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Federal Regional Commissions and Authorities: Operations

The federal regional commissions and authorities are ten congressionally chartered, federal-state partnerships that were developed to address economic distress in targeted geographic regions. With congressional authorization, new regional commissions could be created in areas of the country not currently serviced. This In Focus addresses past and anticipated future congressional interest into the issues and processes involved in starting a federal regional commission based on existing models.

Current Commissions and Authorities

As of February 2025, ten federal regional commissions have been authorized by Congress. (Although some are designated as “authorities,” this In Focus refers to all of them collectively as “commissions.”) Six are currently active, have received recent appropriations, and have a Senate-confirmed federal co-chair (or equivalent) in place: the Appalachian Regional Commission (ARC); the Delta Regional Authority (DRA); the Denali Commission; the Northern Border Regional Commission (NBRC); the Southeast Crescent Regional Commission (SCRC); and the Southwest Border Regional Commission (SBRC). The active commissions engage in economic development activities in their service areas with funding from annual congressional appropriations. Four are currently inactive: the Mid-Atlantic Regional Commission (MARC), the Northern Great Plains Regional Authority (NGPRA), the Southern New England Regional Commission (SNERC), and the Great Lakes Authority (GLA). GLA is authorized and has received appropriations, but has yet to convene its members or undertake core planning or investment activities.

Structural Features

Common Structures

While the authorized federal regional commissions have individual distinguishing features, they all include a structure broadly modeled after the Appalachian Regional Commission, which was established by Congress in 1965 (40 U.S.C. §§14101-14704). The commission structure is comprised of a federal co-chair and the state governors of member states or their designated representative (of which one serves as state co-chair). The commission is supplemented by professional staff to carry out organizational activities. While largely considered independent federal agencies, most commission members and staff are not federal employees. The main exception is the federal co-chair, that co-chair’s alternate, and that co-chair’s direct staff. However, a commission may adopt certain federal personnel practices. For example, the ARC pegs its salary grades to the Office of Personnel Management’s General Schedule, and former federal employees may remain in the federal retirement system.

Structural Exceptions

A new federal regional commission may use a similar structure to the one established for the ARC, which was broadly replicated in the other commissions. However, this basic structure has been adapted to the circumstances and needs of the various regions in question. For example, the ARC’s and DRA’s authorizing statutes require state governors to serve as ARC or DRA members, respectively, and has no allowance for governors to designate a voting representative (although an alternate may be allowed in certain circumstances). By contrast, the other active regional commissions allow for the member state governors to appoint a designated representative to serve in their stead.

As a single-state commission, the Denali Commission features several structural exceptions. Alongside the federal co-chair, the commission is comprised of the state governor (who is state co-chair) as well as five other members: the University of Alaska president; the Alaska Municipal League president; the Alaska Federation of Natives president; the Alaska State AFL-CIO president; and the Associated General Contractors of Alaska president. The Denali Commission’s federal co-chair is appointed by the U.S. Secretary of Commerce, while the federal co-chairs of other commissions are appointed by the President and require confirmation by the Senate. The Denali Commission’s inclusion of non-gubernatorial membership is also a feature of the multi-state NGPRA. Though inactive, the NGPRA consisted of the federal co-chair, the state governors, as well as a Native American tribal co-chair. The NGPRA also used a 501(c)(3) organization as a resource for implementation.

A new federal regional commission may share the existing commissions’ basic structures while including features to represent certain regional economic, social, cultural, or historical characteristics. Such an approach could also be adapted to programmatic intent; for example, emphases on certain industries, types of economic development (such as infrastructure or workforce development), or other policy priorities, like energy transition or conservation.

Authorization and Establishment Process

Regional Consensus and Demand

While chartered by Congress, federal regional commissions are rooted in the states and localities they represent. Prior to their statutory creation, all federal regional commissions were preceded by state, local, and/or congressional expressions of support. The ARC, for example, was founded in response to initiatives from Appalachian regional governors. Those efforts led to presidential actions

and congressional legislation, which resulted in a study commission and the eventual creation of the ARC in 1965. All of the federal regional commissions were founded after long-term consensus-driven efforts in the states and regions to demonstrate both need and demand for their creation.

Legislation and Authorization

Once the concept for a federal regional commission has gained traction regionally, it may then be the subject of congressional hearings or legislation. Such deliberations may last for years, as the case for the federal regional commission is gradually established and support is cultivated in the relevant committees (e.g., the House Transportation and Infrastructure Committee, the Senate Environment and Public Works Committee, and the respective appropriations committees).

For example, SCRC legislation was first introduced in 1994, and grassroots initiatives pushed the concept forward until its 2008 authorization. Similarly, the SBRC's 2008 authorization was preceded by a 1999 executive order, and subsequent legislation. The NBRC is notable in that it was proposed only about a year before authorization, but it may have benefited from being passed with the SBRC and SCRC. Once a critical mass of support is achieved, precedent suggests that the authorizing legislation is likely to be included within omnibus legislation, such as periodic farm bills—the 2008 farm bill authorized the NBRC, the SCRC, and the SBRC. Congress authorized the GLA in 2023 (P.L. 117-328) and the MARC and SNERC in 2025 (P.L. 118-272).

Appropriations and Funding

Although the founding legislation may authorize appropriations, funding is generally provided through appropriations measures. A lack of appropriations may prevent the entity from beginning operations. In recent years, new federal regional commissions have received appropriations in the low millions of dollars. The NBRC was authorized for up to \$30 million in annual funding when it was created in FY2008 (P.L. 110-234), but received appropriations for \$1.5 million in FY2010 (P.L. 111-85). That number held steady annually until FY2014, when the NBRC was appropriated \$5 million. Annual funding has increased since then to \$41 million in FY2024 (P.L. 118-42). The SCRC received annual appropriations for \$250,000 each year from FY2008 through FY2020. This amount increased to \$20 million each year in FY2023 (P.L. 117-328) and FY2024 (P.L. 118-42). Between FY2021 and FY2024, the SBRC received \$14 million in appropriations. The GLA received \$5 million in appropriations in FY2024 (P.L. 118-42).

While federal appropriations fund all the activities of the federal regional commissions and authorities, it is customary for the federal government and the member states to share administrative expenses. Of the authorized federal regional commissions, only the Denali Commission is entirely funded by the federal government, although the State of Alaska does contribute in other ways. For a proposed commission, the states' willingness to share administrative expenses may demonstrate their financial commitment.

Federal Co-Chair Appointment

After appropriations have been secured to begin operations, the entity's launch may be delayed by other operational factors. The appointment of a federal co-chair, unless otherwise provided, is essential for a commission's operations. For example, the SBRC consistently received appropriations, but was unable to begin its operations until a federal co-chair was appointed by the President and confirmed by the Senate in 2022, 14 years after it was authorized. Alternative provisions could be enacted to facilitate the launch, such as allowing the federal co-chair to be appointed by a cabinet official (based on the model of the Denali Commission) or allowing the commission to convene in the absence of an appointed federal co-chair.

Scope and Nature of Activities

While appropriations fund the activities for the federal regional commissions, the scope and nature of each commission's activities may differ. The Denali Commission, for example, largely focuses on energy storage and infrastructure and special infrastructure protection programs, reflecting the specific needs of its service area. Other commissions engage in a broader range of economic development activities, but also feature specialized funding priorities. One example is the ARC's POWER Initiative, which seeks to address economic dislocation in coal industry-dependent communities. The ARC, DRA, NBRC, and SBRC also provide or have provided financial support to local development districts, which are multi-county organizations that assess projects and advise the commissions on local priorities and issues.

The scope of a commission's economic development activities is also determined by their statutorily delineated service areas. These service areas are the primary beneficiaries of the commissions' activities, so only organizations based in these areas can receive funding (with some minor exceptions). The service areas can only be modified or amended through legislation. In addition, the active and functioning commissions consider project applications based on county-level distress designations. The ARC designates counties along five ascending classes of distress; the NBRC, SCRC, and SBRC use three; the DRA designates counties as either distressed or not; as does the Denali Commission. Along with other criteria, distress levels can influence funding decisions, and may also determine grant match levels for certain commissions.

Additional Considerations

There is no requirement that a new commission follow previous models. While their commonalities provide an institutional blueprint, the differences in commission charters suggest that new commissions could incorporate structural or programmatic innovations to accomplish particular policy goals. While there are other options for federal economic development, the federal regional commissions represent a relatively flexible model that integrates federal, state, and local input in service of regional economic and community development priorities.

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