An Assessment of the Role and Funding of Michigan Regions

A Case for a Demand-Driven Approach

Sara Wycoff McCauley
Jillian McLaughlin

2016 Co-Learning Plan Series

Michigan State University
EDA University Center for Regional Economic Innovation

MICHIGAN STATE UNIVERSITY
Center for Community and Economic Development
University Center for Regional Economic Innovation

EDA
U.S. ECONOMIC DEVELOPMENT ADMINISTRATION

An Assessment of the Role and Funding of Michigan Regions

A Case for a Demand-Driven Approach

Michigan State University

Center for Community and Economic Development

EDA University Center for Regional Economic Innovation

Sara Wycoff McCauley, MPP
Jillian McLaughlin, MPP

This project is supported in part pursuant to the receipt of financial assistance from the United States Department of Commerce – Economic Development Administration. The statements, findings, conclusions, and recommendations are solely those of the authors and do not necessarily reflect the view of any federal agency or Michigan State University.

CONTENTS

INTRODUCTION

Government leaders in the State of Michigan have recently demonstrated a renewed interest in regional collaboration through state programs and policy changes. The state's Regional Prosperity Initiative (RPI) exemplifies this policy shift. The RPI is a voluntary state-funded grant program intended to bring together multi-county regional organizations from different service sectors to develop a more cohesive and collaborative economic development planning process. In addition to the grant program, the RPI was also intended to align state services around a common set of regions to ensure a better utilization of available resources.

The push for Michigan's renewed regional efforts came from the current sitting governor, Rick Snyder. Governor Snyder, on many occasions, has talked about the importance of regionalism to a competitive economic development strategy in Michigan and its merits as a component of effective, efficient government. Now, in his second and final term of office, many are questioning the administration's ability to continue to support and advance regional efforts in the midst of so many significant and competing priorities. As a result, regionals leaders are taking time to re-evaluate the challenges, benefits and opportunities that lay ahead.

Regional stakeholders continue to voice concerns over the real or perceived lack of stability in existing funding for regional collaboration and action from state funds. While the RPI has been funded annually at approximately $2.5M, this funding is limited, insufficient to meet the current demands of regional stakeholders, and vulnerable to shifting political winds. Funding for this program was struck from the FY 2017 – 18 state budget by the Michigan Senate before being restored in the legislature's final consensus budget. This has further raised concerns about the merits of top-down funding models for regions, particularly during times of political volatility.

While the impetus to re-examine top-down funding models began with state funding sources, it is important to note that state funding is only one small piece of the revenue puzzle for Michigan regions. In fact, the majority of regional funding has historically been provided by federal agencies such as the Economic Development Administration, Federal Highway Administration, Department of Agriculture, and the Housing and Urban Development Agency. While many view federal funding to be more stable than other resources, organizations are still tackling the challenges that come with the contraction of federal programs and the corresponding decline in available resources. In many cases, this has prompted regional organizations nationwide to pursue more entrepreneurial, creative and stable methods of funding.

In addition to state and federal resources, regional organizations often rely on support, financial and otherwise, from local governments. In a time of strained municipal budgets and, in some areas, a pervasive anti-government sentiment, this funding is also not as stable as it once was. While any one of these trends would be enough to encourage an examination of current funding practices for Michigan's regional organizations, the combination makes it an imperative.

This Co-Learning Plan was developed to engage regional leaders across Michigan in an effort to;

1) Assess funding trends for Michigan regional organizations as well as the stability and relevance of funding sources.
2) Compare these findings to national best practices, and
3) Develop recommendations for regional leaders, state government and federal government with the goal of improving funding sources and policies that support a regional approach to economic development.

HISTORY OF REGIONS

To best understand the role and relevance of regions in Michigan today, it is important to understand their history. The concept and practice of regional collaboration is not a new idea. Governor Romney, through Executive Directive 1968 – 1, established Michigan's first State Planning Designated Regions. Governors Milliken and Engler issued three successive directives (1970– 4, 1973 -1 and 1992 -2), which made small changes to the boundaries of the state planning regions and reaffirmed their governance roles.

Today, Michigan has 14 state planning and development regions. As a result of Executive Directives, federal, state and local partners have organized their services around this geography, though many have not. Throughout the 1970s, the regions received annual funding from state government through redistribution of federal funds from the Housing and Urban Development Act of 1968, Section 701 Urban planning assistance program. This Act required that comprehensive land use plans incorporate proposals for housing, as well as some state general fund dollars (General Accounting Office 1974). This resulted in the regions having a more common set of services and more flexibility in responding to local dues collection issues and general economic ups and downs.

Common Regional Planning Services

- Activities consistent with being an affiliate of the State Library
- Administration of Workforce Development services
- Census data center activities
- EDA planning
- G.I.S. Mapping
- Procurement Technical Assistance Center Services
- Regional Art Council Re-Granting
- Rural transportation planning
- Small Business Technology Development Center Services

However, in the early 1980's, the state stopped acting as a direct conduit for regional organizations when "701" dollars became unavailable. This marked a significant change for regions, forcing them to rethink their business models, customer base and the financial implications of both. As a result, regions became more entrepreneurial, and also more diverse in terms of service provision, culture, personality and local significance. A number of regional planning commissions began to carry several banners, including but not limited to designations such as Metropolitan Planning Organizations, Economic Development Districts and/or Workforce Investment Boards.

The diversity of regional service provision is maintained even today and demonstrates the resilience and adaptive nature of these organizations.

METHODOLOGY

This Co-Learning Plan sought to identify innovative funding models that regions could be emulated by regional planning organizations through a survey that was distributed to Michigan's 14 State Planning Regions. The survey attempted to gain a clearer understanding of their current and historical sources of funding. Twelve regions completed the survey, out of which eight provided highly-detailed budget information. In addition to the survey results, interviews were conducted with leaders in regional planning and economic development who serve exemplary organizations nationwide. These results were contextualized and informed through a review of relevant literature by academic scholars and practitioners.

CURRENT FUNDING PRACTICES

Despite the diversity among regional organizations and the broad range of responsibilities each has assumed, many have adopted common strategies to support their work. This research uncovered common funding trends and patterns in regions and their dependence on particular funding streams.

Regions overwhelmingly rely on federal and state funding. In the most current fiscal year, state and federal funding accounted for 83% of regions' budgets. Only 17% of funding stemmed from other sources, including membership dues, private contributions, philanthropic contributions, fee-for-service and other income.

Source: Strategic Policy Consultants

While federal and state funding sources comprise a significant portion of regional organizations' budgets, they are also volatile and vulnerable. An examination of year-over-year funding changes revealed dramatic fluctuations, positive and negative, in the percentage of funding awarded.

Changes in Federal Funding (2011-2015)			
	Median Change	Largest Decrease	Largest Increase
2011-2012	+/- 20%	-49%	+34%
2012-2013	+/- 15%	-38%	+186%
2013-2014	+/- 13%	-56%	+13%
2014-2015	+/- 46%	-87%	+16%
Source: Survey of Michigan Regional Planning Organizations			

The median change in the last fiscal year was 46%. In some years and for some regions, swings in federal funding are a welcome change. Between 2012 and 2013, one fortunate region saw its federal funding increase by 186% as it forged a new partnership with federal agencies. However, funding also can dramatically decrease. Another organization saw its federal funding decrease by 87% over the previous fiscal year.

After the elimination of 701 dollars, direct state funding to regions for general planning and development of capacity has only re-emerged as part of the RPI. Thus far, the state has maintained relatively steady funding for the program at $2.5 million total, though this funding has been distributed differently amongst regions from year to year. More importantly, future funding is dependent on the priorities and vision of a new administration and the state legislature because the program has not been codified and therefore, must be renewed each year. As such, state funding is equally, if not more, subject to volatility and significant change than funding provided by its federal counterparts.

Challenges with Relying on Federal and State Funding

Federal and state funding sources can be, and often are, larger than other funding sources such as foundations or fee for service revenue streams. As a result, there could be a tendency to view these sources of funding more favorably than others and an inclination to downplay the challenges that come with relying on them.

The first challenge presented by federal and state funding opportunities is the propensity for funding to reflect the priorities of the funder, in most cases the executive branch of government, even when it is at the expense of local and regional priorities. This is understandable and not a quandary that is unique to regional organizations, but it is a challenge and one that is increasingly prevalent in times of political turmoil or change. Funders, in this case, executive departments and agencies, are responsible for supporting and carrying out priorities for the executive in power while trying to maintain and protect relationships with long-time local partners.

Several federal and state partners are subject to the same tensions, either as a result of executive priorities or in some cases as a result of legislative action. In the recent reauthorization of the Workforce Innovation and Opportunity Act (WIOA), the primary source of federal funding for workforce training and education, policymakers made a substantive change to youth employment programming that ultimately resulted in a shift from previous policy. The current policy 75% of funds to programs for out-of-school youth reversing the previous policy which dedicated 75% of available funds to in-school youth and 25% to out-of-school youth. Congress deliberately made this change with the intention that program goals needed to change, but neglected to take into account how this may change the efficacy of existing local programs and potentially work against their goals. This will affect regions in their administration of workforce programs, but more broadly, it is an example of how the desire of federal funders can and often does supersede local demand.

The state employs similar practices as well. In Governor Snyder's Special Message on Aging, regions were called to assess and respond to cross-county transportation issues for the sick and elderly in their communities. This request arose from a desire by the executive administration to address an issue that was deemed important by the state and was closely aligned with an agenda to improve services and outreach to aging Michiganders. Each region was summoned by the Michigan Department of Transportation, their funder, to pursue solutions. As with the aforementioned efforts by the federal government, this effort was certainly well-intended and valuable but failed to recognize that local and regional demand for improved services for seniors may not have all been squarely focused on transit issues, as defined by the state. Allowing for a greater dialogue and more discussion between the state and regions may have yielded more effective and responsive ideas for addressing the identified challenges.

Second, even though funds may or may not align with local need at a given time, accessing the funds to advance needs defined by state or federal officials is laborious and often costly due to the time and staff resources needed. As a result, organizations often find themselves diverting resources away from program objectives to fund development and program compliance for these resources. The Government Accountability Office (GAO) has repeatedly recommended that federal government agencies better coordinate their grant processes and goals to lessen the risk of redundancy and better utilize available organizational capacity at a local, state and federal level. Despite repeated calls by the GAO, few meaningful reforms to federal and state grant processes have been enacted (Government Accountability Office 2006; Government Accountability Office 2012). As regions, like all public agencies, find themselves resource-constrained, they must re-evaluate whether or not to pursue such funding sources. For some, this has led to a decision to forego various federal or state funding sources, resulting in less uniformity among regional services and, at times, an additional challenge for government as it struggles to determine how best to fill service gaps.

Third, regions that are high-performers can find themselves ineligible for funding opportunities if eligibility criteria are too narrowly crafted. Federal and state priorities are often focused on narrow, emerging or politically relevant problems, and have pre-defined the cause of a given problem as well as the strategy for achieving the solution. However, innovative or high performing communities may define a different cause for their challenges or require a more tailored or unique solution than their peers. The previously identified examples of program regulations are illustrative of this problem. Not every community is faced with the challenges of a critical mass of out-of-school youth or cross-county transportation. This may be a result of a better economic or social climate, but it can also result from a pro-active region that has chosen to and successfully addresses emerging issues without waiting for federal or state direction. Such regions might feel penalized for being proactive as their opportunities to access funding sources are hindered. These regions are faced with the tough decision of whether to create a narrative that molds their communities' needs into the priorities of available funding or forego funding from their largest revenue sources – a decision that no one would envy and one that is a further impetus for us to consider an alternative to these two choices.

Alternative Funding Strategies

While all regions rely overwhelmingly on federal and state funding, they also generate revenue from other sources. See the table below:

Revenue Type	Number of Regions	Median % of Budget	Largest % of Budget	Smallest % of Budget
State	**8**	**36%**	**75%**	**1%**
Federal	**8**	**29%**	**93%**	**11%**
Membership Dues	**8**	**7%**	**38%**	**1%**
Private Contributions	**0**	**N/A**	**N/A**	**N/A**
Philanthropic Donations	**2**	**8%**	**14%**	**1%**
Fee Income	**5**	**13%**	**22%**	**0%**
Other Income	**2**	**5%**	**7%**	**0%**

All regions reported income from membership dues and over half received revenue by engaging in fee-for-service activities. Both of these observations are illustrative of local funding sources and both are considerably smaller portions of each region's budget than the revenue from federal and state resources.

Membership dues are structured in one of two ways: 1) a flat fee for local units of government within the region or 2) fees collected according to a per capita assessment. Membership fees comprise a smaller percentage of regions' budgets, but are much more stable from year to year. In the most recent fiscal year, the largest percentage increase year-to-year in membership revenue was 20%. Over a five-year period, only two regions saw a decline in revenue from the membership dues category and the decline was small (– 2% and 4%.) Fee-for-service activities vary greatly across regions and are more thoroughly discussed in the case studies that follow.

FINDINGS

We would acknowledge that the research presented in this Co-Learning Plan is not exhaustive nor to be considered statistically significant. Understanding the funding challenges facing Michigan's regional organizations, as well as the national trends in this field, will require continued examination and, in our estimation, more one-on-one discussions with regional leaders who are willing to share their experience and insights.

However, by working with willing regional partners to assess both their quantitative information and their qualified opinions, we would bring attention to three important, resulting insights:

1. Regions are overly reliant on federal and state funding;
2. Federal and state funding is uncertain and does not necessarily reflect the demand of regional clients or members and;
3. Local funding sources are not a primary contributor to regional budgets.

Our research and data have demonstrated the effect of the first two insights. The third may seem a logical outgrowth of the first but, we believe, begs deeper reflection. If regions are overly reliant on federal and state funding, meeting the demands of their clients can be increasingly difficult resulting in an even more challenging task of diversifying revenue streams. In addition, federal and state government, as primary funders of Michigan regions, understandably expect to be treated like clients. But their needs often can be at odds with the needs of the local communities and stakeholders that regions are duty-bound to serve.

It is our hypothesis that this challenging dynamic has contributed to an unnecessary narrowing of perceived clients by many regions. We asked regions to identify the primary client or clients of their organization and left the answer open-ended. Of the 12 respondents who answered this question, all included, "Local government" and more than half of the respondents did not list any "clients" other than local government. In nearly all cases, respondents neglected to consider a broader base of local and regional stakeholders as clients, including businesses, chambers of commerce, local non-profits or foundations. Only three responses included nonprofits as a client and two listed economic and workforce development agencies. The other constituencies listed – businesses and chambers of commerce, residents, job seekers, higher education institutions – were mentioned only once in all 12 surveys.

Potential "clients" (listed above) are commuting as a result of transportation plans developed by regional organizations. They seek business services and workforce training as a result of the direction charted by the regional planning organizations. They are impacted by land use planning, business attraction and the many other varied services that regions provide. Even so, the role of these individuals and organizations as clients and potential partners of Michigan regions has been overlooked, or at a minimum, underutilized.

Regions are undoubtedly stuck between a rock and a hard place, seeking to satisfy their primary funders and balance those demands with the needs and wants of their members and local communities. As long as regions remain overly reliant on state and federal funds, this will continue to be a significant challenge and further contest the notion that a broader base of local and regional stakeholders should be considered as clients. To change this dynamic, regions will need to consider changes to how they receive funding and/or conduct business.

CASE STUDIES

Several dynamic and forward-looking organizations have demonstrated the creativity, flexibility, and initiative to successfully pursue demand-driven funding models. These organizations range from a consortium of foundations to more traditional planning agencies, but each adopted a reflective and strategic approach to diversify their sources of funding for their activities by rigorously probing the demand for current projects and trying to systematically gauge interest in new initiatives.

Region Five Development Commission: The Region Five Development Commission issued a broad and open request for projects to engage businesses, nonprofits, and other stakeholders within its five-county region in Minnesota. Ideas could be submitted by anyone. Members of the private, nonprofit, and public sector ranked the projects on a list and the Commission staff "shopped" the ideas to potential funders and partners (C. Kissel, personal communication, April 12, 2016). Most organizations surveyed their members to gauge demand for different priority projects (every region surveyed in our study except for one used "stakeholder outreach" to determine client needs), but the efforts of the Region Five Development Commission are unique because these projects are filtered through a second, more exacting barometer of demand – funding partners. The structure literally asks stakeholders to invest in projects – and projects are chosen based on the stakeholder's willingness to invest.

East Central Iowa Council of Governments: The East Central Iowa Council of Governments (ECICOG) faced a considerable challenge when its region experienced population growth and a devastating flood in 2008. Leadership at ECICOG decided to work closely with a business association – the Corridor Business Alliance (CBA) – and two longstanding Metropolitan Planning Organization partners within the Economic Development District. This combined planning process resulted in a joint plan designed through public input and facilitated by the ECICOG and the CBA. These relationships, borne from a disaster, laid the foundation for a longer-term partnership and the diversification of funding sources. Mary Rump, ECICOG's transportation director, was profiled in a case study by the National Association of Development Organizations (NADO). She highlighted the importance of these new relationships in broadening their perspective. While her staff previously focused on traditional funding for transportation programs, her partnerships made her realize that the outcome they were focused on "doesn't need to be funded through transportation programs – there are other programs that could have a significant financial impact on transportation or economic development" (Kissel, 2013). Her team realized that employment training programs and private corporations could be partners in the execution and funding of these projects. Through collaboration, her team realized the broader demand for existing projects beyond the traditional stakeholders that partnered and funded ECICOG's efforts.

Fund for Our Economic Future: In Northeast Ohio in 2004, foundations responded to the loss of jobs and industries in the region with an invitation to other foundations to channel grants to organizations and projects that would catalyze economic development. These leaders formed the Fund for Our Economic Future and convinced foundations who typically supported the arts, environmental, and education groups to re-frame their work and made a persuasive case that each foundation had a stake in potential economic development. Instead of looking at current economic development stakeholders, they saw a potential range of stakeholders. Sixty-five organizations joined together to form the “Fund for our Economic Future” and raised $30 million. As of 2013, the Fund’s work has supported 10,500 jobs, attracted $1.9 billion in investment to the region, and contributed to $333 million in payroll (Katz & Bradley 2013). While this work did not stem from a traditional regional planning agency, it does demonstrate the value of probing for shared interests, or demand, from individuals or organizations outside of the obvious and typical cast of stakeholders.

Grand Valley Metro Council: When John Weiss took over the leadership of Grand Valley Metro Council, a metropolitan planning organization in West Michigan, he brought to the organization a belief that its funding should be: (1) responsive to member needs, (2) Demonstrate value to the communities and members of the organization it was charged with serving, and (3) be as flexible and dynamic as possible to meet evolving demand. Using these criteria, John and his board evaluated all their activities and programs, and ultimately chose to cease some programming that did not align with member needs. The organization’s leadership further recognized that federal, state and even membership funding did not often align with the three criteria the organization chose to measure itself against. This begged the question of how an organization like GVMC could increase value to its membership without increasing its reliance on old funding models or raising membership dues. This question appeared particularly difficult in the face of contracting local government budgets and an ongoing emphasis on government consolidations.

For GVMC, the answer was to increase fee-based services that clearly reflected the demand of its members. This recast the organization as an aggregator of resources, ultimately allowing it to provide needed services to members who would be unable to procure them on their own including but not limited to a fee-for-service based GIS program that now serves nearly 20 local governments, an environmental planning and permitting operation that serves over 22 members and provides assistance in developing a multi-jurisdiction ambulatory services contract for interested members. As a result of GVMC’s increased attentiveness to member demand, the organization has been able to continue to build membership and partner with other private and non-profit leaders in its region. GVMC provides a good home-grown example of how a regional organization’s responsiveness to members increases its value and relevance in the community and, as a result, its sustainability and fiscal stability.

RECOMMENDATIONS

RECOMMENDATIONS FOR REGIONS

We have five general recommendations for regions:

1) **Regions should proactively seek to diversify their sources of funding.** In doing so, regions will not only be pursuing a more stable business model but will better be able to leverage the needs and demands of the members and communities they represent. This will allow regions to deliver greater value to their communities and feel less pressure when differing ideas of needs and priorities are outlined by existing funding partners.

2) **Regional leaders should seek to increase funding from membership dues, private contributions, philanthropic donations, and fee income.** Each region in the state is markedly different in terms of its needs, assets and resources and there will not be a one-size fits all solution to assist with the diversification of revenue sources. In many cases, diversifying, increasing, and stabilizing funding will require a combination of several of the above strategies. However, each of these strategies has a

common thread which is that, in at least some fashion, such funding is more closely tied to the demand of local partners than is the current preponderance of funding sources.

3) **Leaders should develop an expansive definition of "client".** Regions are faced with a tough task of serving many masters. It would benefit regions to think more expansively, deliberately and strategically about whom they consider a client. Our survey results overwhelmingly demonstrated that regions believe that local governments is their primary, if not sole, client. It is likely that federal and state governments, given their financial support of regions, also believe themselves to be a client. In addition, it stands to reason that many regions have a sizeable number of private, non-profit and other stakeholders who need, seek or currently use services provided by these regional bodies. Only by clearly identifying its clients can a regional organization strategically pursue its mission and provide increasing value to the communities it serves.

4) **Organizations should rigorously and collaboratively identify and meet client needs.** As clients are more clearly defined, regional organizations must consider reevaluating and pursuing more deliberate methods of identifying client need. Many of our respondents acknowledge that they use a combination of data and member feedback to determine their communities' demands and the organization's direction. As the membership expands and the types of data being reviewed evolves, an organization may realize a need or opportunity that has gone unrealized for some time and be able to act in a more collaborative and effective manner because of the demand-driven nature of the organization.

5) **Funding should be re-purposed in response to changing regional priorities.** Regions can proactively engage their federal and state grant-makers to amend and leverage the use of funds to meet an emerging need though this does not always occur. In one instance revealed by our research, the EDA awarded funding for one region to study ways to support local dairy farmers. In the middle of the study, the demand for beef spiked and the price increased, which created a market for farmers. The region halted the study and returned the remainder of the funding to the EDA. While this ensured that funding was not dedicated to unnecessary work, it also failed to acknowledge and reward the organization for being transparent and responsive to the evolving economic environment. Once awarded, some grant makers will permit the funding to be repurposed as demands change, thereby encourage a more open and honest dialogue about evolving needs. This practice should be more widely discussed and encouraged so that regions that are forthright about changing demand are not ultimately penalized for their transparency.

The above recommendations will take commitment, creativity, and patience to yield results. However, the outcome will be an improved and more "innovative" funding model. An innovative funding model should not be characterized by a structural makeup but rather by its ability to respond to the changing environment and allow for tailored strategies that support local problem-solving and collaboration.

Recommendations for Policymakers

Regions can make significant changes to their current operating procedures and improve stability and outcomes without action by policymakers. However, there are a number of things that policymakers can also do to support this work.

1) **Federal and state policymakers should deliberately and regularly seek input from regional leaders prior to developing grant solicitations.** This occurs sporadically today and the level of engagement often depends on the individual developing and administering the grant program. Further, granting agencies often engage regional organizations in the discussion only after the principal goals and processes of the grant have been drafted. Earlier engagement would allow for greater feedback from potential grantees and help to avoid narrow parameters that may exclude some organizations from meaningfully participating.

2) **State and local officials should develop grant solicitations by focusing on the problem they are seeking to solve, rather than the exact outcome or strategy they are looking to see implemented.** By recognizing regions as a critical component of economic development, we are affirming that our states and our nation have different economies with unique assets, challenges and needs. Grant solicitations should be developed in such a way that allows unique solutions as well.

3) **At a time of continued financial strain at all levels of government, there is a need to lessen the cost of pursuing and monitoring funding at all levels.** All parties would benefit from better standardization and streamlining of funding practices. Federal and state governments may gain more value for their money and local governments will be more willing to pursue funding opportunities, even in under-resourced communities, which consequently is where funding is most often needed.

4) **Finally, federal and state agencies should consider offering greater guidance for grantees about how they can amend the terms of their grants when changing demand or circumstances warrant it.** While this is often done informally, being more transparent to regional grantees about this practice would encourage more efficient use of funds and allow regions greater flexibility to provide value and relevance in an ever-changing environment.

CONCLUSION

The current funding models for regional organizations demonstrate the willingness and ability of regions to adapt to changing economic and political environments and have, in many cases, served our states and its communities well for many years. It is now time for regional organizations to demonstrate their ingenuity and ability to adapt yet again.

As we have demonstrated, funding from federal and state resources is often volatile and maintains a top-down approach to addressing the needs of regions. This results in a structural conundrum for organizations that are charged with meeting the demand of local and regional partners who are not their primary funders. It creates confusion and often an unnecessarily narrow perception of which clients regions serve and, as a result, perpetuates the tensions between regions, their funders and their clients.

Regions can and must proactively diversify their funding sources and broaden their support base, but federal and state policymakers, as the biggest supporter of regional efforts, must also re-think their approach to designing, awarding, and managing grants. Federal and state grants will always be tied to the current administration's policy goals, but reforms can give regions greater flexibility to meet the demands of the people and communities they serve.

REFERENCES

Government Accountability Office*Grants Management: Grantees' Concerns with Efforts to Streamline and Simplify Processes*

Government Accountability Office*Grants to States and Local Governments: An Overview of Federal Funding Levels and Selected Challenges*

Merging Transportation and Economic Development Plans in Iowa

*The Metropolitan Revolution: How Cities and Metros Are Fixing Our Broken Politics and Fragile Economy*2013Washington, DCBrookings Institution

Regional Funding Survey

Organization and Respondent Profile

Thank you for your willingness to share your time and talent with us. Your survey responses will inform a Co-Learning Plan to help regions and policymakers devise sustainable funding mechanisms to catalyze economic development. The data collected from this survey response will only be shared in aggregate form unless otherwise expressly permitted by the respondent. One respondent who completes the survey will be randomly selected to receive a gift card of $50 to Amazon or a local retailer of your choice.

This work is supported through Michigan State University and the U.S. Economic Development Agency.

Please provide your contact information *

First Name

Last Name

Title

Company Name

Street Address

Apt/Suite/Office

City

State

Zip

Email Address

Phone Number

Organization's URL

Please identify the mission or activities of your organization. (Check all that apply) *

- [ ] Business Development
- [ ] Community Development
- [ ] Workforce Development
- [ ] Health and Human Services
- [ ] Infrastructure
- [ ] Housing
- [ ] Environmental
- [ ] Other - Write In (Required) *

Is your organization an EDA certified Economic Development District? *

- ( ) Yes
- ( ) No
- ( ) Other - Write In (Required) *

Defining the Organization's Client and their Needs

Who would you identify as the primary client/clients of your organization? *

Please check the box of all methods used by your organization to determine the needs of your client(s). *

- ☐ Regional Data Analysis
- ☐ Through stakeholder outreach/engagement
- ☐ Through local government representatives
- ☐ It varies/No primary way
- ☐ Other - Write In

What is your organization's primary method of determining the needs of its client(s)? *

-- Please Select --

What strategies do you use to secure revenue to meet new challenges, needs, or opportunities identified by your organization's clients?

How much do your clients needs determine what revenue sources/funding opportunities the organization pursues? *

Not at All	Hardly Any	Don't Know	Somewhat	Entirely
○	○	○	○	○

When a funding source no longer aligns with the needs of your clients, do you cease to pursue it? If so, how do you make this decision and can you provide a tangible example of one such instance? *

Organizational Membership

Please describe your organization's membership. How are they determined? What is their industry and geographic makeup? Please include any other key characteristics as you deem pertinent. *

How many members did your organization have in the following years? *

2011

2012

2013

2014

2015

2016 (If Available)

What was the cost of membership in your organization (your membership dues) during the following years? If membership prices vary based on size of organization, etc. please provide an average and use the following information to provide additional information regarding your price structure.) *

2011

2012

2014

2014

2015

2016 (If available)

If your membership dues vary, please indicate the pricing structure and variables used to determine pricing for your organization. *

Organization Finances

What is the organization's total annual budget for the most recent fiscal year? *

What are the dates of your organization's fiscal year/fiscal cycle? *

Please identify funding sources contributing to your organization's budget over the past five years. (Check all that apply.)

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Federal Funding	☐	☐	☐	☐	☐	☐
State Funding	☐	☐	☐	☐	☐	☐
Membership Dues	☐	☐	☐	☐	☐	☐
Private Funding (Not Inclusive of Membership Dues)	☐	☐	☐	☐	☐	☐
Non-Profit/Foundation Funding (Not inclusive of Membership Dues)	☐	☐	☐	☐	☐	☐
Fee for Service	☐	☐	☐	☐	☐	☐
Other	☐	☐	☐	☐	☐	☐

Please provide the total amount by funding source (as listed above) for the most recent fiscal year.

*

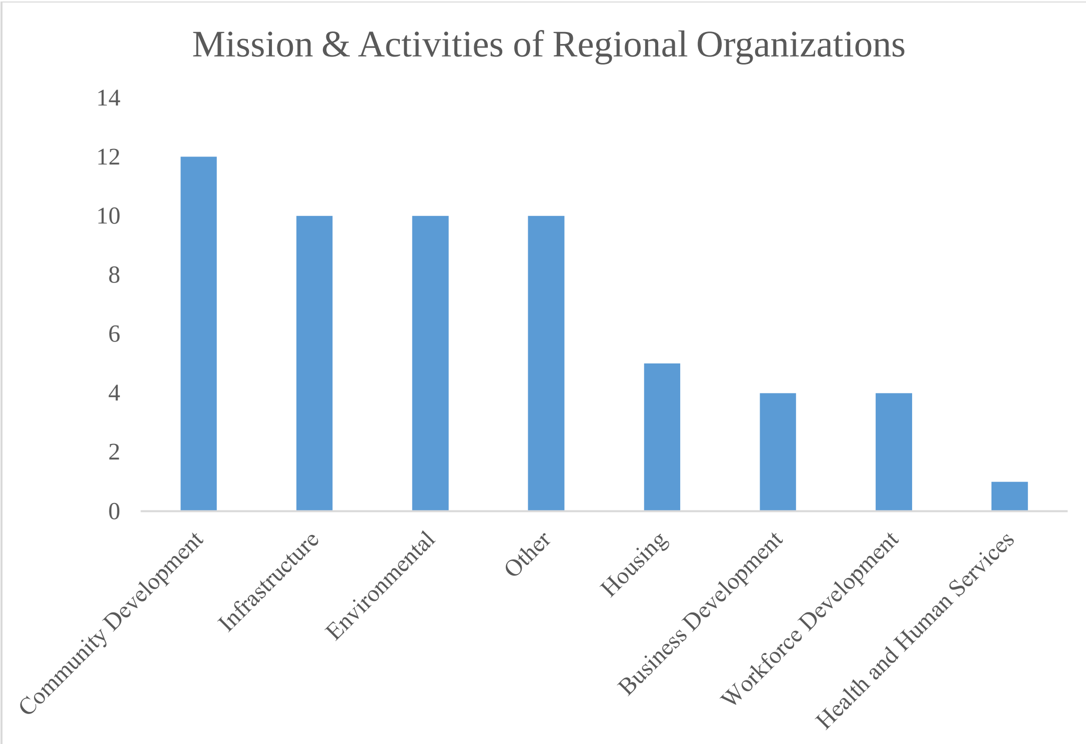
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Federal Funding						
State Funding						
Membership Dues						
Private Funding (Not inclusive of membership dues)						
Non-Profit/Foundation Funding (Not inclusive of membership dues)						
Fee for Service						
Other						

Please rank your organization's funding sources from most to least demand-driven (with most being 1 and least being 6). For the purposes of this research we define demand driven as caused or determined by demand from consumers or clients, in this case, organization members and communities within an organizations service area.

	1	2	3	4	5	6
Federal Funding	○	○	○	○	○	○
State Funding	○	○	○	○	○	○
Membership Dues	○	○	○	○	○	○
Private Funding (Not including membership dues)	○	○	○	○	○	○
Non-Profit/Foundation Funding (Not including membership dues)	○	○	○	○	○	○
Fee for Service	○	○	○	○	○	○

If you have colleagues that you think should be included in this research, please provide us with their name, organization and contact information for consideration.

REGIONAL FUNDING SURVEY RESULTS



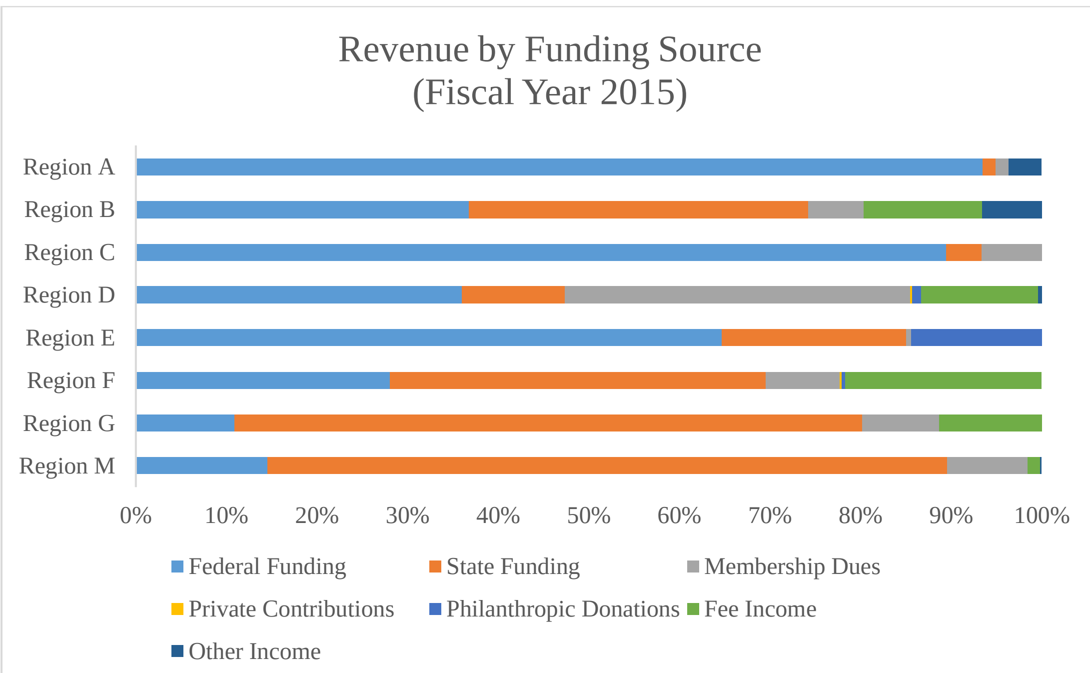
Type of Client	Number of Regions Reporting As Clients
Local Gov't*	12
Nonprofits	3
Economic and workforce development agencies	2
Residents	1
Arts & Culture Organizations	1
State Gov't	1
Federal Gov't	1
Businesses	1
Job Seekers	1
Chambers of Commerce	1
Public Safety	1
Tourism Associations	1
Transportation Agencies	2
Environmental Groups	1
Higher Education Institutions	1

*Many respondents listed "tribes" separately, but we consider tribal governments under the category of local government.

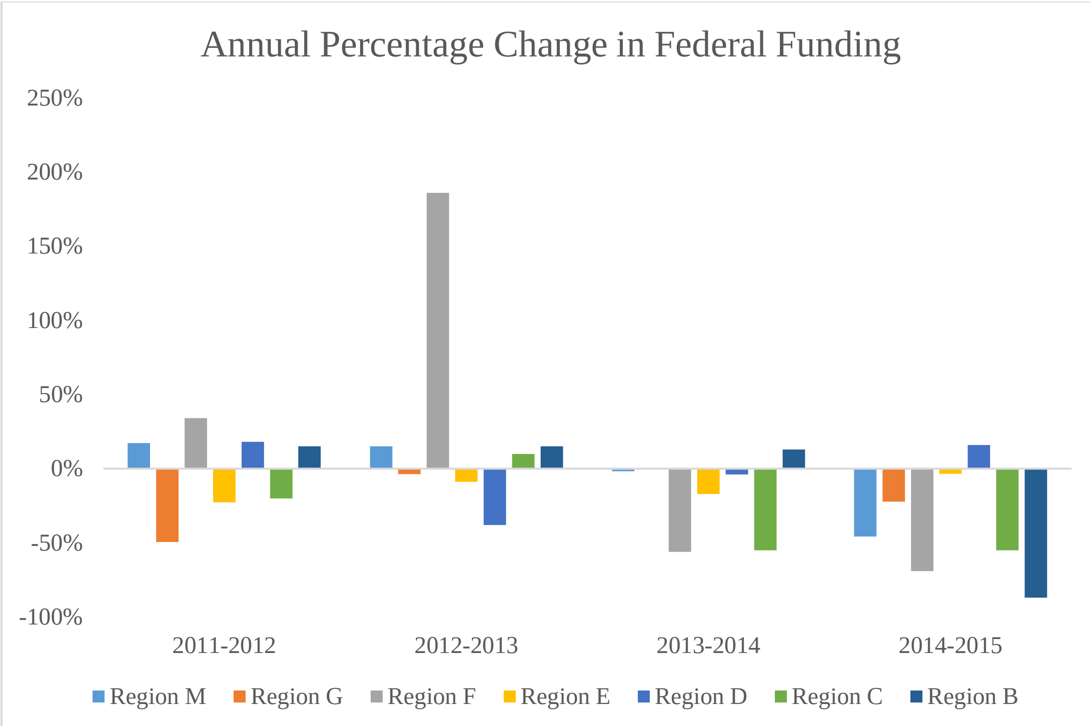
REGIONAL FUNDING SURVEY RESULTS

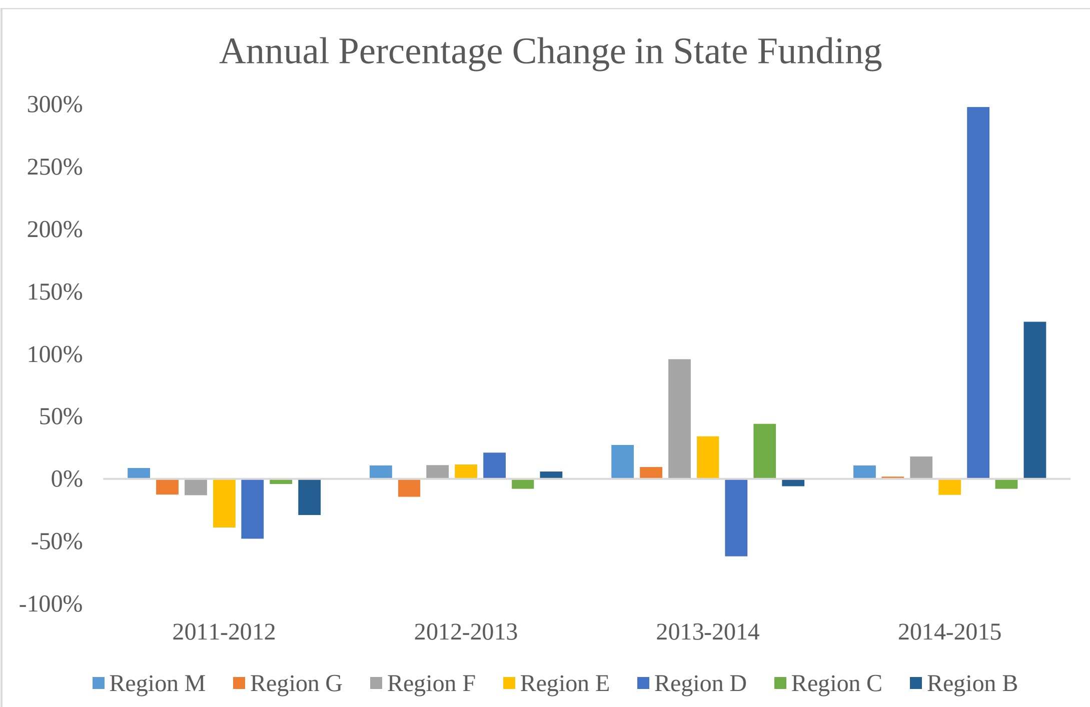
Primary Method of Determining Client Needs	
Regional Data Analysis	10
Stakeholder Outreach/Engagement	11
Local Government Representatives	11
It varies/No primary Way	3
Other	2

Client Needs Determine What Revenue Sources/Opportunities to Pursue:	
Not At All	0
Hardly Any	0
Don't Know	0
Somewhat	5
Entirely	7

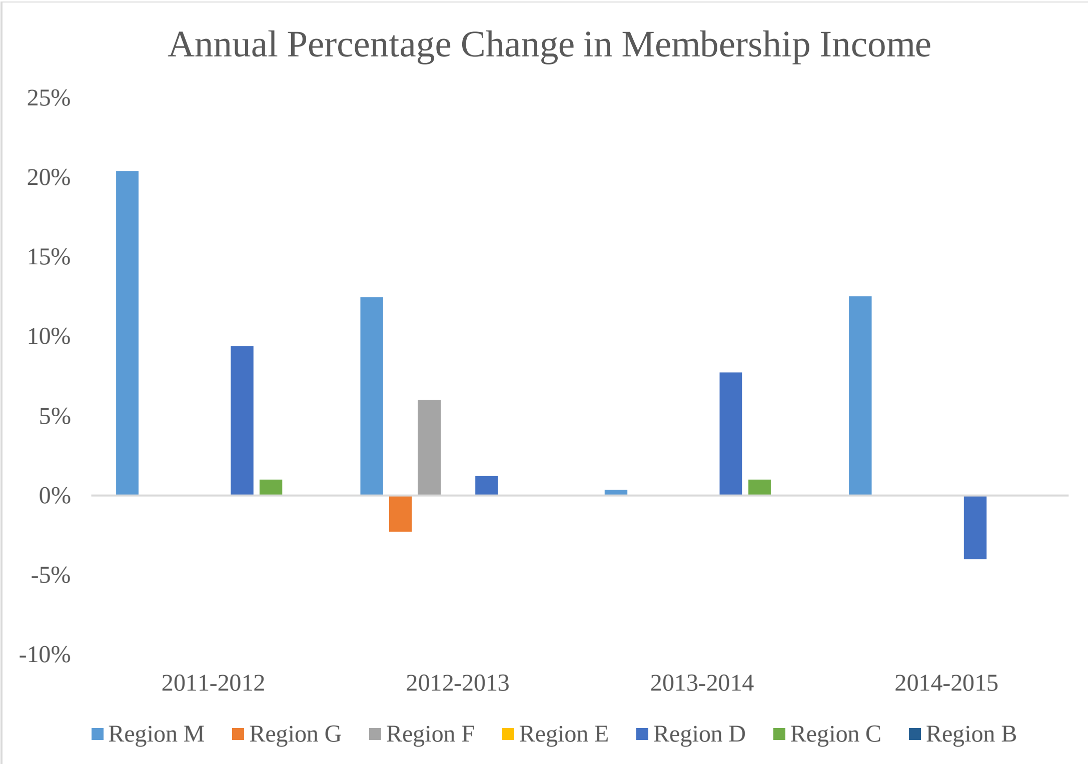


REGIONAL FUNDING SURVEY RESULTS





REGIONAL FUNDING SURVEY RESULTS



About REI

The MSU EDA University Center for Regional Economic Innovation (REI) seeks to identify and develop new economic development tools, models, policies and practices to support innovative economic development high-growth enterprises and job creation in distressed regions across the state. REI has established a new economic development ecosystem to cope with the ever-changing global and regional dynamic(s). Through this ecosystem, we engage innovative and creative minds which result in new economic development practices.

The REI University Center was establsihed in 2011 with support from the U.S Department of Commerce, Economic Development Administration, and in collaboration with the following Michigan State Univeristy offices:
Office of the Provost
Vice President for Research and Graduate Studies
University Outreach and Engagement
MSU Extension Office
Institute for Public Policy and Social Research
School of Planning, Design and Construction
Department of Geography
College of Social Science

Michigan State University
EDA University Center for
Regional Economic Innovation

MICHIGAN STATE UNIVERSITY
Center for Community and Economic Development
University Center for Regional Economic Innovation

EDA
U.S. ECONOMIC DEVELOPMENT ADMINISTRATION