

(3) **Attainment counties** —counties not designated as distressed or transitional counties. Counties ranking in the top 25% of the national counties. The SBRC is not allowed to fund projects within an attainment county unless the project is within a designated 'isolated area of distress.'

**Counties Classification by State**

**State of Arizona**
Counties classified as Distressed: Gila, Graham, La Paz, Santa Cruz, Yuma. (5)
Counties classified as Transitional: Cochise, Greenlee, Maricopa, Pima, Pinal (5)
Counties classified as Attainment: NA

**State of California**
Counties classified as Distressed: Imperial (1)
Counties classified as Transitional: Los Angeles, Riverside, San Bernardino, San Diego, (4)
Counties classified as Attainment: Orange, Ventura. (2)

**State of New Mexico**
Counties classified as Distressed: Catron, Chaves, Dona Ana, Grant, Hidalgo, Otero, Luna, Sierra, Socorro. (9)
Counties classified as Transitional: Eddy, Lincoln (2)
Counties classified as Attainment: NA

**State of Texas**
Counties classified as Distressed: Bee, Brook, Cameron, Dimmit, Duval, El Paso, Frio, Hidalgo, Hudspeth, Jim Hogg, Jim Wells, Kinney, Kleberg, Maverick, Pecos, Presidio, Real, Starr, Webb, Willacy, Zapata, & Zavala (22)

Counties classified as Transitional: Atascosa, Bandera, Bexar, Brewster, Coke, Concho, Crane, Crockett, Culberson, Ector, Jeff Davis, Karnes, Kerr, Kimble, La Salle, Live Oak, Medina, Menard, Nueces, Reagan, Reeves, San Patricio, Schleicher, Sutton, Tom Green, Upton, Uvalde
Val Verde, Ward, Winkler (30)

Counties classified as Attainment: Edwards, Gillespie, Glasscock, Irion, Kendall, Kenedy, Loving, McMullen, Mason, Midland, Sterling, Terrell Wilson (13)

**Counties & Demographics**

Of the SBRC's ninety-three counties, thirty-seven qualify as Distressed Counties, forty-one qualify as Transitional Counties, and fifteen qualify as Attainment Counties.

Approximately three million people in the SBRC live in Distressed Counties. These counties have 10.7% of the commission's total population but represent almost double of the commission's population living in poverty. The majority of the commission's population, 77%, reside in Transitional Counties, and these counties represent the same proportion of the commission's population living in poverty. Attainment Counties represent 12.2% of the commission's population.

The SBRC includes a service area with the second largest population among the active federal regional commissions (35.6 million). The commission's poverty rate of 13.9% is higher than the national average of 12.6% and represents an estimated 5 million people living in poverty. In addition, the commission's unemployment rate is 6.4%, and the Percent College Graduates is 31.8%, compared to the national average of 5.5% and 33.7%, respectively.

SBRC's race and ethnicity statistics estimates are based on the five-year American Community Survey (ACS) for 2017-2021. The commission's population is composed of the following:

- 48.1% - Hispanic or Latino
- 33.7% - White alone, not Hispanic
- 5.2% - Black or African American alone, not Hispanic
- 0.6% - American Indian and Alaska Native alone, not Hispanic
- 9.2% - Asian alone, not Hispanic
- 0.2% - Native Hawaiian and Other Pacific Islander alone, not Hispanic
- 0.2% - Other Race alone, not Hispanic
- 2.8% - Two or More Races, not Hispanic

The commission's minority population comprises 66% of its total population.

**Isolated Areas of Distressed.**

**Colonias** are some of our nation's poorest communities and lack a substantial tax base.
A "Colonia," Spanish for neighborhood or community, is a geographic area located within 150 miles of the Texas-Mexico border that has a majority population composed of individuals and families of low and very low income. These families lack safe, sanitary, and sound housing and are without basic services such as potable water, adequate sewage systems, drainage, utilities, and paved roads. An estimated 800,000 people lack adequate drinking water and sanitation facilities, such as household plumbing or proper sewage disposal systems. Approximately one third have no drinking water or wastewater facilities. The Rural Community Assistance Partnership (RCAP), a national non-profit studying access to water, estimates that these historically underinvested communities, known as "Colonias" need over $10 billion in water and wastewater infrastructure investment across the four Border States (CA, AZ, NM & TX). Even many of those living in colonias with access to water have issues with quality and quantity and face health risks from the lack of adequate water or wastewater service. To provide safe and clean drinking water and sanitation facilities effectively to these minority and underserved communities, we need to increase federal investments. All communities identified as colonias reside within the commission's service area.

**Tribal Communities:** The SBRC region is home to fifty-one federally recognized tribes. The SBRC is the only commission with statutorily mandated tribal participation. According to census data, collectively, the tribal communities in the SBRC's region have a poverty rate of forty-four percent and an unemployment rate of twelve percent, compared to the U.S. averages of twelve and four percent, respectively. Tribal communities have severe infrastructure challenges, including a lack of drinking water, sanitation facilities, and broadband access. According to the Universal Access to Clean Water for Tribal Communities Project. 48% of Tribal homes do not have access to reliable water sources, clean drinking water, or basic sanitation. SBRC seeks to enhance Tribal capacity and promote self-governance.

**FY 2025 BUDGET JUSTIFICATION**

**Introduction**

This narrative serves as justification for the Southwest Border Regional Commission's FY 2025 Budget. SBRC's four member states (Texas, New Mexico, Arizona, and California) pay for 50% of SBRC's administrative budget, less the expenses of the Office of the Federal Co-Chair (100% Federal), through their annual state assessments. This budget justification presents the full budget, including Federal appropriations and state assessments.

**Appropriations History**

In FY2021, Congress provided the SBRC its first appropriation of $250,000 through the Consolidated Appropriations Act, 2021 (P.L. 116-260). For FY2022, Congress provided $1.25 million for the SBRC through the IIJA (Division J of P.L. 117-58) and $2.5 million through the Consolidated Appropriations Act, 2022 (P.L. 117-103). For FY2023, Congress provided $5 million through the Consolidated Appropriations Act, 2023 (P.L. 117-328).

**FY 2023 Enacted Budget, FY 2024 Budget Request & FY 2025 Request.**

| **SUMMARY OF RESOURCES** (in thousands of dollars) | | | | | | |
|---|---|---|---|---|---|---|
| | Enacted/ Requested | Carryover | Supplemental/ Rescission | Total Resources | Obligations | Net Outlays |
| 2022 Appropriation | 2,500 | 250 | 1,250 | 4,000 | - | - |
| 2023 Appropriation | 5,000 | 4,000 | - | 9,000 | 1,000 | 400 |
| 2024 President's Budget | 5,000 | 8,000 | - | 13,000 | 10,000 | 5,000 |
| 2024 Change from 2023 | - | 4,000 | - | 4000 | 2,000 | 2,600 |
| 2025 President's Budget | 4,000 | 3,000* | | 7,000 | 7,000 | 5,000 |

***estimated carryover from proposed FY24 Budget**

| FY 2025 Budget: Summary of Expenditures | |
|---|---|
| Federal Administrative Costs - Office of the Federal Co-Chair | $516,000 |
| Administrative Costs - The Commission (Federal Share*) | $338,500 |
| SBRC Grant Program* | $3,145,000 |
| **Total** | $4,000,000 |

Above is a summary of the commission's expenditures. In the sections following, you will find a comprehensive list of expenses and classifications. In addition, the budget is divided into three categories: administrative costs of the office of the Federal Co-chair, administrative costs of the Southwest Border Regional Commission, and the new grant programs.

In addition to FY25 funding, $3 million in carryover funds will be obligated to the SBRC competitive grant program.

The total federal share of the administrative costs for the Office of the Federal Co-chair and the Southwest Border Regional Commission is $854,500

* The Federal share is matched by State assessments.
** The SBRC proposes making $6.145 million in federal grant funds available for competition in FY 2025 ($3 million in carryover funds and $3.145 million in FY25 funds). Therefore, total program funds will equal 7 million. The federal share of the administrative costs is estimated to be 12.2% of the program, as authorized under USC 40 §15751(b)(2).

**Administration**
Administrative funds necessary to support the Office of the Federal Co-Chair and execute commission programs and initiatives are presented below.

**Office of the Federal Co-Chair**
The Office of the Federal Co-Chair consists of one presidentially appointed, Senate-confirmed position: the Federal Co-Chair. Additionally, the Office of the Federal Co-Chair includes the salaries and fringe benefits of the Chief of Staff as well as a two percent increase for federal employees. All expenses of the Office of the Federal Co-chair are paid through federal appropriations.

| **FY 2025 Budget: Office of the Federal Co-Chair** | **FY24 Request** | **FY25 Request** | **Change FY24 to FY25** |
|---|---|---|---|
| Salaries | $332,000 | $327,000 | -5,000 |
| Fringe Benefits (30%) | $99,600 | $98,100 | -1,500 |
| Travel | $5,000 | $2,000 | -3,000 |
| Professional Services/Contractual | $75,000 | $65,000 | -10,000 |
| Leases/Furnishings | $15,600 | $13,000 | -2,600 |
| Telecommunications/Utilities | $3,500 | $2,500 | -1,000 |
| Meetings & Events | $5,000 | $2,000 | -3,000 |
| Equipment | $4,000 | $2,000 | -2,000 |
| Supplies | $1,800 | $1,400 | -400 |
| Communications | $3,500 | $2,000 | -1,500 |
| Professional Development | $2,000 | $1,000 | -1000 |
| **Total** | **$547,000** | **$516,000** | **-31,000** |

**Summary of Administrative Expense Classifications**

**Salaries:** Salaries consist of payroll for two Federal positions: the Federal Co-Chair and Chief of Staff. The request accounts for the proposed two percent pay increase for federal employees, excluding the Federal Co-Chair whose salary is set by statute.

**Fringe Benefits:** The effective fringe benefit rate is 30 percent of Federal salaries, representing mandatory and voluntary salary-related expenditures such as Social Security (FICA), Medicare, State Unemployment Tax (SUTA), Life Insurance, FERS FRAE Retirement, and Thrift Savings Plan.

**Travel:** Travel includes mileage, fuel, rental vehicles, hotels, airfare, meals & incidentals, taxis, etc., primarily of trips to small rural towns, communities, and counties throughout the 93 counties in the four-state region.

**Telecommunications/Utilities:** This expense consists of internet, business phones, essential utilities, and related items.

**Leases/Furnishings:** Leases and furnishing expenses consist of leases for the office space of the federal co-chair for available space at the General Services Administration's rate of thirteen dollars per square feet for 751 estimated USF / 980 estimated RSF.

**Meetings & Events:** Meeting and event expenses consist of venues, materials, and food and beverages (non-alcoholic) related to the meeting or event.

**Equipment:** Equipment expenses consist of computers, printers, external monitors, accessories, and related items

**Supplies:** This expense consists of stationery, writing utensils, binders, folders, and related items.

**Communications:** Communications expenses consist of graphic design, publications, printing, advertisements, marketing, community outreach, and related software.

**Professional Development:** Professional development consists of training for staff aligned with essential job duties and the commission's mission, including program-specific education, management development, and leadership training.

**The Commission**

Commission Administration consists of four non-Federal positions and costs representing salaries and expenses necessary to execute commission programs and initiatives. The Federal Government pays 50% of the administrative expenses of the commission , and the States participating in the commission pay an equal 50% of the administrative expense.

| FY 2025 Budget: The Commission | FY24 Request | FY25 Request | Change FY24 to FY25 |
|---|---|---|---|
| Salaries | $338,184 | $300,000 | -38,184 |
| Fringe Benefits (30%) | $101,455 | $90,000 | -11,455 |
| Travel | $10,000 | $4,000 | -6,000 |
| Professional Services/Contractual | $345,000 | $230,000 | -115,000 |
| Leases/Furnishings | $60,000 | $26,000 | -34,000 |
| Telecommunications/Utilities | $12,000 | $12,000 | 0 |
| Meetings & Events | $10,000 | $2,000 | -8,000 |
| Equipment | $8,000 | $4,000 | -4,000 |
| Supplies | $3,600 | $2,000 | -1,600 |
| Communications | $12,500 | $4,000 | -8,500 |
| Professional Development | $5,000 | $3,000 | -2,000 |
| **Total** | $905,739 | **$677,000** | **-228.739** |
| *Federal Share (Budget Request):* | 452,870 | **$338,500** | -114,370 |
| *States' Share:* | 452,870 | **$338,500** | -114,370 |

**Summary of Administrative Expense Classifications**

**Salaries:** Salary expenses consist of payroll for four non-Federal positions.

**Fringe Benefits:** The effective fringe benefit rate is 30 percent of salaries, which represents both mandatory and voluntary salary-related expenditures such as Social Security (FICA), Medicare, State Unemployment Tax (SUTA), non-elective retirement, and elective retirement (401k) with a maximum employer match of 5%.

**Travel:** Travel includes mileage, fuel, rental vehicles, hotels, airfare, meals & incidentals, taxis, parking fees, etc., consisting primarily of trips to small rural towns, communities, and counties throughout the ninety-three counties in the four-state region.

**Professional Services/Contractual:** This includes expenses for specialists, software and web development that provide unique services that are otherwise unavailable to be provided by SBRC staff.

**Leases/Furnishings:** This includes leases for the Regional Headquarters and related furnishings. Office space at the General Services Administration's rate of thirteen dollars per sq ft. for 1,500 estimated USF / 1960 estimated RSF
.

**Telecommunications/Utilities:** This expense consists of internet, business phones, essential utilities, and related items.

**Meetings & Events:** Meetings and events expenses consist of venues, materials, and food and beverages (non-alcoholic) related to the meeting or event.

**Equipment:** This expense includes computers, printers, external monitors, accessories, and related items.

**Supplies:** Supplies expenses consist of stationery, writing utensils, binders, folders, and related items.

**Communications:** Communications expenses consist of graphic design, publications, printing, advertisements, marketing, community outreach, and related software.

**Professional Development:** Professional development consists of training for staff aligned with essential job duties and the commission's mission, including program-specific education, management development, and leadership training.

**COMPETITIVE GRANT PROGRAM**
**FY 2025 Budget: $3 million**

| **FY 2025 Budget: Competitive Grant Program** | |
|---|---|
| Competitive Grant Program | $3,145,000 |
| **Total** | **$3,145,000*** |

***In addition to FY 2025 funding, $3 million in carryover funds will be obligated to SBRC's competitive grant program for a total of $6.145 million made available for grant funding.***

**Economic and Infrastructure Development Grant Program.**
In 2025, SBRC will run its second competitive grant cycle, making approximately $6.145 million available for competition, including funding from FY 2025 appropriations ($3.145 million), and prior year appropriations carryover of approximately ($3 million). Grants will fund projects in the four-state region. By statute, SBRC must invest at least 50% of its funds in "distressed counties and areas of distress" in the region and at least 40% to improve any of the following:

- Basic public infrastructure
- Transportation infrastructure
- Telecommunications infrastructure
- Job skills training
- Business development and entrepreneurship
- Basic health care and other public services
- Conservation, tourism, recreation, and preservation of open space
- Renewable and alternative energy sources
- Grow the capacity for successful community economic development

**Grants Process**
Grants will be awarded through a competitive process. The SBRC may make grants to states and local governments, Indian tribes, universities, and nonprofit 501(c) organizations. State members evaluate and certify grant applications for projects within their state. State members and the federal chair certify that projects adhere to the commission guidelines, meet economic development and job creation goals, have been included in iterative local and state economic development plans, and have community support and sufficient funding to ensure the project's success. States then submit certified projects to the commission for approval. The commission approves projects by an affirmative vote of the federal co-chair and the majority of state members.

Within the Economic and Infrastructure Development Grant Program's mandate to "Grow the capacity for successful community economic development," the SBRC plans to set aside five hundred thousand dollars for competition to partner with universities to establish Research and Assistance Centers in the SBRC's most distressed counties. These centers aim to eliminate economic development barriers, build local capacity, provide technical assistance, and conduct research and assessments. In the subsequent section, Program Principles and Priorities, please find a more extensive description of the centers.

**FY 2025 Program Principles and Priorities.**

The SBRC's guiding principles and program priorities include

- Investing in Underserved Communities and Assisting the Most Distressed Communities First.
- Eliminating Barriers to Economic Development, Building Local Capacity, and Providing Technical Assistance.
- Leveraging Commission Funds, Forming Partnerships, Reducing Costs, and Completing Projects.

**Investing in Underserved Communities and Assisting the Most Distressed Communities First.** The SBRC will focus on investing in traditionally underserved communities, defined in Statute (40 USC, Subtitle V, §15702) as "distressed" through a suite of metrics updated annually. The SBRC is Statutorily required to invest 50% of grant funds in communities designated as "distressed." SBRC counties have deep and persistent economic distressed. According to the ARC national counties ranking, the SBRC has 20% of the country's 25 most impoverished counties. SBRC counties classified as distressed under this system average a 9.8 percent three-year average unemployment rate and 28.2 percent poverty rate; collectively, all other counties classified as distressed have a 7.2 three-year average unemployment rate and 25.8 percent poverty rate. The SBRC will prioritize projects in the most distressed communities and isolated areas of distress, such as colonias and tribal regions. These planned investments will help bring economic equity to distressed communities. The most impoverished population group with these areas are families with children headed by a single woman. The SBRC is focused on implementing projects aimed at facilitating access to equal workforce participation, business development, and education.

**Eliminating Barriers to Economic Development, Building Local Capacity, and Providing Technical Assistance.** Underserved communities face systemic barriers to accessing the benefits and opportunities of government programs. The SBRC has identified persistent barriers for underserved communities and will pursue the strategies below to help communities overcome those barriers.

**Build Local Capacity.**
The lack of capacity to compete for and administer grant programs is a substantial barrier to economic development. To help address this barrier, the SBRC proposed to partner with local colleges and universities, including Minority Serving Institutions and Tribal Colleges, to establish University Research and Assistance Centers in the most distressed counties.

These university centers will serve multiple purposes, including collaborating with the SBRC to assess the region's needs and assets. Conduct research; gather and maintain data sets on local, state, and national demographics, economic indicators, and developments. Conduct comparative analysis for its assigned region—information to be published on multiple platforms, including SBRC's website.

Assist local communities in acquiring the statistical information necessary to quantify and demonstrate local challenges data required to compete for grants.

Assist the SBRC in staying current on cost-saving strategies and technological developments relevant to the region's challenges and needs.

The centers will partner with the SBRC and other state and local funding agencies to host and support technical assistance workshops in distressed counties.

The SBRC University centers will identify and track trends of local capacity gaps, inform the SBRC and the public, and collaborate with community partners to generate programs and courses to help address that need.

Finally, the centers will evaluate the impact of all SBRC, state, local, and other federal programs in its region. The program aligns with the President's mandate for *Evidence, Evaluation, and Capacity-Building to Advance Evidence-Based Policymaking.*

**Eliminate and Reduce Cost Prohibitive Matching Funds Requirements**
The SBRC serves some of our nation's poorest communities, often lacking a substantial tax base to generate revenue and secure matching funds. Matching funds are required to compete for federal and state grants. For the most underserved and impoverished areas, the SBRC is committed to utilizing commission funds to co-invest with local, state, and federal agencies to reduce the burden on local communities. The SBRC will utilize its authorities under USC §15506 to supplement local, state, and federally funded projects, significantly reducing the local match burden and assisting in completing partially funded projects.

**Form Partnership & Leverage Commission funds**
The SBRC has identified co-investment opportunities with local, state, and federal partners. Member states have identified shovel-ready projects within distressed counties where the state and local governments have planned investment but require additional funding to complete the project. SBRC will review opportunities to leverage its funds and complete projects by participating in multi-agency investments. The SBRC is also building partnerships with other federal agencies, including developing grant policies in alignment with HUD standards to facilitate co-investing. Building partnerships with USDA RD in concurrence with Congressional action through the FY2024 Senate Agricultural Appropriations bill, which included the SBRC in the USDA Rural Business Development Grant.