



School of Government
The University of North Carolina at Chapel Hill

Regional Councils in North Carolina

September 30, 2008

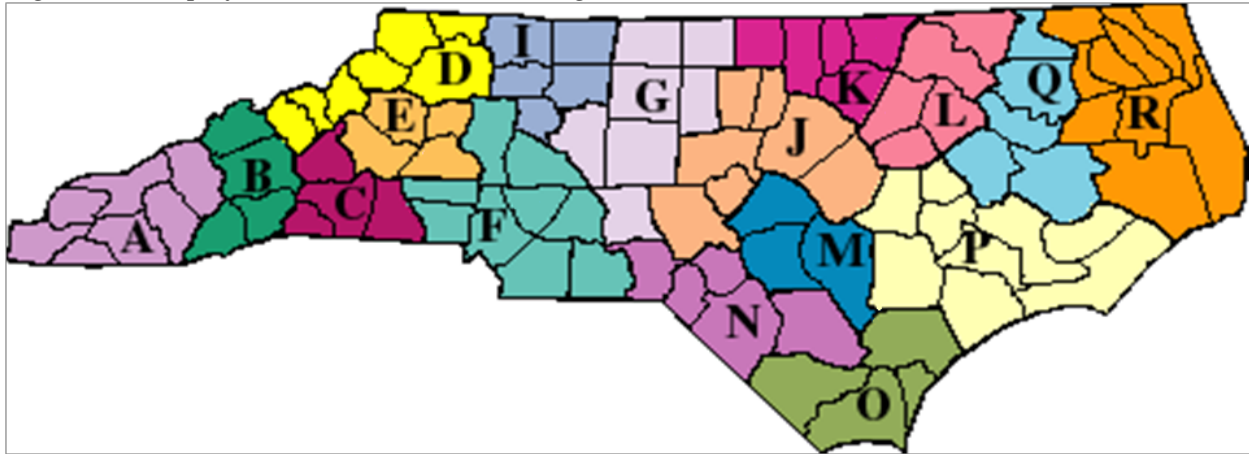
Paul Caldwell
School of Government
The University of North Carolina at Chapel Hill
caldwell@sog.unc.edu

Introduction / Background	1
A brief introduction to the report.	
Summary of Findings	3
A condensed look at the findings on changes to COG budgets, membership, and services.	
Methodology	5
An overview of the data and how it was gathered.	
Budgets	8
A review of how COG budgets have changed from FY94 to FY07.	
Membership	11
A review of how COG membership has changed from July 1, 1994 to July 1, 2007.	
Services	13
A review of how COG services have changed from 1995 to 2008. Includes information on service provision, utilization, satisfaction, and importance now and in the near future.	
Inter-governmental Cooperation	20
A review of factors that help and hinder inter-governmental cooperation.	

Introduction / Background

In 1995, a report on regionalism in North Carolina was published by Jim Svava, then director of North Carolina State University's Public Administration Program. Portions of that report focused on the 18 regional councils (sometimes referred to as Councils of Government or COGs) that existed in North Carolina at the time. The number has since decreased to 17. The regional boundaries correspond to county borders and the councils are comprised of member county and municipal governments. These are the current boundaries of North Carolina's 17 regional councils.

Figure 1 – Map of the 17 North Carolina Regional Councils



Those member governments pay membership dues to their council and may also pay fees for some specific services. The regional councils (hereafter, COGs) provide a wide range of services. While those services vary between COGs, they generally fall into four broad categories: planning services, technical assistance, geographic information systems (GIS), and federal/state grant writing/administration.

In April of 2008, the North Carolina Association of Regional Council Directors submitted a request for proposal to the School of Government at the University of North Carolina at Chapel Hill that sought an updated look at regional governments in North Carolina. The original proposal included an update of budget, membership, and service data contained in the Svava report, a survey of local government members on their perception of regional services, interviews of regional council directors and board chairs, research on what regionalism looked like in other states, and a focus group of local government officials on service delivery and ways to improve regional cooperation.

Due to resource constraints, the original proposal was broken up into three phases. The first phase, begun in June 2008 and concluded in September 2008, dealt with updating the budget, membership, and service data from the 1995 Svara report and conducting an internet survey of local government managers and elected officials. The second phase was to include interviews of regional council directors and elected board chairs and information on regionalism and regional organizations in other states. The third phase was to include focus groups of North Carolina local government officials. This report summarizes the results of the first phase only (data update and survey).

Summary of Findings

The following three findings are based on data from the 1995 Svara report on Regionalism, North Carolina's 17 regional council of government (COG) directors, and the North Carolina Office of State Budget and Management. These findings refer to changes between July 1, 1994 and July 1, 2007.

1. The number of local governments and citizens served by COGs has increased. COGs served 84 (16%) more local governments and approximately 2.3 million (35%) more citizens. 92% of local governments were COG members and they represented 97% of all citizens¹.
2. While populations and budgets vary from one region to another, when adjusted for inflation, the average total budget increased by 11% but the average per capita budget decreased by 39%².
3. The number of services provided by COGs has increased. COG services generally fall into four categories: planning services, technical assistance, geographic information service (GIS), and help with federal and/or state grants and program administration. The number of COGs providing all four categories has increased from 7 of 18 in 1995 to 17 of 17 in 2008. 96% of survey respondents are satisfied or very satisfied with the quality of COG services.

The following two findings are based on survey responses by city managers, county managers, mayors, and board chairs.

4. The top four services most important to local governments *right now* are Community & Economic Development Planning (91%), Grant Writing & Administration (91%), Transportation Planning (88%), and Regional Water Resource Planning (84%). The top four services most important to local governments *in the next 5-10 years* are Regional Water Resource Planning (94%), Transportation Planning (93%), Community & Economic Development Planning (93%), and Grant Writing & Administration (93%).
5. The top three most often cited factors enabling cooperation are the support of elected officials (51%), an opportunity to save money or achieve greater economies of scale (47%), and a history of cooperation and trust between potential partners (45%). The top three most often cited barriers to inter-governmental cooperation are a concern about loss of community control (75%), a lack of trust between potential partners (51%), and an expectation of unequal distribution of benefits (35%).

In short, COGs appear to providing more services to more clients with fewer resources, while at the same time maintaining a very high level of satisfaction with those services.

¹ 2007 population estimates are available for counties but not cities. Changes in 2006 and 2007 county population estimates were used to estimate 2007 city populations based on 2006 data.

² When viewed collectively, the total COG budget increased 5% but the per capita budget decreased 22%.

However, while the provision/utilization of a service tends to match its importance, there is a significant gap involving water. Regional Water Resource Planning is the service most important to local governments in the next 5-10 years³, but it is the least often known of or provided⁴. In addition, when asked which services will most require cooperation, water is ranked the highest (at 81%).

Trust appears to be the single most important factor determining the level of inter-governmental cooperation. It is important by itself but it also underpins other concerns regarding loss of control and an unequal distribution of benefits. Building trust requires honest and open communication. Ninety-six percent of survey respondents say they are satisfied or very satisfied with the service COGs provide as a neutral forum to consider/address inter-governmental issues.

³ 96% of survey respondents say Regional Water Resource Planning is important over the next 5-10 years. It is also the 4th highest in importance right now at 86%.

⁴ Only 45% of survey respondents say Regional Water Resource Planning is a service currently provided by their COG.

Methodology

Data and Sources

Fiscal year 1993-1994 data on budgets, membership, and services came from a 1995 report titled “Regionalism in North Carolina” written by Jim Svava, then Director of NC State’s Public Administration Program. FY94 budget data was then adjusted for inflation using the US Dept. of Labor, Bureau of Labor Statistics’ inflation calculator⁵. Additional population data came from the North Carolina Office of State Budget and Management.

Fiscal year 2006-2007 data on budgets, membership, and services came from COG directors. Population data came from the NC Office of State Budget and Management. Additional data on services, as well as factors that help or hinder inter-governmental cooperation, came from a web survey of city managers, county managers, mayors, and county board chairs.

Survey Methodology and Response Rates

Data on service needs, priorities and satisfaction ratings were gathered through an internet-based survey. The survey was drafted by the author with review and input by School of Government faculty members specializing in research methods and local government management. An emphasis was placed on objective wording and survey structure. A copy of the survey can be viewed at (or copy of the survey instrument can be obtained by contacting the author).

The total number of potential survey respondents was approximately 1,300:

549 Municipal Managers
 549 Municipal Mayors⁶
 100 County Managers
 100 County Board Chairs

We initially surveyed potential respondents with the assistance of city and county clerks through a professional listserv maintained by the School of Government, representing the vast majority of clerks in the state. The clerks were asked to forward the survey recruitment letter (which included a link to the survey) to their government’s manager and chief elected official (mayor or board chair). Given the demands placed on these officials, our hope was that potential respondents would be more likely to participate if the clerk brought the survey directly to their attention. The survey was first distributed in this way on July 4, 2008.

The survey instrument and methodology were approved by the University of North Carolina Institutional Review Board (IRB study number 08-1131 approved June 30, 2008).

⁵ http://www.bls.gov/data/inflation_calculator.htm

⁶ In some municipalities, the role of manager and mayor are combined. Therefore, there were fewer than 1,098 potential municipal survey respondents.

This method garnered fewer respondents than desired. In our second approach we asked COG directors to contact their member cities and counties and ask them in turn to complete the survey. COG directors were provided with the survey recruitment letter on July 31, 2008. The new survey approach was also approved by the University of North Carolina Institutional Review Board (approved July 29, 2008).

When different methods are used to survey a population, one might be concerned that the results cannot be mixed. This is especially the case if different people answered primarily in one way or another. In the case of this survey, managers were more likely to answer in the first approach, and elected officials were more likely to answer in the second approach. However, when the results for each groups were compared for each question, only a few showed a statistically significant difference. These questions are highlighted in the results section. For all other responses, there were no statistically significant differences in responses between the groups who answered to the first request or the second. In other words, most of the time, between the first and second attempts, there was no real difference in how people answered. We feel confident in combining the responses, noting the few places where differences were uncovered.

Fortunately, the number of responses increased as a result of the second effort. As of September 5, 193 surveys were started and 153 were completed. The breakdown of type of respondent includes:

- 83 City Managers
- 33 City Mayors
- 25 County Managers
- 12 County Board Chairs

This provides an overall response rate of 15 (started) to 12 (completed) percent. While initially seeming low, this response rate is generally in line with other short-term electronic studies conducted by the School of Government for this manager and elected official population. In our experience, it is difficult to achieve a high response rate with a target population who is in such high demand. Standard options to increase survey response rates (advance notice letters, incentives, and multiple requests) were not available to the team in the short-time frame allowed.

Response rate is only one factor, however, in assessing the validity of the results. In fact, statistically, it is a minor factor. The other is the distribution of the responses, the consistency of the responses, and the resulting margin of error. In other words, are those who responded generally representative of the group as a whole? Or is there 'non-response' bias, where those who did not respond represent a very different group than those who did? In this case, responses were spread across the state in both rural and urban areas, cities and counties, appointed and elected officials. There was not an apparent concentration with any particular group or in any particular geographic area or COG region. More importantly, the responses were remarkably consistent and in the same direction. For example, satisfaction ratings were high across all groups.

We want to make a particular point that, contrary to popular belief, except at very low numbers, the **number** of respondents relative to the size of the population does not affect the validity of the result, except in terms of calculating the margin of error. For example, most presidential approval polls only include 300-500 respondents to represent the entire population of the United States (305,269,985 people).

Based on the responses and results, we can calculate a margin of error for the results and related confidence level. In this case, the margin of error is approximately +/- 6.5 to 7.4 percentage points (depending on the largest to smallest number of responses) for the particular question. This is the margin of error at the 95 percent confidence level.

For example, using the following survey result...

“Ninety-six percent of survey respondents say they are satisfied or very satisfied with the service COGs provide as a neutral forum to consider/address inter-governmental issues.”

...we can be 95 percent confident that the true level of satisfaction is somewhere between about 88 percent and 102 percent. Again, because the responses are so consistent and high, even with a relatively large margin of error, we can be very confident that this population is satisfied with this service.

Of course, we would like to have obtained a higher number of responses, and with it, reduced the margin of error. In future surveys, we recommend allowing for additional time and methods to garner a higher response rate. However, we are confident in the results and interpretation presented here, taking into account the associated margins of error.

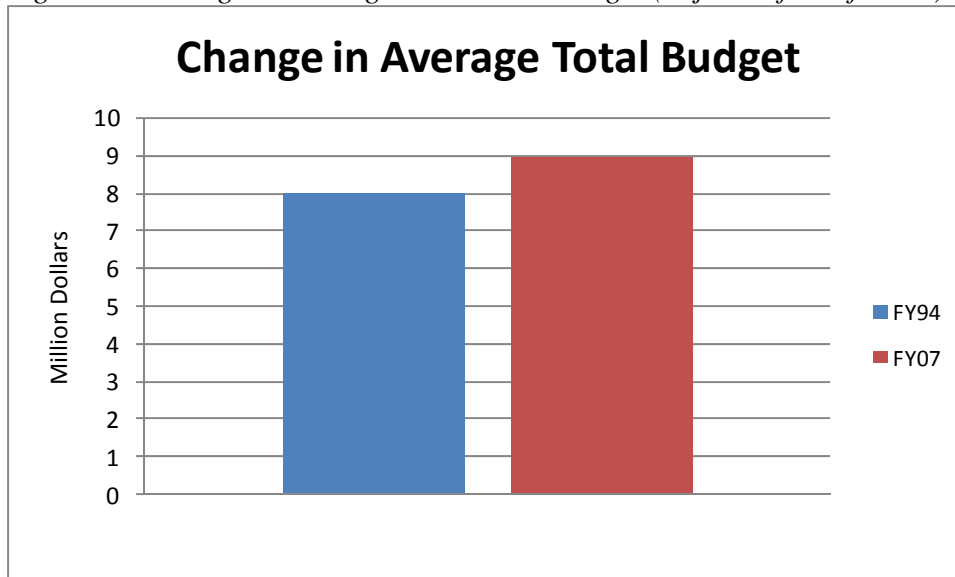
Budgets

The following review of budget changes is based on FY94 data from the 1995 Svara report (adjusted for inflation) and FY07 data provided by the COGs. In general, total budgets have increased, but per capita budgets have decreased. This is because the population has increased at a faster rate than COG budgets.

Changes to Total Budgets (adjusted for inflation)

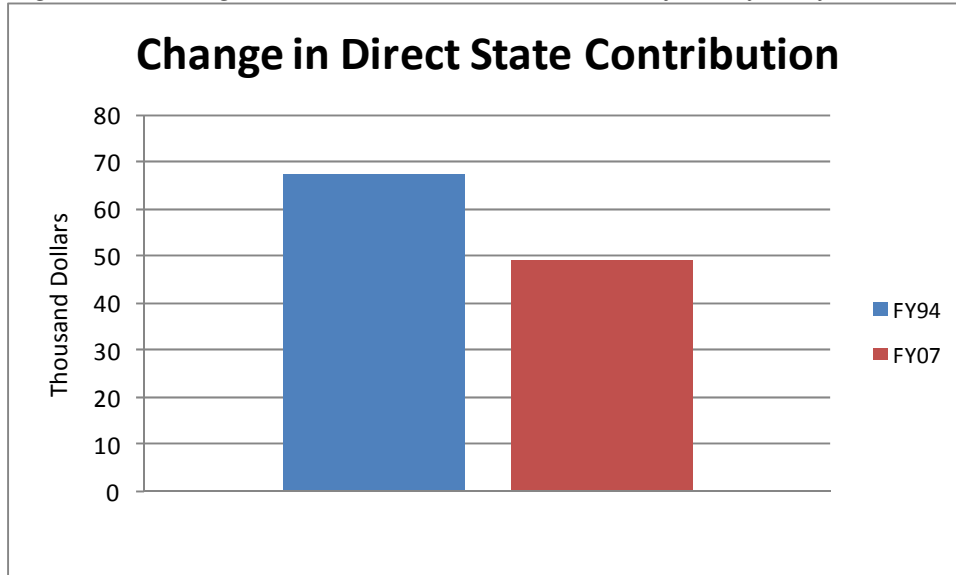
Budgets vary greatly from one COG to another. In FY07, Region R (Camden, Chowan, Currituck, Dare, Gates, Hyde, Pasquotank, Perquimans, Tyrrell, and Washington) had the smallest budget of \$4.4 million. Region I (Davie, Forsyth, Stokes, Surry, Yadkin) had the largest budget of \$15.2 million. Regions vary in geographical size, population, and service provision. In order to get some basis of comparison, the average amount of all COG budgets was used to examine changes between FY94 and FY07. When looked at in that way, the average total budget increased 11%, from \$8 million to \$8.9 million.

Figure 2 – Change in Average Total COG Budget (adjusted for inflation)



While the total budget increased, the direct State contribution has decreased by 27%.

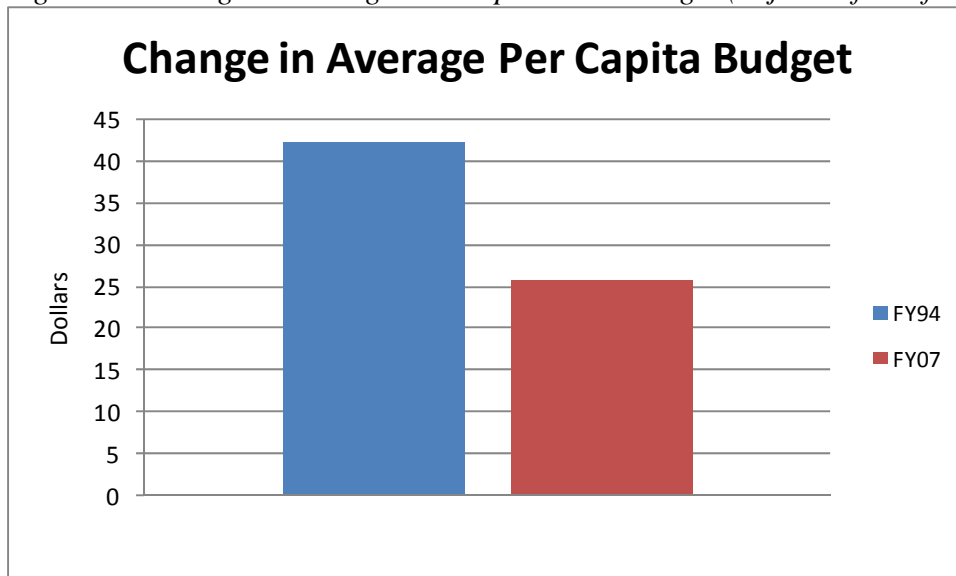
Figure 3 – Change in Direct State Contribution (adjusted for inflation)



Changes to Per Capita Budgets (adjusted for inflation)

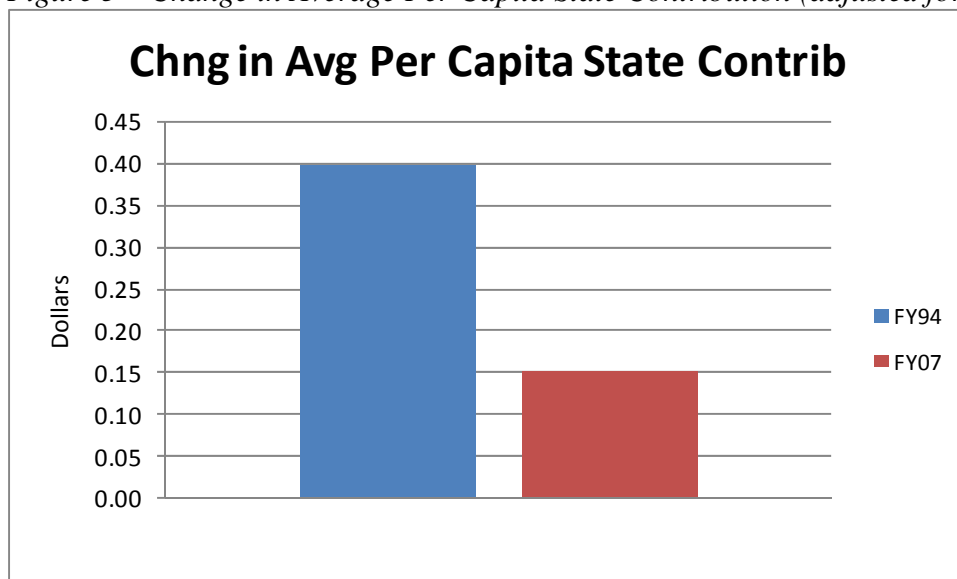
Between the same points in time, North Carolina's population increased 26%, from 7.2 million to 9.1 million. Based on the population of member counties and municipalities, the average per capita budget decreased 39%, from \$42 to \$26.

Figure 4 – Change in Average Per Capita COG Budget (adjusted for inflation)



The increase in population has led to an even greater decrease in per capita State contributions.

Figure 5 – Change in Average Per Capita State Contribution (adjusted for inflation)



Section Review

Federal dollars account for the vast majority of COG revenues. In FY94 they accounted for 91.5% of total COG funding. Local revenues accounted for 7.7% and State revenues accounted for 0.8%. Unfortunately, we do not have enough federal and local revenue data available to provide the same level of detail regarding FY07 funding, but the general balance of contribution appears to be the same.

COGs have been able to increase their total revenues despite reductions in direct State contributions. However, funding levels have not kept up with population increases.

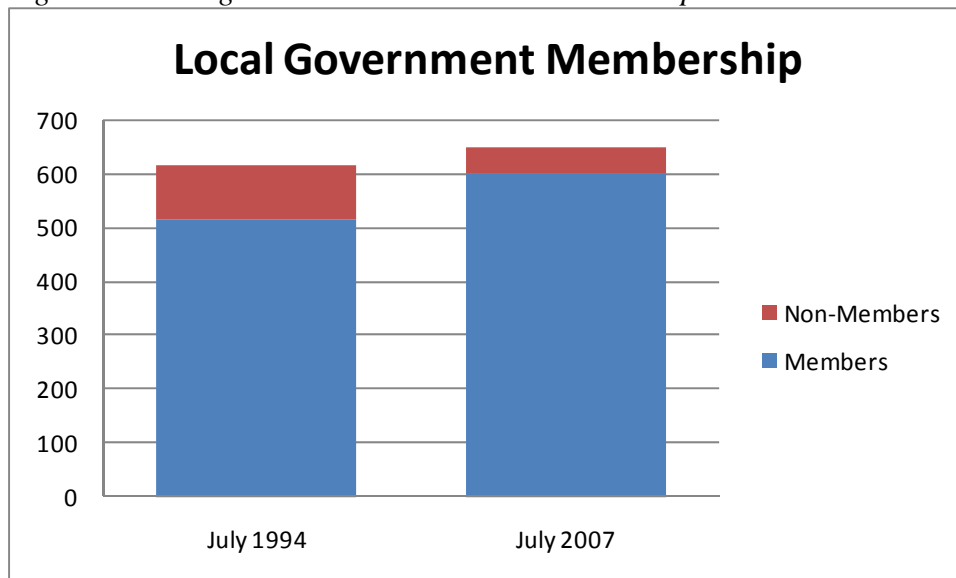
Membership

As with the other sections of this report, this section looks at changes between July 1, 1994 and July 1, 2007.

Local Government Members

In July of 1994, North Carolina had 100 counties and 515 municipalities. Of those 615 local governments, 515 (84%) were members of a COG (including all 100 counties). Since then North Carolina has added 34 municipalities. In July 2007, 599 of 649 local governments (92%) were members of a COG.

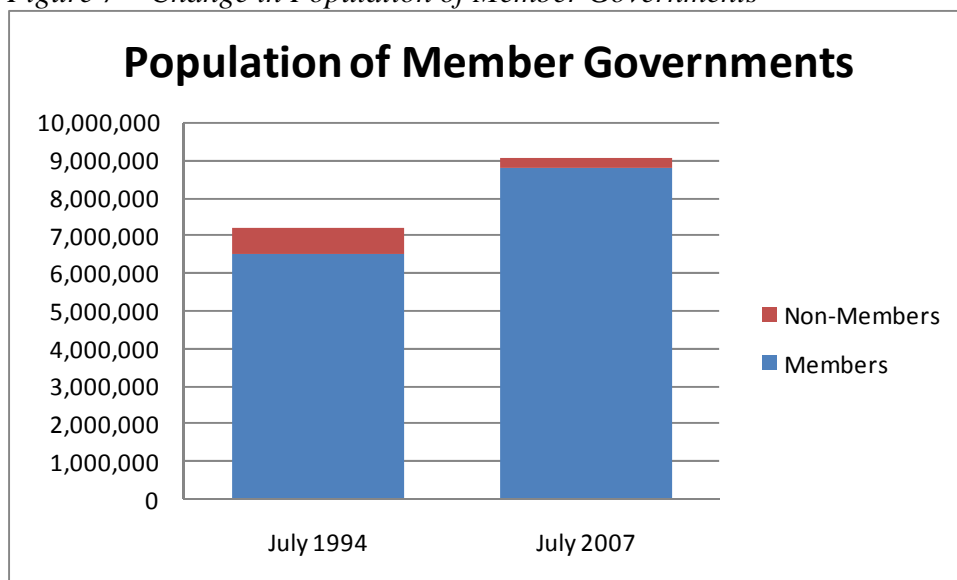
Figure 6 – Change in Local Government Membership



Population of Member Governments

In July 1994, the 515 member governments represented 6.5 million (91%) of North Carolina's 7.2 million citizens. Since then North Carolina has added 1.9 million citizens. In July 2007, the 599 member governments represented 8.8 million (97%) of North Carolina's 9.1 million citizens.

Figure 7 – Change in Population of Member Governments



Section Review

The number of member governments has increased by 84 (16%) and the number of citizens represented by those member governments has increased by 2.3 million (35%)⁷.

⁷ 2007 population estimates are available for counties but not cities. Changes in 2006 and 2007 county population estimates were used to estimate 2007 city populations based on 2006 data.

Services

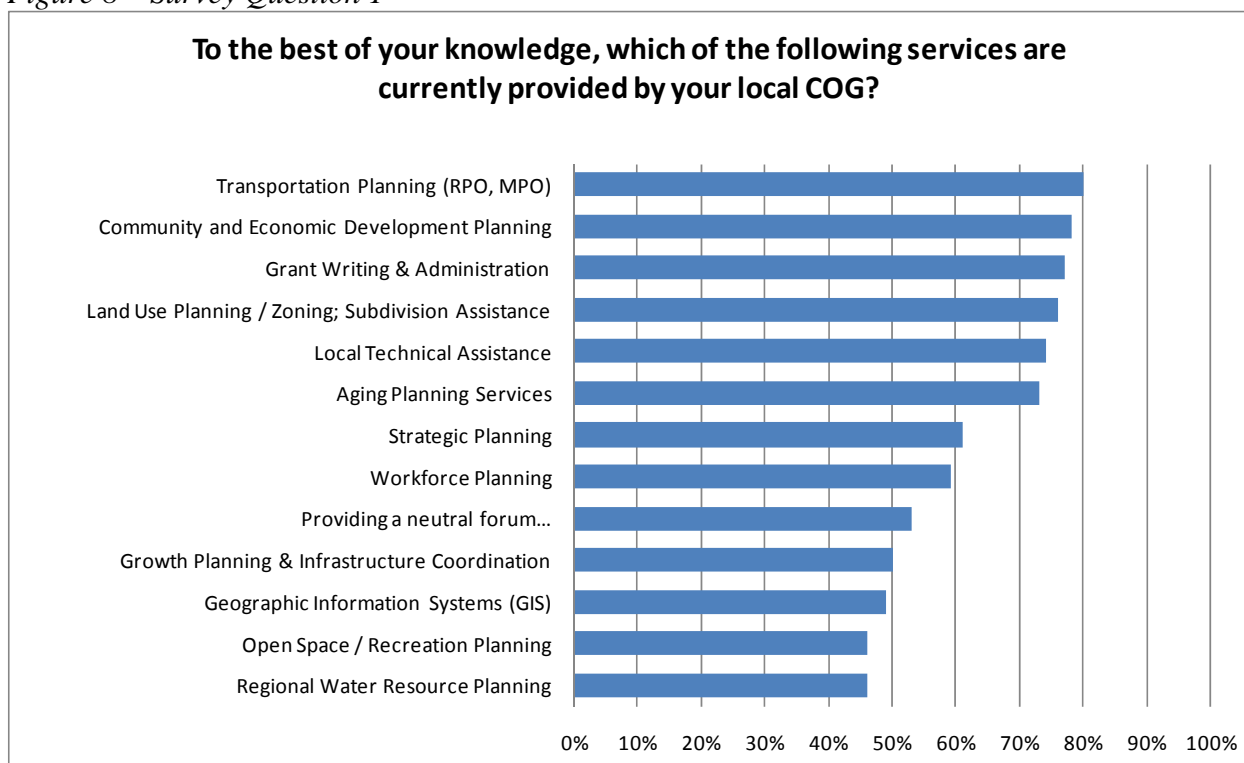
The following charts show the response to each service-related question in the survey. More surveys were begun than were completed. In order to show the sentiment of the greatest number of survey respondents, the charts below include data from respondents who did not finish the survey. The number of respondents who answered each survey question is shown below each chart.

Survey responses were broken down by groups (cities/counties and managers/elected officials). When the responses differed significantly between groups, a table below the chart shows which area had significantly different responses and what those responses were for each group. The Chi-Square score shows how likely the difference is due to random chance. For example, a score of .100 means a 10% chance that a difference was caused by randomness and a 90% chance that a difference was due to group affiliation. A score of .050 means a 5% chance of random cause and a 95% chance the difference is due to group affiliation. In other words, the smaller the Chi-Square score, the more likely it is that different answers are due to your group affiliation.

The first three questions were linked in the survey. In question 1, we asked which services the respondent thinks their COG provides. Respondents were given a list of 13 service areas. If a respondent chose 10 of those 13 services, only those 10 services appeared in question 2, which asked about use of available services. If the respondent indicated that of the 10 services they thought were available, their government had used five, only those five services were options in question 3, which asked about satisfaction with used services.

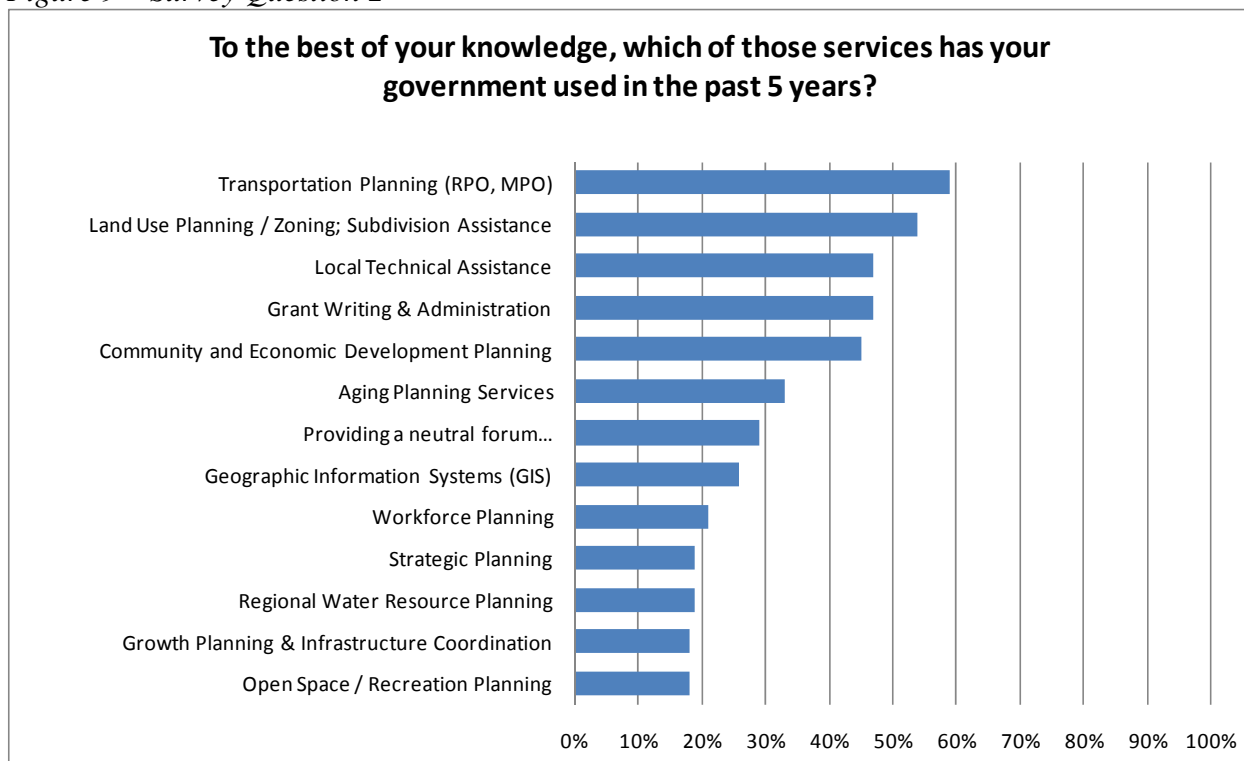
Please note that responses to the first two questions may not reflect reality. For example, region X may provide all 13 services. The survey respondent from region X may be new to their job and may only be aware of 10 of those services. Differences between perceptions of which services are provided and the reality of service provision may point towards a need to increase the knowledge about what services COGs provide.

Figure 8 – Survey Question 1



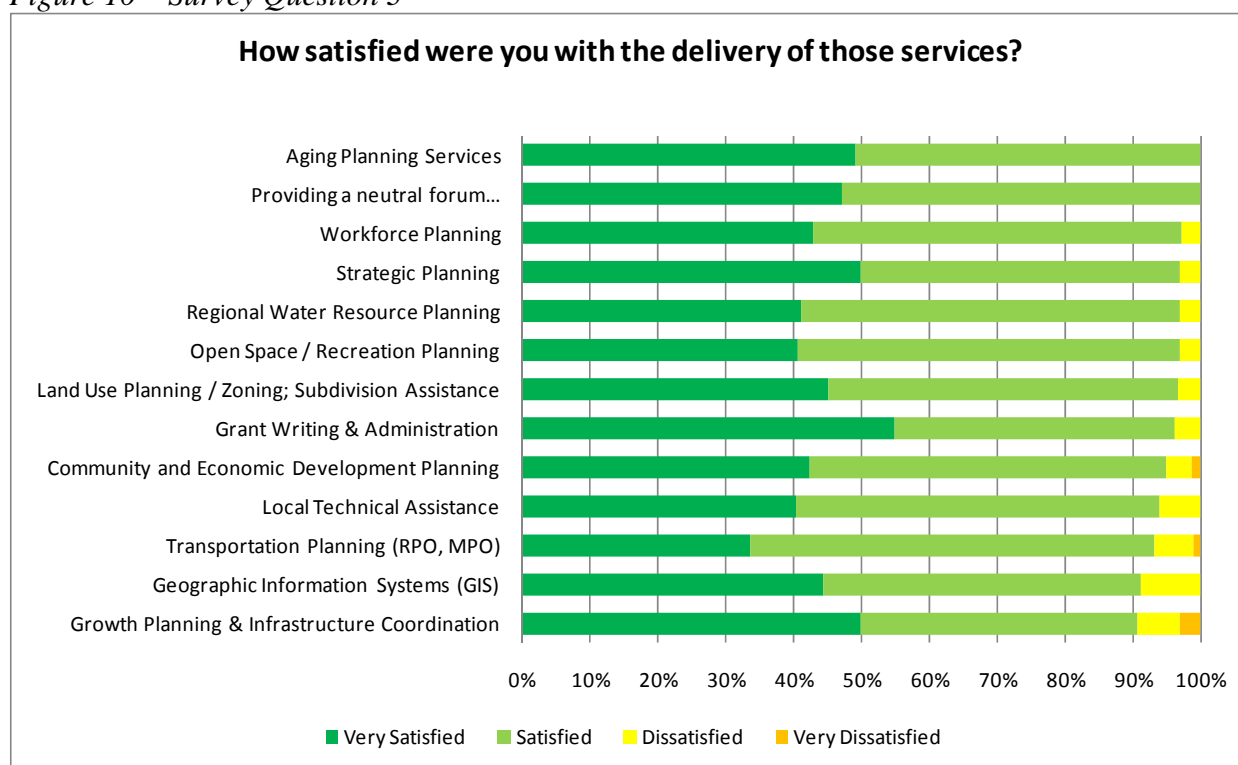
n = 193

Figure 9 – Survey Question 2



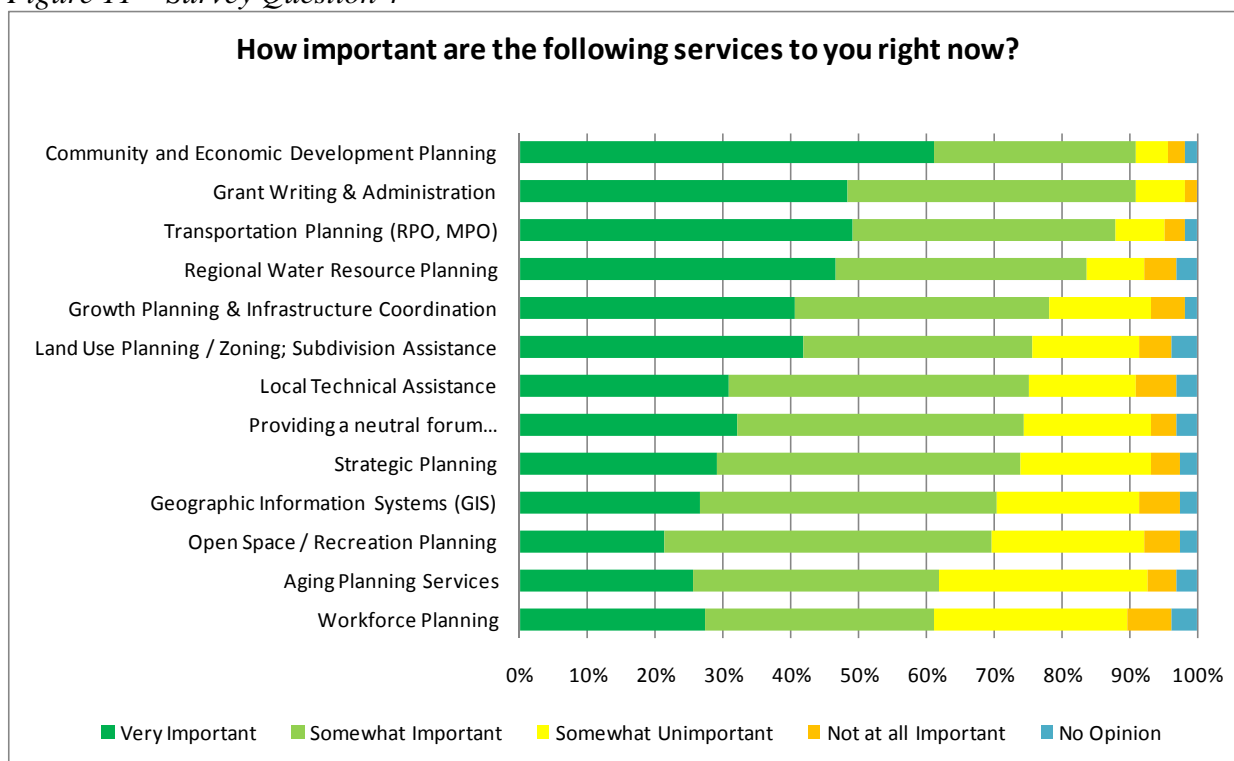
n = 180

Figure 10 – Survey Question 3



n = 176

Figure 11 – Survey Question 4



n = 165

Significant Differences Between Groups

Service	Group	Imp.	Not Imp.	Chi-Square
Land Use Planning / Zoning; Subdivision Assistance	Mgr.	74%	24%	.076
	Elect.	82%	11%	
Strategic Planning	Mgr.	75%	24%	.102
	Elect.	76%	18%	
Geographic Information Systems (GIS)	Mgr.	68%	32%	.015
	Elect.	71%	22%	
Open Space / Recreation Planning	Mgr.	65%	32%	.080
	Elect.	82%	18%	
Aging Planning Services	City	53%	42%	.000
	County	92%	8%	
	Mgr.	57%	39%	.107
	Elect.	76%	22%	
Workforce Planning	City	53%	41%	.001
	County	87%	14%	

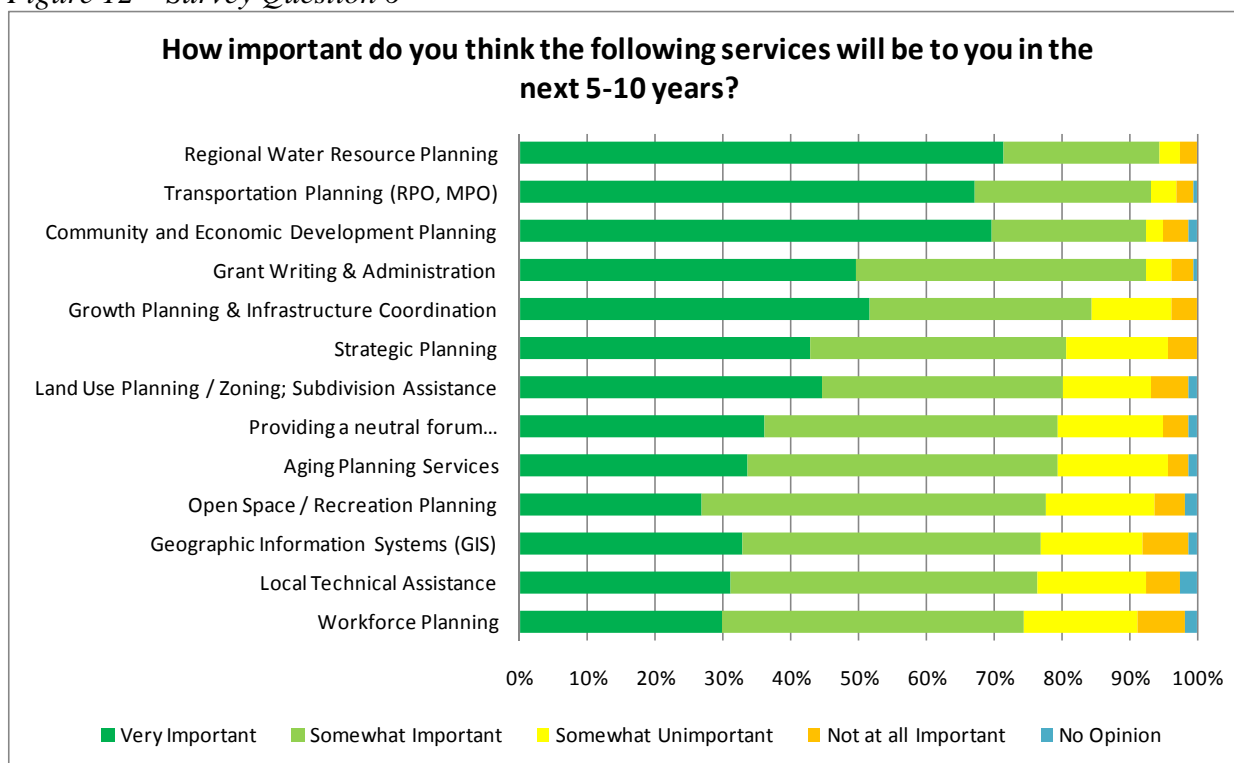
Survey Question 5

If other services are very important to you right now, but were not included in the list above, please list the top three very important services here.

- | | |
|--|--|
| 1. Inter-local Agreements | 12. Clean Water Act |
| 2. Regionalization of Services | 13. Cable Service Oversight |
| 3. Assessment Centers | 14. Major Regional Issues |
| 4. Economic Development | 15. Uniform Drought Criteria |
| 5. Regional Planning | 16. Assessing Legislative Impacts |
| 6. Waste Water Planning | 17. Emergency Preparedness |
| 7. Governing Board Issues / Questions | 18. Terrorism & Disaster Planning |
| 8. Collegial Support | 19. Clean Water |
| 9. Very Small Town Resource
Locations | 20. Combining Services across counties |
| 10. Training of Elected Officials | 21. Lobbying State on Regional Issues |
| 11. Fire Departments / Insurance Rates | 22. Environmental Protection |

The list above shows all answers to this question. Respondents were allowed to list up to three very important services not included in our list. 163 people answered question #4 but only 12 contributed to this list. Most respondents did not list any additional services that were very important to them right now.

Figure 12 – Survey Question 6



n = 161

Significant Differences Between Groups

Service	Group	Imp.	Not Imp.	Chi-Square
Aging Planning Services	City	76%	23%	.105
	County	92%	8%	
Workforce Planning	City	67%	30%	.004
	County	95%	5%	

Survey Question 7

If you think other services will be very important to you in the next 5-10 years, but were not included in the list above, please list the top three very important services here.

- | | |
|---------------------------------------|---------------------------------------|
| 1. Regional Financing | 8. Emergency Preparedness |
| 2. Regional Issues (Transportation) | 9. Terrorism & Disaster Planning |
| 3. Fire Departments / Insurance Rates | 10. Clean Water |
| 4. Local Transportation | 11. Capital Improvement Planning |
| 5. Develop Regional Issues | 12. Merging Services Across Counties |
| 6. Assess Regional Economy | 13. Lobbying State on Regional Issues |
| 7. Global Economic Development Issues | 14. Environmental Protection |

The list above shows all answers to this question. Respondents were allowed to list up to three very important services not included in our list. 161 people answered question #6 but only seven contributed to this list. Most respondents did not list any additional services that will be very important to them in the next 5-10 years.

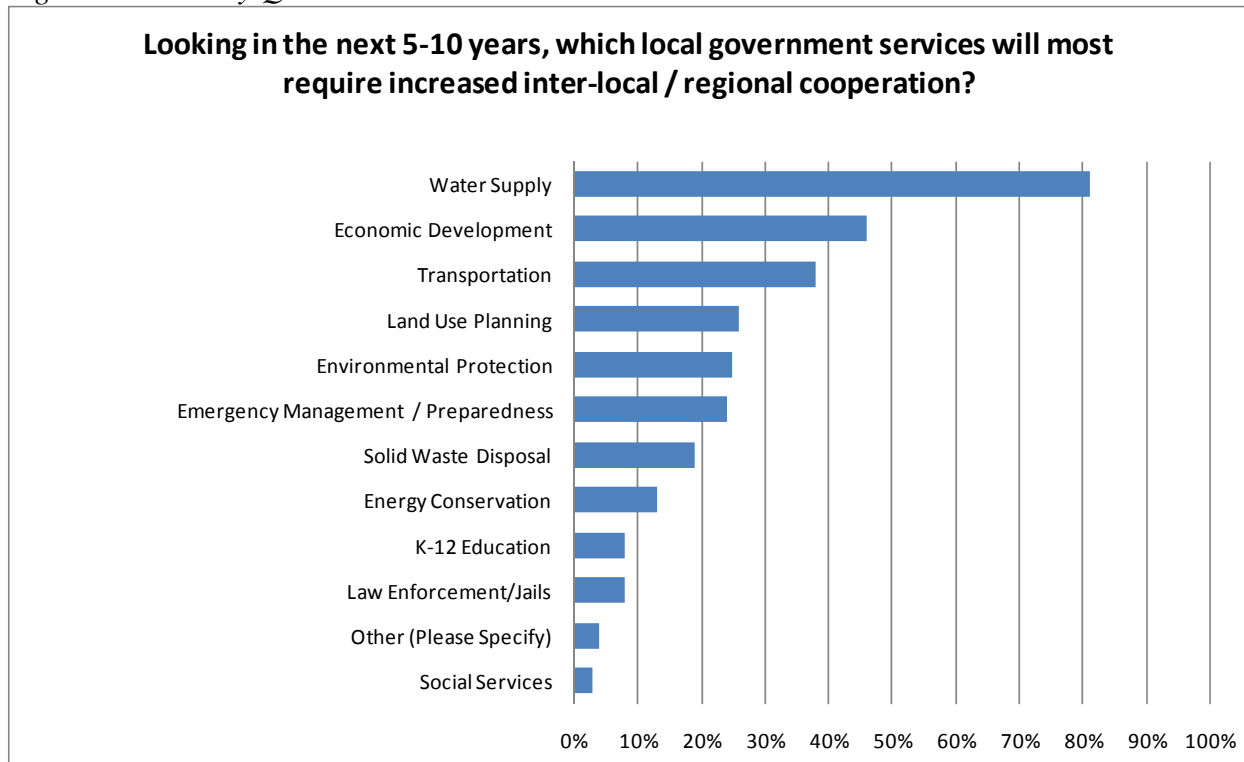
Section Review

Satisfaction with COG services is very high. 96% of survey respondents said they were either satisfied or very satisfied with the services they used. The same four services topped the list when asked about which services were important now and in the next 5-10 years. Those four services were (in alphabetical order) Community and Economic Development Planning, Grant Writing and Administration, Regional Water Resource Planning, and Transportation Planning. Three of those four services also topped the service provision list. Regional Water Resource Planning was not in the top four, it was last. Thus, while service provision tends to mirror importance, water is a major exception. There appears to be a significant gap between the importance of Regional Water Resource Planning and the perceived availability of that service.

Inter-governmental Cooperation

As with the section above, survey responses were broken down by groups (cities/counties and managers/elected officials). When the responses differed significantly between groups, a table below the chart shows which areas had significantly different responses, what those responses were for each group, and what the Chi-square is.

Figure 13 – Survey Question 8

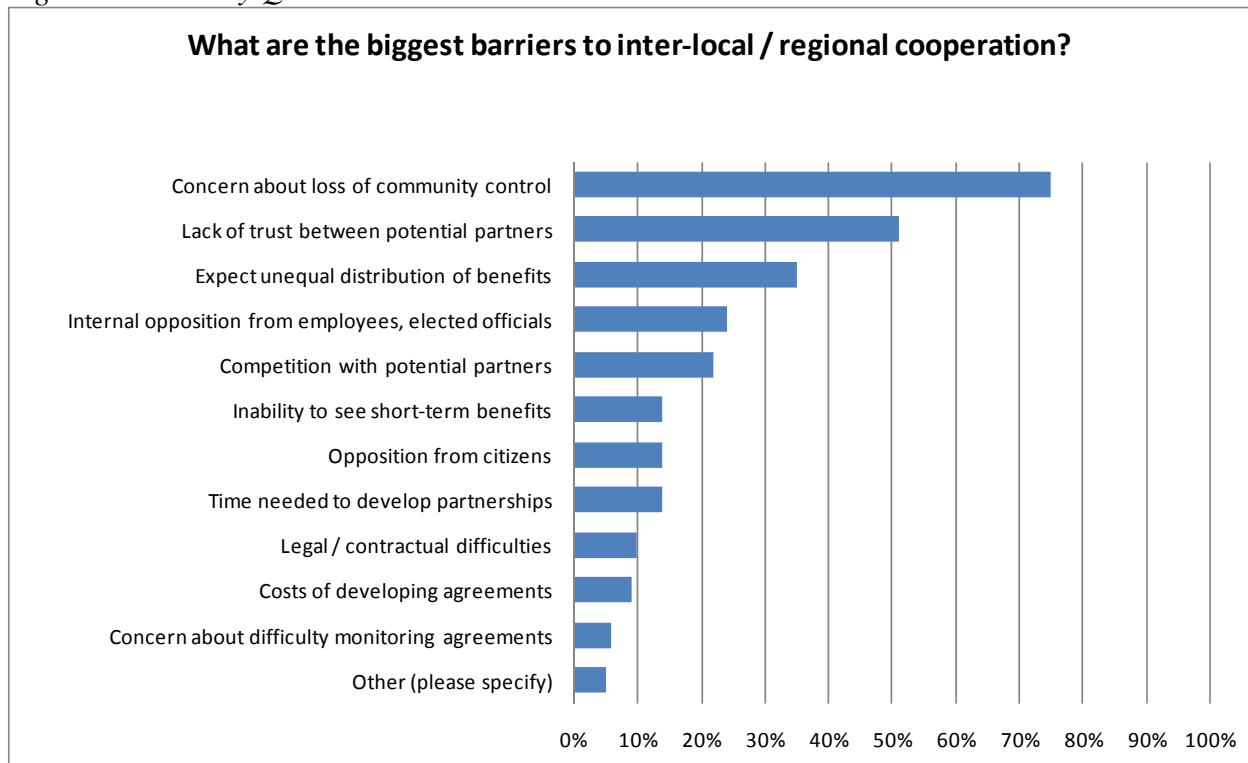


n = 160

Significant Differences Between Groups

Service	Group	Yes	No	Chi-Square
Water Supply	Mgr.	85%	15%	.084
	Elect.	73%	27%	
Land Use Planning	City	31%	69%	.015
	County	11%	89%	
Law Enforcement	Mgr.	6%	94%	.103
	Elect.	13%	87%	
Emergency Management	Mgr.	29%	71%	.043
	Elect.	13%	87%	
K-12 Education	Mgr.	5%	95%	.022
	Elect.	16%	84%	

Figure 14 – Survey Question 9

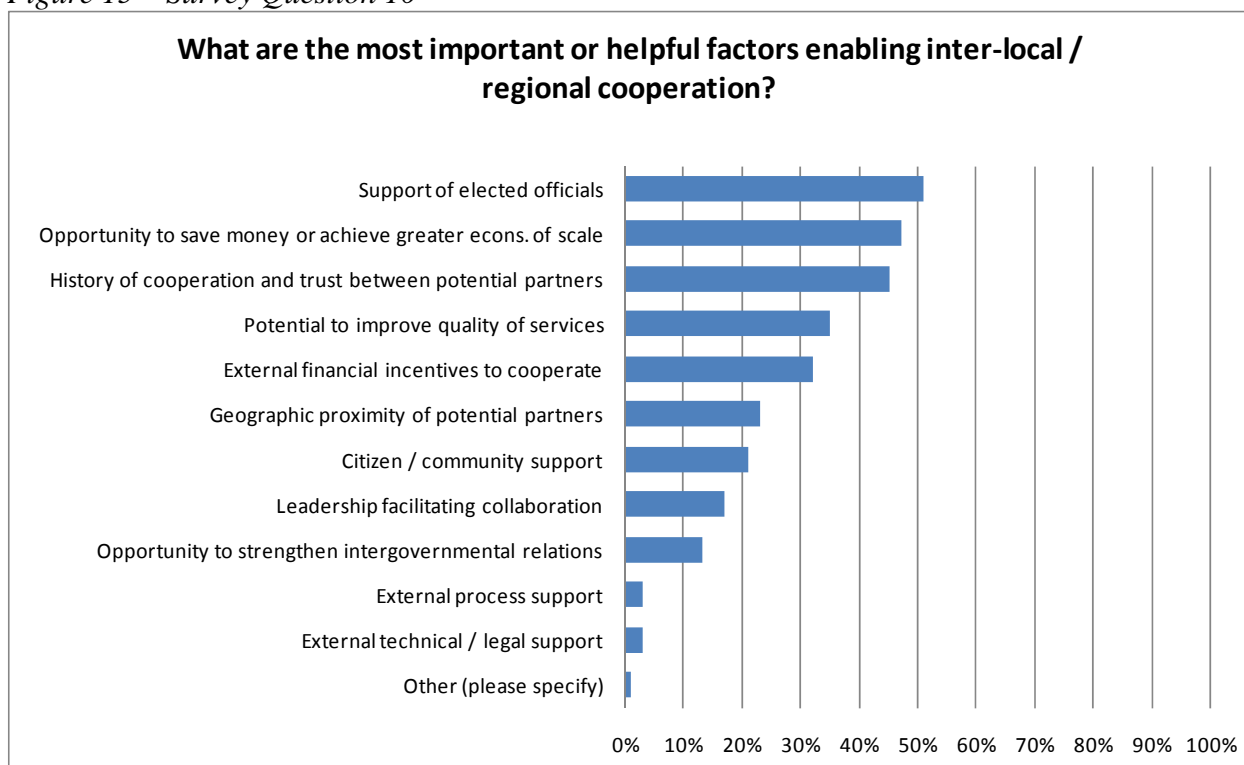


n = 160

Significant Differences Between Groups

Barrier	Group	Yes	No	Chi-Square
Competition with potential partners	City	15%	85%	.001
	County	40%	60%	
Inability to see short-term benefits	Mgr.	10%	90%	.022
	Elect.	24%	76%	
Cost of developing agreements	City	13%	87%	.021
	County	0%	100%	

Figure 15 – Survey Question 10



n = 160

Significant Differences Between Groups

Factor	Group	Yes	No	Chi-Square
Citizen / community support	City	26%	74%	.008
	County	5%	95%	

Section Review

Water once again stands out. In the section above, it was shown that water is one of the most important service areas now and the most important area in the next 5-10 years, yet there does not appear to be an adequate provision or knowledge of the service. Water also tops the list in services most in need of more intergovernmental cooperation. When asked what helps and hinders intergovernmental cooperation, trust (or lack thereof) is prominent. The top three barriers are trust-related fears and two of the top three enablers are also trust-related. With this in mind, it is important to point out that there was 100% satisfaction with the service COGs provide as a neutral forum to consider/address intergovernmental issues. COGs appear to be well placed to address the single biggest issue impacting intergovernmental cooperation and water appears to be an important area in need of more such cooperation.