



Southeast Crescent Regional Commission FY 2026 Congressional Budget Justification

Introduction

The Southeast Crescent Regional Commission (SCRC or the Commission) is a federal-state partnership authorized in the Food, Conservation, and Energy Act of 2008 and reauthorized in the Water Resources Development Act (WDRA) of 2024 to promote and encourage economic development in areas of Alabama, Georgia, Mississippi, North Carolina, South Carolina, Virginia, and all of Florida.

The President's FY 2026 Budget proposes to eliminate funding for the Southeast Crescent Regional Commission. This document outlines a responsible and orderly plan to shut down the Commission's operations while safeguarding federal investments, ensuring all legal and fiduciary compliance, and maintaining transparency and accountability.

Background

SCRC began full operations in January 2022 after the Senate confirmation of its first Federal Co-Chair. In the span of three fiscal years, SCRC designed and launched foundational community investments through the *State Economic and Infrastructure Development (SEID) Grant Program*, *Crescent Care Collaborative (CCC)*, *Local Development District (LDD) Capacity Program*, and *State Capacity Building Program*.

These initiatives were implemented in response to decades of documented economic distress across the seven-state region which covers 428 counties and county equivalents, and spans over 210,000 square miles.

Goals

The Commission's FY 2026 Shutdown Plan is aligned with the following goals:

- To close out all existing federal obligations in accordance with 2 CFR 200 (Uniform Guidance);
- To preserve the institutional knowledge and lessons learned from SCRC's early implementation years;
- To support grantees and state partners with grant transfer to another federal agency or grant closeout, final compliance reviews, and the archiving of records;
- To provide a dignified and lawful transition for SCRC staff; and
- To protect and transfer public assets in compliance with federal and state property disposition requirements.

Governance and Oversight During Shutdown

The Office of the Federal Co-Chair (FCC), a Senate-confirmed presidential appointee, will remain in place throughout FY 2026. In addition to the FCC, a core leadership and operations team will execute and oversee shutdown activities in four phases: (1) Planning and Transition, (2) Execution, (3) Final Compliance and (4) Archival and Sunset.

Federal-State Partnership Conclusion

SCRC began full operations in FY 2022. The majority of active grants, contracts, and foundational programs are still in progress. This shutdown plan ensures those investments are responsibly stewarded, and that all legal, fiscal, and programmatic obligations are met.

Close-Out Budget Summary

Southeast Crescent Regional Commission FY 2026 Budget Congressional Justification		
		FY 2026 Proposed Close-Out Budget
<u>Source</u>		
Federal Appropriations	\$	1,600,000
State Assessments	\$	-
Total Funding	\$	1,600,000
<u>Uses</u>		
Salaries, Benefits, and Severance	\$	1,192,854
Travel and Vehicle Costs	\$	11,000
Office Leases, Utilities, and Telephone	\$	64,392
Office Equipment, Supplies, Printing, and Postage	\$	4,000
Professional and Contractual Services	\$	327,754
Total Uses	\$	1,600,000

Key Assumptions

- No new grants or cooperative agreements will be initiated beginning October 1, 2025.
- Staff will be reduced during the fiscal year, beginning with staff not essential for shutdown activities.
- Active grants with performance periods beyond September 30, 2026 will be transferred to another federal agency.
- Office space lease for Columbia, SC headquarters will be terminated at the close of FY 2026.
- Office equipment, furniture, and supplies will be inventoried, disposed of, or transferred during FY 2026 in accordance with proper procurement procedures.

Details from Technical Supplement to FY 2026 Discretionary Budget Request

Appropriations Language

SOUTHEAST CRESCENT REGIONAL COMMISSION

(INCLUDING CANCELLATION OF FUNDS)

Of the unobligated balances from prior year appropriations available under this heading, \$10,000,000 is hereby permanently cancelled: 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 Southeast Crescent Regional Commission.

Note. — This account is operating under the Full-Year Continuing Appropriations and Extensions Act, 2025 (Division A of Public Law 119–4).