

The ISTEA Model of Region Building

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Governmental regions often are difficult to build and maintain. Resistance to them frequently comes from state and local governments and state agencies that feel threatened by the prospect of having to share power with regional organizations. However, federal initiatives can stimulate and nurture effective regional organizations that are deemed helpful to the proper administration of federal programs which spill across the boundaries of state and local governments that divide natural service areas.

One of the most effective federal initiatives supporting regional organizations in recent years has come from the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). This act's innovations have strengthened many regional organizations and led both practitioners and scholars to suggest the ISTEA approach as a model for other functions of government that have regional dimensions. Congress has continued ISTEA's innovations with only modest refinements for another six years by enacting the Transportation Equity Act for the 21st Century (TEA-21). The ISTEA/TEA-21 approach brings well-funded planning together with strong links to implementation decisionmaking processes.

This paper briefly:

- reviews historic federal roles in supporting regional organizations;
- describes how ISTEA has refined the federal government's role in region building;
- draws some key principles from the ISTEA experience that might be applied to other federal-aid programs; and
- suggests six other federal program areas in which the ISTEA model of regional problem solving could be applied beneficially.

The Federal Role in Supporting Regions

Regions are natural for almost everything but governance. For example, nature has its watersheds, river basins, mountain ranges, ecological regions, wildlife habitats, wetlands areas, estuaries, and outstanding natural features worthy of preserving as parks, wilderness areas, and marine sanctuaries. Economies have their market areas, commuter sheds, labor markets, newspaper circulation and broadcast areas of influence, and international trading regions.

But, when it comes to governments, we have the nation, the states, and local governments, all with relatively fixed boundaries and presumed monopolies over the authority to govern within their borders.

For certain special purposes—single functions with demonstrably essential needs not being met by general-purpose governments—limited-purpose units of government have been established. Examples are special districts, school districts, the occasional river basin commission, the Tennessee Valley Authority, and the Appalachian Regional Commission. The latter two organizations are historical anomalies, originally intended to be models for establishing regional organizations to boost economic development in other underdeveloped areas, but they were not replicated after the concepts they represented lost political favor.

In general, however, the boundaries of nature and the boundaries of markets do not match the boundaries of governments. Yet, governments must respond effectively and efficiently to nature and to markets. The concept of governmental regions attempts to bridge this gap between natural, economic, and political realities.

The idea that regional analysis is the only way to "get your arms around" certain types of gover-

nance issues makes common sense, and is tolerated by state and local governments as long as the organizations responsible for preparing regional analyses have no governing authority. Therefore, most regional organizations in the U.S. are largely limited to planning responsibilities. Although a few also have some service delivery responsibilities, and one is an elected government, most use only persuasion and the serendipitous confluence of favorable political conditions to lead state and local governments to think regionally and act accordingly.

Relying only on advisory powers, many regional planning bodies have had rather limited success, leaving many people wondering whether they are worth the money, time, and effort it takes to keep them going. Too often, it is difficult for them to point to tangible benefits they have produced.

The federal government generously supported regional planning organizations with some three-dozen programs in the 1960s and 1970s, and assisted the states in blanketing the nation with metropolitan and nonmetropolitan planning regions by the end of the 1970s. Then the federal government lost faith in regions for many of its programs. (ACIR, 1982 and McDowell, 1986)

In the early 1980s, federal support for regional planning declined precipitously. The Environmental Protection Agency, the Office of Management and Budget, and the Departments of Housing and Urban Development, Health and Human Services, Labor, Agriculture, and Justice dropped their regional planning programs. Today, federal aid for regions survives primarily in two programs; one (administered by the Department of Transportation) supports transportation planning for 340 metropolitan areas, and the other (administered by the Department of Commerce, Economic Development Administration) supports economic development planning for 320 small metropolitan and nonmetropolitan regions.

Although three-fourths of the regional planning organizations once supported by the larger array of federal programs have survived, many of them have abandoned most of their planning and regional problem-solving roles. Instead, they now emphasize technical and convener services to local govern-

ments. The 1998 directory of regional councils, prepared by the National Association of Regional Councils, lists 501 currently active general-purpose regional councils.

Two lessons emerge from the recent history of regional organizations. First, the federal and state governments can cause the creation of regional organizations and give them areawide problem-solving roles. Second, when the forces supporting regional roles from outside the regions are withdrawn, local support tends to lead them toward technical service roles, and away from contentious interjurisdictional problem-solving and policy-making roles.

In sum, a federal role makes a real difference in how regional organizations are structured, what they do, and how well they do it. The federally-supported metropolitan planning organizations (MPOs) required by ISTEA provide very clear current examples of the effects the federal role can have.

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The most important thing that ISTEA has done for metropolitan regional organizations has been to give them effective leverage over funding decisions in a group of high-stakes federal-aid programs for surface transportation worth \$20-\$30 billion per year. Before ISTEA, the states ran the majority of these programs with a pretty free hand. Now, the designated MPO in each metropolitan area over 200,000 population shares in many of those decisions. They do the detailed planning for the metropolitan transportation system, take the lead in setting the priorities for spending the federal funds allocated for use within their areas (consistent with recognized funding constraints), and negotiate with the state department of transportation (SDOT) for the use of state-wide funds within the metropolitan area.

Mutual Leverage

The MPO's negotiating leverage for state funding rests on the mutual vetoes that the MPO and SDOT hold over the use of each other's federal funds in the region. In short, ISTEA made the larger MPOs into real decisionmakers that allocate funds in an essential public works program, and put them

into a close partnership with the state.

The MPOs are better suited to these detailed planning roles because of their greater ability to involve the citizens, local governments, and other affected parties in the heavily populated portions of the state. Giving these responsibilities to the MPOs frees the state DOTs to concentrate their efforts on statewide issues.

Although some of these state-metropolitan partnerships have been rocky, ISTEA brought the destinies of the nearly 140 larger MPOs and their SDOTs closer together. It is more difficult, now, for one to succeed without the other.

It should be noted, however, that even though the approximately 200 smaller MPOs are required to meet the same planning requirements as the larger ones, they have neither the assured level of planning funds, the regionally allocated program implementation funds, nor the federally enforced decisionmaking partnership with the SDOT that the larger MPOs have. Thus, the full ISTEA model applies to less than half of the MPOs. Nevertheless, it sets a precedent that the smaller MPOs and many other federal-aid recipients envy.

ISTEA also broadened the scope of transportation decisionmaking. Planning and funding decisions now are supposed to be made on the basis of intermodal analyses that show how people and goods can be moved most effectively and efficiently by the combination of means that will produce the greatest benefits for customers, while minimizing adverse impacts on the environment, energy resources, and social equity. That is far different than the single-minded highway construction goals of the past.

To support this new style of planning, implementation funds from the federal highway and transit programs now can be used flexibly, not just for construction and equipment purchases, but also for operations, maintenance, and demand management, and for such related programs as bicycle and pedestrian facilities, goods movement, and intermodal connections (including port access). And the larger MPOs have a strong voice in determining the use of these funds.

Fortunately, MPOs are funded generously by the federal government to do their required planning using set-asides from the surface transportation programs to a large extent. (The ISTEA/TEA-21 construction, operations, and maintenance funds still go to the state DOTs or the transit authorities, rather than to the MPOs.) These federal planning funds make the MPOs the best funded and most stable regional planning bodies in the country today. For those MPOs that are regional councils, their federal transportation funding helps to strengthen their broader regional planning programs.

However, in return for these new responsibilities, the MPOs are required by the act to pursue a more thorough and more comprehensive planning process, and to more thoroughly involve a much wider range of interested and affected parties than ever before. Although federal law has required transportation planning organizations to exist ever since 1962, they played less important roles in earlier years and received less attention. ISTEA added the following very ambitious new requirements:

- provide a level playing field for involving all the affected parties as they make broad-ranging transportation decisions;
- produce flexible "performance-based plans" that integrate all the transportation modes to move both people and goods more effectively and efficiently;
- use better analytical techniques to study broad sets of alternatives and produce higher quality plans;
- develop "financially constrained" implementation programs that establish priorities among alternative proposals to achieve the greatest performance improvements consistent with available funds; and
- broaden and intensify public involvement in the planning process from beginning to end.

Each of these five far-reaching MPO requirements is described below, based on two recent studies by the U.S. Advisory Commission on Intergovernmental Relations (ACIR, 1995; ACIR 1997). They offer potential for emulation in other federal-aid programs that use regional organizations.

The Level Playing Field

ISTEA requires the MPOs to provide a decisionmaking process that includes all the affected local government officials in the region, as well as state transportation officials, transportation providers, and state and regional air-quality officials when transportation plans and implementation programs are being developed and approved.

Although ISTEA does not specify exactly how this requirement must be met, the ACIR research has shown that many MPOs have increased the numbers and types of members on their governing bodies and established new intergovernmental agreements to broaden participation in the decisionmaking process. In addition, technical committees and special committees for new topics such as freight planning have been established or expanded to provide a wider range of inputs to transportation decisions. The idea is to get all the key stakeholders involved in the MPO decisionmaking so that the results will be sustained by strong and consistent local, state, and federal support.

ISTEA's ideal of broad and deep involvement frequently is difficult to achieve, however. For example, federal field personnel (especially those from FTA) may not attend MPO meetings regularly because of time and travel constraints. In addition, both federal and state representatives may hold different views than local officials, but not resolve these differences within the MPO process. Such factors may lead to MPO decisions being overturned at a later time by either state or federal action, or both.

It takes great skill and patience by the MPO to draw the federal and state officials into the decisionmaking process deeply enough to ensure that the MPO decisions can be relied on to be implemented with state and federal support in all but the most unusual circumstances.

Performance Plans

The transportation performance plan is expected to bring all the related programs together to allow the flexible funding mixes needed to get desired results, skirting the arbitrary program barriers that often have stood in the way. ISTEA provides a substan-

tial amount of funding flexibility among separate transportation programs if the planning process supports it.

ISTEA's substitution of flexible performance goals for the mode-specific goals of individual programs may be reinforced by the Government Performance and Results Act of 1993 (GPRA). U.S. DOT has taken the outcome-oriented performance goals supported by both acts to help it move beyond the individual programs in ISTEA and other DOT legislation toward the "One DOT" concept. This means that U.S. DOT now expects all 10 of its major organizational units to work together to achieve the following five performance goals:

- mobility of people to jobs and services (including a new welfare-to-work objective) and access of goods to production sites and markets ;
- economic vitality of the nation enhanced by efficient transportation and trade;
- safety and security of transportation in America (to save lives and protect property);
- environmental protection and community livability features of transportation systems in America; and
- national defense capabilities of America's transportation system.

Thus, DOT is taking steps intended to take the integration of Federal Highway Administration and Federal Transit Administration programs established by ISTEA even further under GPRA to include railroads, ports, airports, pipelines, and shipping. ISTEA (and now TEA-21) requires each MPO to take into account all the modes relevant to its region, and GPRA provides an extra push to get the additional modes to join the integrated effort.

Obviously, these goals also have a lot in common with goals of other federal departments and agencies, including HHS, Labor, EDA, EPA, and Defense. This suggests that there may be advantages if the MPOs also have relationships with those organizations, and if these federal departments and agencies have relationships with each other regarding these closely-related programs. Many MPOs, indeed, do have such relationships, often continued from the 1960s and 1970s when they were promoted heavily

by the federal government. (ACIR, 1973, pp. 226-227.)

GPRA requires all federal departments and agencies to promote interagency coordination where it can help to improve the performance of federal programs. DOT has already built such coordination into its programs for such matters as air quality, water quality, wetlands, and welfare-to-work.

Common performance goals and measures, and coordinated reporting of performance, are becoming essential parts of the federal-aid process. (McDowell, 1998) They are the means by which the federal, state, regional, and local partners can support each other's success in meeting broad performance goals. In the past, it often was so difficult for federal agencies (sometimes even in the same department) to coordinate with each other that regional planning organizations were expected to coordinate the federal programs. Although that is an attractive idea, it often is difficult to accomplish because of the separations and incompatibilities built into the individual federal programs. ISTEA bridged some of those difficulties with its flexible funding provisions, and GPRA encourages DOT as well as the other federal departments and agencies to go even further toward program integration.

Enhanced Analytical Techniques

The kinds of outcome-oriented performance goals that are beginning to drive transportation and other federal programs require more powerful analyses that can look into the future and estimate the potential impacts on society of new facilities, better maintenance, more efficient operations, no action, and other program options.

Transportation programs have depended on simulation models for many years, but ISTEA has created the need for even better models requiring still more and better data. DOT has geared up by spending significant money to:

- upgrade transportation simulation models;
- develop better data to support the new models;
- make transportation data more readily available to support new models and powerful geographic information systems (GIS);

- develop realistic performance measures;
- create and support interactive decision-support systems; and
- train MPO and other planners how to use the new data and analytical techniques effectively.

Realistic Implementation Programs

Before ISTEA, transportation implementation programs were largely limited to capital improvements listed in the Transportation Improvement Program (TIP). Now, implementation plans include much more than capital improvements. The new elements are: innovative finance plans; regulatory plans aimed at reducing travel demand or improving air quality; and system management, routine maintenance, and operating plans aimed at squeezing greater service out of the same facilities and equipment.

Noncapital and low-capital alternatives for meeting performance goals stretch public transportation dollars, but they require a different type of planning and analysis than traditional transportation planning programs. ISTEA's "financial constraint" requirement—limiting proposed spending to the revenues demonstrated to be available during the implementation period—put a premium on low-cost alternatives and criteria for systematically assigning priorities to the projects and programs that will produce the greatest amount of performance per dollar.

Enhanced Public Involvement

"Inclusive," "early," and "often" are the watchwords of ISTEA's public involvement requirement. MPOs are required to reach out to all the affected parties, and seek to involve them in the MPO process from beginning to end. This is true particularly for the hard-to-reach sectors of the population such as: persons with disabilities (who may need special means of communicating and special accommodations at meetings); ethnic groups (that may have language and other cultural barriers to overcome); and the poor and disadvantaged (who may be transit-dependent but unable to participate in public forums to make their needs known).

This enhanced involvement is intended to make the transportation programs customer-oriented, to take advantage of the unique insights that come from viewing the programs "from the other end of the telescope," and to help create a body of support for the programs that will best meet the needs of the customers. Successful public involvement programs typically use a wide variety of techniques appropriate to reach the diverse groups found in most communities and to match the different stages of the planning process.

DOT funded a new inventory of these techniques (Howard/Stein-Hudson) and made case studies available to illustrate the benefits that can come from such activities. The time and resources required to pursue sincere and creative public involvement programs may be substantial, but the effort can pay off in plans and projects that have the breadth of support necessary to be implemented.

MPO Capacity Building

FHWA-sponsored studies (ACIR, 1995; ACIR, 1997) found that the MPOs have adapted very significantly to the ISTEA innovations, but they still need to make further improvements, and they are looking for help. One reason they are looking for help is that the larger ones (over 200,000 population) must be certified by the federal government every three years. The certification process assesses the extent to which these MPOs are meeting the federal planning requirements outlined above, and makes recommendations for improvement. A number of conditional approvals have been issued, allowing brief periods to rectify deficiencies. (ACIR, 1997) Although MPO funding and implementation funds in the MPO's region could be cut off, that has not yet happened. Nevertheless, the certification requirement provides a strong incentive for MPOs to meet the federal requirements.

To help all MPOs meet federal requirements, FHWA is funding development of a learning network through the Association of Metropolitan Planning Organizations (AMPO). The primary goal is to share good practices quickly and effectively among the MPOs to help them become high-performance or-

ganizations. It is expected that a permanent website will be operating as part of this network in 1999 to help MPOs get up to speed and maintain their high performance well into the future as techniques continue to improve.

The main point to emphasize here is that DOT is making very substantial investments in building MPO capacities to help ensure that they will be the strong partners needed to help implement the national transportation policies spelled out in ISTEA.

Principles for Federal Support of Regional Institutions

The ISTEA experience suggests that the federal government could substantially enhance its support for regional organizations in ways that could significantly improve the performance of other national goals. This could be accomplished by distilling the lessons of ISTEA into a multi-purpose model of region-building and applying it to additional federal-aid programs. Five principles that should be included in such a model follow.

Define Regional Interest

The federal government should carefully delineate the program areas in which it has a regional problem-solving interest. This delineation should include the scope of the federal interest, the existing programs that relate to it, and the federal performance goals established for the program area.

Each program area should incorporate a significant amount of federal funding over which a designated regional organization would have authority to assign spending priorities consistent with an adopted performance plan and realistic financial constraints. Within the program scope, flexibility should be created for transferring funds among related programs to help meet performance goals more effectively and efficiently.

The following areas are suggested for consideration, along with some of the major departments and agencies that might be involved.

Economic Development. Major related programs exist in the Economic Development Administration, the Appalachian Regional Commission, the Small

Business Administration, and the Departments of Housing and Urban Development, Defense, Transportation, Agriculture, Education, Interior, and Labor.

Community Development and Housing. Major related programs exist in the Departments of Housing and Urban Development and Agriculture.

Social Opportunity, Health, and Public Safety. Major related programs exist in the Departments of Health and Human Services, Labor, Education, and Justice.

Pollution Control. Major related programs exist in the Environmental Protection Agency, the Departments of Energy and Defense, the Nuclear Regulatory Commission, and the Federal Emergency Management Agency.

Natural Resource Use and Preservation (including water resources). Major related programs exist in the Environmental Protection Agency and the Departments of Interior, Agriculture, Commerce, and Defense.

Disaster Mitigation. Major related programs exist in the Federal Emergency Management Agency and 27 other federal departments and agencies.

Assign Regional Institutions

The federal government should assign a federally-assisted regional planning and coordinating role to appropriate regional institutions for each of the "regional interest" program areas defined above. In general, the choice of institutions should be the general-purpose regional councils already established for other federal and state programs. Multiple programs should be assigned to the same regional organization whenever possible to facilitate coordination and encourage program synergies.

Where regional councils are not the best choice (perhaps because they lack capability and authority, or appropriate geographic scope), some flexibility should be provided to allow conformity with other applicable state laws, interstate compacts, watershed or river basin organizations, or other regional structures that may already exist for other purposes. Combinations of regional councils may be appropriate in some cases. If regional councils are not designated

for a particular program area, coordination with those that exist in the geographic area should be required. The federal government should play a special role in helping to support or create interstate regional councils where needed to address areawide concerns that cross state lines.

Opportunities for coordinating related federal programs and agencies should be seized. Regional planning requirements should be as consistent as possible from one program area to another to allow efficiencies in meeting federal planning requirements. Duplicate planning should be avoided by incorporating the relevant elements of related regional, state, and local plans into the designated regional organization's planning reports and policies.

To the extent possible, planning assumptions (such as population growth rates and future development patterns) should be consistent from one program to another. This practice was heavily promoted by the federal government in the 1970s, but was de-emphasized until ISTEA renewed the emphasis on coordinating land use, environmental protection, and transportation. TEA-21 increases that emphasis.

The planning funds to support designated regional organizations should be provided as a percentage set-aside from the related implementation programs. This arrangement has worked well in the transportation field, while the use of separately appropriated planning funds has not worked well in other fields.

Require Regional Dialogue

The federal government should establish performance requirements for (a) inclusiveness in the policymaking bodies of the designated regional institutions, (b) a collaborative decisionmaking relationship between the regional institution and the related state agencies, and (c) ISTEA-style public involvement. The designated regional organization should be a partnership mechanism, responsible for bringing the affected and responsible parties together to help broaden consensus. This is not always easy to accomplish, so the federal government may have to assist some regional organizations in getting some of the parties (such as a state agency) to the bargain-

ing table and keeping them there in a constructive relationship. DOT has found this role necessary in a few cases.

Empower Regional Partnership

Federal officials in the field should be active partners in the regional planning and problem-solving process. They should attend regional planning meetings faithfully, participate fully, and abide by the regional decisions made in the collaborative process, except in clear cases when the regional decisions violate federal law.

This role will be a significant culture change for many federal officials who have been accustomed to monitoring compliance with detailed federal-aid regulations. In addition, it will require a greater federal field presence than is available presently in many of these programs. However, this approach would require less time for regional office and headquarters reviews, and would diminish the need for unilateral federal decisions made from afar. Special training for federal field representatives should be provided to facilitate the transition from "compliance officer" to "full partner." A recent report by the National Academy of Public Administration (NAPA) is available to support such training.

Build Regional Capacity.

Federal agencies should help to build the capacity of regional councils and other designated regional organizations, and facilitate their operations. Federal research, program evaluations, and training programs are important sources of information for regional organizations about what works.

In addition, the federal government is in a position to sponsor "learning networks" for regional organizations to help them share experiences about good practices. Federal agencies, including DOT and HUD, also are beginning to package data conveniently to assist their grantees in performing required planning analyses and preparing helpful maps and graphic displays for decision-support purposes—a technique that should be applied more fully to regional programs. Finally, federal agencies are beginning to establish nationally comparable regional

indicators and automate many aspects of the grant management process—from applications for funds to disbursements and project closeouts.

Precedents for these helpful practices have been cited above, but most are not widespread outside the ISTEA/TEA-21 orbit. Fuller use by federal agencies in a wider range of regional programs could significantly aid the effectiveness and efficiency of regional organizations and enhance the performance of many federal programs.

Conclusion

After nearly two decades of neglect by most federal programs, it is time for renewed initiatives by the federal government to take advantage of the benefits that regions can provide. The partnership model embodied in ISTEA, and continued by TEA-21, is effective and worthy of broader application.

Now is a particularly good time to pursue this regional initiative because of the outcome-oriented performance management requirements of GPRA. Many federal-aid programs have regional dimensions, and it is in the regions that their benefits will be produced. These programs will be delivered by federal-aid recipients, not by the federal government itself. So the partnership idea takes on new meaning; federal program performance will need to be measured largely by the success of the partners. The federal interest in strengthening regional councils, therefore, is the same as its interest in seeing its own programs succeed. ■

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