

# MEMO #13

## MANAGING ACROSS BOUNDARIES:

### Strengthening Partnerships with State and Local Governments

*Barry L. Van Lare*

**T**he new President and Congress need to forge a new partnership with state and local governments in order to restore public trust in the federal government and to mobilize the resources needed to address critical domestic issues in a comprehensive and coordinated manner. For much of its history the federal system could be seen as a layer cake with each level of government responsible for a relatively clearly defined set of responsibilities. As the federal government began to expand its role in domestic policy the system became more of a marble cake with roles and responsibilities becoming more intermixed. Most recently the federal system has come to resemble more a crumb cake as the lines between federal, state and local governments have been blurred even further. Such a fragmented system is ill suited to address a wide range of domestic issues

#### **The Goals of a Stronger Intergovernmental Partnership**

Policy makers and administrators tend to view the government's proper role from the perspective of their own positions in the federal system. However, addressing pressing public priorities requires coordinated action by all levels of government. Challenges such as affordable health care, quality education, climate change, income inequality, homeland security, civil rights, deteriorating infrastructure, etc. will require a strong federal role, but a federal role alone will be insufficient. Significant progress will require the coordinated actions of state and local governments as well. It is critical that a new administration and a new Congress work together to establish a new paradigm that substitutes collaboration and cooperation for command and control. Such a paradigm allows states and localities to participate in policy development and implementation as full partners and facilitates and supports a robust and comprehensive approach to the development of national policy within an intergovernmental framework. The new paradigm:

- • Recognizes the importance of a coordinated intergovernmental response to critical issues;
- • Provides ready access to the data and analysis needed to develop that response;
- • Supports open consultation and involvement of state and local governments in both policy development and rulemaking; and
- • Recognizes state and local governments as enterprises rather than solely as silos for federal funding.

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#### **Recommended Actions**

Addressing the pressing challenges and opportunities confronting the nation requires more than a collection of crumbs. We must create the culture, tools, and resources that will enable the three levels of government to work collaboratively to address those problems and opportunities in a more comprehensive and coordinated manner.

##### **1. Consider Saying No – Focus on National Issues**

Not every problem requires a federal solution. The Congress and the new administration should focus their attention on issues that are truly national in scope and avoid the tendency to further complicate an overly complex intergovernmental system with a growing number of small and often uncoordinated or duplicative new programs.

##### **2. Make Intergovernmental Collaboration a Priority**

Collaboration is an unnatural act performed by unconsenting adults. Developing and maintaining a collaborative intergovernmental capacity to address critical issues requires a significant shift in organizational culture as well as changes in structures and processes to support that collaboration. Both the President and Congressional leadership should move quickly to signal that a renewed focus on intergovernmental collaboration is a clear priority. A strong, early, and public commitment to strengthening intergovernmental collaboration provides vital guidance on a variety of issues such as the need for the state and local involvement in the policy making process, the selection of key personnel, and the roles and responsibilities of intergovernmental staff.

##### **3. Recognize State and Local Governments as Partners – Not Constituents**

State and local officials have become viewed as merely another constituent group. Their participation in the development of rules and regulations is often constrained. The new administration should give priority to a review of the Administrative Procedures Act in order to identify changes that would facilitate the collaboration and consultation needed to identify and address issues critical to the effective implementation of its priorities.

##### **4. Foster a Continuing Intergovernmental Dialogue**

Finding comprehensive solutions to critical problems will begin with consultation among the three levels of government. In the past, federal, state, and local policy makers have had collaborative discussions to address major policy such as block grants, welfare reform, new federalism and education. While results have varied, the process has almost always led to a better understanding of both the problem and potential solutions. In many cases it has also led to broad-based, non-partisan support for an intergovernmental action agenda. The new administration should begin this process by articulating key policy challenges, identifying the key intergovernmental players and by inviting those players to actively engage in **92 Memos to National Leaders ©2016**

the policy making process. Congress can continue that process by assuring states and localities an opportunity to actively engage with members and staff as legislation is considered.

#### **5. Strengthen and Reorient the President's Office of Intergovernmental Affairs and its Department Counterparts**

The vast majority of intergovernmental communications takes place at the program level with state and local program administrators talking to their federal counterparts. At times, however, there are issues that require attention on a cross program basis or the involvement of a higher-level decision-maker.

The new administration should create strong intergovernmental affairs staffs in the Office of the President and at the Department level that are actively involved in the policy process and that can play a vital role in keeping intergovernmental issues and concerns before key decision makers. Their focus should be on policy and implementation rather than politics and constituent services. These offices might also be tasked with coordinating cross agency efforts to work collaboratively with states and localities.

#### **6. Build and Maintain an Intergovernmental Database**

Better intergovernmental data will help all three levels of government better understand the scope and scale of the issues to be addressed and the resources available at each level of government. Policy makers need a big picture view of the fiscal demands on state and local governments and the variances in fiscal capacity from jurisdiction to jurisdiction. They also need to more clearly understand the fiscal impact of federal policies on the capacity of state and local governments to meet their own responsibilities. In the past much of this information was collected and analyzed by the Advisory Commission on Intergovernmental Relations. While OMB and GAO have attempted to fill some of the gaps left by the demise of that organization, the new administration should undertake, in consultation with state and local officials, a comprehensive review of critical information needs and develop a plan for collecting and disseminating relevant data on a timely basis.

In addition, there is a growing body of empirical research available to support decision making. However, efforts to identify and evaluate effective programs is widely dispersed among the three levels of government and the foundation and academic community. Similarly, the administrative data that could help inform the decision making currently exists in silos and is not readily shared. The new administration should establish a cross agency initiative to facilitate the collection and dissemination of timely research and identify the steps needed to make meta data more readily available.

#### **7. Consider States and Localities as Government Enterprises – Not Silos for Federal Funding**

The federal government has begun to recognize that many of its administrative challenges can no longer be addressed within agency silos and is increasingly looking to enterprise level solutions. States and localities face many of the same challenges and also need to address them on an enterprise level. Unfortunately, doing so is made difficult, if not impossible, by the proliferation **93 Memos to National Leaders** © 2016

of uncoordinated administrative requirements imposed by the myriad of federal programs. The new administration should examine how closer coordination among the programs, agencies and departments at the federal level might allow states and localities to produce a more integrated and efficient delivery system.

#### **8. Support Accountability and Transparency**

Performance data is playing an increasingly important role in the management of programs at all levels of government. At the Federal level, the Government Performance and Accountability Act plays an important role in focusing agency and cross-agency attention on the administration's priorities and in holding responsible agencies and officials accountable for achieving them. A new administration should build on this experience consider how a similar approach might be applied to high priority intergovernmental initiatives. In addition, a new administration might consider convening federal, state and local officials to explore the potential for the better integration of cross-cutting state systems and individual program level performance measurement systems so as to better serve all three levels of government.

#### **9. Provide Flexibility and Encourage Innovation**

States and localities have a long been seen as the laboratories of democracy. As such they are constantly testing new policies and innovative administrative practices. While the federal government will of necessity set program objectives and define target populations, a number of federal agencies have experimented with mechanisms to couple increased flexibility with clear accountability for result. The new administration should continue and expand federal efforts to allow states both to test new policies and more effective and efficient delivery