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## Forming a Funded Federal Regional Commission

The Infrastructure, Investment, and Jobs Act (IIJA, P.L. 117-58) included \$5 million in funding for the Southeast Crescent Regional Commission (SCRC) and \$1.25 million for the Southwest Border Regional Commission. Both commissions are authorized. However, the SBRC is not currently operational, and the SCRC was recently activated following the confirmation of the first SCRC federal co-chair in December 2021. 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

Seven 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). The most recent commissions—the Northern Border Regional Commission (NBRC), the Southeast Crescent Regional Commission (SCRC), and the Southwest Border Regional Commission (SBRC)—were authorized in 2008. Four of the seven entities—the ARC, DRA, Denali, and NBRC—are active and receive annual appropriations. The NGPRA and SBRC are currently inactive. The NGPRA’s authorization of appropriations lapsed in FY2018; it received one appropriation for \$1.5 million in FY2004.

The SCRC and SBRC have received annual appropriations, but are not yet fully active. The authorizing legislation for the SCRC and SBRC in the 2008 farm bill requires a presidentially-appointed federal co-chair, which has yet to occur for the SBRC. The U.S. Senate recently confirmed the SCRC’s first federal co-chair, allowing the commission to convene and begin other activities.

The six regional commissions and authorities established after the ARC are all broadly modeled after its structure, which 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, FY2021-FY2022

Prior to the enactment of the IIJA in FY2022, the Consolidated Appropriations Act of 2021 (P.L. 116-260) included \$250,000 for the SBRC—the first time it has received an appropriation since it was authorized in the 2008 farm bill (P.L. 110-234).

As noted, the IIJA included \$5 million for the SCRC, and in December 2021, the U.S. Senate confirmed the first SCRC federal co-chair. The SCRC received an annual appropriation of \$250,000 each year from FY2010 through FY2020, and \$1 million in FY2021. **Table 1** summarizes funding amounts for the six federal regional commissions that have received appropriations in FY2021 and FY2022, along with the year authorized.

**Table 1. Funded Federal Regional Commissions at a Glance**

in reverse order of year enacted

|               | Year Enacted  | FY2021 Appropriations | FY2022 Appropriations |
|---------------|---------------|-----------------------|-----------------------|
| SBRC          | FY2008        | \$250,000             | \$1.25 million        |
| <b>SCRC</b>   | <b>FY2008</b> | <b>\$1 million</b>    | \$5 million           |
| <b>NBRC</b>   | FY2008        | \$30 million          | \$150 million         |
| <b>DRA</b>    | FY2000        | \$30 million          | \$150 million         |
| <b>Denali</b> | FY1998        | \$15 million          | \$75 million          |
| <b>ARC</b>    | FY1965        | \$180 million         | \$200 million         |

**Source:** Appropriations figures tabulated from P.L. 116-260 and P.L. 117-58.

**Notes:** The federal commissions listed in **bold** are considered to be currently active. FY2022 appropriated funding amounts are from P.L. 117-58. FY2022 amounts do not include funding provided through the annual appropriations process, as annual appropriations had not been enacted as of the date of publication.

### Steps for Commission Formation

Appropriations to the SBRC and SCRC represents a first step towards their full formation and operation. However, several additional steps must be completed before a commission can be fully convened and active in a manner comparable to the other active federal regional commissions and authorities.

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 the 2008 farm bill, which authorized the SBRC, SCRC, and NBRC, 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 FY2021 rate of basic pay for level III of the Executive Schedule is \$183,300. 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 FY2021 Executive Schedule, or \$161,700.

### 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 SBRC and SCRC, the 2008 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.

FY2021 and FY2022 appropriations to the SBRC provide some limited funding for hiring additional staff beyond the federal co-chair and may not fully cover the operational costs of convening the commission. More significant funding for economic development grant-making would also need to be appropriated in the future for the SBRC and the SCRC.

However, as is generally the case with the active federal regional commissions, the SBRC and SCRC’s 2008 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*; and CRS In Focus IF11396, *Starting a Federal Regional Commission or Authority*.

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