



Councils of Governments (COGs) in Pennsylvania: The State and Opportunities

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TABLE OF CONTENTS

Acknowledgements _____	3
Introduction _____	4
Methodology _____	4
Councils of Governments Today _____	5
Unique Approaches to Revenue Sources _____	6
Factors Affecting COGs Operations _____	8
Administrative Structure _____	8
History and Context of Individual COGs Establishment _____	8
Geography _____	9
Member - municipalities _____	9
Lessons Learned from the Covid-19 Pandemic _____	10
Suggestions for Further Consideration _____	11
Appendix _____	13



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INTRODUCTION

In the Commonwealth of Pennsylvania, Councils of Governments (COGs) are governed by a number of acts, placing them in a category of intergovernmental cooperation. Indeed, COGs are both “a method of cooperation and a cooperative program in and of itself.”¹ Councils of Governments are “voluntary organizations of municipalities” and “have a rich tradition in highly fragmented states like Pennsylvania.”² Councils of Governments provide a unique opportunity for flexibility and cooperation between the member municipalities. They tend to be more formal than handshake agreements, and, while they provide an opportunity to cooperate on joint projects, they usually allow municipalities to form and maintain separate Act 177 agreements outside of the COG.³

Traditionally, Councils of Governments emerged in response to problems that require regional solutions or as a response “to the threat of state intervention to require regional planning.”⁴ In our conversations, councils’ members and staff often cited joint purchasing and enforcement of uniform construction codes as key areas of cooperation in the past. At the same time, the nature of COGs does not force them to focus on any specific program or service, leaving it up to its members to identify the needs and to develop regional solutions. This bottom-up approach of setting COGs’ agendas results in a wide variety of organizations with their own list of programs and their unique approaches to organization of cooperation.

The COGs directory published in 2019 by the Pennsylvania Association of Councils of Governments (PACOG) includes 84 such councils. It is worth noting that not all COGs in Pennsylvania necessarily appear on that list.⁵ Taking into consideration how common this form of intergovernmental cooperation is in the Commonwealth and how much variation exists among COGs, this research studies the current state of COGs in Pennsylvania as well as examines the opportunities related to empowerment of these intergovernmental organizations. The report also includes an Appendix section that illustrates the variation in COGs based on the number of projects and services they provide, their membership, population, and website use.

Methodology

During our research we used semi-structured interviews as the main qualitative research technique. The first series of interviews was conducted with a set of predetermined questions directed at the executive directors of COGs. Those conversations allowed us to look for emerging common themes. We asked questions about the general operations and the benefits of forming COGs as well as the perceived challenges in moving forward. The second set of interviews followed up on leads from the conversations with the executive directors and our advisors. The second type of interviews aimed at expanding our understanding of emerging themes and gaining additional perspectives on the subject of intergovernmental organization. Over the course of our research, we interviewed 10 executive directors, 2 elected officials, 2 municipal managers and 1 COG consultant. We also had the privilege to attend a

¹ Kurtz, Thomas. *Intergovernmental Cooperation Handbook*. The Governor's Center for Local Government Services. 2006. p. 11

² Miller, David Y. and Raymond W. Cox III. *Governing the Metropolitan Region: America's New Frontier*. ME Sharpe. 2014. p. 219

³ Kurtz, Thomas. *Intergovernmental Cooperation Handbook*. The Governor's Center for Local Government Services. 2006. p. 12

⁴ Miller, David and Jen Nelles. *Discovering American Regionalism: An Introduction to Regional Intergovernmental Organizations*. Routledge. 2019. p. 47

⁵ Miller, David and Jen Nelles. *Discovering American Regionalism: An Introduction to Regional Intergovernmental Organizations*. Routledge. 2019. p. 135

panel discussion on “Resilience within Municipal Government” in Beaver County where multiple regional municipalities discussed their challenges during the COVID-19 pandemic.

Councils of Governments Today

Over the course of conducting interviews with COGs' executive directors, elected officials and other representatives of intergovernmental organizations, we have observed people that sincerely care about the work that they do and aspire to advance regionalism as a development approach. Everyone we interviewed saw benefits in Councils of Government, yet there is a sense that these intergovernmental organizations are underutilized and underfunded by the state. COGs today compete for the same shrinking pools of funds that often do not allow for administrative overhead. Limited funding leaves COGs little to no room to expand their human capital.

COGs in Pennsylvania have adjusted to the reality by finding niches of services that they can successfully occupy. An important characteristic of COGs today is their willingness to cover the gaps in available services. They do not compete with the private sector, but rather identify what they can offer to their members that those cannot afford or access otherwise. In the areas where several COGs coexist, e.g. Allegheny County, specialization allows COGs to avoid replication of services. Multiple participants in our interviews pointed out that COGs often are in the business of sales. In order to continue providing services that are more cost-effective when done jointly, COGs have to stay competitive on the market. Quality of service was often named as one of the key benefits that COGs provide to their member municipalities.

Most importantly, COGs provide a platform for development of regional solutions. Most problems do not stop at the municipal boundaries and equally affect citizens in small boroughs and big cities. COGs provide a level playing field where all voices can be heard without one municipality dominating the stage, no matter how large or affluent it is. Focusing on regional and multi-stakeholder services and projects also gives COGs credibility to act as advocates for their members at the level of state agencies. In addition, the collaborative nature of COGs makes them more competitive in the grant-application process.

The difficult and much-needed work that is done by COGs does not come without challenges. Conducting research, we tried to identify what defines COGs today and what challenging areas exist. This report presents common themes, unique practices, areas of opportunity, and suggestions for further considerations.



UNIQUE APPROACHES TO REVENUE SOURCES

The sources of revenue are essential for every COG. Sufficient funds can give economic guarantee for the development of services and programs provided by COGs. Generally speaking, there are three primary revenue sources for COGs: municipal contributions, user fees and grants-in-aid. *Municipal contributions* are the main source of income for most COGs which includes a fixed membership fee (as COGs administrative support and as a proof of membership to participate in COGs programs), as well as the service fees. *User fees* represent income paid to the COG from individuals, businesses, and entities that receive services from the COG⁶. *Grants-in-aid* represent grants from the county, state, and federal agencies. Although grants are an ideal source of income for developing programs, their instability and cumbersome application procedures make many COGs choose not to rely on them.

According to the current situation, traditional sources of revenue can no longer meet the needs of COGs to promote intergovernmental cooperation, and councils' reluctance to rely on taxes and higher-level government funding makes COGs more independent in seeking new and creative approaches to increase their income. Through interviews and academic literature review, we noticed that many COGs have their own unique sources of income. As for internal cost allocations, there are three forms: grant matching, in-kind payment, and equipment rental. Additionally, COGs are able to obtain external incomes from fiscal sponsorship, educational conferences and services to non-members.

Grant Matching can be done on a variety of bases, such as population, total assessed valuation, and a combination of the two. The most common allocation method used by COGs is based on the population of each municipal member. The members contribute to the grant matches based on their size, and members with a large population bear more costs. If the county is also a member, it can provide 50% of the match and the rest is split among the participating municipalities. Grant Matching based on total assessed valuation will make wealthy members undertake more costs. Through comparison, we can find that one member may pay different amounts under different matching methods.

In-kind payments are mainly for some municipalities with sparse populations and scarce resources. These municipalities are eager to join programs or receive services, but they are unable to come up with a corresponding proportion of the funds because of their tight budget. Therefore, some COGs allow these municipalities to use in-kind contributions for all or part of the match. For example, in a program to update city signs with LED, most municipalities provide funds in a certain proportion, while one or two municipalities that cannot afford the funds can rely on providing renovation workers/erectors to participate in this program.

To execute the program, COGs can purchase some equipment on behalf of all municipal members, not only because the joint purchase is more cost-effective, but because large equipment may not be commonly used by municipalities. *Equipment sharing* is a way to overcome the inefficiency of idle equipment and makes it possible to acquire that next piece by pooling resources and use⁷. COGs can charge the rental fee of the municipality that needs to use the equipment through an equipment rental program, so that the never-use municipality and the municipality that uses it frequently pay accordingly. For example, in the program of detecting and repairing urban sewers, a COG leases testing equipment to the municipalities as needed, and charges based on the length and times of use. Since testing equipment

⁶ James C. Steff. *Council of Governments Director's Handbook*. Pennsylvania Department of Community and Economic Development. 4th edition. March 2016. p 38.

⁷ Kurtz, Thomas. *Intergovernmental Cooperation Handbook*. The Governor's Center for Local Government Services. 2006. p 26.

is expensive and not necessary for every municipality, it can be shared. In addition, the sewer system of some municipalities is in good condition and does not require frequent testing, while some municipalities have the opposite situation. Therefore, charging in accordance with the length and times of use is reasonable.

Besides adopting new methods of obtaining funds, some COGs have also developed innovative ways to get additional income. In theory, COGs are defined as voluntary associations of elected public officials from most or all of the municipal governments in a region, formed to accomplish some public good(s)⁸. Therefore, some COGs apply for nonprofit status and engage in *fiscal sponsorship* of other non-profit organizations. This practice allows them to offset their own administrative costs. Additionally, cooperative start-up programs are frequently considered favorably by both public and private sector funders⁹. Another good way to increase income is to carry out some projects that are beneficial to the collective while obtaining private funding. For example, holding annual *educational conferences*. Elected officials are enthusiastic to participate in continuing education but often do not want to travel far. COGs can take the opportunity to organize collective conferences and charge attendance fees and/or get revenue from different sponsorships (like selling sponsorship packages to some industries). Moreover, for some COGs that develop inclusive programs/services that meet the needs of most municipalities, they can increase their income by *providing these programs/services to non-members* and charging corresponding fees.

⁸ James C. Steff. *Council of Governments Director's Handbook*. Pennsylvania Department of Community and Economic Development. 4th edition. March 2016. p 7

⁹ Kurtz, Thomas. *Intergovernmental Cooperation Handbook*. The Governor's Center for Local Government Services. 2006. p 45



FACTORS AFFECTING COGS OPERATIONS

Administrative Structure

COG's operation is closely associated with the complexity of its structure. The interviews showed that trade-offs exist when it comes to the number of staff and departments that the councils have. It is not uncommon for COGs to have only one full-time staff member – the executive director. They often serve as the connective tissue of COGs and stay in touch with the member municipalities to be aware of their needs. As a result, they often come up with policy suggestions. We've observed that COGs with only one full-time staff have a lot of flexibility and rely on the expertise and grit of their executive directors. In these types of COGs, the directors can move faster on certain programs and ideas because they have less administrative processes to go through. However, losing an active executive director with a lot of expertise and institutional knowledge can be disruptive to a COG's operation. In COGs with limited staff, contracted employees and internships have been used to support the executive directors in areas of specialized expertise, e.g., geographic information systems (GIS).

On the other hand, we have seen examples of COGs with a considerable staff size where the administrative structure is more complex. This level of structural complexity often correlates with more intricate procedures for policy vetting and approval. While a thorough vetting process often comes with strong support of the elected officials, it can also slow down the program implementation. At the same time, such COGs are less susceptible to negative effects associated with departure of any one staff member because of distribution of institutional knowledge. Consequently, complex administrative structures ease continuity of programming and are less dependent on any one particular employee

History and Context of Individual COGs Establishment

Our conversations with interviewees showed that both successful practices and challenges are frequently tied to the history and context of a COG's establishment. Events in the past often determine how much interaction exists between the county and the COG. Areas where there used to be multiple councils of governments that merged over time can see less interaction with the county. In comparison, places, where one council exists within the border of a county, create a favorable environment for a county to participate as a member. Consequently, it allows for a stronger partnership. The areas where multiple COGs exist or used to exist require more intentional relationship building. In addition, interactions between municipalities could also be affected by events in the past determining how much those municipalities cooperate.

The context of a COG's establishment can also influence the organization's visibility to municipalities outside of its membership. In our interviews we discovered that COGs often emerge in response to a specific service need and initially may not necessarily think of themselves as a COG. However, over time, if the municipalities find their cooperation successful and effective the menu of their services expands. Such organizations may have difficulty growing their membership naturally if they continue being perceived as a closed group focused on one exclusive project. The misconception can lead to the organization being overlooked.

Generally, the length of a COG's existence can contribute to how complex the organization becomes. Development and optimization of a COG's structure, including administrative and service components, takes time to be established. Depending on various internal and external factors, councils change over the course of their history. Some COGs accumulate organizational knowledge and develop a menu of established practices resulting in a complex administrative structure that includes working groups, committees, or departments. Others could lose members, undergo consolidation and merge with

other COGs. These types of changes can change the menu of services that the COG can or is expected to provide. As previously noted, consolidations could affect the relationship-building component. On the one hand, a significant increase in membership allows for a COG to be respected more as an advocate for regional solutions, on the other hand, it can require time to rebrand and be seen.

Additionally, the historical context of a COG's establishment determines the type of services that a COG may find itself focused on. For example, the events of 9/11 heightened the need for robust police and emergency response. We found COGs often organizing joint training sessions for police or organizing a regional emergency response. Later in the report, we will also discuss lessons learned from the Covid-19 pandemic.

Geography

Geography affects COGs' operation when municipal members organize around an industry, a university, or an airport. For example, municipalities around State College, PA and, consequently, around the Pennsylvania State University formed a COG as a cluster. Presence of a university can make COGs more willing to provide park and recreation related programs. A COG, covering the service area of the airport, could prefer to carry out police and security programs and services. In other words, COGs in different geographic locations will have different interests.

Rural members far away from other municipal members of a COG may be isolated due to natural geographic factors. Although there are objective matters that restrict such members from participating in programs with other municipalities, COGs never neglect them. Some COGs will provide one-to-one special services for rural members isolated due to geographic conditions. This type of tailored programming also reflects the great contribution that COGs have made in promoting intergovernmental cooperation.

Another feature of geography is the formation of natural boundaries. Certain municipalities become naturally excluded because their size and service needs are too small to participate in a COG.

Member - municipalities

Municipal members are always the main factor affecting COG operations. First of all, there is a stark contrast between the joining and leaving of municipal members. Because of COGs' voluntary nature, their members can choose to leave at any time without being bound by laws or terms. However, joining of a new member often requires applications and a vetting process. This will have negative impacts on COGs' own development. The departure of a municipality can damage the original collective cooperation and weaken the COGs. Moreover, a member's decision to leave is beyond the COG's control and is difficult to change. On the other hand, there are a series of applications and vetting procedures for new members to join, which not only sets a threshold for the growth of a COG itself, but also denies the possibility of more collaboration among governments.

In addition, small municipalities tend to have part-time employees whereas larger municipalities have professional managers. This difference has an impact on COGs' decision making and plans implementation. In terms of program proposal and service requirements, professional managers have training that allows them to devise a clear plan with long-term considerations, whereas part-time employees may lack systematic management skills. As for program implementation, professional managers are equipped with professional work teams and have complete execution systems, while part-timers do not have these resources, which leads to impediments and delays in program execution.

Finally, COGs' operation always shows the dependence on elected officials since the board comprises them.



LESSONS LEARNED FROM THE COVID-19 PANDEMIC

Given the unique context of our interviews conducted during the global pandemic, we received an opportunity to examine how the state of emergency as well as lockdowns and restrictions affect the work of COGs. The intergovernmental cooperation includes a significant component of intentional relationship building and face-to-face interactions. The social distancing requirements and the lockdown measures affected COGs' meeting schedules forcing them to transition to online platforms. Due to limited broadband access in remote and less affluent communities, cooperation and relationship-building becomes more difficult. In addition, not all municipal offices are equipped with cameras to conduct meetings virtually. This technological barrier contributes to isolation of certain communities. As one of the elected officials said, "it becomes easier to not cooperate than cooperate."

The pandemic also highlighted COGs' ability to serve as an invaluable resource for their region when it comes to data collection and curation. In the areas where there was no centralized source of information related to the pandemic, COGs emerged as the leaders. Intersection of health and information as public goods have direct implications for the region. Municipalities need to have access to reliable data to make appropriate decisions in regard to public health policies. As a public good, information is "undersupplied and unequally consumed," and COGs can help all municipalities to have equitable access to relevant information during such emergencies as a pandemic.¹⁰

Finally, we've observed that some COGs facilitated their members' response to the pandemic, helping them to have a more uniform strategy and facilitating joint purchasing of the necessary supplies. Regions where COGs were not involved in the response strategy saw their members developing individual approaches. Consequently, the regions where citizens rely on COGs for provision of regional services, e.g., related to parks and recreation, the councils experienced an increased demand for information that would clarify differences between guidelines in the member municipalities.

¹⁰ Sy, J. Habib. "Global Communications for a More Equitable World". *Global Public Goods: International Cooperation in the 21st Century*. Oxford University Press, 1999. p. 329



SUGGESTIONS FOR FURTHER CONSIDERATION

The themes that emerged from the interviews point out several possible opportunities to empower Councils of Governments in Pennsylvania. We acknowledge that our suggestions require both human and financial capital that COGs often report they don't have. Consequently, our solutions may require inter-COG partnerships and collaboration with other intergovernmental organizations, policy thinktanks, and universities.

One of the main areas of opportunity that we identified is *communication*. This broad term refers to both sharing of best practices with other COGs as well as increasing informational exchange within COGs and with the stakeholders. The fragmented nature and geography of Pennsylvania results in siloes where COGs can continue operating in isolation. As a result, even COGs that are PACOG members may not be aware of each other's practices and areas of strengths. Inter-COG communication as well as communication with various stakeholders appears to be something that all COGs are trying to improve; however, not all COGs in the PACOG directory have functioning websites. Additionally, some existing websites carry minimal information about the work that COGs do. Councils of Governments are known for pooling resources and sharing services. The recent pandemic and the challenges associated with the 2020 Census showed that timely and consistent provision of information is both necessary and time consuming. Having a shared person in charge of communication and information sharing could be beneficial. Such a hire could happen on COG, inter-COG or PACOG level but would require additional financial commitments. Alternatively, COGs could collaborate with universities and policy thinktanks to develop toolkits and templates for the most common types of communications.

We also suggest *affinity groups* as a way of sharing best practices related to a specific type of service. We believe that PACOG already collects a lot of useful information about its members' programs, for example through the directory and through the page entitled "Intergovernmental Cooperation A to Z." PACOG could facilitate creation of affinity groups starting with the 15 most common cooperative programs that have been already identified.¹¹ Affinity groups could hold regular annual meetings separate from the annual PACOG conference. The website could also serve as a library for news, legislation, and any other documents relevant for a particular program. The library could be accessed only by the organization's members; essentially it would become another informational service, like the existing quarterly newsletter, and a recruitment tool for new COGs. On a regional level in Allegheny County, the University of Pittsburgh Center for Metropolitan Studies and CONNECT could become partners in this initiative.

The ongoing Covid-19 pandemic also underscores the importance of a robust general *strategic plan* as well as a *contingency plan* for operations under emergencies. While situations like the current pandemic require flexibility, they greatly affect COGs' operations and introduce a mission creep. Strategic plans allow COGs to resume their operation as normal once the emergency is over without losing the focus on the main areas of development. The pandemic also exposed the fact that, in the context of emergencies, a lack of cooperation between COG members inevitably affects the councils' operations. It would be beneficial for COGs to develop a plan of cooperation under emergency.

As we previously discussed, member municipalities greatly vary in the human capital capacity. Partnering with organizations like PA Futures and Pennsylvania Electronic Government Consortium or local universities could provide COGs with *educational needs* for municipal staff of their members. Not every township or borough has a municipal manager, and other types of municipal staff could benefit

¹¹ *Intergovernmental Cooperation A to Z*. The Pennsylvania Association of Councils of Governments (PACOG). <https://pacog.com/intergovernmental-cooperation-a-to-z/>

from continuous training. Since a lot of municipalities have part-time staff with limited time, online on-demand options may be beneficial. COGs could partner with universities such as the University of Pittsburgh, to generate a library of pre-recorded webinars on specific subjects based on a COG's needs assessment.

Finally, we hope organizations such as CONNECT could continue *research* related to COGs and facilitate *needs assessment surveys*. Councils of Governments serve as a great source of regional solutions – the number of COGs and the quality of their programs as well as their persistence in the history of intergovernmental cooperation demonstrate their importance both at the local and state levels. COG's contribute to the quality of life of thousands of people and they deserve more support and attention.



APPENDIX

Figures 1 through 4 provide an overview of 45 PACOG members based on the 2019 Pennsylvania Councils of Government Directory and review of COGs' websites.

Figure 1. Variation in the Number of Projects/Services Provided

<i>#Projects/Services</i>	<i><5</i>	<i>5-10</i>	<i>11-20</i>	<i>>20</i>
<i>% of COG</i>	36%	43%	19%	2%

Figure 2. Variation in the Size of the Population

<i>Population</i>	<i><50,000</i>	<i>50,001-100,000</i>	<i>100,001-150,000</i>	<i>150,001-200,000</i>	<i>>200,000</i>
<i>% of COG</i>	45%	26%	9%	7%	12%

Figure 3. Variation in the Number of Members

<i>#Municipal Members</i>	<i><10</i>	<i>10-20</i>	<i>21-30</i>	<i>>30</i>
<i>% of COG</i>	14%	40%	25%	21%

Figure 4. Presence of a Website

<i>Website</i>	<i>Has an independent website</i>	<i>No independent website¹²</i>
<i>% of COG</i>	49%	51%

¹² Including COGs without web page information and COGs with information on government official websites