

ISP Quarterly Meeting, 20 March 2026

Agenda

1. Welcome by ISP co-chairs, Kurt Thurmaier and Mike Pagano
2. Review of annual plan submitted to Board and President, January 2026
3. Overview of Study Group projects for 2026.
4. Break-out to subcommittees to consider the generic project outline in the Annual Plan and amend, augment, change, and enhance the project; tasks will be assigned and a plan designed by the study group
5. Adjourn

*OVERVIEW OF ISP QUARTERLY MEETING AND BREAK-OUT GROUPS:*

*The purpose of the quarterly meeting is to discuss and clarify the roles and responsibilities of the seven Study Groups on which more than 35 people have volunteered to serve. Five of those Study Groups will focus on five intergovernmental functions, namely, Health, Emergency Management, Welfare and Housing, Education, and Transportation. Two of the Study Groups will focus on Constitutional Federalism and Fiscal Federalism.*

*After a brief welcome and overview of the Annual Plan, each participant will be assigned to a break-out room, based on their preferences, and each break-out room then will continue the discussion on the content of its report. Per earlier correspondence, the ISP co-chairs submitted to the Board and President a generic outline of each functional area’s report; in addition, outlines of the reports on Constitutional Federalism and Fiscal Federalism were also submitted. The break-out room is the venue in which Study Group participants will expand, edit, amend, and improve the generic outlines and assign tasks and deadlines for various parts of the report.*

*Below is an edited version of the annual plan that was submitted to the Board and President that outlines the basic contours of the seven Study Groups’ work over the next many months.*

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**Annual Work Plan of the ISP, 2026:**

**Context:** The federal government embarked on a ‘sorting out’ process some 40 years ago and appears to be doing something similar today. The disruptions to the US intergovernmental system under the current administration (e.g., grant termination, impounding funding, reducing Medicaid, federalizing state troops) require a reexamination of the roles, responsibilities, and

collaboration among the partners of the federal system, including federal, state, local, tribal, and regional governments.

### **Study Group 1: Federalism Landscape and History**

*Purpose:* Provide an overview of the federalism and center-periphery political models, examining their strengths and weaknesses in centralizing and decentralizing power, and describe experiments in federal structures globally. Establish the shared analytic foundation and name the current dynamics (e.g., “transactional federalism”). Provide a brief overview of the evolution of the US federal system with emphasis on important shifts and changes in the power balance between the central government and the states. Examine federalism frameworks that can help understand the current situation and prepare for the future. The project identifies possible policy options for federal, state and local governments to consider in the current year and for future years.

This includes a thorough assessment of various intergovernmental frameworks and their transformation over the past century, with particular attention to the critical factors that undergird the several eras of federalism in the US. The historical assessment will be updated with an assessment of the current era in which legal and administrative instruments, executive orders, Court decisions, grant rescissions, and reductions in force and spending are reshaping the intergovernmental system. Also included will be a description of how the federal government shares data with state and local governments and an assessment of a more effective and efficient system of data sharing.

*Deliverables:* This Study Group will prepare a plan that:

- ✓ Assesses functional assignments (who does what across levels—emergency management, education, public health/Medicaid, law enforcement, transportation). Although functional assignment to the federal government is clearly stated in Article 1 Section 8 of the US constitution, policy shifts and realignments over the past many decades have created opportunities for collaboration and consultation between the federal government and the states
- ✓ Collaborating with the International Panel, consider function assignment models in other countries with federal systems, e.g., Canada, Germany, Kenya, etc.
- ✓ Produce a history of federalism eras and the critical factors that shape each (including statutes, Court decisions, executive actions, and grant regimes). Explore today’s deal-driven dynamic (executive actions, court rulings, selective grants; bureaucratic workarounds/dissent) and operational implications for SLTT. Examine cases at state and local level that demonstrate their responsiveness and resilience in light of federal actions.
- ✓ Prepare a list of various possibilities for state and local governments to assess as they contemplate choices to the changing federal policy environment.
- ✓ Explore the role that trust in government (all levels) plays in voting, tax support, political participation, and government engagement in public policies.

**Timeline:** April-August: the study group conducts research and drafts an action plan, with drafts due to ISP co-chairs by August 31 so that revisions can be made in a timely manner to be delivered at the annual NAPA meeting.

### **Study Group 2: Fiscal Federalism**

Federal aid to state governments is roughly a third of total state revenues, primarily in support of Medicaid and transportation. State aid to local governments amounts to approximately 31%, with nearly half of all school district revenues deriving from the states. Disruptions in federal aid to states, especially in reduced Medicaid funding and the near-elimination of the Department of Education, require state and local governments to adjust policies and priorities.

*Deliverables:* This Study Group will:

- ✓ Analyze local government fiscal authority to raise and spend funds for specific or general purposes as well as the states' constitutional and legal constraints on local governments' fiscal affairs.
- ✓ Collaborating with the International Panel, consider fiscal federalism models in other countries with federal systems, e.g., Canada, Germany, Kenya, etc.
- ✓ Draft 2–3 fiscal federalism models that articulate effective systems for grants/shared-revenue (flows, incentives, accountability, equity/performance guardrails). The models will include an analysis of the design of federal-state, federal-local, and state-local grants and aid transfers, with emphasis on the grants' support of certain functions as well as conditions of aid.

**Timeline:** April-August: study group conducts research and drafts an action plan, with drafts due to ISP co-chairs by August 31 so that revisions can be made in a timely manner to be delivered at the annual NAPA meeting.

**Governmental Functions** The workplan focuses on five public service responsibility areas delivered and financed using intergovernmental structures:

### **Study Groups 3-7:**

- **Education:** Although K-12 education is primarily a state/local venture, federal agencies partner for specific K-12 student groups. Vocational training is a local/state/federal partnership, and universities are primarily state/federal partnerships.
- **Emergency management:** mitigation, response, and recovery involve local/state/federal partnerships across multiple agencies. Primary actors include FEMA, city/county emergency management coordinators, public safety and emergency medical departments, and state emergency management agencies.

- **Healthcare:** prevention, treatment, and research involve local/state/federal partnerships. Actors include Medicaid, Medicare, CDC, NIH, county health departments, and state regulatory agencies.
- **Transportation:** planning construction, operations, and maintenance involve local/state/federal partnerships. Actors include local highway departments, US DOT, state transportation agencies, and regional public transit authorities.
- **Welfare and Housing:** Primary services include food assistance, infant and child nutrition, foster care, and family subsidies; housing assistance, mortgage interest deduction, and public housing. Actors include local emergency assistance, state welfare agencies, local housing authorities, and US HHS and HUD.

*Deliverables:* Focusing on each government function, five study groups will focus on each of the selected government functions and will produce a vision and action plan for each function that:

- ✓ Describes the contemporary intergovernmental context of the function
- ✓ Assesses impacts of federal realignments in 2025 (and beyond) on federal/state/local/regional/tribal governance
- ✓ Analyzes the fiscal structure supporting the function at each level of government
- ✓ Proposes practical policy options, role assignments, and fiscal mechanisms that improve service delivery and governance at each level of government
- ✓ Proposes practical policy options that enhance intergovernmental effectiveness and cooperation, and
- ✓ Designs a process to monitor and observe changes in intergovernmental relations for the function over time.

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