



Updated March 6, 2023

Forming a Funded Federal Regional Commission

During the 117th Congress, the Senate confirmed the nominations of the federal co-chairs for the Southeast Crescent Regional Commission (SCRC) and the Southwest Border Regional Commission (SBRC), thereby allowing them to convene and begin other activities. Also during the 117th Congress, the Consolidated Appropriations Act, 2023 (P.L. 117-328) authorized a new federal regional commission, the Great Lakes Authority (GLA). However, the GLA is not currently operational, and has not received appropriations. Although appropriations are necessary for their full activation, they are also insufficient without additional steps. This In Focus describes potential additional steps that may be necessary for a federal regional commission to achieve full formation, and potential policy options for Congress as it continues to consider creating new federal regional commissions and authorities.

Background on the Federal Regional Commissions and Authorities

Eight federal regional commissions and authorities have been authorized by Congress to address instances of major economic distress in geographically defined socio-economic regions. Congress authorized the first federal regional commission, the Appalachian Regional Commission (ARC), in 1965. Additional commissions and authorities were founded in 1998 (the Denali Commission), 2000 (the Delta Regional Authority, or DRA), and 2002 (the Northern Great Plains Regional Authority, or NGPRA). Three commissions—the Northern Border Regional Commission (NBRC), SCRC, and the SBRC—were authorized in 2008. The Consolidated Appropriations Act, 2023 (P.L. 117-328) amended 40 U.S.C. §15301(a) to establish the GLA in December 2022. Six of the eight entities—the ARC, DRA, Denali, and NBRC, SBRC, and SCRC—receive annual appropriations and have presidentially-nominated, Senate-confirmed federal co-chairs in place. The NGPRA and GLA are currently inactive. The NGPRA’s authorization lapsed at the end of FY2018; it received one appropriation for \$1.5 million in FY2004.

The authorizing legislation for the GLA, NBRC, SBRC, and SCRC requires a presidentially-appointed federal co-chair. The U.S. Senate recently confirmed the SCRC’s and SBRC’s first federal co-chairs in December 2021 and December 2022, respectively, allowing the commissions to convene and begin other activities. As of February 2023, President Biden had not nominated a federal co-chairperson for the GLA.

The regional commissions and authorities established after the ARC—with the exception of the Denali Commission—are all broadly modeled after the ARC’s structure. The structure includes a federal co-chair, appointed by the

President with Senate confirmation, and the member state governors, of which one is elected by the governors as state co-chair.

Commission Funding, FY2022-FY2023

The Consolidated Appropriations Act, 2023 (P.L. 117-328) provided annual appropriations for ARC, Denali Commission, DRA, SCRC, SBRC, and NBRC, but not the GLA.

Table 1 summarizes funding amounts for the six federal regional commissions that have received appropriations in FY2022 and FY2023, along with the year authorized.

Table 1. Funded Federal Regional Commissions at a Glance

	Year Enacted	FY2022 Appropriations	FY2023 Appropriations
SBRC	FY2008	\$3.75 million	\$5.0 million
SCRC	FY2008	\$10.00 million	\$20.0 million
NBRC	FY2008	\$185.00 million	\$40.0 million
DRA	FY2000	\$180.10 million	\$31.0 million
Denali	FY1998	\$90.10 million	\$17.0 million
ARC	FY1965	\$395.00 million	\$400.0 million

Source: Appropriations figures tabulated from, P.L. 117-58, P.L. 117-103, and P.L. 117-328.

Notes: The federal commissions listed have received appropriations in FY2022 and FY2023. FY2022 amounts include appropriations provided in the Infrastructure Investment and Jobs Act (P.L. 117-58).

Steps for Commission Formation

Appropriations represent a first step towards the full formation and operation of regional commissions; however, several additional steps must be completed before a commission can be fully convened and active.

These steps include, broadly:

1. The presidential appointment and Senate confirmation of a federal co-chair, and potentially an alternate federal co-chair;
2. The convening of the commission, including the federal co-chair and the member state governors;
3. Organizational development of the commission, which includes the development of bylaws, hiring of a professional staff, and the identification of program priorities; and

4. The establishment of an economic development grant-making program, pending additional appropriations.

Appointment of a Federal Co-Chair

The presidential appointment and Senate confirmation of a federal co-chair is an essential step, as the federal co-chair is a statutorily enumerated leader of the commission, alongside state members (the governors, of which one is elected state co-chair). According to 40 U.S.C. §15301, the authorizing statute for the GLA, NBRC, SBRC, and SCRC, the federal co-chair serves as the “liaison between the federal government and the commission.” The statute also states that the federal co-chair’s assent is required, along with a majority of state members, in rendering any decision. In effect, the statute does not provide for the commission’s formation in the absence of a duly appointed and confirmed federal co-chair.

The federal co-chair’s rank and compensation is also established in statute as level III of the Executive Schedule. According to the Office of Personnel Management (OPM), the FY2023 rate of basic pay for level III of the Executive Schedule is \$195,000. The statute also provides for the presidential appointment (without Senate confirmation) of an alternate federal co-chair, who may serve in the federal co-chair’s stead as needed, or as a deputy otherwise—at the rank of level V of the FY2023 Executive Schedule, or \$172,100.

Convening the Commission

Upon appointment and confirmation of a federal co-chair, a commission may begin formal operations once the commission membership is convened. Each commission consists of the federal co-chair and the governors of the member states. For the GLA, SBRC, and SCRC, the authorizing statute also provides for the selection of state alternates to serve in the governors’ stead. The convening of the commission would functionally operationalize the commission and, with the assent of the federal co-chair and a majority of state members, allow the commission to render decisions regarding structure and administration.

One such decision would be the selection of a state co-chair who, alongside the federal co-chair, would form the commission leadership. According to statute, the state co-chair “shall be a Governor of a participating State in the region and shall be elected by the State members for a term of not less than 1 year.” The statute also limits the state co-chair to no more than two consecutive terms.

Organizational Development and Grant Making

A commission, once convened, may draft and pass bylaws for the organization, which govern the roles and responsibilities of commission members and staff, and set processes for the day-to-day administration of the organization. These bylaws may be revised or amended by the commission as needed, as they reinforce statutory guidance and regulate the activities of the organization that are not detailed in statute. For example, the bylaws may describe the role of an executive director and the categories of professional staff, including the terms of their appointment and hiring, their compensation schedules, and

their roles and functions. The programmatic elements of the commission’s work would be informed by the regional economic development priorities identified by commission members. The commission may draft a strategic plan or priorities document, or delegate responsibility for the development of such documentation to commission staff, seconded staff from the respective state governments, or a third party, subject to approval by the commission.

Prior rounds of appropriations to the SBRC and SCRC provided funding for hiring staff and the operational costs of convening the commissions. This funding may potentially be used for initial economic development grant-making activities.

However, as is generally the case with the active federal regional commissions, the SBRC and SCRC’s authorizing statute—as well as the GLA’s authorizing statute—obligates evenly shared administrative expenses between the federal government and state members. As such, additional appropriations allocated for administration would require an equal match from the member states. The states are not responsible for providing funding for grant-making, however. Those funds would need to be included in future federal appropriations.

Policy Considerations

Enacting, appropriating, and operationalizing a federal regional commission can be a long-term and sometimes disconnected process, as a commission may not form even with authorizing legislation and appropriations. Should Congress wish to streamline the formation process, it may consider potential options:

- Develop model legislation to provide a temporary or alternate federal co-chair until a permanent one is appointed and confirmed;
- Allow for a class of federal regional commissions to be authorized, and federal co-chairs appointed, by the Secretary of Commerce, similarly to those created under (now defunct) Title V of the Public Works and Economic Development Act of 1965 (P.L. 89-136); or
- Develop a coordinating entity within the Department of Commerce to administer the establishment, development, and cooperation of existing and future federal regional commissions.

Additional Reading

For additional related information see CRS Report R45997, *Federal Regional Commissions and Authorities: Structural Features and Function*; CRS In Focus IF11396, *Starting a Federal Regional Commission or Authority*; and CRS In Focus IF12165, *Federal Regional Commissions and Authorities: Administrative Expenses*.

Julie M. Lawhorn, Analyst in Economic Development Policy

IF11744

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.