FEDERALISM AND THE ROLE OF REGIONS – A MAJOR OPPORTUNITY FOR THE NEW ADMINISTRATION AND CONGRESS

A Transition Memo from the National Association of Regional Councils
Contents

I. Summary of Recommendations....................................................................................3
II. What is a Regional Council?.........................................................................................4
III. Federal Solutions Led by Regions..............................................................................5
   Why Regions?..................................................................................................................5
IV. How Regions Have Demonstrated Their Role in a Federal System.........................6
   Examples of Federal Funding at the Regional Level.....................................................7
V. How Regions Can Play a Greater Role in a Federal System.......................................9
   Recommendations.........................................................................................................9
VI. NARC Contacts............................................................................................................11

About NARC

The National Association of Regional Councils (NARC) serves as the national voice for regions by advocating for regional cooperation as the most effective way to address a variety of community planning and development opportunities and issues.

NARC members include regional councils, councils of governments (COGs), regional planning and development agencies, Metropolitan Planning Organizations (MPOs), and other regional organizations.

Members work collaboratively with their communities – large and small, urban and rural – to address their citizens’ needs and promote a regional approach to planning for the future.
Summary of Recommendations

Direct Funding to Regions

Increase eligibility of regions to receive direct federal funding. Regions are recognized by the Office of Management and Budget as local governments. Whenever a program is funded by the federal government but implemented at the local level, regions should be allowed to apply for and receive these funds.

More Flexibility to Spend Funds

Build interagency and cross-agency waiver authority for all funding at the regional level so that funds from different agencies and programs may be combined to achieve local goals.

New Resources for Regions

Work with states, localities, and regions to identify programs and activities best handled at the regional level and directly fund regions to implement those programs and activities.

Interagency Cooperation

Increase interagency cooperation to ensure that regions and local governments receiving federal funding are able to develop and implement plans that reflect the federal government’s emphasis on programmatic integration.
What is a Regional Council?

- Regional councils, also known as councils of governments (COGs) and regional planning and development agencies, are public organizations comprised of local elected officials that promote collaboration among local governments, working across the jurisdictional silos of states, counties, and municipalities.

What Do Regions Do?

- **Convene** elected officials and community leaders to develop solutions to challenges extending beyond individual jurisdictions.

- **Plan** transportation, environmental, and community development projects.

- **Deliver** projects and programs by providing technical assistance and serving in roles such as Metropolitan Planning Organizations, Area Agencies on Aging, Economic Development Districts, 911 operators, and more.
Federal Solutions Led by Regions

With the nation facing multiple challenges, from the public health and economic crises caused by COVID-19, to the renewed focus on racial inequity, Americans are looking to Congress and the administration for solutions. To solve problems of this scale, the federal government must engage and empower all levels of government following the foundational principles of federalism.

Federalism, the American mode of political organization, balances power and responsibility between the national government, states, and localities. Each of these levels of government, while distinctly separate, is designed to function together, to ensure that all citizens receive the services they need.

Regional organizations (“regions”) provide critical support for the nation’s system of federalism by working as coordinators and conveners between states, counties, and cities, so that jurisdictional boundaries don’t interfere with the equitable provision of services, planning of regional projects, and distribution of federal and local funds.

As Congress and the administration craft legislation to address the current recession, pandemic, and calls for social justice, America’s regions are positioned to play a pre-eminent role in these efforts as they are applied across all levels of government.

“Regions provide critical support for the nation’s system of federalism by working as coordinators and conveners between states, counties, and cities...”

Why Regions?

- **Regions represent the best of federalism** – various levels of local government, each with different responsibilities, coming together with federal and state support to address the common needs of their residents.

- **Regions provide the federal government with an effective and efficient way to communicate policy** – Regions are the perfect intergovernmental tool to reach local elected officials and a broad network of business leaders, educators, human services providers, and community-based organizations.

- **Regions that allocate federal funds and administer federal programs** – Metropolitan Planning Organizations (MPOs), Economic Development...
Districts (EDDs), Workforce Investment Areas (WIAs), and Area Agencies on Aging (AAAs) – have demonstrated their ability to efficiently disburse those funds and in many instances have shown themselves to be the best mechanism for directing federal funds to the local level.

• **Regions enable local governments and elected officials to develop and implement solutions that are not bound by jurisdictional boundaries** and provide a framework in which local needs can be best understood and acted upon in a way that equitably benefits all of the individual communities within a region.

• **Regions are non-partisan and take politics out of the decision-making process** with respect to a wide range of programs and services. Regions are able to provide solutions that cross beyond the divide that exists in some areas between “blue” cities and “red” rural areas.

### How Regions Have Demonstrated Their Role in a Federal System

Like our nation and the states and localities that comprise it, regional organizations are diverse and serve communities in many different ways. But all are consistent in a specific way that is critical to their success: they represent multiple local governments (municipalities and counties) with the aim of addressing one or more issues that affect all jurisdictions within the region.

Some regions were established to address federally mandated activities and provide examples of the benefits of federalism. These include Metropolitan Planning Organizations and Economic Development Districts. Others may be based on federal programs but reflect state designations including Area Agencies on Aging and Workforce Investment Areas. Still others reflect the needs of their member localities including financial services, environmental health, storm water, broadband, housing, criminal justice, and law enforcement training. Others are responsible for overall land use planning within their region and as a result have taken an active role in addressing problems resulting from a lack of equity. Still others aggregate data and make that data available to their localities so that their members may objectively plan for the future.

This diversity is not by accident. As noted before, it is the direct result of the needs and desires of the elected officials.
of municipalities and counties that make up the region as they structure federal, state, and local investments into regional coordination mechanisms.

It is because of this diversity that regions can be perfect vehicles for implementing federal policy at the local level.

**Regions have demonstrated their ability to direct a wide variety of federal funding at the local level including:**

- **Department of Transportation** funds through Metropolitan Planning Organizations (MPOs) and Regional Transportation Planning Organizations (RTPOs) to plan for and allocate resources to local areas for transportation and infrastructure programs.

- **Economic Development Administration** funds through Economic Development Districts (EDDs) to local communities for economic development activities.

- **Multi-agency funding** through programs like the former Sustainable Communities Initiative (SCI), a joint partnership of the Department of Housing and Urban Development, the Department of Transportation, and the Environmental Protection Agency to increase affordable housing, improve transportation, and protect the environment.

- **Department of Agriculture** programs that address food distribution and insecurity in regions such as the Community Facilities Direct Loan and Grant Program and regionally-based Rural Economic Development Innovation (REDI) programs.

- **Administration on Aging** funds through Area Agencies on Aging (AAAs) to provide services and distribute funds in accordance with the Older Americans Act.

- **Employment and Training Administration** funds to implement local workforce development programs required by the Workforce Innovation and Opportunity Act.

- **Health and Human Services** funds in support of local public health programs and services.

- **Housing and Urban Development** Community Development Block Grants that provide flexible funding to help communities expand economic opportunities for low- and moderate-income persons.
• **Housing and Urban Development** funds to address homelessness at the local and regional level including Emergency Solutions Grant (ESG) program and the Continuum of Care (CoC) program fund as well as the Youth Homelessness Demonstration Program (YHDP).

• **Housing and Urban Development** funds to plan for and develop affordable housing.

• **Environmental Protection Agency** funds to help regions and local communities meet federal, state, and local environmental standards.

• **Environmental Protection Agency** funds to develop environmental plans and practices that result in environmental justice.

• **Environmental Protection Agency** funds to clean up Brownfields and other environmentally hazardous sites.

• **Federal Emergency Management Agency** and **National Oceanic and Atmospheric Administration** resilience funding to develop programs designed to recover from and mitigate the effects of natural and manmade disasters including hurricanes, earthquakes, fires, and sea level rise and create sustainable communities.

• **Department of Justice** discretionary and mandatory funds to improve local law enforcement activities including aid to victims of violent crime.

• **Departments of Transportation** and **Department of Commerce** funds that help regions develop and implement effective 911 services.

• **Department of Homeland Security** funds, including the Urban Area Security Initiative (UASI), to help local areas respond to potential terror threats.

• **Federal Communications Commission** funds to create universal access to broadband.

It is because of this demonstrated capacity to efficiently distribute funds across a range of sectors that regions should be seen by Congress and the administration as vital partners to allocate federal funds locally and achieve federal policy and programmatic goals.
How Regions Can Play a Greater Role in a Federal System

Regions have shown themselves to be a valuable support within the federal system and in many instances have proven to be the best mechanism for delivering federal investment to the local level. With this record of success, regions are prepared to take on an even greater role.

As Congress and the administration look to develop solutions to the current recession, pandemic, and calls for social justice, they should consider the ways in which an increased role for regions can help accomplish this.

Recommendations:

Direct Funding to Regions:
Increase eligibility of regions to receive direct funding. Regions are recognized by the Office of Management and Budget as local governments and as such are eligible to receive federal funds directly. NARC, therefore, recommends that whenever a program is funded by the federal government but implemented at the local level, regions should be allowed to apply for and receive these funds.

- Example: Funding for CDBG that normally goes to cities and counties should be able to go directly to regions (if the cities and counties of the region are in agreement) for spending across the region in a way that ensures equitable distribution of funds.

More Flexibility to Spend Funds:
Build interagency and cross-agency waiver authority for all funding at the regional level so that funds from different agencies and programs may be combined to achieve local goals. Federal funding for regions is generally siloed and must be used for very specific purposes. Greater flexibility to merge and leverage funding in a way that serves the identified needs of the region would substantially improve regional planning and program implementation.
• Example: Individual grants for affordable housing, transit and jobs planning should be able to be consolidated into a single funding stream so that regions can develop unified plans that recognize the connectedness of these and other issues.

**New Resources for Regions:**
Identify and directly fund programs and activities that are best implemented at the regional level. Congress and the administration should work with states, localities, and regions to identify programs and activities best handled at the regional level and should then directly fund regions to implement those programs and activities. Additional funding across a range of programs should be appropriated as part of an effort to enable regions to better achieve positive outcomes for their member municipalities and counties.

• Example: Funding for economic and environmental resilience activities should be directed to regions as resilience planning is best implemented at the multi-jurisdictional, regional level. Economic and environmental challenges and events cannot be easily contained within jurisdictional boundaries and necessitate cross-boundary solutions.

**Interagency Cooperation:**
Increase interagency cooperation to ensure that regions and local governments receiving federal funding are able to develop and implement plans that reflect the federal government’s emphasis on programmatic integration.

• Example: Develop a formal agreement for joint program implementation between the Department of Labor (DOL) and Department of Transportation (DOT) based upon the natural connection that should exist between workforce development programs and transportation programs. The DOL is able to help employers find workers through job matching services and training programs and DOT can help ensure workers have the transportation needed to get to get to those jobs.
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