



Leaders at the Core of Better Communities

Governmental Affairs and Policy Committee

ICMA 94th Annual Conference, Montréal, Québec, Canada
Sunday, September 13, 2009, 8:30-11:30 a.m.

On Site: Palais des congrès de Montréal Room 513E

Conference Call: Dial 866/962-5319. Enter 3569, when requested.

Agenda:

- | | |
|---------------|--|
| 8:30-9:00am | Meet and Greet |
| 9:00-9:20am | Welcome and Introductions <ul style="list-style-type: none">• ICMA leadership visit (Dave Limardi, Darnell Earley, Bob O'Neill) |
| 9:20-9:40am | GAPC Pep Talk: Roles and Responsibilities (Patrick Urich & Scott Hancock) <ul style="list-style-type: none">• The ICMA Policy and White Paper Process (handout) |
| 9:40-10:10am | White Paper Updates <ul style="list-style-type: none">• Intergovernmental relations (Michael Howell-Moroney and Donna Milam Handley, University of Alabama at Birmingham)• Performance metrics for ARRA funding (David Ammons, University of North Carolina) |
| 10:10-10:30am | Committee Business <ul style="list-style-type: none">• National committee updates<ul style="list-style-type: none">a. Steven Thompson - GASB Update (5 min)b. Lee Feldman - FEMA NAC Update (5 min)c. Richard Brown - Various Updates (5 min) |
| 10:30-11:25am | Small Group Discussions <ul style="list-style-type: none">• Review and discuss white paper short list and roster of white paper topics• Small group discussions (hot topics, updates, pending legislation)• Report-outs and recommendation on white paper(s) |

11:25-11:30am Conclusion

- Next Meeting: March 13, 2010, 8:30 a.m. ICMA Offices

Appendices:

- Roster of 2009-2010 Committee Members
- Roles and Responsibilities of Committee Members
- ICMA Policy and White Paper Process
- Draft of White Paper: *Measuring the Results of Economic Stimulus Investments: Local Government Leading the Way*
- Draft of White Paper: *Rebuilding the Intergovernmental Partnership: Toward a Cooperative Federalism*
- Notes from March 2009 committee meeting in Washington, D.C.

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A term of January 2099 indicates an indefinite committee appointment.

Committee Members: 66

Governmental Affairs and Policy Committee

Roles, Expectations and Responsibilities for ICMA Committee Members

Participate actively in the committee by attending at least one committee meeting per year, and letting the chair know if you are not able to attend any meetings. Members must participate in order to remain on the committee.

Respect the opinions of other committee members and the role of the committee chair to build consensus on the specified task.

Follow through on assigned tasks by meeting deadlines, returning phone calls, responding to requests for input, etc.

Represent the committee to assistants' and managers' associations by attending state or national association meetings, making brief presentations, or writing articles about the committee's work for state or national association newsletters.

Roles, Expectations and Responsibilities for ICMA Member Committee Chairs

Understand and articulate the role of the committee in relation to the ICMA leadership structure and the Board's goals.

Develop consensus on an approach to the specified task that represents the goals of committee members appropriately and that relates to Board goals and other committees' efforts.

Set meeting agendas and facilitate meetings so that time is used effectively and all committee members have an opportunity to participate.

Keep the committee on track at meetings and throughout the year by serving as task master, ensuring committee members complete tasks, meet deadlines, participate, etc.

Represent the committee with ICMA, state, and affiliate leadership when necessary.

Represent the committee at state association, assistant association, and/or affiliate association meetings, making brief presentations or writing articles about the committee's work.

Board approval, July 1993

The ICMA Policy Process

Committee Makeup

The Governmental Affairs and Policy Committee (GAPC) is integral to the fulfillment of one of the leadership strategies in ICMA's soon to be adopted Strategic Plan: "Become more engaged in contributing to the public policy arena as it relates to local government."

ICMA's GAPC meets twice yearly, once at the annual conference and once in March, in conjunction with NLC's Congressional City Conference. Staff also supports the committee through email updates, quarterly conference calls, etc. The term for ICMA members is three-years by presidential appointment. The GAPC leadership (chair and vice chair) will comprise a state director, and an ICMA board member.

The GAPC regularly communicates information and issues back to the ICMA membership (via forums.icma.org) to alert members of timely issues. Committee volunteers agree to participate in at least 80 percent of committee meetings and conference calls, or withdraw from the committee.

- Five subcommittees (clusters) monitor policy agendas and discuss relevant issues and how those issues impact ICMA membership. The clusters are: (1) Public Works, (2) Public Safety and Emergency Management, (3) Finance and Administration, (4) Human Services, and (5) Community and Economic Development
- Cluster Chairs agree to convene at least two quarterly communications sessions with their cluster members, via email or conference calls.

Positions taken by the GAPC do not require board approval as long as they adhere to the following operational parameters or limitations approved by the board in September 1999 and revised in September 2000:

1. GAPC positions will not violate the ICMA Code of Ethics;
2. GAPC positions will be consistent with positions of NLC and NACo, unless positions are approved by the ICMA Board of Directors;
3. GAPC positions are to be consistent with ICMA's strategic plan;
4. GAPC will not take positions on specific state or regional issues.

State Leagues

ICMA invites state municipal league and county association directors that are also ICMA members to participate in GAPC as the steering arm of the committee. These directors hold permanent seats on GAPC until they leave membership, leave their league positions, or voluntarily resign. This has the following benefits for the GAPC:

1. Adds consistency of mission and task to the committee;
2. Strengthens ties with NLC and NACo. State directors are involved in those organizations and as such will be in tune with their legislative agendas. In addition, league and association directors are well respected within NACo and NLC and can astutely communicate the perspective that ICMA brings to discussions;
3. Strengthens GAPC as an early-alert mechanism in communicating critical legislative and policy issues back to ICMA membership through the GAPC.

NLC has approved ICMA members sitting on their policy steering committees. ICMA has recommended 7 members to sit on NLC's 7 policy steering committees.

White Papers

The committee, under the direction of the chair, vice-chair and state directors, annually selects up to two key policy issues that members believe we have an important perspective to bring to the issue. ICMA and the GAPC will produce a white paper on the issue(s) for general release to ICMA membership and other Big 7 organizations.

The most useful papers for the Big 7 are ones in which they do not currently have research papers or other materials to assist them in their lobbying efforts. A paper not produced for Big 7 lobbying efforts should significantly position ICMA as a leader and innovator in local government leadership and management.

**MEASURING THE RESULTS OF ECONOMIC STIMULUS INVESTMENTS:
LOCAL GOVERNMENT LEADING THE WAY**

ICMA Policy Issue White Paper

David N. Ammons

Executive Summary

The American Recovery and Reinvestment Act of 2009 (ARRA or Recovery Act) presents city and county officials the opportunity to improve their communities, benefit their citizens, and demonstrate the value of local government as a partner in an endeavor of major importance to the nation. Although the nation's attention focused first on congressional debates over the need for a stimulus package and its size, it turned subsequently to questions of how quickly funds could be delivered and how many jobs could be created or saved. Predictably, the nation's attention ultimately will shift again—this time to the question of whether lasting benefits, beyond jobs and stimulus, were gained from the massive Recovery Act expenditures.

Current reporting requirements for recipients of Recovery Act funds, although extensive, are focused on jobs created or retained, project oversight, and the avoidance of waste, fraud, and abuse, with relatively little attention directed to outcomes. The resulting data will offer little rebuttal to critics who predictably will challenge the existence of lasting benefits. With few outcomes reported, the data collected from Recovery Act fund recipients will offer only a meager response to such challenges and also will deny municipal and county officials the opportunity to demonstrate the value of public investments being made through local government partners.

An alternate strategy is proposed in this paper—a strategy that recognizes the value of uniform outcome measures that can be aggregated across local governments but one that also is sensitive to the importance of avoiding burdensome additions to an already-extensive set of reporting requirements. This proposal does not suggest the establishment of a uniform set of outcome measures for all projects. Instead, it

recommends the targeting of common project types (for example, road resurfacing, water and sewer line replacement or rehabilitation, and energy efficiency projects) and the establishment of uniform outcome measures that draw upon commonly collected data. Specific metrics are proposed. The quarterly reporting of these uniform outcome measures could be required of local government recipients of ARRA funds that engage in the selected common project types. The aggregation of these measures would not form a comprehensive report of all ARRA-funded projects managed by local governments (for it would exclude less common project types), but it would present a representative picture of the kinds of lasting gains achieved. The proposed measures will allow federal officials and local government spokespersons eventually to declare, for instance, the average percentage decline in line loss among local governments using Recovery Act funds for water line replacement and the average reduction in fuel consumption among local governments using Recovery Act funds to bring greater energy efficiency to public facilities and equipment.

This proposal also calls for the appointment of a committee of local government executives that would review the set of recommended measures; perhaps clarifying, expanding, reducing, or otherwise modifying the set, if deemed necessary; endorsing the set; and monitoring the results.

MEASURING THE RESULTS OF ECONOMIC STIMULUS INVESTMENTS: LOCAL GOVERNMENT LEADING THE WAY

ICMA Policy Issue White Paper

Introduction

Measuring the effects of stimulus spending by local governments under the American Recovery and Reinvestment Act of 2009 (ARRA or Recovery Act)¹ differs from measuring their more routine municipal and county services in several important respects. Audiences, objectives, and timeframes are only a few of the key differences.

Many local governments are accustomed to reporting their performance to management officials, governing bodies, citizens of their communities, and occasionally to officials in state or federal agencies. Reporting on the effects of stimulus spending offers a new and much-expanded audience that includes the nation's citizens, the media, and national policy leaders. The opportunity to demonstrate the value of investing in the government "closest to the people" is unprecedented.

The task of measuring and reporting the impacts of local government expenditures will be complicated by the varying objectives of the stimulus program. The goals of job retention and job creation overlap the goals of preserving public education and safety, maintaining the public infrastructure, protecting the environment, and reducing energy dependence, for example. Aggregating the effects of stimulus spending will require the identification of a suitable set of outcome measures. Such a set is proposed in this paper.

¹ Pub. L. No. 111-5, 123 Stat. 115 (February 17, 2009).

American Recovery and Reinvestment Act of 2009

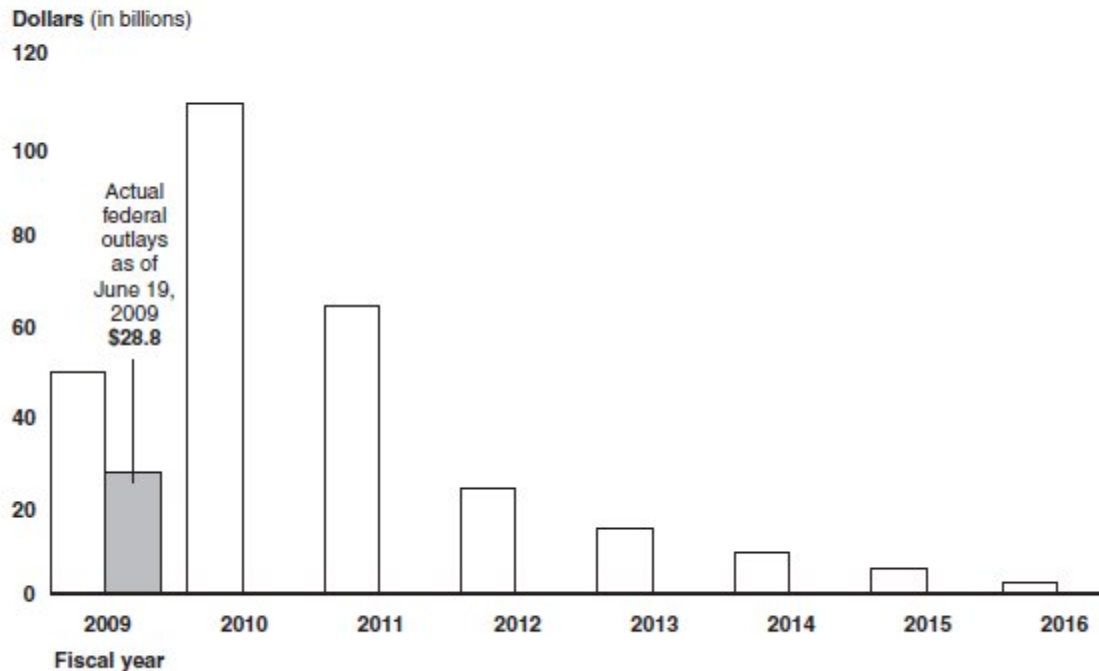
The initiatives currently underway under the Recovery Act represent a mammoth, \$787 billion effort to rescue the nation's economy from near-collapse, protect its most vulnerable citizens, preserve public services, and establish a foundation for recovery. Programs and projects totaling \$280 billion will be administered through states and localities (GAO, April 2009), making this an intergovernmental partnership of historic scale.

The important local government role in this partnership was emphasized in President Obama's admonitions to the nation's mayors three days after signing the economic stimulus package, "What I need from all of you is unprecedented responsibility and accountability—on all our parts. The American people are watching" (Shear, 2009; Stolberg, 2009). Placing them "on notice" to spend the money appropriately, he pledged to "call them out" if they did not.

Much of the initial funding directed through states and local governments—approximately \$49 billion in FY2009—was allocated for increased Medicaid grants (i.e., an increase in the federal match), highway infrastructure investment (e.g., road and bridge repairs, safety improvements, and road widening), and the State Fiscal Stabilization Fund, mostly earmarked for education but also providing for public safety and other government services (GAO, April 2009). Even greater funding streams through state and local governments were planned for FY2010 and FY2011 (Figure 1). By FY2012, allocations through state and local governments will swing more toward spending on transportation, community development, energy, and the environment (GAO, April 2009).

[INSERT FIGURE 1 ABOUT HERE]

Figure 1: Projected versus Actual Federal Outlays to States and Localities under the Recovery Act



Source: GAO analysis of CBO, Federal Funds Information for States, and Recovery.gov data.

...as reported in United States Government Accountability Office, *Recovery Act: States' and Localities' Current and Planned Uses of Funds While Facing Fiscal Stresses*. Washington, D.C.: GAO, July 2009, p. 5. GAO-09-829.

Measuring the Recovery Act's Progress and Impact

As recovery efforts advance, the attention of the media, national leaders, and the nation as a whole will shift from an initial focus on congressional enactment to a series of subsequent points of focus. The first shift came when attention moved from congressional debate and voting to a new focus on speed in project initiation and expenditure—getting the stimulus underway. Now the focus is shifting to actual job creation and retention, and the influence of the Recovery Act on the nation's economic

rebound. Almost inevitably, the focus will shift yet again, at least partially, as attention turns ultimately to assessing the societal benefits of this massive expenditure—benefits beyond jobs and economic stimulation.

The stated purposes of the Recovery Act are to:

- preserve and create jobs and promote economic recovery;
- assist those most impacted by the recession;
- provide investments needed to increase economic efficiency by spurring technological advances in science and health;
- invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits; and
- stabilize state and local government budgets, in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases.

To track progress, directives on performance reporting were issued by the U.S. Office of Management and Budget (OMB) and by various federal agencies through which Recovery Act funds are being channeled. Guidance offered by mid-summer 2009 from these sources made it appear that performance reporting requirements would be extensive and that these requirements would be weighted heavily toward the tallying of jobs created and jobs retained, the tracking of dollars and project status, and compliance by funds recipients. Much less attention was directed toward societal benefits or results of the ARRA projects beyond jobs created or retained.²

² The authors of a recent Brookings Institution report express the imbalance this way: “ARRA’s welcome emphasis on transparency tilts too much toward curbing waste, fraud, and abuse and too little on establishing a clear, sensible focus on measuring outcomes” (Muro et al. 2009, 3).

Despite relatively little early attention to the benefits—long or short-term—of Recovery Act expenditures beyond jobs and economic stimulation, such attention is likely to come eventually from the media and also from critics of the Recovery Act. Critics will challenge the effectiveness of the stimulus, question whether the program was worth the deficits it has created, and wonder what enduring—or even temporary—benefits accrued from the jobs created.

An imbalance of attention on spending speed, jobs created or retained, and avoidance of embarrassing gaffes may serve the program's interests in the earliest stages of public scrutiny, but it will leave Recovery Act participants and proponents ill-equipped for the eventual shift to a focus on lasting benefits beyond jobs. Unless uniform outcome measures are established and required from the outset, proponents will be forced to rely on anecdotal stories of positive results. It will be impossible to report aggregated and cumulative benefits.

The ability of cities and counties individually and collectively to answer the question of lasting benefits not only will allow them to demonstrate progress on persistent local concerns but it also will enhance the value of local governments as program partners with the federal government. But to do so, the framework of performance measurement must be established now.

Why Should Local Governments Be Concerned?

Fulfilling currently announced reporting requirements pertaining to compliance, project management, and the creation or retention of jobs will be difficult enough. Why should local governments be concerned if the tracking mechanisms of the Recovery Act

give short shrift to measuring outcomes? Two reasons are prominent. Although avoiding waste is an important threshold for public programs, it is a threshold far too low to gain public approbation. The ability of Recovery Act participants to demonstrate enduring benefits individually and collectively—along with jobs created and saved—is a more worthy aim. Local governments have important objectives themselves—infrastructure maintenance and expansion, service enhancement, sustainability, and so forth—and it is in their self-interest to document progress toward achieving these objectives. Second, the scale of the Recovery Act and the prominent role of local government in its implementation make this brief initiative a rare opportunity for local governments to demonstrate their value as an intergovernmental partner for this and future initiatives.

Recovery Act Reporting Requirements

Current reporting requirements are extensive, encompassing a host of details pertaining to the following basic elements:

- Total amount of funds received; and of that, the amount spent on projects and activities;
- A list of those projects and activities funded by name to include³:
 - Description
 - Completion status
 - Estimates on jobs created or retained;
- Details on sub-awards⁴ and other payments (OMB, June 22, 2009a, p. 6).⁵

³ Section 1512(c)(3)(E) requires that State and local governments making infrastructure investments must provide information on the purpose, total costs, rationale for the infrastructure project and contact information of an individual.

Furthermore, states often impose additional reporting requirements on local governments for projects supported by federal funds passing through them.

Considerable attention appropriately has been directed toward the measurement and reporting of jobs created and jobs retained. The June 2009 guidance from OMB has clarified this task by declaring that Recovery Act fund recipients are to report only direct jobs created or retained (not “indirect” or “induced” jobs) and by providing detailed instructions for calculating and reporting jobs as full-time equivalents (FTEs). Still, as the GAO reports, many state and local officials desire further instruction and program-specific examples, especially where unusual circumstances exist (GAO 2009, p. 131).

The focus on effectiveness or impact of Recovery Act projects, beyond job creation/retention has been minimal. In fact, more attention appears to have been directed toward the effectiveness of internal control systems for ensuring compliance and avoiding fraud, waste, and abuse than toward the effectiveness or impact of Recovery-Act-funded projects (GAO, April 2009, 42; GAO, May 2009b; GAO, July 2009). The GAO has recommended that in addition to providing further guidance on the reporting of jobs created and jobs retained, the OMB Director should “work with federal agencies—perhaps through Senior Management Councils—to clarify what new or existing program performance measures...that recipients should collect and report in order to demonstrate the impact of Recovery Act funding” (GAO, July 2009, 131).

In OMB’s June 2009 directive, the only reporting guidance that addresses project outcomes or results beyond job creation or retention is this:

⁴ Section 1512(c)(4) requires details on the data elements required to comply with the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. 109-282).

⁵ Some of the “details” probe deeply, for example requiring “the names and total compensation of the five most highly compensated officers of the subrecipient entity” in some instances (OMB, June 22, 2009b, p. 20).

Description of Project or Activity (brief narrative). A description of the overall purpose and expected outputs and outcomes or results of the award and first-tier subaward(s), including significant deliverables and, if appropriate, units of measure. For an award that funds multiple projects or activities, such as a formula block grant, the purpose and outcomes or results may be stated in broad terms (OMB, June 22, 2009b, p. 11).

In a single entry out of many in the reporting guidelines, local governments are encouraged to report activity or outcome measures pertaining to their specific projects. This encouragement is likely to yield a spotty and uneven response. Predictably, not all measures submitted in response to this directive will even address outcomes and those that do will not lend themselves to easy combination for a cumulative depiction of outcomes among local governments as a whole. Lack of uniformity will thwart efforts to simply add the measures of different communities.

OMB's guidance to federal agencies directs them to provide instructions on the collection and reporting of performance measures beyond jobs created or retained—what OMB has described as the Recovery Act's "marginal" performance impact (GAO, July 2009, 118). More specific directives have been slow in coming. GAO reports that "many state and local officials expressed concern about the lack of clear guidance on what other program or impact measures are required for evaluating the impact of Recovery Act funding" (GAO, July 2009, 123).

Drawing on Performance Measurement Lessons

A great deal about public sector performance measurement has been learned in recent decades. A few of the lessons most applicable to ARRA performance reporting are noted here.

Lesson No. 1: While some local governments are sophisticated in their ability to devise excellent measures and track performance, others are not. The practice of performance measurement has expanded dramatically at all levels of government in recent decades, but Ted Poister and Greg Streib (1999), assessing prior studies, note that the reach, sophistication, and use of performance measures are sometimes overstated in self-reported accounts. Not all local governments measure performance routinely and many do so only in a rudimentary fashion. Despite rosy self-reporting, follow-up examination of budget documents and performance reports suggest that the extent and quality of performance reporting among local governments is uneven. It is safe to predict that many local governments will be ill-prepared and a bit uncomfortable with the current federal guideline calling for them to suggest their own measures of the outcomes of their Recovery Act expenditures. The GAO reports that many are awaiting further instruction from federal agencies.

Lesson No. 2: Focusing on outcomes produces a more informative picture of performance than relying on inputs and outputs. Beyond the creation or retention of jobs, the lasting story of the Recovery Act will be the value of the work performed. That story will be told more compellingly if measurement extends past the shopping basket of items purchased and describes in hard facts and figures the gains that are made.

Lesson No. 3: Relying on only a few indicators of performance is risky; caution is warranted. Performance may be more fully and accurately depicted by a carefully developed set of measures addressing multiple dimensions of relevance rather than by a single measure. Scholars even warn of “pathologies” that can result when reliance on a single indicator of service quality leads to the restructuring of internal incentives (Ostrom, 1973; Kelly and Swindell, 2002). In the case of the Recovery Act where practicality is likely to force the use of a single or only a few outcome indicators for some projects, special care in selecting the most reasonable indicator or small set of indicators is warranted.

Objective of Measurement: Project Management or Accountability?

By OMB’s own acknowledgment, the purpose of its performance reporting schema is *reporting* rather than management (OMB, June 22, 2009a, p. 26). In other words, the aim is accountability—demonstrating the responsible use of Recovery Act funds and achievement of the Act’s objectives. Nothing in the Recovery Act precludes the establishment of performance management or project management systems to guide the management efforts of fund recipient, but the reporting requirements are focused on developing information for federal oversight and public information rather than project management.

Given the short duration of Recovery Act projects and the limited time span for mid-course corrections, the assumption that measures connected with these projects will be more useful for oversight and reporting than for management is understandable. However, the introduction of even a few key outcome measures could influence the

management of these projects in beneficial ways—ways that will promote project benefits.

Achieving Needed Precision while Avoiding Burdensome Data Collection

Substantial administrative responsibilities, including reporting requirements, are required of Recovery Act fund recipients. These responsibilities cannot be absorbed easily into the existing workloads of current employees, especially at a time when many local governments have reduced their administrative staffs in response to their own budget crises. Without adequate administrative resources, performance could be impaired. Even before the Recovery Act projects were well underway, state officials already were expressing to GAO investigators “concerns about the reliability and accuracy of data [that would be] coming from localities” (GAO, April 2009, p. 37).

From the outset, state and local government officials expressed concern over what they feared was insufficient set aside funding to cover their accountability and administrative duties. Although recent guidelines have relieved some of these fears, it is important to remember that the provision of adequate management oversight and administrative support is essential for the success of these projects.

Uniform Measures of Impact for all Projects?

Given the broad array of programs and projects being funded under the Recovery Act, the task of designing and prescribing suitable outcome measures for every type of project would be daunting, even if granted adequate time to do so. Without such time the prospect of developing a comprehensive “template” of outcome measures for all projects,

if not impossible, is at least impractical. Only with the measures of job creation and retention can officials hope to achieve that level of uniformity across all projects.

For outcomes beyond job creation and job retention, a practical strategy is needed that can combine the goal of accountability with the desire to avoid an especially burdensome data collection process. Such a strategy, as proposed here, will include the design of uniform outcome measures for a representative set of Recovery Act project types undertaken by local governments, including project types that are among those most commonly undertaken.

What types of projects are likely to be most common or of highest profile among those funded by the Recovery Act and managed by local governments? Early project applications—along with growing awareness of the well-documented deficiencies in the nation’s infrastructure—point to some of the leading candidates, but brick-mortar-and-asphalt capital projects will not dominate the array of recovery projects to the extent that some observers had anticipated at the outset of stimulus discussions.

The nature and mix of Recovery Act projects will differ from those of the Great Depression era, and so too will their legacy. As one writer pointed out soon after the stimulus package was approved, the portion of Recovery Act funding devoted to public works projects “is unlikely to transform the physical fabric of the nation as the New Deal did when it built hundreds of airports, tens of thousands of bridges, and hundreds of thousands of buildings and miles of roads” (Cooper, 2009, 6). Even with more than \$100 billion directed to public works projects, these represent a relatively small portion of the Recovery Act total of \$787 billion and only a fraction of the \$2.2 trillion needed,

according to the American Society of Civil Engineers, to fully restore the nation’s public infrastructure.

Recent inventories of the condition of the nation’s roads and bridges have reported major deficiencies. More than 18,000 bridges on state and interstate systems have been rated as “structurally deficient” by the U.S. Department of Transportation and “unsafe” by the American Society of Civil Engineers (Smart Growth America, 2009, 2). As shown in Table 1, pavement improvement projects made up almost half of the Recovery-Act-funded road and bridge improvement projects obligated by June 2009.

[INSERT TABLE 1 ABOUT HERE]

Table 4: Nationwide Highway Obligations by Project Improvement Type as of June 25, 2009								
Dollars in millions								
	Pavement projects			Bridge projects			Other ^a	Total ^b
	New construction	Pavement improvement	Pavement widening	New construction	Replacement	Improvement		
	\$994	\$7,765	\$2,701	\$418	\$708	\$851	\$2,429	\$15,867
Percent of total obligations	6.3	48.9	17.0	2.6	4.5	5.4	15.3	100.0

Source: GAO analysis of Federal Highway Administration data.

^aIncludes safety projects such as improving safety at railroad grade crossings, transportation enhancement projects such as pedestrian and bicycle facilities, engineering, and right-of-way purchases.

^bTotals may not add because of rounding.

...as reported in United States Government Accountability Office, *Recovery Act: States’ and Localities’ Current and Planned Uses of Funds While Facing Fiscal Stresses*. Washington, D.C.: GAO, July 2009, p. 16. GAO-09-829.

Many roadways in communities are also in poor repair. Much of the Recovery Act funding for roads and bridges, however, is likely to be claimed at the state level by Departments of Transportation for roads and bridges under their maintenance. Nevertheless, significant amounts of funding for road maintenance will probably reach local governments in some states.

Other common project types will include water and sewer service expansion, water and sewer line replacement or rehabilitation, water reuse and desalination projects, broadband initiatives, housing improvements, homelessness avoidance, public housing construction and rehabilitation, energy efficiency, weatherization, police force expansion, and public transit improvements.

All projects, of course, will report jobs created or retained, as prescribed by OMB. Under this proposal, local governments undertaking several common types of Recovery Act projects will also report uniform outcome measures designed for those projects. These measures may then be aggregated nationally across all local governments undertaking a given project type.

Outcome reporting for project types for which uniform outcome measures have not been designed—including less common project types—will depend on the output or outcome measures designed by individual local governments in response to OMB’s guidance of June 22, 2009 (OMBb, 11) or directives by federal agencies. Aggregation of these measures is unlikely to be possible.

Recommended Metrics

The stimulus program is designed to be quick-hitting. The opportunity to demonstrate the ability of local government, as a national partner, to deliver an extraordinary return on a major public investment will arrive and pass quickly. Although scholars and analysts will reflect on the effects of stimulus spending for years to come, judgments by pundits, policy leaders, and citizens will be rendered in real time. Complexity of measurement—both for data compilers and the recipients of measurement

reports—would restrict its usefulness. Simplicity, while retaining data and message integrity, would be better.

Based on early evidence regarding likely programs and projects to be managed by local government recipients of Recovery Act funds, the following performance measures (printed in bold type) are proposed. Each should be required to be collected and reported by local governments undertaking that type of project. By aggregating these measures, federal officials and local government spokespersons will be able to make the broader statements of impact offered in italics.

Street resurfacing

A desirable outcome measure for street resurfacing would show the improved condition of the street or road inventory of a city or county. Participants in ICMA's comparative performance measurement program, for instance, report the following measure annually:

- **Paved lane-miles assessed as being in satisfactory or better condition as a percentage of total paved lane miles assessed (ICMA, 2008, pp. 276-277)**

To report this measure, a local government must have a condition inventory already or the ability to compile one quickly. To avoid imposing this burden on cities and counties without such an inventory, the above measure should be requested only of those local governments possessing such an inventory. The following measure could be required of *all* local governments using Recovery Act dollars for resurfacing work:

- **Lane-miles resurfaced, by decade of most recent paving/resurfacing (e.g., prior to 1950, 1950-1959, 1960-1969, etc.)**

The aggregation of these measures across all cities and counties would permit federal officials and local government spokespersons to report *the average percentage upgrading of local street and road conditions among local governments using Recovery Act funds for resurfacing* (among those able to report this measure) and *the percentage of resurfacing work that restored streets that had been last resurfaced prior to the 1990s (or other specified decade)*. Although not actually gauging an outcome, a measure that reveals the age of road surfaces prior to Recovery Act resurfacing will answer critics' charges that these were merely make-work projects.

Water & Sewer: Service Expansion

Some local governments will use Recovery Act funds to reduce the number of citizens who depend on small and often unreliable private water systems and inadequate sewage disposal by connecting them to the government's systems. For the purpose of reporting relevant metrics, "marginal systems" could be defined as:

- a) water systems that
 - consistently fail to comply with environmental regulations regarding maximum contaminant levels (i.e., those exceeding specified maximums at least once annually for the past three years) or
 - serve fewer than 500 people or have fewer than 200 connections (including reliance on individual wells)⁶
- b) wastewater systems that are not connected to a centralized treatment plant (including reliance on septic systems).

⁶ Even when they comply with environmental regulations, some small water systems are especially vulnerable in periods of drought.

Local governments using Recovery Act funds to reduce the number of marginal systems could be required to report the following:

- **Number of households on marginal water systems within or in close proximity to the jurisdiction⁷**
- **Number of households removed from marginal water systems by connecting them to the water distribution network using ARRA funds**
- **Number of households on marginal sewerage systems within or in close proximity to the jurisdiction⁸**
- **Number of households removed from marginal sewerage systems by connecting them to the wastewater collection system using ARRA funds**

The reporting of these statistics should begin with the quarter prior to beginning a project.

When aggregated, these measures will permit spokespersons to report *the average percentage reduction of households on marginal systems among local governments using Recovery Act funds for moving households from marginal to reliable centralized water systems* and similarly *the average percentage reduction from marginal sewer conditions*.

Water line replacement

Many local governments are expected to replace old and leaky water lines using ARRA funds. Those local governments could be required to report the following:

- **Number of feet of line replaced**
- **Percentage of line loss⁹**

⁷ Estimated figures should be acknowledged as such.

⁸ Estimated figures should be acknowledged as such.

⁹ Alternatively, local governments could report simply the gallons of water treated and the gallons of water sold for the quarter, leaving line loss calculations up to the federal recipients of the report. This approach

Line loss is the amount of water that seeps from water lines during transmission. It may be gauged roughly by comparing the volume of water that is treated to the volume of water sold to customers to see how much is lost in transmission. Replacement of a portion of a system's water lines will not necessarily cure a line loss problem; but if targeted at areas with the most badly deteriorated lines, it should reduce the problem overall. The reporting of line loss should begin with the quarter preceding water line replacement.

The aggregation of these measures across all cities and counties will permit spokespersons to report not only the *number of miles of water lines replaced* by all of the systems using funds for this purpose, but also *the average percentage decline in line loss among local governments using Recovery Act funds for water line replacement*.

Sewer line replacement or rehabilitation

Local governments are also using Recovery Act funds to replace or rehabilitate old and leaky sewer lines that pose a threat to public health and the environment. The governments doing so could be required to report the following:

- **Feet replaced/rehabbed, by age of sewer line replaced/rehabilitated (e.g., 1900-1909, 1910-1919, 1920-1929, 1930-1939, etc.)**
- **Sewer stoppages per 100 miles of sewer line**
- **Percentage of inflow during rain events**

The reporting of statistics on sewer stoppages and inflow should begin with the quarter preceding sewer line replacement.

would have the advantage of permitting the calculation of an aggregate estimate of water saved annually by local governments using ARRA funds for water line replacement.

When aggregated, these measures will permit spokespersons to report not only the *number of miles of sewer lines replaced or rehabilitated* and the *percentage of new or rehabilitated lines replacing lines installed prior to a given decade* by all of the systems using funds for this purpose, but also the *average decline in the rate of sewer stoppages* and the *average decline of inflow among local governments using Recovery Act funds for sewer line replacement*.

Water Reuse and Desalination Projects

The Department of the Interior has directed more than \$134 million in Recovery Act funds to a variety of innovative water reuse and desalination projects. Where local governments are managing such projects, they could be required to report the following:

- **Recycled water as a percentage of all treated water**
- **Desalinated water as a percentage of all treated water**

The reporting of these statistics should begin with the quarter prior to initiating a project.

These measures will permit spokespersons to report the impact of recycling and desalinating water as a means of expanding water availability.

Broadband Initiatives

Section 6001(k) of the Recovery Act calls for the Federal Communications Commission (FCC) to develop a plan to expand broadband coverage, ensuring that everyone across the nation has access. A variety of broadband projects will receive \$7.2 billion in ARRA funds, including some proposed by local governments.

As the FCC develops the national plan and receives comments, it will establish performance measures to track progress and assess results. Pending the establishment of the FCC's measures, these four are proposed for assessing the benefits of broadband initiatives funded by the Recovery Act and implemented through local government partners:

- **Percentage of broadband penetration (i.e., the percentage of the local government's jurisdiction having access to broadband)**
- **Percentage of households subscribing to broadband service**
- **Price per Mbps (megabit per second)**
- **Average household internet connectivity speed¹⁰**

Additionally, each recipient local government should respond to the following question:

- **Is real-time data entry by public safety personnel possible?¹¹**

The reporting of these statistics and the answer to the above question should begin with the quarter preceding the broadband initiative.

The aggregation of these measures across all cities and counties undertaking ARRA-funded broadband initiatives will permit federal officials and local government spokespersons to report the *average percentage increase in broadband penetration* (i.e., access), the *average percentage increase in broadband users*, the *broadband project's influence on price*, the *change in average speed experienced by internet customers*, and

¹⁰ As an alternative to reporting average speed, local governments could be asked to report the percentage of households in each of each of the seven FCC broadband tiers (e.g., Tier 1, 768 kbps to 1.5 Mbps; Tier 2, 1.5 Mbps to 3 Mbps) (GAO, May 2009a, 6).

¹¹ Section 6001 of the Recovery Act specifies the following as one of the five objectives of the national broadband service development and expansion program: "to improve access to, and use of, broadband service by public safety agencies." See § 6001(b), 123 Stat. at 512-13. Also listed in *Federal Register*, 74, No. 130 (July 9, 2009), p. 33106.

the *extent to which broadband projects reached public safety operations* among local governments using Recovery Act funds for broadband projects.

Housing

Any local governments that use Recovery Act funds for projects designed to bring housing into compliance with minimum standards could be required to report the following:

- **Substandard housing units as a percentage of all housing units**

The reporting of this measure should begin with the quarter preceding the ARRA-funded project.

By aggregating this measure across all cities and counties, spokespersons will be able to report *the average percentage upgrading of housing stock among local governments using Recovery Act funds to bring housing up to standard condition.*

Avoiding Homelessness

The Recovery Act's Homelessness Prevention and Rapid Re-Housing Program is designed to help at-risk individuals and families avoid homelessness and to help others who are experiencing homelessness regain stability and housing. Assistance can include, for instance, credit counseling, security or utility deposits, utility payments, short- or medium-term rental assistance, moving cost assistance, and case management. Local governments using Recovery Act funds for this purpose could be required to report the following:

- **Persons saved from homelessness**

- **Recovery Act expenditures per person saved from homelessness**

When aggregated, these measures will permit spokespersons to report the *number of persons saved from homelessness across all ARRA-funded projects* and the *average expenditure per person*.

Public Housing

Some local governments will use Recovery Act funds to rehabilitate public housing units. A rough, but easily compiled, measure of the condition of public housing stock would report the percentage of all units constructed or rehabilitated within a reasonable period of time, perhaps the last 10 years:

- **Percentage of public housing units constructed or rehabilitated within the past 10 years**

The reporting of this measure should begin with the quarter preceding the ARRA-funded project.

When aggregated, this measure will permit spokespersons to report the *average improvement of public housing stock among Recovery Act projects*.

Energy Efficiency

A variety of Recovery Act projects will be directed toward achieving greater energy efficiency in public facilities, vehicles, and equipment.¹² Local governments undertaking such projects could be required to report:

¹² For instance, the GAO reports that some public housing agencies are using Recovery Act funds to increase the energy efficiency of housing units, for example installing energy efficient lighting and appliances. They intend to track energy usage to report impact (GAO, July 2009).

- **Reduction (or increase) in energy consumption, when compared to same quarter of the year prior to initiating the Recovery Act project**
- **Percentage of vehicles and heavy equipment using alternative fuel¹³ (ICMA, 2008, pp. 236-237)**
- **Average fuel efficiency of all sedans in fleet (miles per gallon)**
- **Average fuel efficiency of all pickups in fleet (mpg)**

The reporting format should accommodate various energy units (e.g., gallons of gasoline, kilowatt-hours of electricity, etc.) and should require the local government to indicate whether the reported reduction is confirmed; anticipated but not yet confirmed; or estimated because actual figures are and will remain unavailable. The reporting of the second, third, and fourth measures should begin with the quarter preceding the ARRA-funded project.

By aggregating these measures across all cities and counties, spokespersons will be able to report the *average reduction in fuel consumption*, the *average percentage of vehicles and heavy equipment using alternative fuel*, and the *average gains in fuel efficiency of the sedans and pickups in the fleets of local governments using Recovery Act funds to bring greater energy efficiency to public facilities and equipment*.¹⁴

¹³ Reported annually by participants in ICMA's comparative performance measurement program.

¹⁴ A reviewer of this paper correctly observed that projects aimed at the energy efficiency of municipal and county facilities and equipment will produce outcomes that are "just a drop in the bucket" compared to the potential outcomes of broader efforts directed toward community efficiency enhancement. These broader outcomes (e.g., increased reliance on renewable energy communitywide, reduction of the load on the national grid, reduced greenhouse gases) should be added to the required metrics, if it becomes apparent that a substantial number of local governments intend to use ARRA funds for projects with these or similar objectives.

Weatherization

Requirements established by the Department of Energy (DOE) call for states participating in the Recovery Act's weatherization program to report not only the number of housing units weatherized and jobs created but also the resulting energy savings (GAO, July 2009, 94). Compliance with these requirements at the local government level will permit aggregated statistics on results.

Police Force Expansion

Recovery Act funds are being used in some communities to avoid the loss of current police officers or to hire additional officers. Guidance in calculating jobs created or retained has been provided by OMB.

Although normally considered merely an input measure, the number of police officers hired or retained with Recovery Act funding deserves different treatment in the context of the ARRA. Because of the Recovery Act's job creation/retention objective, this input measure may justifiably be regarded as at least an output in this instance.

- **Police officer positions created or retained using Recovery Act funds**

Public officials and the public in general often regard greater police presence or visibility as a public value in and of itself. Nevertheless, the hiring of additional police officers is about more than just creating jobs. It is also about preserving or increasing public safety. Therefore, local governments using ARRA funds to hire additional officers (not simply to retain current jobs) could be required to report:

- **Part I crimes per 100,000 persons, as a percentage of the average quarterly rate of the year prior to using ARRA funds to employ police officers**

Analysts hoping for a quick and easy assessment of the impact of new officers are likely to be disappointed. Lag time in hiring and training new officers is only one of the many complicating factors in assessing impact. The fact that even several new officers in a community may constitute only a small fraction of the overall force is another. Their effect may be neither immediate nor readily apparent. Still, critics and proponents will ask about the effects on crime and it is wise to gather these statistics.

Although local governments using Recovery Act funds for police officers should report the above measures quarterly, those hiring additional officers should also be directed to submit a follow-up report upon the release by the Federal Bureau of Investigation of a given year's annual Uniform Crime Report. The follow-up report by the responding local government should compare the change in the local crime rate with the average of all cities/counties in the same population cluster and region.¹⁵

Public Transit

Substantial ARRA expenditures will be made for light-rail, streetcar, and high-speed bus projects designed to increase ridership, reduce traffic congestion, and boost downtown revitalization efforts (Cortese, 2009). Although these projects will have a variety of specific objectives deserving of individualized focus, the common denominator is a desire to make public transit a more viable and desirable transportation option.¹⁶ Accordingly, a results-oriented measure that would span the variety of projects and

¹⁵ Although it would be desirable to exclude from the comparison other local governments using ARRA funds to hire additional officers, it may be impractical to do so.

¹⁶ Vehicle replacements for energy efficiency may be expected to influence results here and also in the "Energy Efficiency" category.

minimize the data collection burden would focus on ridership. Local governments receiving Recovery Act funds for public transit could be required to report:

- **Passengers per service mile**
- **Passengers per service mile, as a percentage of the same quarter of the prior year**

By aggregating these measures across all cities and counties, spokespersons will be able to report *the average increase in passengers per service mile among local governments using Recovery Act funds for public transit.*

A host of other project types, less suitable for aggregate measures, will be undertaken by local governments. Outcome measures should be designed and reported in each instance, even if their usefulness in documenting the Recovery Act performance of local governments as a whole is not as great as for the more readily combined measures listed above.

Recovery Act Projects as *Contributors* to Desired Outcomes

The task of isolating ARRA-funded impacts will be relatively simple in some cases but exceedingly difficult in others. For example, if a city expands its police force in hopes of reducing crime, how much of any subsequent drop in the crime rate should be attributed to the additional officers and how much to an improving economy and other factors? Sorting out the answer with precision would be a vexing problem for the most skilled of analysts and a challenge seemingly well beyond the realm of a reporting system designed to minimize undue burdens.

In many cases Recovery Act funds will supplement other federal, state, or local funds being used for a similar purpose. It will be important to keep these funds separate for all project-specific reporting as prescribed by OMB and other federal agencies; however, for the reporting of outcomes, the isolation of a Recovery Act project's contribution to an improving overall condition might be a complicating factor not altogether necessary if demonstrating an impact *approximately* is almost as valuable as demonstrating an impact *precisely*. Some cities will only hire new police officers for whom they receive ARRA funds, for instance, while others will hire some officers using ARRA funds and other officers with local funds. Will it be enough to report that in cities and counties receiving ARRA funds for additional law enforcement officers the crime rate declined by a given average percentage or must the attribution be more precise? Similarly, Recovery Act funds will be a major contributor—but not the only contributor—to the improved condition of the roadways, water and sewer system, housing inventory, and public transit system in various communities. Will it be enough to report the average percentage improvement among local governments using ARRA funds for that purpose, while carefully acknowledging that other programs and other factors may have contributed as well? The objective of minimizing burdensome reporting requirements would lean in favor of arguing that it is.

Reporting Frequency

Recipients of Recovery Act funds are required to report on the use of those funds, including the creation or retention of jobs, on a quarterly basis. The measures proposed in this paper could be reported simultaneously.

Administrative Costs

From the outset state and local government officials have been concerned about resources to pay for the administration of ARRA-funded projects, including compliance with measurement and reporting requirements (Brodsky, 2009; Towns, 2009). Many of these governments were forced to trim their administrative staffs in response to revenue shortfalls and now find themselves ill-equipped to properly administer new projects and meet federal reporting requirements.

Early OMB guidelines were vague about allowances for administrative expenses, but recent signals about allowable uses of ARRA funds are more encouraging. To secure proper management of this massive investment, administrative funding must be provided.

Local Leadership Roles

Local government leaders can advance the important work of gauging the benefits of Recovery Act projects in two significant ways. First, a committee of local government executives should be appointed for the purpose of reviewing the set of measures proposed in this paper; perhaps clarifying,¹⁷ expanding, reducing, or otherwise modifying the set, if deemed necessary; endorsing the set; and monitoring the results.

¹⁷ The committee, for instance, may choose to define terms found in some of the measures for greater clarity or it may provide instructions that will balance the desire for precision with the need to avoid burdensome data collection. Consider, for example, the case of “line loss” following the replacement of water lines. The committee might choose, for the sake of uniformity and ease of measurement, to prescribe line loss simply as the difference between water treated and water sold, even at the loss of some precision as a measure of water seeping through the pipes. This directive would ignore for the sake of data collection ease water use in firefighting and firefighting drills, metered in some communities but not metered in others. The committee might also address the issue raised in a previous section regarding the isolation of impacts of ARRA-funded projects versus the reporting of overall conditions and the acknowledgment that other programs and factors could have contributed as well.

Second, all local government managers receiving ARRA funds can exert important leadership in their own communities to ensure that these funds are used properly and to maximum effect. Furthermore, they can examine the procedures in place to measure results, making certain that their government's reports will be accurate. Finally, they can express to subordinate administrators and employees their own convictions about the importance of tracking and reporting the results of their work.

Conclusions

Through the Recovery Act local governments have an opportunity to demonstrate to federal and state officials their value as an intergovernmental partner. They have a high-profile opportunity to demonstrate to citizens across the nation their ability to deliver results.

Predictably, the nation's attention eventually will turn to the reinvestment aspects of the American Recovery and Reinvestment Act and the public will ask what it gained from this massive expenditure beyond jobs created or retained. Compliance with the reporting guidelines announced to date will provide at the end an inventory. Federal, state, and local officials will be able to declare the number of projects of various types that were completed and they will be able to recite selected inventory statistics—for instance, the number of miles of water line replaced and miles of roadway paved—but they will be able to report relatively little in the way of aggregate outcomes.

The measures proposed in this paper will demonstrate the value of local government efforts individually and collectively through the aggregation of individual measures. They will allow government officials to respond to the public's questions with

more than an inventory of projects. For an important portion of those projects they will be able to say much more, describing, for instance, the reduction of water losses attributable to water line replacement, the portion of resurfaced roadway last resurfaced in the 1980s or earlier, and the growth in public transit ridership.

These measures are practical choices, sometimes compromising the ideal metric in order to secure the “do-able.” The conscientious reporting of these measures will provide a response to pundits and critics. More importantly, measurement will allow dispassionate reporting to the public in what increasingly has become a highly charged atmosphere. As Marc Holzer and Kaifeng Yang write about public sector performance measurement more generally and in more normal times:

Measurement provides an opportunity to present evidence that the public sector is a public bargain, to highlight the routine but important services that public servants quietly provide and to answer the public’s sometimes-angry questions and implicit suggestions on a dispassionate basis. Measurement helps to move the basis of decision-making from personal experience to proof of measurable accomplishment or lack thereof (2004, 16).

The same opportunity exists with regard to the Recovery Act.

The proposal expressed in this paper is offered in the spirit of intergovernmental partnership and cooperation. Local government officials have been favorably impressed by the willingness of their federal and state counterparts to listen to their concerns. The executive director of the National League of Cities has praised the intergovernmental cooperation associated with the Recovery Act, calling the Administration’s “genuine desire” to take state and local officials’ perspectives into account “laudable” (Borut, 2009). Similar attention and regard should be given to the need to establish measures that

will demonstrate enduring Recovery Act benefits but will do so in a manner that is sensitive to already formidable administrative and reporting burdens.

As the focus on Recovery Act results intensifies, local governments can demonstrate their value as an intergovernmental partner, perhaps to their benefit for future initiatives. However, demonstrating benefits beyond the initial objective of job creation and retention will require local government initiative beyond that called for by the Recovery Act itself and initial reporting guidelines. Responding to the nation's ultimate focus on societal benefits beyond jobs and economic stimulation will require performance measurement not currently required by the Act, with steps taken early in the process to ensure adequacy and the ability to demonstrate aggregated and cumulative benefits.

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Rebuilding the Intergovernmental Partnership: Toward a Cooperative Federalism

An ICMA White Paper

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July 31, 2009

Executive Summary

As we approach the close of the first decade of the 21st century, the challenges of governing are more complex and the stakes continue to grow. Whether the discussion centers on economic recovery, healthcare, education or natural disasters, there are multiple strains on the intergovernmental apparatus which are becoming increasingly acute at the state and local levels. As state and local governments are being asked to do more with less and to become more efficient and responsive, they also face a growing uncertainty in their relationship to the federal government, which often sets policy directives that create additional fiscal and administrative burdens at the state and local levels. Paradoxically, in many areas, the need only seems to be growing for enhanced sub-national capacity.

Challenges in the intergovernmental system are not new. From 1959 to 1996, an institution existed whose sole purpose was to study, advise and make policy recommendations on issues of intergovernmental relations. The Advisory Commission on Intergovernmental Relations (ACIR) had a long and successful history of maintaining bipartisan neutrality and serving as a credible governmental information source, providing timely insight on various intergovernmental issues. By the early 1990s, critics argued the ACIR had become increasingly irrelevant, and, amidst controversy surrounding its study of government mandates, was terminated in 1996.

Though ACIR is no more, a pressing need still exists for an organization devoted to the analysis and study of intergovernmental policy questions. This report recommends the creation of a new agency which employs a flexible organizational structure for the study of pressing policy areas within the federalist system. Specifically, we recommend:

- 1) ***Creation of a Core Council of 20-25 Federal, State and Local Officials.*** This core council would set specific policy priorities for the organization to study over the coming year and would create separate policy study groups with representation from a wide variety of relevant stakeholder groups. The first responsibilities of the council at startup would be (1) hiring a director and (2) working with the director to create strategic plan and a budget for the next five years.
- 2) ***Immediate Study of the American Recovery and Reinvestment Act.*** The GAO has noted a number of looming challenges with respect to the American Recovery and Reinvestment Act (ARRA). Specifically, there is limited state and local capacity to cope with reporting requirements, certain reporting features are still unclear, and there is concern that state and local governments may be held accountable for other entities that receive ARRA funds within their jurisdictions. Though many other pressing issues remain, given the high stakes and visibility of the ARRA, the concerns raised by ARRA should be addressed quickly. This urgent need presents a policy window which requires swift and decisive action. It is recommended that an ARRA policy study group be created immediately after the council and executive director have been identified.

- 3) ***Subsequent Identification of Other Salient Intergovernmental Policy Issues.*** Once the core council and formal organization are in place, it is recommended that the new agency work to identify other policy priorities and create study groups to work on those areas.
- 4) ***Begin with Substantial Federal Funding with a Plan for A Growing Share of State/Local Support.*** Because time is of the essence, it is recommended that the federal government take the lead in funding this new organization in the startup phase, for about the first three years of its operation. This would be done with the understanding that the federal funding would be supplemented by state and local support after the first three years or so. The planning for the organization should include a mechanism for phasing in state and local financial support in an effort to promote cost-sharing.

In the face of growing challenges in the federalist system, the time is ripe for a new, reinvigorated organization devoted to the study and resolution of important intergovernmental policy dilemmas. The recent economic downturn and resulting American Recovery and Reinvestment Act have ushered in an unprecedented flow of federal dollars to state and local governments. The significant accountability requirements of the ARRA present a window of opportunity for creation of a new organization focused on intergovernmental relations. Moreover, this report has identified a number of other policy domains where there are major unresolved questions, including Medicare, education, emergency management and metropolitan governance. Drawing upon the historical lessons learned from the Advisory Commission on Intergovernmental Relations, this report proposes a new organization devoted to the study of intergovernmental issues that would use a flexible and inclusive model for study of specific policy questions. The time is ripe for such an organization and with decisive federal, state and local support, it can be a reality.

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The Intergovernmental Policy Environment

As we approach the close of the first decade of the 21st century, the challenges of governing are more complex and the stakes continue to grow. Whether the discussion centers on economic recovery, healthcare, education or natural disasters, there are multiple strains on the intergovernmental apparatus which are becoming increasingly acute at the state and local levels. As state and local governments are being asked to do more with less and to become more efficient and responsive, they also face a growing uncertainty in their relationship to the federal government, which often sets policy directives that create additional fiscal and administrative burdens at the state and local levels. Paradoxically, in many areas, the need only seems to be growing for enhanced sub-national capacity. This section of the paper analyzes some of the larger policy challenges in the context of the federalist system.

The Economic Crisis and the American Recovery and Reinvestment Act

The economic recession which began in earnest in 2008 poses challenges for all levels of government. State and local governments have been particularly challenged as many are subject to strict balanced budgets which limit their ability to raise revenues to maintain expenditure and service levels. At the same time, recessionary pressures have led to increased demand for social safety net programs, such as Medicaid, Food Stamps and Temporary Assistance for Needy Families (TANF), creating additional budgetary strains on state finances. Although similar data are not available for local expenditures, the news is replete with numerous accounts of draconian budget cuts at the county and city level nationwide.

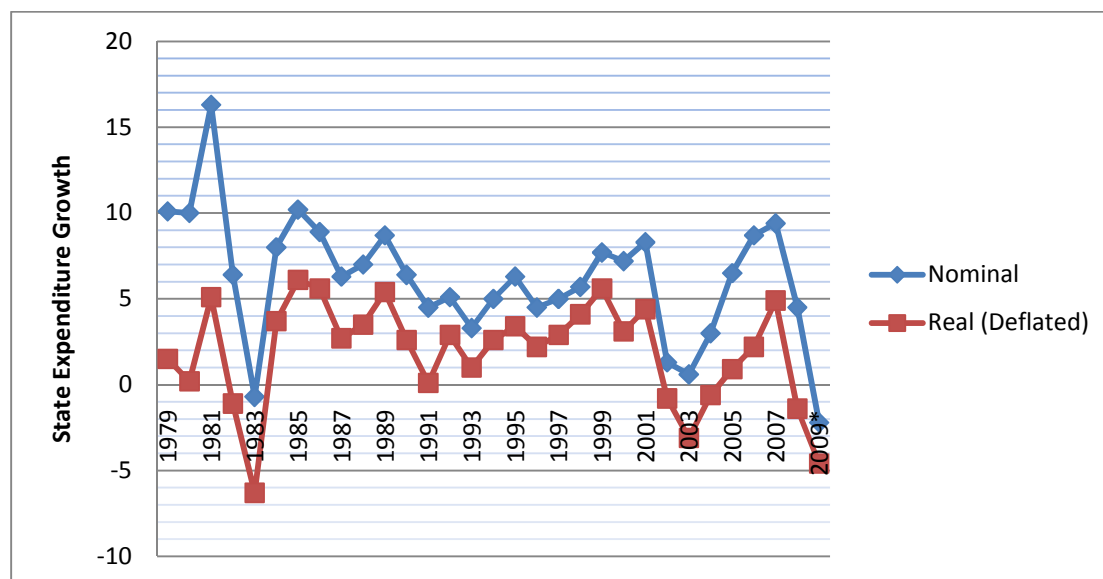
The state economic situation is particularly dire. The 2009 edition of *The Fiscal Survey of the States* paints a sobering picture of the effects of the recession on state finances. Budgeted state expenditures for 2009 are already 2.5 percent less than 2008 levels, and are expected to decline another 2.5 percent in 2010. Figure 1 provides a picture of trends in state general fund expenditures since 1979. The current recession has brought state expenditure growth to new lows; cuts this large have not been seen since 1983.¹

On February 17, 2009 the American Recovery and Reinvestment Act of 2009 was signed into law by President Obama. This historic \$787 billion stimulus package contained significant allocations for state and local budget relief. Of the total stimulus, about \$250 billion will be administered by state and local governments. Though there are many categories of funding, the lion's share of funding to states and local governments comes in the form of "countercyclical" funds designed to stabilize state budgets for education and healthcare. State Medicaid programs are receiving relief through an \$87 billion The Federal Medical Assistance Percentage (FMAP) increase. Another \$48 billion comes from the State Fiscal Stabilization Fund (SFSF), of which nearly \$40 billion must be spent for K-12 and higher education. The remaining \$115 billion will

¹ National Governor's Association and National Association of State Budgeting Officers. 2009. *The Fiscal Survey of the States*. June. Washington. D.C.

come in the form of increases for other state and locally-administered entitlement programs such as Temporary Assistance to Needy Families (TANF) and Food Stamps, as well as specific programmatic appropriations and other grant programs.²

Figure 1: Nominal and Real Growth in State Budget Increases



Source: National Association of State Budget Officers

The economic crisis accentuates a number of chronic intergovernmental dilemmas. First, states and local governments are on the front lines of the nation's safety net system. As demands for services continue to grow, the devolved nature of the service delivery system will inevitably create lags in federal response to increased need.

Second, the reporting requirements in the ARRA have the potential to create a number of challenges for federal-state and federal-local relations. The Government Accountability Office (GAO) issued a report in April 2009 outlining some of the key challenges posed by the ARRA's reporting and accountability requirements to state and local governments.³ Though there are a variety of state-specific challenges that each state faces, there were some more general areas that GAO identified as well.

- *Ability and capacity to track ARRA funds to non-state grantees.* Several state financial officials expressed concerns as to how they would be able to track funds going directly to local governments or other sub recipient. Other states have taken the position that they

² National Governor's Association. 2009. *State Implementation of the American Recovery and Reinvestment Act*. March 10. Washington, D.C.

³ Government Accountability Office. 2009. *Recovery Act: As Initial Implementation Unfolds in States and Localities, Continued Attention to Accountability Issues is Essential*. GAO-09-580. April. Washington, D.C.

will not track those funds, but will rely on sub grantees to report results directly. It is likely that as funds are released to other local and sub-grantee entities, the confusion over reporting and the responsibilities for doing so will increase.

- *Lack of sub recipient and/or local capacity and expertise to track and manage federal funds.* At the same time that there is confusion over who will be ultimately responsible for reporting on the use of ARRA funds, GAO found that many state officials had concerns over the abilities and capacities of local and other sub-grantee entities to handle reporting requirements under ARRA. They noted that many do not have much experience with federal grants and reporting.
- *Hiring freezes mean less state and local financial oversight capacity.* Another theme that GAO reported was a concern over limited capacity for financial oversight due to manpower constraints posed by state budget cuts and hiring freezes. Though federal grants provide some allowances for administrative overhead, it is unclear if those allowances will be sufficient to finance the additional capacities needed to manage and oversee ARRA fund expenditures.
- *Concern over proper procedures for estimating jobs created or retained under the act.* One of the principal objectives of the ARRA is to create or prevent the loss of jobs. As such, tracking jobs saved and created is a key component of reporting. While OMB has clarified some of the confusion over job reporting, many state officials remained perplexed as to how to estimate job impacts as a result of ARRA fund expenditures.

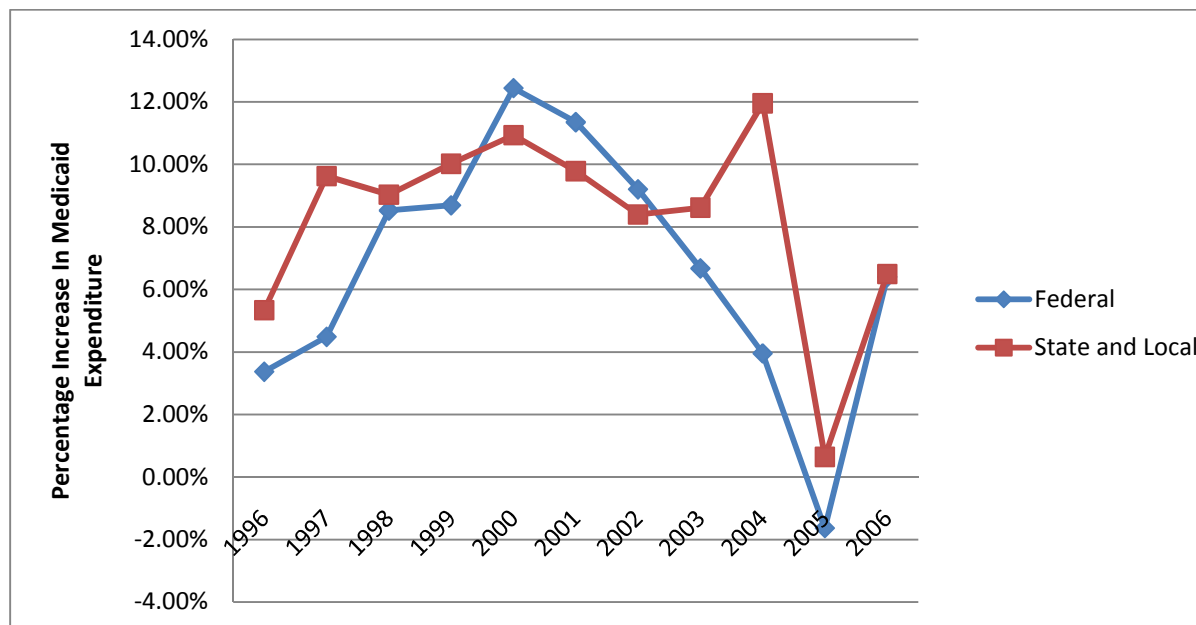
To recapitulate, the national economic crisis and the federal response have ushered in a new era of intergovernmental resource transfer. But the accountability issues remain largely unresolved and could pose a threat to smooth intergovernmental relations if they remain unaddressed.

Healthcare

The rising costs of healthcare have had a profound impact on state expenditures. State Medicaid expenditures continue to grow very rapidly. This intergovernmental program uses a combination of federal, state and sometimes local funds to provide insurance and medical care to the poor. State Medicaid caseloads were on the rise even before the recession began to take hold, and many experts have cited caseload growth as one of the culprits for rising state Medicaid costs. In addition, the actual costs of care continue to increase, driven by a variety of factors. Though rising healthcare costs have an effect at every level of government, state and local governments have more often than not borne a larger portion of this burden over time. Figure 2 shows the percentage increase in Medicaid Title XIX expenditures from 1996 to 2007. In the past 11 years, the state and local increase in expenditures has been larger, sometimes much larger, on a proportional basis as compared with federal expenditures. Over the 11 year period from 1996 to 2007, federal Medicaid Title XIX expenditures increased an average of 6.7 percent, whereas state and local expenditures over the same period increased an average of 8.3 percent.

Though the ARRA is providing some immediate relief to states in the form of increased FMAP monies for Medicaid, the long-term, chronic conditions which are driving increases in healthcare costs will not be remedied by stopgap measures.

Figure 2: Federal, State/Local Medicaid Expenditure Growth



Source: National Health Expenditure Accounts

Finding ways for state and local governments to continue to deliver healthcare access to their most vulnerable citizens without increasing strains on their own budgets remains a key issue. At the same time, the federal government cannot afford to absorb all of the cost increases in healthcare either. And so, while there are key intergovernmental issues to be resolved, healthcare as a policy issue transcends the boundaries of intergovernmental relations to encompass other areas of reform as well. Finally, growth in Medicaid-related state fiscal pressure has happened at the same time states are cutting expenditures or reducing budget increases for other social service programs, creating a zero-sum dynamic.⁴ To the extent that the social safety net in the U.S. relies on state and local apparatuses for delivery of services to the poor, tackling the challenges surrounding Medicaid takes on a new level of urgency.

Education

Perhaps one of the most salient and enduring issues in federalism in recent years remains the controversial No Child Left Behind Act of 2001 (NCLB) legislation that thus far shows no signs of major revision under the Obama Administration. Though the goal of NCLB has been to

⁴ Gais, Thomas. 2009. Stretched Net: The Retrenchment of State and Local Welfare Spending Before the Recession. *Publius: The Journal of Federalism*, 39(3), 557-579.

improve outcomes for children, particularly those in failing schools, there have been a litany of criticisms from state and local officials about the administrative burdens and other unintended side effects of the legislation. In fact many states have considered resolutions which memorialize opposition to NCLB, and a handful passed laws which formally oppose NCLB.⁵

The core requirements in the NCLB legislation require schools to meet state-specific Annual Yearly Progress (AYP) goals. If those goals are not met, those schools are labeled as “failing” and parents can then choose to relocate their children to other non-failing schools within the district. This reduces resources available to failing schools and shifts them to others. Local officials have complained that the AYP provisions are unrealistic and provide incentives to “teach to the test” rather than improve substantive learning outcomes. Other officials have expressed concern of the lack of flexibility and the administrative burdens created by NCLB. Scholars Gail Sunderman, James Kim and Gary Orfield lament in their 2005 book:

“Since NCLB is by far the largest K-12 federal education program affecting disadvantaged students, it is imperative that the federal government brings state and local officials and educators into the process to work through administrative and policy issues. When the implementation of federal grant programs works well, there is collaboration across levels of government and federal deference to local priorities, something that has not been evident so far in the process of implementing NCLB.”⁶

Despite the challenges, in the last couple of years there has been a resurgence of state attempts to innovate under the auspices of NCLB. Recently, the Secretary of Education granted waivers to a number of states in calculating how scores had changed year over year by allowing use of a growth model approach which allows for examination of the same student cohort over time. Other states are participating in a demonstration program which grants increased flexibility to states in their response to schools on the basis of their AYP performance.⁷

Nevertheless, significant issues remain with NCLB that require a new level of cooperation and intergovernmental collaboration. As the importance of education and its linkage to global economic competitiveness grows, finding practical and flexible education policy solutions across all levels of government becomes paramount.

⁵ Shelly, Brian. 2009. Rebels and Their Causes: State Resistance to No Child Left Behind. *Publius: The Journal of Federalism*, 38(3), 444-468.

⁶ Sunderman, Gail, James Kim and Gary Orfield. 2005. *NCLB Meets School Realities: Lessons from the Field*. Thousand Oaks, CA: Corwin Press. Page 18.

⁷ Dinan, John and Shama Gamkhar. 2009. The State of American Federalism 2008-2009: The Presidential Election, the Economic Downturn, and the Consequences for Federalism. *Publius: The Journal of Federalism*, 39(3), 369-407.

Natural Disasters and Emergency Management

The first decade of the 21st century has been an eventful one. Two key events that have left indelible impressions on American society are the terrorist attacks of September 11 and Hurricane Katrina and its aftermath in the summer of 2005. These events also have significantly impacted the intergovernmental policy framework in a myriad of ways.

Following 9/11, there were immediate calls for improvement in the information sharing and response of the federal national security apparatus to terrorism. These calls were met with a sweeping and decisive centralization of federal national security resources under the auspices of the newly created Department of Homeland Security. Understandably, in the shadow of 9/11, the immediate priority for DHS was to ensure adequate local preparedness to manmade events.

The Federal Emergency Management Administration (FEMA), was one of the many agencies swept up in the new concatenation of entities under the DHS umbrella. FEMA had traditionally played the lead federal role in responding to natural disasters. In addition, FEMA had begun some innovative hazard mitigation programs in the 1990s aimed at encouraging local governments to plan proactively to reduce exposure to natural hazards and the impact of future natural disasters. This focus for FEMA changed under DHS and FEMA was tasked more with responding to terrorism threats than natural hazards.

In August of 2005, Hurricane Katrina made landfall on the Mississippi and Louisiana coasts, bringing a deluge of rain to the City of New Orleans which ultimately brought about a failure of the levee system and resulted catastrophic flooding through much of the city. As the events unfolded, it became clear that many people had failed to evacuate the city. Many were stranded without food, water or access to basic medical care. The response by the federal authorities was, by most accounts, a slow one. There was a great deal of confusion among federal, state and local officials as to their appropriate roles and responsibilities in the wake of the storm.

Looking back at the events since 2001, many scholars have concluded that the centralization of federal authority under DHS created a myopic policy framework that was largely driven by focus on the singular area of terrorism. Birkland and Waterman write, “These changes appear to have validated fears raised by critics before Hurricane Katrina that the reorganization designed to response to terrorism would undermine the nation’s ability to respond to natural disasters.”⁸ A key focus for intergovernmental relationships in emergency management has been the revision of the 2005 National Response Plan (NRP). The NRP had received scathing criticism from state and local officials for its lack of attention to local responder expertise and capacity, as well as its excessive centralization of disaster response responsibility into the federal branch. However, the 2008 revision, called the National Response Framework,

⁸ Birkland, Thomas and Sarah Waterman. 2009. Is Federalism the Reason for Policy Failure in Hurricane Katrina? *Publius: The Journal of Federalism*, 38(4), p.693.

took many of those earlier considerations into account and appeared to have more support from local officials and emergency managers.

The bewildering pace of change and significant events that have taken place just since 2000 have provided the impetus for many sweeping policy changes, particularly at the federal level. It is clear that many of the policy directives have led to a more centralized framework, which initially was focused almost exclusively on terrorism. Hurricane Katrina offered a painful lesson in the shortcomings of that approach. Going forward, it is clear that creating a cooperative and responsive intergovernmental framework for homeland security and emergency management is vital.

Land Use and Urban Sprawl

Metropolitan areas in the United States also face their own sets of unique challenges. In years past, the metropolitan governance debate was dominated by concerns over efficiency and boosting economies of scale through regional governments and consolidated service delivery. Those debates have largely subsided as scholarship in public choice has demonstrated that the efficiency gains to be had through economies of scale in the production and delivery of services can be had without resorting to formal consolidation of governments.⁹

In recent years, there has been a growing attention to the multifaceted problem of urban sprawl. Scholars have warned that sprawl is consuming vast amounts of open space and farmland, it increases reliance upon automobiles with attendant impacts such as air pollution and traffic congestion, and sprawl is responsible for the maintenance and growth of economic and racial segregation. In addition, new research in public health is demonstrating a linkage between sprawled development patterns and their concomitant reliance upon automobiles, and detrimental health outcomes such as obesity. Because urban sprawl crosses jurisdictional boundaries, it is difficult for any one municipal government to effectively curb it. Largely localized systems of planning and taxation are not equal to solving problems of regional scale like sprawl.¹⁰ As regionally-scaled problems have become more prominent, there is now a new opportunity for investigation of ways to create effective regional governance.

Summary

The forgoing analysis makes it clear that there are many pressing intergovernmental policy questions in various domains that remain unresolved. It is also clear that the challenges to federalism are also somewhat unique given the policy context. In some cases, there appears to be a need for enhanced federal support and in other cases, greater state and local autonomy or innovation may be appropriate. In short, the complex policy environment is increasingly dictating a *context-specific, flexible federalism*, not a one-size fits all approach which governs all

⁹ Howell-Moroney, Michael. 2008. The Tiebout Hypothesis 50 Years Later: Lessons and Lingering Issues for Metropolitan Governance in the 21st Century, *Public Administration Review*, 68(1), pp.97-109.

¹⁰ Howell-Moroney, Michael. 2008. The Tiebout Hypothesis 50 Years Later: Lessons and Lingering Issues for Metropolitan Governance in the 21st Century, *Public Administration Review*, 68(1), pp.97-109.

manner of intergovernmental relations. This challenging and often bewildering policy environment speaks to a compelling need for a new kind of collaboration and enhanced bottom-up communication from the state and local level to the federal level.

Challenges in the intergovernmental system are not new. From 1959 to 1996, an institution existed whose sole purpose was to study, advise and make policy recommendations on issues of intergovernmental relations. The Advisory Commission on Intergovernmental Relations (ACIR) had a long and successful history of maintaining bipartisan neutrality while providing timely insight on various intergovernmental issues. The next section of this paper provides a brief history of the ACIR and the reasons for its dissolution.

Lessons from the Past: The U.S. Advisory Commission on Intergovernmental Relations

The Advisory Commission on Intergovernmental Relations (ACIR) was created by Congress in 1959 in an effort to successfully manage intergovernmental relationships between the federal, state, and local governments. There were two primary reasons for the creation of the ACIR. First, there was an increasing awareness that the administrative relationships between federal, state, and local governments were growing more and more complex. Second, in the years prior to the ACIR's implementation, the recommendations provided by the Kestnbaum Commission to address intergovernmental problems had been largely ignored and thus the ACIR would be a bipartisan mechanism, uniquely commissioned by legislative authority, to draw attention to this area.¹¹

ACIR reports were generally designed to provide problem-solving approaches and recommendations to either fiscal or structural issues pertaining to the U.S. intergovernmental system. The ACIR was legislatively charged with the task of considering and making

“...recommendations on: 1) common problems affecting the federal, state, and local governments; 2) the administration and coordination of federal grants and other programs; 3) the conditions and controls associated with federal grants; 4) technical assistance to the executive and legislative branches of the federal government, including review of proposed legislation to determine its possible effect on the federal system; 5) emerging public problems that are likely to require intergovernmental cooperation; 6) the most desirable allocation of functions, responsibilities, and revenues among the federal, state, and local governments; and 7) coordination and simplification of tax laws and administrative practices to achieve a more orderly and less competitive fiscal relationship

¹¹ Wright, Deil S. 1965. The Advisory Commission on Intergovernmental Relations: Unique Features and Policy Orientation. *Public Administration Review* 25(3), 193-202.

between the federal, state, and local governments and to reduce the burden of compliance for taxpayers.”¹²

ACIR was tasked with providing practical solutions for the imbalances within the intergovernmental system, and aimed to do this as an autonomous, nonpartisan and research-focused entity that served not only the federal government but also the states and municipalities within the U.S.

The Commission originally consisted of twenty-six members that were selected to represent each level of government. The staff included nine federal government officials, fourteen state and local government officials as representatives, and three members of the general public. Federal officials included three members of Congress and three Senators. The other twenty officials were appointed by the President, and the President also appointed the chair and vice-chair of the Commission. The President appointed the fourteen state and local officials. In addition to members, the ACIR had a sizeable research staff; at the peak of the ACIR’s existence during the 1970s, the staff consisted of approximately fifty members.¹³

ACIR grew from a nondescript agency that avoided making headlines into a respected voice on intergovernmental issues. They were viewed as an entity that endorsed “cooperative federalism,” as they recognized that most problems must be solved by multiple levels of government working together.¹⁴ ACIR was committed to fostering the health of state and local governments and was also committed to preserving their power and authority. Overall, ACIR was viewed as unique agency with a strong sense of collegiality among the staff, whose formal and informal networks placed them at the forefront of information on cutting edge topics and developments within the U.S. federal system.

In the effort to navigate the administrative issues plaguing the federal system during the federal grant-in-aid explosion of the 1960s and 1970s, the ACIR made recommendations that were aimed at both state and local governments, in addition to the federal government. The Commission’s consistent monitoring of the grant system and its development were a valuable contribution to help government officials administering the grant programs. In addition, ACIR helped to develop many enduring guidelines and principles for the creation and administration of block grant programs.¹⁵

In addition to its work on the intergovernmental grants system, ACIR also delved into local public finance and metropolitan governance. In particular, it placed a focus on reworking

¹² McDowell, Bruce D. 1997. Advisory Commission on Intergovernmental Relations in 1996: The End of an Era. *Publius: The Journal of Federalism* 27(2), 111-127. See p. 112.

¹³ Ibid.

¹⁴ Wright, Deil S. 1965. The Advisory Commission on Intergovernmental Relations: Unique Features and Policy Orientation. *Public Administration Review* 25(3), 193-202.

¹⁵ Conlan, Timothy. 1998. *From Federalism to Devolution: Twenty-five Years of Intergovernmental Reform*. Washington, D.C.: Brookings Institution.

systems of local public finance to reduce fragmentation of tax bases and service provision. Reports also advocated for enhanced mechanisms for regional cooperation, particularly in the area of land use regulation.¹⁶

In most instances, especially early in the ACIR's history, they received positive feedback from their reports and were seen as providing productive and logical responses to various intergovernmental policy questions, especially in public finance.¹⁷ From its creation in 1959 to its termination in 1996, the ACIR produced dozens of reports, studies and other publications on a wide range of intergovernmental fiscal and policy questions.

Difficulties Surrounding the ACIR

Despite efforts to strengthen the intergovernmental system and provide informative recommendations for positive change, the ACIR was often challenged by its critics on a number of issues. Criticisms included a bias towards incrementalism, or "taking an approach that is mildly reforming but not surgical".¹⁸ From the Commission's perspective, the aim was to address topics in which they could provide practical solutions that could be implemented more feasibly in the governmental system. However, this incremental approach was interpreted by others as an avoidance of critical (and more controversial) intergovernmental issues. Moreover, Commission reports were often characterized as ad hoc, as the agency often researched and reported on issues initiated by other entities besides their own staff.

A second critique of the Commission was the underlying political ties to the federal funding that supported the agency. Although ACIR was carefully designed to serve all three levels of government, the agency's primary funding was approved by Congress through the President's Executive Budget. This led some to interpret that the ACIR was "bought and paid for" by the legislature, and thus many believed that the recommendations were politically motivated to that end.¹⁹ Others countered that the Commission staff design ensured a bipartisan membership and nonpartisan approach to problems and solutions, thus lending to the agency's credibility. However, the critics who believed that ACIR was a federal "watchdog" agency emphasized the budgetary link as an inevitable power over the Commission, especially in its final years.²⁰

A third issue that caused problems for the ACIR included staffing problems as the agency moved into the 1980s and early 1990s. While the original group of members was known as being unusually cordial and reputable, turnover, absenteeism and a lack of research concentration

¹⁶ Advisory Commission on Intergovernmental Relations. 1974. *American Federalism: Into the Third Century*. Washington, D.C.

¹⁷ Gove, Samuel K., J. Fred Giertz, and James W. Fossett. 1984. ACIR: A Mixed Review. *Publius: The Journal of Federalism* 14(3), 139-145.

¹⁸ Reeves, Mavis Mann. 1984. The ACIR: Its Mission and Operations. *Publius: The Journal of Federalism* 14(3), 157-167. See p. 159.

¹⁹ Ibid.

²⁰ Ibid.

eventually plagued the agency. The high number of appointed political officials on the Commission led to a high degree of turnover based on political terms. Also, a number of federal officials had less consistent attendance at ACIR functions, thus leaving federal representation quite slim for Commission meetings. The additional failure of many Commission members to review materials prior to meetings was a noted issue that created delays for staff members in collaborating to produce fresh ideas and recommendations for the ACIR reports.²¹

Fourth, although the ACIR was designed to represent bipartisan interests and promote consensus building, these goals were not always attainable. In some cases the Commission recommendations on various policy issues inevitably prompted conflicts from various groups. Although ACIR originally enjoyed a wide base of support from state and local associations, by the time Bill Clinton entered the White House, the “Big Seven” state and local associations demanded that the administration and the ACIR address specific reforms in order to receive their continued support.²²

In the final years of the ACIR’s existence, yet another issue became one of the most controversial and ultimately contributed to the Congressional decision to cut the agency’s funding. Despite attempts by the Reagan administration to reduce the size and scope of the federal role, regulatory activity during the 1980s remained strong and resulted in tremendous financial burdens on state and local governments. As a result, many ACIR studies and recommendations focused on the federal regulations, warning of the impending fiscal crises “resulting from the multiplication of federal preemptions, mandates, and grant conditions.”²³ Commission reports were notably utilized in developing the Unfunded Mandates Reform Act (UMRA) of 1995. Some scholars believe that the ACIR’s study on mandate reform crossed a political line that damaged the Commission’s credibility and nonpartisan stance.²⁴ The political controversies surrounding this issue meant that reporting on the realities of federal mandates created both allies and opponents for ACIR.

By 1996, the agency staff was down to approximately twelve members, and the federal fiscal appropriation was earmarked for two specific purposes: to complete a study on the UMRA and to ensure the prompt and orderly termination of the Commission. The UMRA studies charged the Commission with “1) developing...methods to compare the full costs and benefits to state and local governments of compliance with federal law; 2) analyzing the impact of existing federal mandates on state, local, and tribal governments... and 3) (completing) annual reports on federal court decisions that impose mandates on state, local, and tribal governments.”²⁵ The

²¹ Ibid.

²² McDowell, Bruce D. 1997. Advisory Commission on Intergovernmental Relations in 1996: The End of an Era. *Publius: The Journal of Federalism* 27(2), 111-127.

²³ McDowell, Bruce D. 1997. Advisory Commission on Intergovernmental Relations in 1996: The End of an Era. *Publius: The Journal of Federalism* 27(2), 111-127. See p. 114.

²⁴ Ibid.

²⁵ Ibid. See p. 115.

controversy associated with reviewing existing mandates arose when the ACIR preliminary report had focused on the most “burdensome” fourteen mandates from a list of two hundred federal mandates. The report called for significant changes in how and whether they should apply to sub-national governments. As a result, federal lobbying groups immediately voiced opposition to the report, a public hearing was conducted, and ACIR later revised the report, and removed the recommendation to exempt state and local governments from certain mandates. Instead, the revised report recommended that the federal government “work more closely with state and local governments to accommodate its mandates more easily within those jurisdictions’ varying conditions.”²⁶ The political pressure enacted by the lobbyist groups, in coordination with the Clinton presidential campaign, resulted in all Democratic members of the commission voting against the report, which was never published by the ACIR. During this timeframe, turnover in key ACIR staff, along with the increase in organized policy think tanks as alternative sources of information contributed additional problems for the Commission’s credibility and utility as an information source for the intergovernmental system/²⁷

The final death knell for ACIR came as a result of a flurry of agency terminations prompted by the 104th Congress. The Clinton Administration endorsed continued funding ACIR, but it did not appoint federal members to the Commission due to the threat of Congress cutting the funds. Therefore, Congressman Ernest Istook (R-OK) argued that the lack of Presidential attention to the Commission meant the agency was nonessential, and thus should be cut. Istook’s third try to argue the case against ACIR worked, and the House of Representatives voted to stop appropriations to the Commission. The meager funding provided by the Senate was for the sole purpose of terminating the Commission’s activities. Thus, the federal pipeline of funding was closed and the agency officially ceased operations in the fall of 1996.²⁸

Lessons Learned

The history of the ACIR provides valuable insight into the complexities of the U.S. intergovernmental system, as well as the potential problems that exist when an entity is created to navigate through the problems and provide viable solutions that will indeed strengthen intergovernmental relationships. When we consider today’s intergovernmental landscape and the need for an agency to strengthen partnerships between the federal, state, and local governments, it is critical that we understand the problems of the past to minimize their potential recurrences in the present day. Among the lessons learned from the ACIR, they include:

- *Conflict and partisanship.* The ACIR was originally chosen to be a bipartisan agency that would avoid making headlines and represent all levels of government. This approach along with a strong research agenda made the Commission a reputable and credible source of information on intergovernmental issues. Over time, the dissolution of the

²⁶ Ibid. See p. 117.

²⁷ Ibid.

²⁸ Ibid.

Commission was enacted in part due to disagreements over policy options and partisan positions regarding federal mandates. The Commission's report that had to take a side and identify "winners and losers." Once the "losers" had obtained enough political influence the Commission was deemed nonessential.

- *Turnover in Commission staff members.* The early reputation of the staff as a cordial, thorough and nonpartisan group contributed to its success. Notable members of the Commission (including Ronald Reagan, Nelson Rockefeller, Edmund Muskie, and others) also made ACIR an entity worthy of national attention.²⁹ However, a lack of commitment was demonstrated by federal government representatives. This, along with ill-prepared staff members at meetings, was a negative aspect noticed by others.
- *A growing irrelevance.* Over its life span, it is clear that ACIR had peaks and valleys in its influence and relevance. From the 1960s through the 1980s, the ACIR was a central player in policy circles because it was able to bring its unique expertise on the intergovernmental grant system to bear. By the mid 1990s, ACIR appeared to have lost some of its relevance, particularly as other policy think tanks arose to provide their own perspectives on policy questions.

Why an Intergovernmental Agency is Needed Now

Though ACIR was eliminated, a new set of intergovernmental challenges has cropped up. In the opening section of the report, numerous policy questions were discussed which have an intrinsic intergovernmental dimension. Yet, there is no established organization which is uniquely focused upon these issues from the standpoint of improving intergovernmental cooperation. The need for an organization devoted to intergovernmental relations is especially pressing now.

- *The policy window created by ARRA.* As noted earlier in this report, the reporting and accountability requirements of the ARRA present some potential problems from state and local governments that have been recipients of ARRA funds. The time to deal with these issues is now, before conflicts emerge. Thus, the unique circumstances created by the ARRA have also given rise to a concomitant need for an organization focused upon enhancing cooperation and transparency in the intergovernmental system.
- *The rising costs of devolution.* The development of the block grant system in the 1960s and 1970s furthered devolution, as the responsibility for functional activities was shifted to state and local governments at a much higher rate than previous years. This period was known as the "water tap" phase of federalism, as federal funding flowed freely to the other levels of government in the effort to utilize grants for the provision of services. Despite the implementation of UMRA in 1995, many areas such as education reform, homeland security grant conditions, and welfare reform are arguably not covered by the

²⁹ Ibid.

Act.³⁰ As a result, state and local governments have found themselves in fiscal distress as they look for options in providing services.

- *Mandates continue to increase.* Along with the transfer of responsibilities to states and municipalities for the implementation of programs that are partially or fully funded with federal dollars, tensions persist as the federal government maintains a set of requirements that accompany the funds that may not always accord with the unique circumstances of the sub-national government implementing the program.³¹ Devolution has also prompted an increase in federal mandates that may or may not accompany the funds that are passed down the pipeline. These preemptive measures to maintain federal priorities have placed a tremendous fiscal burden on state and local governments, thus reinforcing coercive techniques within the federal system. Further, scholars predict that federal mandates will increase in direct proportion to the degree of “cohesion” at the federal level among public officials.³²
- *There is a need to focus on collaborative intergovernmental partnerships.* State and local governments need to collaborate to share ideas and enhance their influence as a group on the national scene. Enhancing the framework for sub-national capacity is an urgent need. Cross-training and intra-jurisdictional data sharing must take place in order to strengthen governmental performance and accountability. Moreover, inter-state and inter-jurisdictional competition for federal dollars and economic development projects contribute to the burden on government units to fund programs and may detract from the benefits of working with the federal government to strengthen the intergovernmental relationship. Failure to collaborate at the sub-national level may also serve to increase the number of federal government mandates, to the extent that state and local units are not “effectively mobilized.”³³
- *A renewed interest in regional governance issues.* In recent years, there has been a renewed interest in the regional problems that best metropolitan areas. A new groundswell of support appears to be developing for policy aimed at sustainable development and smart growth. Yet there is no one entity at the federal level working to promote transformative mechanisms for regional cooperation.

Policy Recommendations

Policy recommendations regarding the intergovernmental political landscape will primarily focus on the creation of an independent agency focused on studying and producing policy

³⁰ Posner, Paul L. 2008. The Politics of Coercive Federalism, in *Intergovernmental Management for the 21st Century*, Timothy J. Conlan and Paul L. Posner eds. Washington D.C.: Brookings.

³¹ Radin, Beryl A. 2008. Performance Management and Intergovernmental Relations, in *Intergovernmental Management for the 21st Century*, Timothy J. Conlan and Paul L. Posner eds. Washington D.C.: Brookings. See p. 255.

³² Posner, Paul L. 2008. The Politics of Coercive Federalism, in *Intergovernmental Management for the 21st Century*, Timothy J. Conlan and Paul L. Posner eds. Washington D.C.: Brookings. See p. 299.

³³ Ibid. See p. 299.

recommendations on various intergovernmental questions. While the ACIR has served as a model for the proposed agency, reinstating the ACIR in its original design would not be appropriate at this time. In order to mitigate the policy issues and tremendous economic strains that each level of government are currently experiencing, this redesigned agency has the potential to usher in a bold new era of cooperative federalism. In proposing this new organization, the report draws from past successes of the ACIR, while learning from past mistakes and utilizing these experiences to create a new entity with the capacity to overcome the obstacles faced by the ACIR. The following are some general policy recommendations which could be useful in designing an agency to facilitate a more collaborative intergovernmental system within the United States.

Recommended Organizational Structure of the Newly Created Intergovernmental Agency

A Two-Tiered Organizational Structure. Given the wide range of issues that such a body would be dealing with, a two-tiered organizational structure might provide the benefits of continuity and the need “just in time” expertise for specific policy questions. There also might be certain policy groups that have a more permanent station in the structure, like a state and local finance group, or healthcare issues group, for example. This structure would provide the best of both worlds. The core council membership would provide a needed continuity to the organization, with an understanding of the broad issues of federalism and a commitment to the core values of the organization. The policy groups would bring in specific expertise on complex policy questions, adding a new depth of knowledge on specific topics.

- ***Core Council.*** The core council for the organization should have wide representation from a number of federal, state and local stakeholder groups. Like the former ACIR, representation from members of Congress, the Senate and the White House would be critical. In addition, representation from GAO and possibly other federal agencies should be considered. There are many state and local organizations which would also be important to consider for membership on the core council, including the “Big Seven” state and local organizations: Council of State Governments, National Governors Association, National Conference of State Legislatures, National League of Cities, U.S. Conference of Mayors, National Association of Counties and the International City/County Management Association.
- ***Policy Study Groups.*** The composition of the policy study groups would largely be dictated by the specific policy question. There should be some representative from the core council in each group to ensure ongoing communication between groups. It would also be wise to include people from relevant federal and state/local groups with an interest in the policy question. For example, if the council determined that a policy group was needed to study emergency management issues, the group would want representatives from FEMA, Department of Homeland Security and the National

Association of Emergency Managers. Policy study groups might also benefit from academic expertise in their area by including researchers and other experts on particular policy areas.

The main advantage of this structure is that it attempts to involve *all* relevant stakeholders on specific policy questions. Thus, rather than creating reports and recommendations using solely “in house” staff, this ad hoc policy study group structure facilitates inclusion of outside interests on the front end of the process. Given that one of the principal reasons for ACIR’s demise was its perceived partisanship, the proposed structure here seeks to be more inclusive to avoid such claims. Though it is likely that all stakeholders will agree with all of the findings and recommendations coming out of any one policy group, a wider representation of interests will certainly serve to lesson conflict and even out policy perspectives. As a result, a newly formed agency must heed these dangers; the proposed organizational structure in which a core council will facilitate policy study groups that will research multiple sides of the issues should help to deter the political fodder that could threaten the agency’s credibility and funding.

Agency Staffing Recommendations

- ***Agency Funding and Resources.*** The provision of funds from the President’s executive budget would serve as a sign of federal government support. However, as in the case of the ACIR, a budget based primarily upon federal allocations is subject to claims of being a federal agency with partisan political influence. It is recommended that some sort of cost-sharing approach be investigated, with funding contributions from state and local sources in addition to federal funds.
- ***Staff Turnover, Meeting Times and Attendance.*** While the turnover of staff members and elected officials serving on committees is an inevitable part of any agency staff, careful consideration of staggered terms is recommended to reduce vacancies especially for elected officials serving on the committees. Less consistent meeting attendance by federal representatives was interpreted by a lack of commitment from the federal level. Thus, in moving forward with a newly created agency commitment and attendance issues must be noted. Utilization of the policy study groups approach would obviate the need for a high frequency of council-wide meetings. Perhaps a quarterly meeting schedule would provide enough time for staff to complete research and to reduce meeting times for elected officials to attend and participate in meetings.

Recommended Agency Reporting and Workflow

Policy Study Group Process

- 1) ***Determination of Policy Priorities.*** With the two-tiered organizational structure proposed here, one of the central responsibilities of the core council will be determining policy priorities for the coming year. The council should then determine the broad parameters for each study group: what questions should the group address? What outcomes are expected as a result of the group's report?
- 2) ***Group Formation.*** Once the council has reached a reasonable consensus those priorities, the council or an ad hoc subcommittee would work to develop a list of relevant officials and stakeholder who ought to be considered for each policy study group. If paid consultants or staff are required for the group, a budget would be set for these things as well. Formal invitations could then be issued for each policy working group along with communication of the group's objectives and timeline for project completion.
- 3) ***Formatting of Reports and Recommendations.*** The policy study groups would be required to submit a draft report to the core council so that each policy area receives an analysis from multiple perspectives. These reports would then be utilized by the core council and staff and would include counter arguments along with the agency's final recommendations. This format would provide information in an effort to maintain a non-partisan stance that represents opposing political views when necessary.

Data Collection and Analysis

It is recommended that the council conduct a systematic survey of state and local officials on an annual or biannual basis. A survey of this type would contain a common core set of questions which could be compared year over year. In addition, the survey would contain specific modules on special topics. The special topic could be determined, in part, by the choice of policy priorities set by the core council in any given year and the data needs reported by each policy working group. Having a regular data collection effort of this type would provide a systematic mechanism for gathering needed information about the landscape of intergovernmental relations and a snapshot of the opinions and concerns of state and local officials nationwide. Several of the Big Seven organization already conduct survey research and have up-to-date databases, which could be utilized for drawing appropriate samples.

A New Name?

This report does not offer a definitive answer to the question of what this new entity should be called. It would seem prudent that, given ACIR's unfortunate demise, that using the ACIR name might cause some stigma for this new entity. ICMA recently advanced a proposal for an intergovernmental policy think tank which it dubbed the "Intergovernmental Policy Council." Another possibility for a name which would emphasize the coming together of different levels of

government would be CLASPP, the Council on Local and State Policy and Priorities. As formal proposals for this entity begin to take shape, an appropriate name can be chosen.

Immediate Implementation Steps

- 1) ***Creation of a Core Council of 20-25 Federal, State and Local Officials.*** This core council would set specific policy priorities for the organization to study over the coming year and would create separate policy study groups with representation from a wide variety of relevant stakeholder groups. The first responsibilities of the council at startup would be (1) hiring a director and (2) working with the director to create strategic plan and a budget for the next five years.
- 2) ***Immediate Study of the American Recovery and Reinvestment Act.*** The GAO has noted a number of looming challenges with respect to the American Recovery and Reinvestment Act (ARRA). Specifically, there is limited state and local capacity to cope with reporting requirements, certain reporting features are still unclear, and there is concern that state and local governments may be held accountable for other entities that receive ARRA funds within their jurisdictions. Though many other pressing issues remain, given the high stakes and visibility of the ARRA, the concerns raised by ARRA should be addressed quickly. This urgent need presents a policy window which requires swift and decisive action. It is recommended that an ARRA policy study group be created immediately after the council and executive director have been identified.
- 3) ***Subsequent Identification of Other Salient Intergovernmental Policy Issues.*** Once the core council and formal organization are in place, it is recommended that the new agency work to identify other policy priorities and create study groups to work on those areas.
- 4) ***Begin with Substantial Federal Funding with a Plan for A Growing Share of State/Local Support.*** Because time is of the essence, it is recommended that the federal government take the lead in funding this new organization in the startup phase, for about the first three years of its operation. This would be done with the understanding that the federal funding would be supplemented by state and local support after the first three year or so. The planning for the organization should include a mechanism for phasing in state and local financial support in an effort to promote cost-sharing.

Conclusion

In the face of growing challenges in the federalist system, the time is ripe for a new, reinvigorated organization devoted to the study and resolution of important intergovernmental policy dilemmas. The recent economic downturn and resulting American Recovery and Reinvestment Act have ushered in an unprecedented flow of federal dollars to state and local governments. The significant accountability requirements of the ARRA present a window of opportunity for creation of a new organization focused on intergovernmental relations. Moreover, this report has identified a number of other policy domains where there are major

unresolved questions, including Medicaid, education, emergency planning and metropolitan governance. Drawing upon the historical lessons learned from the Advisory Commission on Intergovernmental Relations, this new organization would use a flexible and inclusive model for study of specific policy questions. The time is ripe for the creation of an organization devoted to intergovernmental relations. With decisive federal, state and local support, it can be a reality.

About the Authors

Dr. Michael Howell-Moroney is Associate Professor of Public Administration at the University of Alabama at Birmingham. He is a recognized expert on intergovernmental relations. He has published widely on the dynamics and challenges of intergovernmental cooperation, particularly in the areas of land use policy and regional cooperation. He also serves as the editor for the local government management section of the Encyclopedia of Public Administration and Policy and recently edited a symposium on local government challenges in the 21st century for *Public Administration and Management*. In addition to his academic training, Dr. Howell-Moroney is well-acquainted with local government issues, having served as the Assistant Director of Planning for the Borough of Norristown, PA.

Dr. Donna Handley is Assistant Professor of Public Administration at the University of Alabama at Birmingham. She is a widely respected expert on intergovernmental relations, and has published several articles on the intergovernmental grants system and the Community Development Block Grant. She is the current Chair-Elect for the Southeastern Conference on Public Administration and serves on the board of directors for the American Society for Public Administration's (ASPA) Center for Accountability and Performance and the ASPA Section for Women in Public Administration. She is also a current member of ASPA's Section on Intergovernmental Administration and Management, and on ASPA's Section on Budgeting and Financial Management. Dr. Handley also has over six years of local government experience, including service as the Assistant Economic Development Director for the City of Auburn, AL.

Governmental Affairs and Policy Committee Meeting Notes

Saturday, March 14, 8:30 a.m. – 2 p.m.

1. Committee Introductions
2. Presentation Summaries
 - a. State and Local Legal Center (Richard Ruda)
 - b. Legislative Panel (Carolyn Coleman, NLC; Jeff Arnold, NACo; Ed Somers, USCM; Flip McConnaughey, Senator Enzi)
 - c. U.S. Department of Transportation (Lana Hurdle, Acting Assistant Secretary for Budget and Programs/Chief Financial Officer)
 - d. White House Office of Intergovernmental Affairs (Invited)
3. Committee Business
4. Next Meeting

1. Committee Introductions

Committee chair Patrick Urich began the meeting.

Members in Attendance

Robert D. Agee
Pamela W. Antil
Larry N. Arft
Marylou Berg
Richard M. Brown
David Dillner
Michael M. Dutton
Lee R. Feldman
Scott A. Hancock
Mary E. Jacobs
Murray A. Levison
Samuel D. Mamet

Robert D. McEvoy
David E. Moran
Gerald E. Newfarmer
Aaron O. Oppenheimer
Douglas T. Paris, Jr.
Michael Redlinger
Mark L. Ryckman
Sarah E. Shain
Ryan I. Spinella
Scott C. Stiles
Michelle Thames
F. Patrick Urich
Elizabeth Goltry Wadle
Ryan J. Waller

Staff and Guests

Jeff Arnold (NACo)
Carolyn Coleman (NLC)
Joshua Franzel (ICMA)
Lana Hurdle (US DOT)
Elizabeth Kellar (ICMA)
Flip McConnaughey (Senator Enzi)
Alison Miller Richards (ICMA)
Richard Ruda (SLLC)

2. Presentations

State and Local Legal Center Updates

Richard Ruda, Chief Counsel of the State and Local Legal Center, gave a presentation on some of the major cases important to local governments in the Supreme Court. (See handout.)

Of special note:

- Committee members in attendance discussed tensions between tribal interests and those of local governments, particularly when it comes to recognizing new tribes as qualified under the Indian Act. Gaming in tribal areas is viewed as an economic engine for some communities while others see the development as draining resources from established commercial districts (*Carcieri v Salazar*). This case impacts several ICMA communities regarding gaming and commerce.
- Ruda highlighted preemption/federalism; 4th amendment qualified immunity; more attention will be given to *Ricci v. DeStefano*.

Legislative Panel

Jeff Arnold (NACo), Carolyn Coleman (NLC), and Flip McConnaughey (Senator Enzi and ICMA Member) presented their perspectives on current federal issues affecting (or anticipated to affect) local government.

Jeff Arnold highlighted current NACo priorities including health care reform, energy policy, and collective bargaining. (See handout for full NACo priority list.) There are 11 lobbyists at NACo. There is a major focus on federalism.

The current administration emphasis on green power (“green is good”: wind farms, solar, smart grid) may lead to preemption issues.

The stimulus took care of a lot of NACo legislative priorities of last year. With regard to the American Recovery & Reinvestment Act of 2009, Jeff encouraged local governments to:

- Submit comments on broadband portions of the Recovery Act—~\$7.2 billion is in the act for broadband and telecom expansion
- Monitor recovery.gov
- Look to the [NACo Web site](#) for recovery act updates
- Make calls to members of Congress
- Invite members of Congress to ribbon-cutting ceremonies and other dedications related to how the stimulus money is being spent wisely.

He also noted that block grants may or may not be as funded in the future based on initial success.

Carolyn Coleman highlighted current NLC priorities: transportation, infrastructure, transportation reauthorization, housing (property values; current stock of housing), local credit issues, energy block grant, collective bargaining (“when, not if, the bill will pass”). (See handout.)

- NLC does not want feds to hand down unfunded mandates on energy; no preemption
- Watch out for “consultants” who want to help cities with stimulus funds
- Economic recovery is a main priority.
- Look to national organizations (NLC, NACo, USCM, ICMA) for recovery act information. Associations will come up with comprehensive lists of grants soon.

Flip McConnaughey, Office of Senator Enzi, noted:

- There is a growing opposition in the Democratic Party to card check—the card check may not pass
- Democrats and many Republicans support public safety collective bargaining bill

- The Feds and Local Government alike need to recognize that many making over \$250k a year are small “main street” businesses.

U.S. Department of Transportation Implementation of the American Recovery & Reinvestment Act of 2009

Lana Hurdle, Acting Assistant Secretary for Budget and Programs/Chief Financial Officer of the U.S. Department of Transportation, gave a brief presentation. Overall, the presentation and discussion with committee members were very well received. (See handout.)

- She said DOT is using blogs, twitter, etc to communicate and recommends that local governments take advantage of these outlets to provide feedback
- She recommends monitoring federal government department Web sites (and FAQs) to get update information on stimulus grants awarded and how to apply
- “Livable Communities”: She said HUD and DOT are working closely together, especially now with the new stimulus money grants.

3. Committee Business

Thank You from ICMA President

ICMA President Dave Limardi, who was on-site for another meeting, stopped by the GAPC’s meeting and thanked committee members for their commitment, and chair Patrick Urich for his leadership.

ICMA Member Representatives Report-Outs

Public safety and emergency management cluster chair Richard Brown reported on NFPA 1710, EMAP Technical Assistance (ICMA member Lee Worsley participates in this group), NIMS Credentialing Board, and the National Homeland Security Council (ICMA member/past GAPC committee member Ron Carlee participates in this group).

Mark Ryckman mentioned that the Spectrum Trust Consortium is in a holding pattern with turnover related to the new administration.

Lee Feldman highlighted work on the Homeland Security Target Capabilities List; to which local governments will “voluntarily” comply—standards will be based on local population and proximity to security threats.

Effectiveness, Frequency and Need for Sub-committee Communications Between Meetings

ICMA Conference

Richard Brown asked if GAPC members could have a different colored-badge (or some other identifier) for the ICMA conference that identifies their policy committee role. GAPC may want to sponsor a special session on a hot policy issue.

GAPC Committee Restructuring

Chair Patrick Urich facilitated a conversation around the current committee structure.

Currently, the GAPC is comprised of several issue-based clusters:

- Administration & Finance

- Human Services
- Planning & Community Development
- Public Safety & Emergency Management
- Public Works.

Committee vice-chair Scott Hancock described a metamorphosis in ICMA's policy work in recent years—the committee has shifted from being primarily a networking opportunity to being a meaningful player in the policy arena, its strengths being the white papers and engagement with the “Big 7” organizations like NACo, NLC, and USCM. He mentioned that ICMA's financial stimulus work with the transition team was a positive effort, even though it hasn't led to direct results (yet).

Others concurred that the white papers have been helpful; some state leagues have adapted the content for their own states.

The group debated the merits of the current committee structure with issue-focused clusters—is the structure effective and efficient? How can the committee successfully engage in the cluster areas?

The current cluster-based/subcommittee approach allows the committee to focus on ongoing areas of importance, by having a number of participants paying attention to what is going on. The range of policy issues affecting local government is so broad that it may necessitate a cluster-based approach; without specialization there may be no opportunity for an early-warning system on issues that develop and we may lose touch with important ongoing issues. The clusters are also a way to tap the specific interests and areas of expertise of committee members. Success for the clusters/subcommittees depends on a strong cluster chair. Some clusters seem to be effective, while others are not.

Some committee members have not received very much communication from their clusters and spoke to the need for connection (e.g., e-mails, conference calls).

Proposed alternatives:

- Eliminate clusters as they currently exist. Instead, the committee would include an overall chair and then 4 or 5 vice-chairs representing the different subject-matter areas. The committee leadership would solicit input from the overall committee as a whole. As hot issues come up, the committee chair and/or issue vice-chair could assign someone to spearhead the committee's response.
- The committee should focus on 1 or 2 key issues, such as intergovernmental relations, where it could provide guidance to the Big 7.
- Use clusters primarily for brainstorming
- Establish issue-oriented, short-mid term task forces to accomplish a specific goal or study a specific issue—once the topic had been addressed through an ICMA white paper or otherwise, the team would go away; otherwise develop the contribution of the whole committee membership.

There was general consensus around a proposed hybrid solution—to eliminate the subcommittee approach, but to retain issue leaders that could coordinate with and engage the committee at large.

Attendees also discussed the size of the committee (is 70-80 overall committee members too many) and requirements for committee participation (meeting attendance).

Communication with the Membership

Committee members made several suggestions about communicating to the broader ICMA membership:

- Include policy information in the Newsletter—"here are the things members need to know about"
- Consider new ways of communicating, such as Twitter.

Staff Roles

Committee members were reminded about recent staff changes at ICMA. ICMA's policy team now includes:

- Josh Franzel → white papers
- Beth Kellar → Big 7 relations, policy leadership
- Alison Miller Richards → staff liaison to committee

GAPC Committee List

- Cluster assignments need to be updated and reflected on the roster.
- Expert / Capability lists, based on subject area, might be helpful.

White Papers

Patrick Ulrich discussed the GAPC's role and how it is a main component of ICMA strategic plan. He highlighted the success of the recent immigration paper rollout, conference call, and press coverage.

The purpose of the white papers—to focus on the needs of our partners at NLC, NACo, etc., in order to influence national and state legislative policy—was clarified.

For Bob O'Neill's consideration, here are possible topics for future white papers:

- Local governments transitioning tax structures from being consumption to investment based
- Intergovernmental partnerships
 - o How to create an intergovernmental policy council – NACo, NLC buy-in
 - o How the various levels of government can talk to one another
 - o New federalism paradigm
- Relationship between infrastructure, resiliency, and national security (see related Steve Flynn article)
- Metrics to rate the success/failures of local government spending stimulus money.

4. Next Meeting

Sunday, September 13, 2009

Montréal, Québec, Canada

Meet and Greet 8:30 - 9 a.m.

Committee Meeting 9 a.m. - 12 p.m.