



## **Southeast Crescent Regional Commission**

### **FY 2027 Congressional Budget Justification**

#### **Introduction**

The Southeast Crescent Regional 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 2027 Budget proposes to eliminate funding for several agencies, including the Southeast Crescent Regional Commission (SCRC or the Commission). This document outlines a responsible and orderly plan to shut down the Commission's operations while safeguarding federal investments, ensuring legal and fiduciary compliance, and maintaining transparency and accountability.

The President's Budget does not request funding for SCRC. It includes a proposal to cancel \$5 million in unobligated balances. SCRC's close-out expenses during FY 2027, estimated at \$1.9 million, would be funded through carryover funding.

#### **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 houses 51 million people, covers 428 counties and county equivalents, and spans over 210,000 square miles.

#### **Goals**

The Commission's FY 2027 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 institutional knowledge and lessons learned from the 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 2027. 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

The President’s Budget does not request funding for SCRC. It includes a proposal to cancel \$5 million in unobligated balances. SCRC’s close-out expenses during FY 2027, estimated at \$1.9 million, would be funded through carryover funding.

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<b>FY 2027 Proposed Close-Out Budget</b>		
<b><u>Source</u></b>		
Carryover of Federal Appropriations	\$	1,861,608
State Assessments	\$	-
<b>Total Funding</b>	<b>\$</b>	<b>1,861,608</b>
<b><u>Uses</u></b>		
Salaries & Benefits	\$	1,037,073
Severance Pay	\$	366,389
Travel Costs	\$	11,000
Office Lease, Utilities, and Telephone	\$	64,392
Office Equipment, Supplies, Printing, and Postage	\$	5,000
Professional and Contractual Services	\$	377,754
<b>Total Uses</b>	<b>\$</b>	<b>1,861,608</b>

### Key Assumptions

- State assessments may not be collected during FY 2027.
- No new grants or cooperative agreements will be initiated after September 30, 2026
- Reduce staff during the fiscal year, beginning with non-essential staff for shutdown activities.
- Active grants with performance periods beyond September 30, 2027 will be transferred to another federal agency.
- Office lease for Columbia, SC headquarters will be terminated at the close of the fiscal year.
- Office equipment will be inventoried, disposed of, sold or transferred during FY 2027.