

Changes and Challenges Facing County Government in North Carolina

Long-Range Planning and Visioning Project

North Carolina Association of County Commissioners
School of Government, University of North Carolina at Chapel Hill

Executive Summary



August 2004

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“The NCACC excels at providing information and how it impacts counties. The NCACC has personal integrity. They go to their governing boards with questions and get back to legislators.”
– State Legislator

Background

The mission of the North Carolina Association of County Commissioners (NCACC) is to advocate on behalf of counties; provide information, legal advice, and technical assistance to county government; and administer programs and services for its members. In October 2001, the executive staff and Board of Directors discussed a number of changes that were occurring in its leadership, its services, and in county government. To help prepare for and respond to these changes, the Board of Directors proposed a long-range planning and visioning initiative to help guide the Association in leading, serving, and advocating for the next generation of county government.

Purpose and Goals

North Carolina is experiencing significant statewide changes in its population, its economy, and its physical and social landscape. As the voice and representative of North Carolina’s 100 counties, the N.C. Association of County Commissioners is seeking to better understand the impact of these changes on (1) counties and county government; (2) the role of counties in relation to the state, municipalities, and public schools; and (3) the Association’s mission, services, and leadership.

The Association asked the School of Government to design and carry out a process for assessing the needs of its staff and members, soliciting the views of stakeholders, and identifying the critical challenges confronting county government and NCACC. After a series of discussions with staff and board members, the School of Government began the data collection phase of this project in June 2002, and completed the data collection in June 2004. This report summarizes the key findings from that effort.

Project Design

The planning team for this project included Ron Aycock, Jim Blackburn, and Patrice Roesler of the North Carolina Association of County Commissioners, and Susan Austin, Phillip Boyle, and Donna Warner, of the School of Government at the University of North Carolina at Chapel Hill. The project team worked closely to design the data collection strategy, identify respondents, review and approve suggested protocol questions, and

discuss progress and next steps. The project was designed in three principal components:

1. Interview staff, officers, directors, members, and county managers to identify the challenges facing counties and the Association and how this long-range planning effort can help address these challenges.
2. Interview NCACC affiliates, partner organizations, legislators, and legislative staff to identify challenges facing counties and NCACC and assess how well NCACC is meeting these challenges.
3. Interview Executive Directors from other similarly sized and structured county associations to identify key issues and trends; economic, political, and organizational challenges; and how these associations are responding to these challenges.

Data Collection

NCACC and School of Government staff agreed early on that interviews would be the best method to use to meet the goals of this project. Consequently, intensive individual and group interviews were conducted with seven key groups of stakeholders, as shown in the following table.

Respondents by Group

	Individual Interviews	Focus Groups	Total Interviews	Total Respondents
NCACC Staff	15	---	15	15
Board of Directors	31	---	31	31
Commissioners and Managers	10	7	17	157
Legislators and Staff	13	1	14	17
Peer Associations ^a	11	---	11	11
Partner Organizations ^b	15	1	16	19
Affiliate Organizations ^c	14	---	14	14
Total	109	9	118	264

^a Peer associations included county associations from Alabama, California, Florida, Georgia, Maryland, Minnesota, New York, Oregon, Pennsylvania, South Carolina, and Virginia.

^b Partner organizations included the N.C. League of Municipalities, the N.C. School Boards Association, and the School of Government at the University of North Carolina at Chapel Hill.

^c Affiliate organizations included County Attorneys, Registers of Deeds, Tax Collectors, Assessing Officers, County Finance Officers, Boards and Directors of Social Services, Local Health Directors, County Clerks, and Sheriffs.

GOAL 1 – IDENTIFY KEY CHALLENGES FACING NORTH CAROLINA’S COUNTIES AND COUNTY GOVERNMENT

“We need to overcome the political boundaries of counties and make decisions based on our region.”
-- NCACC Board Member

“Opportunities tend to pop up for counties that already have things. Counties that have good infrastructure get the development. It is jewels to the jeweler.” – Legislative Staff Member

“We can no longer continue tinkering with something [local financing] that does not work. We are desperate.”
– County Manager

Challenge 1: Creating Sustainable Economies, Communities, and Environments

- **Theme 1: Counties are adopting a greater role in promoting economic development and self-sufficiency.** Counties have always been interested in economic development, but today they face increased responsibility for having enough jobs and qualified workers to sustain a good standard of living and quality of life. Particularly in rural counties, economic development is a matter of survival. But one of the structural changes in the state’s economy is that many North Carolina counties no longer have the same kind of jobs they used to have. Furniture, textiles and tobacco are largely industries of the past. Wal-Mart and many service sector employers don’t pay as much as manufacturing, and don’t provide comparable benefits. Counties need to focus not only on recruiting new jobs, but also on taking care of the small businesses that they already have.
- **Theme 2: Economic growth creates new challenges for local government.** Urban areas are thriving, but they are under pressure to continue to make progress or risk declining. When economic developers come to town they want to know about schools and that falls to the counties. People moving into the county from other parts of the country want services they had where they used to live. Cities and counties need countywide transportation, not just to get people to medical services, but also to jobs. Counties find themselves faced with issues around parks and recreation, zoning and land use planning, job creation, and water, sewer and environmental concerns. Increasing population densities put pressure on counties and towns to consider enacting regulations such as zoning and leash laws.
- **Theme 3: Economic development gaps are widening between counties.** More opportunities go to counties that already have good development. Rural counties with good infrastructure are more likely to be able to foster development than rural counties with poor infrastructure. The Catch-22 is that industry wants infrastructure that poor rural counties can’t afford because they lack enough development to provide for a viable commercial tax base, and they can’t create a commercial tax base without more development. Rural counties with an adequate tax base can invest in economic development, but poorer counties’ spending flexibility is severely constrained by rising Medicaid and human services costs. Counties with community colleges are better positioned to respond to new or changing work force development needs.

- **Theme 4: Counties are being challenged to protect infrastructure and the environment.** Growth has led to a shift from concern about soil erosion to concern about storm water run-off. Septic tanks, once the norm, are giving way to city and county water systems. In some areas growth is contributing to draining aquifers. Landfills are running out of space. Solid waste issues have been dormant in many counties because they contract with private companies for this service. As counties become more prosperous, what will they do with all of the trash? As counties become more suburban, lawns proliferate. Fertilizers have a negative impact on clean water, but people don't want to fertilize their lawns less. Water and sewer expansions raise questions about carrying capacity, water economics, and the role of water and sewer in economic development. Cities and counties have more environmental standards to meet than in the past. Regulation is often seen as distasteful and costly, making it a challenge for jurisdictions to manage their environmental responsibilities.
- **Theme 5: Urbanization is transforming how North Carolinians live, work, and play.** North Carolina is seeing a rise in city-states, with people moving to major metropolitan areas to seek jobs and start businesses. A service economy requires large numbers of people to support it. As counties urbanize, they will be forced to deal with many of the same issues as cities. The population is becoming more middle class, resulting in increased demands for schools, libraries, and athletic fields. Land use, zoning, annexation, and school redistricting become increasingly volatile issues.

Challenge 2: Adapting to the Changing Face of North Carolina

- **Theme 1: Hispanic and Latino residents are transforming county services.** Hispanic and Latino populations present social, cultural, and fiscal challenges for county health and public education services. Counties are asked to help educate and assimilate the growing Hispanic population, who come from different parts of Mexico, South America and Central America. A growing Spanish-speaking population creates a need for bi-lingual staff, and affects every area of county government, including tax collections, public schools, mental health, public health, social services, planning and inspections, and emergency services. Many counties face growing indigent care in public health. The increase in the Hispanic population is reshaping county public health efforts, with some counties reporting an increase in cases of TB. Counties struggle with being able to communicate with new immigrants, and can't afford to wait until this generation of Hispanic children graduates with bilingual skills and joins the work force.
- **Theme 2: Counties and schools are how local government responds to the social and human service needs of a changing population.** North Carolina is among the leading states in its rate of growth in school-age children, retirees, and Hispanic immigrants. Growth in school-age children translates into the need to construct new schools, pressure to increase school funding, and increased strain on resources available to maintain existing school facilities, many of which are aging and outdated. Growth in retirees translates into more retirement centers, greater medical needs, more service sector businesses and jobs, and more citizens asking counties to hold taxes

steady. Growth in Hispanic residents increases the demand for basic services and creates a need for more school and county personnel, particularly staff who speak Spanish.

- **Theme 3: Counties and schools share responsibility for investing in the next generation.** Counties hit hard by bad economic times experience a demand for many county services, such as food stamps, day care, and child support, which pushes up the price tag for counties. Without adequate funding for day care, citizens are less able to work, and some go on welfare or put their children in foster care. County residents pay for this one way or another. Funding for county social services represents more than just a cost of government; it's an investment in human capital and an economic stimulus. Nowhere is this clearer than in the case of educating children. Children should be equipped to be productive citizens, and should be able to read, write, compute, solve problems, think critically, and have the social skills to cooperate with others. Students need to prepare for the 21st century in order to adapt to the impact of technology and prepare for new careers. School boards and commissioners need to work together cooperatively to forge a united front, connect with their communities, and meet citizen expectations.
- **Theme 4: Some counties and communities are being left behind.** There is a growing disparity between the haves and the have-nots, between the rich and the poor. Poor, rural communities are losing population, jobs, wealth, and income, creating an uneven playing field. Poor communities tend to have poorer health, and health care is scarcer. It's more difficult for poor counties to invest resources in their children, education, and infrastructure that will make their communities more attractive, and they are likely to export their educated children to other counties or states. High school graduation rates don't mean much if too few graduates stay in their county.
- **Theme 5: Questions of fairness, justice, equality, and opportunity abound in counties and schools.** In addition to traditional issues of race and gender, counties and school systems are faced with a myriad of issues such as equitable school funding, re-segregation, affordable housing, and the challenge of school choice. Counties and schools share responsibility for addressing questions of equal opportunity for all children, for upholding the moral obligation of government and its citizens to help those who are less advantaged, and for mitigating the potential social and economic costs of failing to do so. These challenges are added to by migrant and immigrant populations, which raises questions of what services to provide and how best to provide them.

Challenge 3: Providing and Paying for Public Services

- **Theme 1: Counties are being asked to maintain existing services and provide for new ones while the county tax base is eroding.** Counties face a tremendous challenge in providing and funding programs, services, and facilities with limited growth in resources. It is difficult to find dollars to build new facilities let alone maintain older ones, such as detention centers. Counties continue to lose industry along with a chunk of their tax base. The economic shift from manufacturing to services has eroded the tax

base. Services don't have as much property to tax, and the property they do have tends to depreciate rapidly. Not only are funding and taxes not keeping pace, but the breadth of taxation is also diminishing. Fewer items are taxed. The property tax base is being chipped away, as special interest groups get exemptions. Competition among existing programs and services will intensify as counties are asked to respond to challenges such as mental health reform and an expanded role in homeland security.

- **Theme 2: More people and less state funding means higher costs, particularly for smaller and poorer counties.** Population growth combined with diminishing state and federal funding increases the need for funding for mental and public health services, law enforcement, and emergency services. It increases capital costs for construction of courthouses and jails, and the costs for operating and maintaining facilities. An increasing jail and prison population requires additional services and facilities. Counties are struggling to keep up with these costs, and state reimbursements are not covering the growing funding gap.
- **Theme 3: Medicaid is breaking the backs of many smaller and poorer counties.** The major problem is the cost-sharing arrangement, basically unchanged since the 1970s. Medicaid has increased to an unmanageable level, particularly for poorer counties, who must allocate a larger share of their budget to cover Medicaid costs. When the Medicaid cost is 10% of a poor county's budget, compared to 1% of a wealthier county's budget, it makes it harder for poorer counties to provide parks and other amenities to their citizens. Current projections suggest that Medicaid will consume the ½ cent sales tax in 5-6 years. This problem can be fixed technically, but it will require political will and a political solution. The agreement with the state for counties to shoulder part of this burden isn't working very well. Until the poorest counties get help, their situation will only get worse.
- **Theme 4: There are significant limitations to the property tax as a model for local government finance.** Counties face mandates from federal and state government for increases in programs and services, while at the same time federal and state support to local government is declining and they face demands from taxpayers to keep taxes low. Poorer and more rural counties don't have the growth to drive the property tax to pay for services like Medicaid, and their tax base has diminished due to a declining population and economy. On the other side, wealthier and more urban counties are challenged with paying for continuous growth in public schools. Since local boards of education have no taxing authority, counties face escalating requests for school funding, which intensifies relationship issues between counties and school boards. Many commissioners are reluctant to raise taxes. But short of the property tax, there are few revenue options from which counties can choose. This dependence on the property tax exacerbates differences and disparities in taxation between rural and urban, and rich and poor communities.
- **Theme 5: There is some question as to whether all 100 counties are viable.** Originally, counties were set up so citizens could reach the county seat to do business in one day. Without many urban centers, counties served as the principal form of local government. The growth of metropolitan areas makes consolidation and regionalization

more feasible. With demand for services outstripping state financial assistance, there is a growing sense that county government will have to pick up where the state has left off. Not all counties will be able to do so.

Challenge 4: Administering Responsive and Responsible County Government

- **Theme 1: The “we want something for nothing” syndrome.** Local governments in North Carolina are operating in an anti-tax/anti-government environment. Citizens want counties to hold the line on taxes while maintaining or raising the level of services. Citizens need to understand that if they want a particular good or service, they will have to pay for it somehow. People don’t want to pay a storm water tax, yet they want big malls with acres of impervious surface. They want less government, but lots of roads. This strong anti-tax and anti-government sentiment makes elected officials worry about being labeled “tax and spend” liberals. Elected officials in turn put pressure on managers to provide more services without increasing taxes. Yet 80% of the state budget is mandated, meaning that local governments have control only over the little things.
- **Theme 2: Continued growth and the increasing complexity of government raise the cost of doing county business.** As county employees acquire more skills and more knowledge, they become more attractive to the private sector or other counties. This also applies to attracting and retaining quality teachers. Counties need to develop policies and benefits that appeal to Generation X and Generation Y workers, such as access to mentoring, leadership opportunities, more vacation leave sooner, wellness and fitness programs, and alternative work schedules and telecommuting. As county government grows, so too does the cost of health and medical insurance, worker’s compensation, salaries, and other benefits for county employees. Counties face a growing need for legal and technical assistance to address retirement of key staff, hiring new employees, developing personnel policies, and understanding the impact of new personnel law cases.
- **Theme 3: County administrators are looking for assistance in how to use information and communication technology to improve county services.** Counties need assistance in using technology to help the public. Virtually every local government administrator must be an IT director some of the time, seeking to automate processes and functions, creating electronic public access, determining what type and how much of information to make available, providing constant education and training for staff, and responding to emerging issues such as identity theft. Information technology is transforming many county property tax assessment offices into information offices. Technology is sometimes seen as more glamorous than other tasks, but putting budget and tax information on the web is just one part of administering county government. Communication technology allows administrators to respond to citizens more quickly, but citizens expect to get immediate responses to email inquiries.
- **Theme 4: Good government requires educated citizens and elected officials.** Government has complex problems with no easy answers, and citizens seldom

understand the expense or complexity involved in delivering government services. Because of this many citizens believe that government is wasteful. As one respondent observed, “Too many citizens want a vending machine government where you spend a dollar and receive a dollar’s worth of services. They don’t think about the value of spending a dollar to help pay for a good society if they don’t reap the benefits personally.” Uninformed citizens too often become single-issue candidates, weakening county leadership. The increasing complexity of county operations calls for sophisticated leadership. Education programs for commissioners and citizens are key.

GOAL 2 – IDENTIFY HOW THESE CHALLENGES ARE AFFECTING THE ROLE OF COUNTIES AND THEIR RELATIONSHIP WITH THE STATE, MUNICIPALITIES, AND PUBLIC SCHOOLS

“The feds send problems to the state and then the state sends problems to the counties. We are faced with doing more with less and less. There is no place for counties to send their problems.”

— NCACC Board Member

“I don’t think counties understand the pressure that school boards are under. I don’t think the school boards understand the pressure the counties are under. It is a two-way street.”— N.C. School Boards Association

“There are a lot of factors working against cities and counties. Everyone says they want to cooperate, but no one wants to give up political control. There may be a role for our associations to help enable and foster working together.”— N.C. League of Municipalities

“Rural counties can’t do it alone and cities won’t do it. Separate political caucuses don’t lead to collaboration. It falls to the counties to pull folks together.”

— State Legislator

Challenge 1: Navigating the Changing Terrain of County Government

- **Theme 1: As North Carolina grows and changes, county government is taking on more roles and responsibilities.** The social, economic and demographic changes sweeping the state are reflected in a county government that is more complex, sophisticated, and continues to grow. Counties are assuming more responsibility for service provision and funding due to state and federal mandates, and counties have had to pick up more of the costs of doing the state’s business. Today, counties must now involve themselves in the business of economic development, transportation planning, funding public education to attract business, and meeting the needs of a growing immigrant population. County government is bigger, and has more professional staff. Larger counties have some of the best managers in the nation.
- **Theme 2: The pull of growth in county government clashes with the push for smaller and cheaper government.** Unlike their grandparents, many North Carolinians consider county services to be an entitlement. The expansion of county services reflects rising public expectations for water and sewer, economic development, emergency medical services, and public schools. Citizens want more from government

than just basic services like police, courts, registers of deeds, and building inspections. But current funding obligations, particularly with regard to Medicaid, social services, and public education, preclude every county from offering the same array of services. This exacerbates existing inequalities among counties. Anti-tax sentiment, increasing demands for services, and political expectations that government can and should be run like a business will pressure counties to continue to move service delivery to private and non-profit providers.

- **Theme 3: The changing role of county government will make intergovernmental relationships more challenging and more crucial.** Counties are the principal local government entity for unincorporated areas of the state. They are the provider of select services for all county residents. Counties handle some of the most difficult issues local governments have to deal with, such as public education, mental health, and social services, all of which cut across jurisdictional lines. Counties also face greater relationship challenges with other governments due to their relationship with local boards of education as a funding provider, and their relationship with the state as both a funder and provider of state-mandated programs and services.
- **Theme 4: Local geography, economies, and demographics will continue to push counties in different directions.** Rural and less urbanized counties need to provide basic services. The county is often the only source of emergency management, social services, and mental health services. They may also be the only option for water. Very rural counties have no private providers of mental health and health care, and the local health department is the only option. Urban counties have many more service providers to choose from, and are providing more amenities, such as light rail and entertainment and sports complexes. These are things that contribute to the quality of life for the entire state. Larger metropolitan counties will need to do more long-term planning and create regional approaches. Rural counties will continue to be more concerned with jobs and economic development. As growth continues, rural counties will also need to deal more and more with growth and land-use issues. Many citizens live in rural areas to escape the greater taxation and regulation associated with urban areas. This will be a growing source of tension.
- **Theme 5: Counties can no longer operate as if they were simply one more unit of local government.** Such a role may have once been possible when the lines between city, state, and county government were less blurred. But these lines are becoming increasingly muddy. Due to the growing urbanization and suburbanization of many counties in the 1970s, the General Assembly granted counties powers that were traditionally municipal functions, such as water and sewer. Today, the powers of cities and counties are becoming more similar. Regional government challenges are emerging, such as planning, water, transportation, and health services. Regionalism raises critical political questions, such as how to provide the necessary services efficiently but without losing county control. Despite the many challenges to adopting the role of convener, a number of respondents see counties as being in the position to bring cities and other counties and entities in a region together to work on problems and issues that no longer adhere to political or jurisdictional boundaries.

Challenge 2: Impact on the Relationship Between Counties and the State

- **Theme 1: County government is state government closest to the people.** The strength and legitimacy of county government lies in its front-line contact with the public. It is important for county government to be credible and trustworthy. Counties are the backbone of the state's governmental system. Legislators see county government as the unit of government closest to the people responsible for providing services mandated by the state including education, law enforcement, public health, mental health and social service programs. Counties play a key role in funding schools, developing infrastructure and land use planning. Counties put the "state" into action.
- **Theme 2: A once stable state-county relationship has begun to fray.** The fundamental roles of the state and county haven't changed much since the 1930s. Responsibilities for road building, education and social services remain the same. The current Medicaid allocation formula has been in place since 1971. For many years, the relationship of both counties and cities to the legislature was one of a strong partnership. But as financial stresses on state and local governments began increasing in the 1990s, that relationship has frayed. This has led many legislators to see NCACC as just another advocacy group. Many respondents see a disconnect between local and state government in terms of the state's fiscal responsibilities to the counties, as evidenced in financing for schools and jails.
- **Theme 3: Many respondents feel that it's time to take a hard look at taxation and public funding.** Respondents agree that local government can't continue to rely on the property tax, and that counties will need to rethink taxation to include services, since the tax structure will need to change in order to fund the services needed to support the growth in population. Some commissioners want more revenue autonomy, a "menu" approach, so they don't have to go to the legislature to raise new revenues. On the other hand, North Carolina provides many things to local governments that other states do not, such as paying a greater share of school costs, operating the road systems, and authorizing counties to enact local sales tax.
- **Theme 4: The role of the county and its relationship to the state depends very much on what counties want to be.** Most people don't know what counties are, or what they do. Counties are responsible for services as diverse as jails, elections, social services, and libraries. Many citizens don't know the difference and can't distinguish between cities and counties. There was a feeling among some legislators that they and many of their colleagues know more about municipal operations and challenges than they do about counties. Consequently, counties will need to play a larger role with the legislature. The strain in state-county relationships is an opportunity to redefine that role. Some mechanism is needed to look at the role of the state and other local governments to determine levels of service and who pays for what. "It is a hodge-podge now," said a state legislator.

Challenge 3: Impact on the Relationship Between Counties and Municipalities

- **Theme 1: The lines between counties and cities are blurring.** Counties were formed to carry out state services such as education, health and human services, and maintaining the courthouse. As cities grow, the line blurs between cities and counties. Some counties are becoming more like cities, as they provide parks and recreation and deal with environmental issues like water. Many counties are moving into traditional municipal services as they become urbanized, such as water and sewer. While this helps provide the infrastructure for urban growth, the increased demands for services that result also intensify tax and revenue pressures. For example, when annexation occurs, there may be financial implications for both counties and cities, such as capital debt and financing, user fees, and sales tax allocation. Some cities have begun annexing across county lines, and some cities are part of a multi-county region that crosses state lines. As municipalities and counties face many of the same service and revenue issues, they often end up competing for the same dollars.
- **Theme 2: Issues of efficiency, duplication, consolidation, control, and competition dot the county-municipal landscape.** Some cities and counties are merging and consolidating services. Others are looking at how to provide service on a regional basis. Counties are likely to face increasing pressure for consolidation and regionalization of services. Capital borrowing will pressure cities and counties to consolidate services and jurisdictions, and push concerns about efficiency, duplication, and economies of scale to the forefront of city and county agendas. Counties with a greater number of municipalities will interact more and more with those cities and towns to determine who should provide which services. This will pose a challenge to counties, as they will struggle to balance their own autonomy with the welfare of the larger region of which they are a part. Questions will continue to arise about the need for 100 counties.

Challenge 4: Impact on the Relationship Between Counties and Public Schools

- **Theme 1: Funding public education is a challenge for schools and counties.** Larger and faster-growing counties are struggling to increase funding to keep up with the growth in public schools. For poorer and more rural counties, it's a challenge to fund public schools adequately. Counties and school districts are both affected by the changing demographics of the school-age population, the impact of state decisions on reducing class size, the impact of growing school construction and operating costs on county taxes and budgets, and by the need to fund growing numbers of special needs programs, such as English as a Second Language (ESL) programs.
- **Theme 2: Inadequate state funding forces schools and counties into a “scapegoating” and adversarial relationship.** Schools turn to counties to make up the state's funding deficit, often couching their requests under the rubric of “helping the children.” This tactic makes sense if schools are the only priority, but counties must provide funding for many other services and populations, and it puts counties in the unenviable position of having to defend decisions not to fully fund school requests. The relationship between schools and counties becomes unnecessarily adversarial. The

welfare and future of counties depends as much on adequate public school funding as does the welfare and future of school districts.

GOAL 3 – IDENTIFY HOW CHANGES IN COUNTY ROLES AND RELATIONSHIPS ARE AFFECTING THE ASSOCIATION’S MISSION, SERVICES, AND LEADERSHIP

“If we aren’t careful, we aren’t going to have the same level of service we have today with their [staff’s] excellent knowledge and leadership.” – NCACC Board Member

“The NCACC should be a true association of counties, not just for commissioners.” – County Manager

“The NCACC isn’t a ‘mom and pop’ organization anymore.” – NCACC Board Member

“Some people think we are doing too much and others think we aren’t doing enough. We need to think about how to keep it one Association.” – NCACC Board Member

*“They [NCACC] have the good of the counties at heart and play a critical role in the state.”
— Legislative Staff Member*

Challenge 1: Advocacy, Lobbying, and Representation

- **Theme 1: The nature of advocacy is changing.** As legislative and policy issues have become more complex, advocacy has become more labor intensive. Extended legislative sessions require a lot more time spent on legislative “watchdog” issues. Bipartisan tensions in the legislature create their own special challenges. The pace of advocacy is getting faster and the scope is getting broader. Many respondents recognize the challenge the Association faces in trying to represent all 100 counties when economic, demographic, and political changes are surfacing so many differences among counties.
- **Theme 2: The Association will need to re-think its advocacy strategy in light of these changes.** NCACC will need to balance its strategy of lobbying for issues that impact all 100 counties with a focus on regional and rural needs. In addition to maintaining an advocacy capacity that can react and respond quickly and effectively to immediate legislative and policy issues, it also requires a member-driven, proactive, grass-roots capacity. In order to balance conflicting county needs and regional differences, NCACC will need to play an active role in helping to redefine issues of governance, funding, and taxation between counties and the state. Growing regional differences will require more involvement with regional planning bodies such as Councils of Government and the N.C. Department of Transportation.

Challenge 2: Educating, Training, and Developing Tomorrow’s Leaders

- **Theme 1: Developing the next generation of county leadership.** The increasing complexity of public problems means that governing takes more time. Some respondents are calling on NCACC to identify, recruit, and develop potential candidates for local and state office, and preserve and nurture quality county commissioners. As governing becomes more complex, electing less qualified candidates takes a greater

toll. So too does voting along racial or gender lines. As one respondent observed, “We have people who are smart enough to get elected but not smart enough to serve.” Addressing this challenge means also addressing the fact that holding office is taking a greater toll on families and finances. As one respondent remarked, “We are going to need more training and education for commissioners and they are going to have to be paid for their time. Retirees are the only ones that can serve. Holding office is very time consuming and is hard on my family.” Right now, retired and financially independent citizens can best afford to serve, which raises equity and representation issues.

- **Theme 2: Educating citizens, county commissioners, and state legislators.** A number of respondents expressed concern that the quality of county commissioners is declining, and suggested that NCACC should look to more systemically address the challenge of single-issue candidates and anti-government campaigning and attitudes. Commissioners need help making good public decisions about economic development, land use, zoning, infrastructure, and school finance. NCACC should work to provide them with models and best practices, and share what is working in other counties and states. Some respondents called for a greater focus on citizen engagement and participation in the governmental process, and suggested that legislators be better educated about county government, the role of counties, and the impacts of cutbacks at county levels.
- **Theme 3: Helping county managers adapt to more complex roles and responsibilities.** As counties roles and relationships change, so too do the roles and relationships of county managers. If counties can no longer act just as a solitary unit of government, neither can managers. But for managers to act as convenors across jurisdictions and sectors means blurring the comfortable distinction between administration and policy. Managers asked for assistance with governing, particular in managing dissension on the board, working with single-issue candidates and members, helping commissioners to understand spending as an investment in the future, engaging in long-term planning, and decision-making. Managers also asked for greater technical and administrative education, particularly in areas such as information technology, personnel management and administration, liability, hiring and firing, working with clerks, and diversity training.

Challenge 3: Leading, Managing, and Governing the Association

- **Theme 1: NCACC is experiencing organizational growing pains.** As counties have grown more complex in recent years, the Association has expanded its staff, services, and programs. But growth doesn’t come without a price. As one staff member summed it up, “Growing pains are hard.” Growth challenges the Association to create a sense of shared purpose and vision, keep everyone informed about what is happening with services and programs, and plan for the future. Continuity of information, service, and institutional knowledge are important to members, county managers, and legislators. Increasingly complex problems and issues require flexible staff, systems, and processes.

- **Theme 2: The Association will be asked to do more by its staff, its members, and its partners.** Risk management services will become an increasingly critical part of the organization, both in meeting the risk management needs of participating counties, and in helping to fund programs and services. In terms of advocacy, tapping into members as a resource will require educating and training commissioners in the legislative process. Technology will play a greater role in providing commissioners with up-to-date information on legislative issues and in coordinating member activities. Members will increasingly look to the Association to help counties develop regional approaches to problem solving. But as budgets tighten, the Association will need to strengthen its marketing and relationships with its members in order to sustain membership.
- **Theme 3: To represent the next generation of county government, the Association must be able to chart a direction and steer a course through a landscape marked by rapid social, political, and economic upheavals.** The next executive director will help shape the future of counties in North Carolina, address challenges in state and local relations at all levels, and inherit an organization whose members must deal with an increasingly complex array of problems. The growing disparity between urban and rural and rich and poor counties is straining the Association's history of keeping "100 counties under one umbrella." There are divergent opinions among the members about how to respond to these challenges, and divergent views about the likelihood that the Association will be able to keep all 100 counties as members. Growth and population changes mean that commissioners will also become more diverse than just black and white. As local county boards change, so too will the membership of NCACC. The next director will inherit an organization facing major challenges and significant opportunities.

Summary: Significant Implications for NCACC

"To solve our problems, we need to be more imaginative and visionary than in the past."
 -- NCACC Board Member

1. Redefining county government, helping create a vision of the role of counties in the future, rethinking state and local government taxation and financing, and whether and how to represent all counties under one umbrella.
2. Responding to increasing demands for new services and improved delivery, identifying emerging service needs, developing tools and practices for meeting these needs in light of political and financing restrictions, facilitating regional and collaborative problem-solving approaches across sectors and jurisdictions.
3. Developing citizen-leaders for the future, civic education for citizens and commissioners, counteracting anti-tax and anti-government attitudes, recruiting and supporting candidates who have the best interest of the state and their counties at heart, finding new and better ways to communicate with commissioners, legislators and citizens.

4. Helping counties make the shift from rural/agricultural communities to more metropolitan, urban, and suburban communities.
5. Identifying appropriate county roles and responsibilities in economic and community development, enhancing quality of life, and mitigating differences in wealth and resources that affect counties adversely.

Next Steps

1. Invite feedback from members, managers, and stakeholders on the implications of the Phase 1 findings for the future of NCACC at the 2004 Annual Conference.
2. At Board of Directors' retreat in September, use findings and conference feedback to establish strategic direction and inform executive director search.

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Association of Oregon Counties	N.C. Association of Register of Deeds
Bill Drafting Division, N.C. General Assembly	N.C. Association of Tax Collectors
California State Association of Counties	N.C. County Attorneys Association
Catawba County Sheriff's Department	N.C. League of Municipalities
County Commissioners Association of Pennsylvania	N.C. School Boards Association
Fiscal Research Division, N.C. General Assembly	New York State Association of Counties
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