

OUTLINE OF REMARKS BY

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on the

THE FUTURE OF REGIONAL COUNCILS AND THEIR RELATIONSHIP TO STATES

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BACKGROUND

Most substate regional councils (councils of government) evolved in the late 1960's. In 1960 there were 60 councils, and by 1970 close to 600. Today there are about 400 staffed regional councils. The average council budget is \$750,000 and median staff size is 18 to 20 people.

There are 35 regional councils in metropolitan areas of a million or more population (with close to 45 after the 1990 census). Another 60 councils serve areas of a million to 500,000 population. Then there are the over 350 councils in less populated and rural areas.

Why did regional councils evolve so quickly in the sixties?

1. Interest in physical planning and land-use location and programming of public facilities (primarily through federal programs--with Florida and Georgia being unique exceptions in the U. S.).
2. Need for a forum in fast growing metropolitan areas for local officials to communicate, coordinate, and cooperate (the local COG idea).
3. Push for economic development and or regional planning (usually through state legislation and leadership with encouragement from HUD and EDA federal programs).

The initial push for councils in metropolitan areas was for planning in transportation and land use, and in rural areas, economic development.

As we started the 1980's, regional councils (as well as all local governments) were faced with a shift in federal government philosophy and funds. Total regional council funds being \$800 million in 1977 with 75% from federal sources. By 1984, they dropped to \$350 million (56% reduction in seven years) with 40% to 50% from federal sources. And in 1988, total funds, including pass through money had climbed back to \$590 million. Of these funds, 45% were federal, 18% from state government, 13% local and 23% other sources including contracts, private sector, special fees and foundations.

## CHANGES IMPACTING REGIONAL COUNCILS

Economic Change. There is little doubt that the nation has entered a post-industrial phase. Manufacturing and agriculture have become economically less important. The emerging enterprises are information based. These changes have caused dislocation and trauma in our urban and rural areas. The institutions, economies, and social structures in these regions will continue to be buffeted by these historic economic shift.

Substate metropolitan and rural regions are particularly sensitive to these changes. They are the micro-economies that comprise and drive our national economy. These areas often competed with each other for business investment. But the contest is expanding. Now, they also must contend with international rivals.

Demographic Changes. In addition, there are other basic changes sweeping the country. Here are a few. The composition of the work force is being changed dramatically with more women and non Caucasian employees. This work force not only lives in the suburbs, but increasingly it works there. Housing growth continues with a smaller family size per unit, and those houses are being built further away from the regions' center into rural rather than suburban areas. Rural areas even further away from metropolitan areas continue to lose people. The automobile continues to expand the distances and change the directions most Americans travel daily.

Intergovernmental Change. Economic change is emerging during an era of retrenchment in the public sector, especially at the federal level. Federal leadership in domestic programs and funding continues to diminish. The debate is over the proper role of the federal government in adapting to this new economic reality. Many states have taken up the challenge. Some are moving to improve their education systems, emphasizing training and retraining their workforces, and stimulating business investments.

## BASIC ASSUMPTIONS ABOUT THE FUTURE OF REGIONAL COUNCILS

Local Government and Change. Local government boundaries are not going to change, but roles and functions need rearrangement. There is the reality that economic activity, technology, and the ease of mobility/communication has little relationship to local boundaries in terms of growth management or the costs and capability for providing governmental services. The dynamic changes and competition effecting us requires more unity and capability to act on a larger geographic scale with a rearrangement of roles and institutional relationships. For local communities the larger regional approach may be the only way to arrest or manage economic decline and provide local government survival.

The Region as the Arena for Decision-Making. There is a growing recognition of the region as the playing field for public and private activity. The realization of the regional arena comes not from federal requirements, but the practicalities of business activity, the larger geographic realm in which people live and work, and the need for more realistic decision-making. These perceptions are not in phase with the current institutions or political processes which govern us including the emerging roles of state government.

A Public-Private Network for Decision-Making. In regional communities, there must be a process that links all major interests and institutions (academic, civic, business, public) to assure communication, negotiation, and decision-making for a common vision of the future, a strategy to achieve it and a partnership to implement the decisions. This process must:

- o Make the region more economically competitive and cost-effective.
- o Provide a renewed commitment to basic social equity with economic educational opportunities for the disadvantaged.
- o Enhance the diversity, resources, and uniqueness native to the region and its communities and to sustain and improve its quality of life and cultural heritage.
- o Improve regional public decisions and service delivery and better distribute those costs to users and those benefited--with special attention to disciplining special districts and authorities and fragmentation of local government.

#### CURRENT REGIONAL COUNCIL ORGANIZATION & ROLES.

To look ahead we again need to review what is today.

Of all regional councils, 87% have voluntary membership. In eight states, some form of mandatory membership exists. Few councils have traditional governmental powers (i.e. bonding, taxing, eminent domain). The bulk of councils are created under intergovernmental agreements or specific state enabling laws. The Metropolitan Service District in Portland and the Metropolitan Council in the Twin Cities of Minnesota are exceptions to this rule.

Councils have from 4 to 6 counties as members and 24 to 62 cities/towns in their membership.

Current program analysis of councils shows:

- o Greatest program area for all councils is transportation (54%) with 80% of the large metros involved.
- o The next two largest programs, 50% of all councils, are solid waste planning and assistance to local communities in land use.
- o The major programs for small councils are land use planning assistance to local communities, solid wastes and water planning, economic development/assistance to small business, and transportation.
- o For medium metros, the key program areas are transportation planning, land use planning assistance, solid wastes and water planning, economic development/small business assistance, and programs for the elderly.
- o For major metros, transportation, water and solid wastes (hazardous materials), housing, and programs for the elderly are the biggest

program responsibilities. The large metros are most active in environmental programs--air, water, and wastes.

An interesting aspect of this analysis is:

- o The funding is most diversified for medium metro councils through five major programs -- job training, federal highways, mass transit, aging, and economic development.

THE REGIONAL ROLES THAT NEED TO BE PLAYED IN THE FUTURE.

To understand relations to state government we need to explore regional roles that must be emphasized in the future. These include:

1. A constant advocate of the concept of the substate regional community as the arena for significant economic and governance issues.
2. A primary actor in building coalitions with key regional private/business sectors and community/civic groups with a willingness to be a partner and not an institutional landlord.
3. An activist in identifying potential public and private leaders and cultivating them as advocates and decisionmakers for the regional community.
4. A managing partner in developing regional economic development strategies which emphasize capital formation, jobs, and involvement of the academic community to encourage technological innovation.
5. The custodian of the region's data base and more importantly a primary responsibility for analyzing that data and forecasting economic and demographic trends and changes.
6. Planner/programmer/broker in transportation, water, wastes, housing, and land-use which has direct impact on economic and community development.
7. Planner/partner/broker with other community interests in human services such as, Drug and Alcohol Abuse, Child Care, the Elderly, the Homeless Jobs/manpower training, and Quality of life concerns.
8. The steward for the regional community by building and unifying the local government power base and constituency.
9. The provider of and forum for conflict resolution of public-public or private-public regional issues.
10. A forum and broker for state and local government on issues of a regional nature and an advocate for local government interests and needs to the state.

are real communities and states are organized to deliver much of our necessary governmental people services through local governments. Further, in many of our metropolitan areas state boundaries do not conform to the real field of action for economic or social interests. Thirty-seven metropolitan regions include two or more states and make up over 30 percent of the nation's population. Thus, we have a legal vacuum--if states are to address regional governance issues--and they should--they must encourage more fully interlocal coordination and action. And new state laws should accommodate this need.

#### STATE ACTION AREAS

At least six sets of state issues can be more cost-effectively dealt with through substate regional community approaches. Briefly, these issue areas are:

Public Finance: Local, Regional, Capacity and Fiscal Disparities--With the national government cuts in domestic programs, more pressure is put on state and local governments to finance public services and facilities. These pressures are offset by forces who also wish to reduce state and local taxes. But, state and local governments now and in the future must develop and expand revenue sources like user fees. They must also find ways to more effectively provide services and facilities.

First, state and local governments must work together on revenue strategies as partners and not competitors. Second, when the state deals with local governments in terms of their financial capability and capacities, they must look at the total regional community. To deal only with individual communities and not look at their relationship to their neighbors, can only increase and exacerbate financial disparities and inequities. For in regional communities, we all recognize there are older areas with less affluence and resources relative to new areas which have affluence and development. State legislatures must deal with these disparities which directly impact and relate to those people economically disadvantaged or lacking educational and other opportunities.

Two approaches that have been applied relative to this issue are the metropolitan development fund in the Twin Cities of Minnesota and the regional allocation by substate districts of state severance tax funds for public works in Kentucky.

Jobs and Economic Development--There should be a coordinated state-local government effort on a regional community basis to develop joint strategies and programs for realistic economic development and public investment. There should be a policy that encourages public-private economic strategies which incorporate local community values and aspirations for the future of the entire region, whether rural or urban, central city or suburb.

Central to any strategy is coordinated job development and training activities, but such public investments must relate to the entire labor market regions and the job potentials that the region can realistically provide in the future. In our large metropolitan regions, 8 to 10 individual JTPA recipients administer separate programs. Thus, we can have high unemployment in the central city and job openings in the suburbs with

## REGIONAL COUNCILS REQUIRE A STATE OF MIND

A Regional Community Perspective--In terms of state and local government relations, our message to you as state legislators is one of perspective and point of view. In the past, when you have viewed local government, you have looked at individual cities, towns, villages, counties, and special districts. But in the world of today and tomorrow, these individual communities form a much larger regional community. This is true both in the urban and rural areas of your state.

Local Government Today--A profusion of local governments exists in the United States; cities, counties, and towns abound. In fact, there are some 39,000 not including school districts and special service districts. Some have argued over the years that there are too many governments and we should encourage consolidation. But they miss the point, for this multiplicity and diversity of local communities is an embodiment of a cherished American principle and ethic: "local homerule." Surveys show that, of all levels, Americans are most happy with their local governments. They have a sense of closeness, responsiveness, and accountability.

The Real Community--We are comfortable politically and psychologically in these historically defined communities. But, are they the real economic or social communities of today and the future: We increasingly find economic activities (financial markets and business locations), social interactions (cultural events), natural systems (water and air), and even crime do not respect or conform to existing political boundaries. Some human and equity values require a larger geography (low income housing, employment, and educational opportunities). In today's world, people are mobile and seek opportunities where they can find them. This has resulted in residency and place of employment often in different cities or towns within the region with growing commuter distances.

The homerule community is subsumed within the larger family of neighboring jurisdictions to constitute a region. Regions are the real communities because they are the economic marketplaces and social and cultural communities that are the focus of economic action and hopefully growth. The real community is not just Los Angeles, but Southern California, not Cook County, but a much larger Chicago metropolitan area, and not Boston, but a multiplicity of jurisdictions located within eastern Massachusetts with portions of southern New Hampshire and Maine. America has become a nation of regional communities with 281 of them officially designated by the federal government as standard metropolitan statistical areas (SMSAs).

The dilemma then is how do we maintain our 200-year attachment to smaller homerule communities but manage the action in these much larger substate regional communities.

We believe that the answer to this issue is a primary concern of state government and more specifically their legislatures.

State governments have been looked upon as a strong partner in the federal system over the past eight years and they should be. But states can not be the most effective institutions for many of the day to day decisions affecting individuals in our substate urban and rural regions. These areas

designated regional agency and given the opportunity to develop implementation programs in partnership with the state. This model should be applied in other existing and emerging programs, e.g., water quality, and hazardous wastes.

Of particular concern to state government is the entire problem of solid waste management and siting. Here again, we believe that those states which established a regional focus for solid waste management have a better opportunity to cost-effectively deal with this growing problem. Of particular significance is the program in Metropolitan Portland.

Health and Human Service Delivery--Human service programs have a great diversity in terms of needs as well as service delivery. The delivery of these services has been of particular interest to states and large city and county governments. Program services are provided not only by public agencies, but the private sector, voluntary, and nonprofit groups. This requires even greater coordination and linkage. Regional approaches are even more crucial here because specialized services and facilities may be spread throughout the region. Information on services and facilities available in the region, in itself, is a confusing maze. Service areas requiring special attention include child care, drug and alcohol abuse, health care, youth services, and programs for the elderly.

States like Texas have demonstrated particular innovation in using their regional council for progress in job training, youth services, drug and alcohol abuse, and the elderly. We believe that many human service programs, both public and private, can be more cost-effective if coordinated on a regional basis.

The federal program targeted to the needs of the elderly is a model. Federal assistance is available and encourages coordinated regional approaches with a major state role in delivering the needed services.

Conclusion--We are not proposing in these six areas a reorganization or consolidation of local governments. We are proposing to you and your peers in the state that as you legislate on the issues you have a regional perspective and specific substate regional provisions. We urge that you consider establishing regional processes which foster and encourage local governments to work together to make tough decisions together and negotiate their differences. State agencies must be positive partners in these efforts. These regional decision-making processes are particularly crucial in major facility siting, financial capacity and fiscal disparity, and in land use development.

We appreciate the opportunity to present these views.

no coordination. Furthermore, there should be incentives for local governments to tie job training to parallel economic development activities.

Land Use--Jobs also relate to transportation, housing and community infrastructure. The thread to all of these developments is land use. But in many respects, land use is more practically dictated, not by state and local regulatory programs, but intergovernmental policies on transportation, infrastructure, and environmental standards. All need to be meaningfully tied together regionally. Oregon has been active in developing state and local land use planning but never had a meaningful regional dimension.

We would urge you to consider the Florida land use efforts which attempt, in process terms, to tie together state, regional, and local communities in a better scheme of land use development. But, fundamental to land use is the provision of infrastructure and transportation facilities. Also we suggest a look at the new Georgia legislation.

Public Infrastructure/Transportation--In the last few years, there has been a growing concern over the existing condition and future needs for public facilities. It is argued that we have an infrastructure crisis.

Federal programs have provided resources to state and local government to develop certain public facilities. The federal highway and transit programs are the largest infrastructure investments in the country. The preeminence of the federal role is reflected in the fact that it financially supports only twenty percent of the roads, but these roads carry over eighty percent of total vehicle miles traveled. The mobility we have created is a primary reason for the dynamic nature of our society and economy.

The federal government has been the principal architect in developing this transportation system during the last thirty years--beginning with President Eisenhower's vision of a national interstate highway system. Regional councils for the last 20 years have largely accomplished the required intergovernmental coordination and programming for the allocation of federal transportation funds in urban areas.

States need to develop financing and planning programs with a regional focus which more effectively tie together transportation and infrastructure facilities. An example of this is the effort in Phoenix Maricopa County and the San Diego SMSA where all levels of government cooperate, finance and provide on a regional basis a new 200-mile transportation system.

Environment--Even though the major regulatory and standards role in environmental matters has been federal, these programs are of vital concern to state and local governments. The accomplishment of federally imposed standards for clean air and water and management of our hazardous and toxic wastes has been a major national undertaking. The tough questions that remain are who pays for these mandates and who participates in developing implementing policies and plans for compliance and how do we site unwanted but needed facilities. Here again Oregon has offered legislative leadership.

Intergovernmental participation in compliance programs is another issue. We prefer the example set by the Clean Air program where implementation planning is achieved by local governments operating together through a