

Pro: *An Effective Resource*

by Jonathan B. Howes
and Bradley S. Barker

Regional approaches to planning and government in North Carolina have a long history. Nearly three decades ago, in 1957, the General Assembly created the Western North Carolina Regional Planning Commission. In 1959, concurrent with the creation of the Research Triangle Park, the Research Triangle Regional Planning Commission (RTRPC) formed. Anticipating the growth associated with the Park, the RTRPC provided a forum for coordination of government policies and a vehicle for regional planning. RTRPC became the first regional council in North Carolina created by local *elected* officials.

The composition of the governing board is one of the central issues affecting the future of regional councils in North Carolina. Most have moved close to the COG model [see introduction], and all have a majority of local elected officials on their governing boards. The extent to which the governing board is made up of elected officials strongly affects the attitude of local governments toward their regional council. Those which have adopted the COG model are viewed as extensions of local governments. On the other hand, some of those which grew out of economic development commissions are sometimes perceived as being beyond the control of local governments.

Close cooperation between regional councils and member local governments has been a goal of the two statewide local government organizations in North Carolina, the N.C. League of Municipalities and the N.C. Association of County Commissioners. These organizations together sponsor

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An Introduction

Regionalism in What Course

by Bill Fingersh

Geography bestowed on the state of North Carolina three distinct regions in its coastal plain, its rolling Piedmont, and its western mountains. Economic development patterns, population trends, and political mores reinforced these three regions. As people and power moved from the farms "down east" into the urban corridor along Interstate 85, legislative alignments grew more subtle and complex. Likewise, regional loyalties evolved into new groupings, tied by county boundaries as well as watersheds, job opportunities, and other interests.

"Regionalism is a tradition in North Carolina," contend Jonathan Howes and Bradley Barker in their "pro" article. "And regional councils are its custodians."

Others argue that regional councils have become unwieldy creatures, an extra layer of bureaucracy rather than an essential government planning vehicle. "If regionalism is determined to be necessary by local governments, the concept must be far more rigorously defined and limited in scope than the system in place today," writes Jones C. Abernethy from the "con" viewpoint.

Regional governmental efforts blossomed in the 1960s. Over 20 federal programs required regional or areawide plan that cut across county boundaries. In addition, Congress passed in 1968 the Intergovernmental Cooperation Act (PL 90-577) which prompted the U.S. Office of Management and Budget to issue its well-known (to bureaucrats) "A-95" circular. The "A-95" review process mandated federal agencies to recognize multicounty regions when official and uniformly established by a state.

Such federal actions led to a rapid increase in the number of multi-county administrative units in the state. By 1969, more than 70 units existed, including 11 health planning agencies, 19 area manpower planning districts, and 21 law enforcement planning units. These overlapping districts caused the N.C. General Assembly and N.C. Gov. Robert Scott (1969-73) to begin moving toward a formal regional plan for the state.

North Carolina— for the Future?

In 1969, the General Assembly charged the State Department of Administration to work cooperatively with counties, municipalities, federal agencies, and others to develop "a system of multicounty regional planning districts to cover the entire state..." (GS 143-341). On May 1970, Gov. Scott responded with Executive Order Number 3 which established 17 multicounty regions.

In May 1971, the N.C. Department of Administration formally announced the state's "Lead Regional Organization" (LRO) policy. The Department of Administration gave the LROs basic planning responsibilities, including administering the A-95 review process for federal grants distributed in an LRO's region.

In April 1978, Gov. James B. Hunt Jr. created the Local Government Advocacy Council and asked it to study the state's LRO structure.¹ On October 23, 1978, Gov. Hunt issued Executive Order Number 27 which in essence reconfirmed the Scott LRO policy. In 1979, after much political debate, the 11-county Region G was divided into a new Region I and Region G (see map on page 44). Today, then, there are 18 LROs.

Other local administrative structures still exist, such as the six health systems agencies that do planning in all 100 counties. But the 18 regional councils have greatly reduced the number of local administrative agencies.

In North Carolina, LROs evolved through two different routes. The federal Economic Development Administration (EDA) and/or the Appalachian Regional Commission (ARC) funded eight planning and economic development commissions in the mountains and on the coast (A, B, C, D, I, P, Q, and R; see map). These eight focused primarily on economic development until the state LRO policy broadened their mandate.² The other 10 began as Councils of Governments (COGs) or planning districts, which usually involved a more concentrated effort among the local governments—i.e., a council of local governments.

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Con: *Time for a Change*

by Jones C. Abernethy III

Progress is man's ability to complicate simplicity.
—Thor Heyerdahl

Recent history affords a number of misguided efforts to remedy a fault or gap in the natural order of things. Kudzu, imported from Japan to the South in the early 20th century, has halted soil erosion, but it has also swallowed vast stretches of farmland and timber. Similarly, North Carolina has suffered from the importation of the council of government (COG) concept—an idea born in Detroit and other metropolitan areas and nurtured by the federal government.

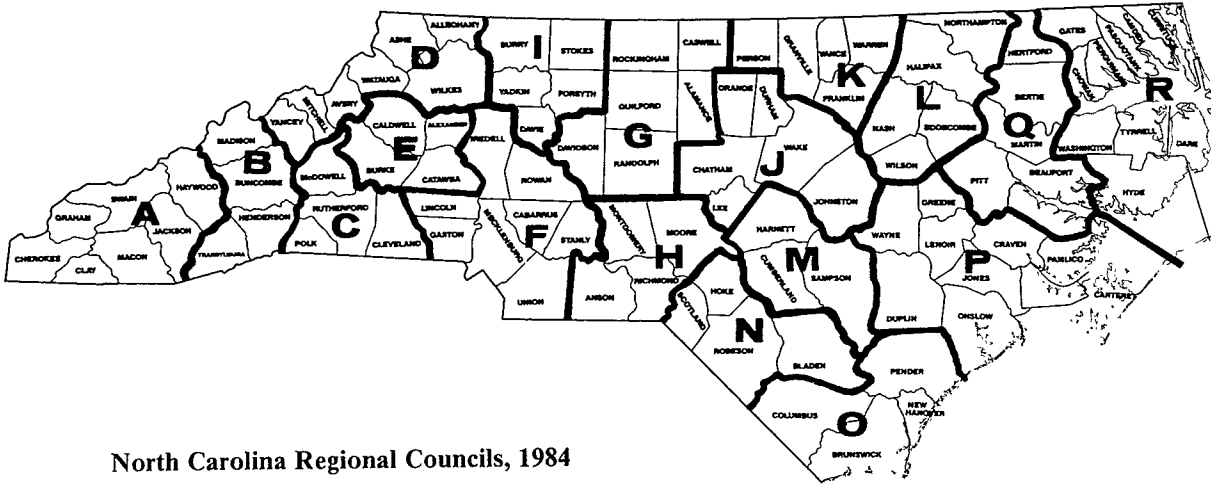
Formally established throughout North Carolina in 1970, the COG concept had laudable goals of eliminating duplication of effort in solving local problems with regional implications, providing planning services at lower cost, expanding the range of services available to local governments and their constituents, and providing a forum/clearinghouse for resolution of conflicts in solving common regional problems.

After more than 10 years of experience, however, the impact of COGs has been considerably less than their objectives—and altogether different in some areas from anything contemplated in the enabling legislation.

The COG concept came to fruition in the Great Society antipoverty and economic development programs of the 1960s—and in the proliferation of federal agencies and federal funds spawned by these programs. But COGs have lingered past the demise of many of these programs. In fact, in the Reagan era, some

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North Carolina Regional Councils, 1984

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| <p>A. Southwestern North Carolina Planning & Economic Development Commission
Bryson City</p> <p>B. Land-of-Sky Regional Council
Asheville</p> <p>C. Isothermal Planning & Development Commission
Rutherfordton</p> <p>D. Region D Council of Governments
Boone</p> <p>E. Western Piedmont Council of Governments
Hickory</p> <p>F. Centralina Council of Governments
Charlotte</p> | <p>G. Piedmont Triad Council of Governments
Greensboro</p> <p>H. Pee Dee Council of Governments
Troy</p> <p>I. Northwest Piedmont Council of Governments
Winston-Salem</p> <p>J. Triangle J Council of Governments
Research Triangle Park</p> <p>K. Kerr-Tar Regional Council of Governments
Henderson</p> <p>L. Region L Council of Governments
Rocky Mount</p> | <p>M. Region M Council of Governments
Fayetteville</p> <p>N. Lumber River Council of Governments
Lumberton</p> <p>O. Cape Fear Council of Governments
Wilmington</p> <p>P. Neuse River Council of Governments
New Bern</p> <p>Q. Mid-East Commission
Washington</p> <p>R. Albemarle Regional Planning & Development Commission
Hertford</p> |
|--|--|---|

At one point, analysts distinguished between economic development commissions and COGs. Later, all 18 organizations were called LROs, even as they retained some distinctive features as planning or economic commissions or as COGs. Today, persons working in this area usually prefer the term "regional council" for all 18 organizations.

The state statutes authorize *local governments* to create COGs or regional and economic development commissions.³ While the statutes are similar, the "Council of Governments seem to have the broadest range of power in terms of staffing, funding, planning and programming," according to the latest state report on regionalism.⁴ The eight planning and economic development commissions in essence now have the powers of COGs.

Local governments, which actually created the 18 regional councils, may choose whether to join these councils. Almost all counties and municipalities maintain membership. The non-members include two counties (Henderson and

Moore), three towns over 5,000 in population (Burlington, Havelock, and Mint Hill), and 11 towns with populations between 1,000 and 4,999.

The enabling legislation for the regional councils is short and general in its language. The statute authorizing regional councils of government specifies eight powers. Besides such general powers as employing personnel and contracting consultants, the statute allows councils "[T]o promote cooperative arrangements and coordinated action among its member governments," and "[T]o make recommendations for review and action to its member governments and other public agencies which perform functions within the region in which its member governments are located."⁵

Some analysts who have worked closely with regional councils believe such enabling legislation may permit a lack of accountability. "I believe we should have more regional planning," says Betty Wiser, former director of the Wake County Council on Aging and a Democratic nominee for the N.C. House of Repre-

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the Joint Regional Forum, a body which includes a representative of each of North Carolina's 18 regions. Nine of its members are elected municipal officials; nine are elected county officials. The Forum keeps abreast of regional affairs and advises the Association of County Commissioners and League of Municipalities about such matters.

The Forum symbolizes the strong local government orientation of regional councils in North Carolina. This approach contrasts with the experience in such nearby states as Virginia, Georgia, and Kentucky. In each of those states, state government contributes funds to each of the regional councils. This provides a minimum level of operation among the regional councils in these states, but it sometimes distances the councils in those states from local government officials.

In North Carolina, the greatest strength of the 18 regional councils is their strong local government orientation. When regional councils function as an extension of local governments, with governing boards comprised of local elected officials, the councils can provide the services which the local governments *in that region* believe are most needed.

Current Benefits

North Carolina's regional councils provide a mechanism through which local officials in adjacent municipalities and counties can know and work with each other. Small municipalities, particularly, benefit from this informal means of sharing information and resources. In addition, the regional councils help their local areas in three specific ways, through: 1) comprehensive regional planning; 2) technical assistance to member local governments; and 3) delivery of selected services.

1. *Comprehensive regional planning*, the cornerstone of regional council work since the 1960s, is particularly important in the programs of those regional councils serving growing metropolitan areas. Both the Land of Sky (Region B) Council and the Triangle J Council, for example, have developed regionwide watershed protection plans. As a result of the Triangle J study, almost all local governments—cities and counties—in the Falls of the Neuse and the Jordan Lake watershed area have adopted water quality control ordinances.

2. *Technical assistance* to member local governments is a staple in the program of most councils. All councils have assisted their local governments in preparing applications for Community Development Block Grants and other state and federal programs. Some councils have experimented with "circuit-riding" municipal administrators, persons who move among the member

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COGs now compete with some local governments in obtaining federal funding and in providing services.

Loss of Control by Elected Local Officials

In theory, COGs are subject to a system of checks and balances, through their board composition, their membership (local governments), and the absence of any taxing authority. In practice, however—as they have evolved in North Carolina—many COGs function as virtually autonomous entities. They obtain funding from a variety of sources other than from the local governments they were meant to serve. The federal government provides by far the largest portion of the funds, not local governments.

If regionalism is determined to be necessary by local governments, the concept must be far more rigorously defined and limited in scope than the system in place today.

Making generalizations about COG budgets and their sources of funds is difficult at best. Funds come from many federal programs. And reporting procedures and record keeping varies among the 18 councils. The councils do fall under the Local Government Budget and Fiscal Control Act and hence must submit their audits to the N.C. Local Government Commission for approval. The Local Government Commission has also developed a Regional Public Authority Accounting Manual, which many COGs use as a model for their record keeping. Still, extensive variations exist among the councils in financial reporting.

"Accounting principles for COGs are not as well defined as in the private sector," says Bob High, director of fiscal management for the State and Local Government Finance Division, State Treasurer's Office. "And governmental accounting standards address cities, counties, and states more specifically than COGs. Generally accepted accounting principles allow flexibility and management discretion within reasonable disclosure guidelines. Hence, the guidelines don't require the same reporting in every situation."

The number of federal agencies funneling

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Regionalism

sentatives. "But the enabling legislation only makes council membership optional for local governments. In addition, the councils are not accountable to people, to the voters, in the same way that a city, county, or state administration is."

Others believe proper accountability exists under the enabling legislation. "I view the [Triangle J Council] board of delegates as my board of directors," says Triangle J Executive Director Bradley Barker. "They hire me and I hire the rest of the staff. They establish the budget and decide which programs we undertake and which grants we apply for and accept."

Board composition has always been an issue for regional councils. In his 1978 executive order, Gov. Hunt addressed the issue like this: "The membership composition of governing boards of Lead Regional Organizations should be left to the discretion of the local units of government comprising such Lead Regional Organizations; however, the State urges the Lead Regional Organizations to *limit policy board representation to elected officials from member general purpose governments*" (emphasis added).⁶

Ten of the LROs have boards composed entirely of locally elected officials (regions B, E, F, H, I, J, L, M, N, and O). Three others have boards composed almost entirely of elected officials (A, D, and G).⁷ The other five include substantial board membership from persons who are not elected officials (C, K, P, Q, and R).⁸ Three of these five (C, Q, and R) are economic development and planning districts, which historically have involved more than just elected officials in their operations, often required by federal regulations.

In the mid-1970s, the budgets of LROs peaked, as did their mandatory involvement in state and federal programs and staff size. A 1976 survey conducted by the Fiscal Research Division of the N.C. General Assembly (15 of the 18 LROs responded) showed an average LRO budget of \$1.8 million (ranging from \$270,000 to \$4.7 million). The survey found that 10 to 25 percent of the funds (the amount varied among the LROs) went toward LRO administration; the rest passed through the LROs to local governments and private agencies delivering various services, such as hot meals for elderly persons. In 1976, according to the survey, 87 percent of the LRO budgets came from federal funds, 8 percent from local governments ("per capita" dues, often used to provide matching funds for federal dollars), 3 percent from state funds, and 2 percent from other sources.

Through the 1970s, the LROs offered

technical assistance to local governments, provided various planning functions, and raised federal funds for local governments. The role expanded in 1974 when Gov. James E. Holsouser Jr. "offered local elected officials, through their respective LROs, the option of assuming certain planning and administrative responsibilities for human services programs," explains Robert Hinshaw, formerly the coordinator of regional planning for the N.C. Department of Natural Resources and Community Development.⁹ The Holsouser initiatives, the state-local counterpart of the New Federalism of the Nixon administration, covered such programs as manpower, child development, family planning, services to the aging, and food programs for women, infants, and children (WIC).

With planning responsibilities (including the A-95 reviews), technical assistance capabilities, hefty budgets drawn primarily from federal funds, and (by the mid-1970s) major services delivery functions, the regional councils had substantial power. But by the early 1980s, several factors began to cut away at their programmatic and financial base—especially the federal budget cuts and deregulation efforts of the Reagan administration.

As the Reagan administration cut domestic programs, the regional councils lost federal grants. For example, the Comprehensive Planning Assistance "701" program, a Department of Housing and Urban Development (HUD) program with funds earmarked for regional planning organizations, was eliminated. Similarly, the EDA and ARC lost funds for regional development districts. Federal deregulation efforts also reduced some regional council's functions, especially through the federal Office of Management and Budget's rescinding of the A-95 circular.¹⁰ Despite these changes, today regional governments are still responsible for processing and reviewing applications by local governments, state agencies, service districts, and private non-profit agencies for over 200 federal grant programs.

Changes have also taken place at the state level. In the human services delivery area, for example, regional councils had once been the local administrative structure for five programs reviewed at the state level by the Department of Human Resources—family planning, child development, WIC, aging, and emergency medical services (EMS). By January 1983, all 18 councils were still administering only the aging and EMS programs in the human service area. (In addition, 17 of the councils still do planning for the Job Training Partnership Act.)

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municipalities executing a particular task. Some specific examples of technical assistance are described briefly below.

•This year, over 17 jurisdictions in the Centralina Region (Charlotte area) participated in a new insurance management program. The council assisted the local governments in evaluating their insurance package (including health, auto, property, and liability) for duplication, proper coverage, and overall management. "Together they saved over \$309,000 on their premiums and got better coverage," says George Monaghan, executive director of that council. The city of Gastonia alone reduced its premiums from \$266,000 to \$89,000 and improved its coverage.

•Region D, headquartered in Boone, provides computer services to its member governments. Three counties in the council area are using COG-developed computer programs for water bills, payrolls, tax listings and tax billings. The COG purchases computer hardware in bulk, which results in substantial savings to member governments.

•The Land of Sky Regional Council (Asheville area) hired an industrial engineer and an energy conservation specialist who identified numerous specific cost saving measures, including: \$65,000 annual savings in a municipal garbage collection operation; \$15,000 annual savings by changing a county sanitary landfill procedure; and a \$20,000 annual savings on electricity bills for a health and social services building.

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Regional councils provide Emergency Medical Services, water quality planning, and Meals on Wheels.

Courtesy Triangle J Council of Governments

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money through the councils peaked during the Carter administration. During the Reagan years, a number of these agencies have either been abolished or forced to retrench. But the sources of funding to COGs are still bewildering in their complexity and well beyond the means of many local governments to track and evaluate. Many elected officials serving on COG governing boards are not equal to the task. Consequently, the councils are effectively controlled by their professional directors and their staffs. This can result in the goals of a regional council becoming those of the staff rather than the member local governments.

The most flagrant example of a staff attempting to build an empire was in Region D (Ashe, Alleghany, Wilkes, Mitchell, Avery, Yancey, and Watauga counties). In 1977, Region D's executive director and staff applied for and received a \$1.2 million grant from the Local Public Works Program operated by the federal Economic Development Administration to build a council office building. This action was taken without any formal approval by the COG's executive board or the member governments who, theoretically, would own the building.

The project encountered public disapproval which, nevertheless, was too slow in mobilizing to prevent virtual completion of the building. The N.C. Court of Appeals eventually ruled that COGs are not legislatively empowered to own land or construct buildings without the approval of the constituent governments.¹ Today, Appalachian State University manages the building.

Local government officials have not monitored COG operations sufficiently. As a result, the regional councils do not always serve the best interests of their member governments. COG professional staffs have made blatant power grabs (as happened in Region D) or have gradually assumed more and more independent stature and expertise. Consequently, member government representatives on COG boards have in many cases become dependent on the COG staffs for direction. COG professional staffs are not entirely to blame for nurturing their autonomy. Local governments, pressured by federal agencies, had to provide comprehensive regional plans to qualify for funds provided under the original Great Society programs and their descendants such as the Comprehensive Employment Training Act (CETA). And local officials, often without the knowledge and professional expertise needed, delegated too much to the COG staffs.

In 1977, John K. McNeill Jr., then mayor of Raeford, described the failure of local officials to

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Sources of LRO Funds

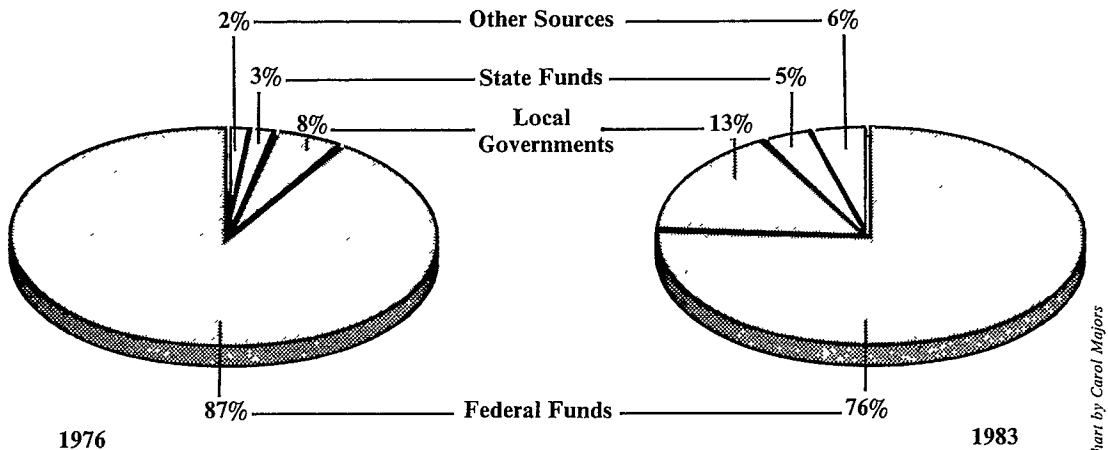


Chart by Carol Majors

Sources: Fiscal Research Division, N.C. General Assembly (1976 data); John Booth, Office of Policy Development, N.C. Department of Administration (1983 data). For similar, national data, see *Special Report No. 91* (January 1984), National Association of Regional Councils, 1700 K Street, N.W., Wash., D.C. 20006. Nationwide, according to this report, federal funding has declined from 76 percent of the typical council budget in 1977 to 48 percent in 1983.

According to the latest study available, the budgets of the LROs in September 1983 ranged from \$796,000 to \$3.1 million; their staff size varied from 5 to 30.¹¹ In 1983, federal funds accounted for 76 percent of the LRO budgets, compared to 87 percent in 1976. The portion of funds from local governments rose from 8 percent in 1976 to 13 percent in 1983 (7 percent in assessments and 6 percent in contracts for services). The portion coming from state funds also increased slightly, from 3 percent in 1976 to 5 percent in 1983. (State funds went mostly for administering the aging and EMS programs.) Finally, the portion from other sources increased from 2 percent in 1976 to 6 percent in 1983 (from foundation grants, interest on funds, and private contributions).¹²

What role should the 18 regional councils play in the 1980s and beyond? The accompanying articles offer two viewpoints on this question. □

FOOTNOTES

1. See "Recommendations for the State Policy on Regionalism, Report to Governor James B. Hunt Jr.," submitted by the Local Government Advocacy Council, October 1978. The report includes 16 recommendations to the Governor, most of which Hunt incorporated in his executive order. The tone of the report emphasized the importance of local government involvement in the regional councils: "It should be well understood that regional organizations... are by their very nature creatures of local government, guided and directed by local officials, and should be considered such by each respective state agency" (p.17).

2. For more on how an initial regional *planning* approach influenced the development of some LROs, see David M. Lawrence, "Aspects of Regionalism in North Carolina," *Popular Government*, summer 1974, pp.20-24.

3. Four different statutes apply to organization of regional councils: NCGS 153A-391 to 400 (regional planning commissions); NCGS 158-8 to 15 (economic development commissions); NCGS 160A-460 to 469 (joint exercise of powers); and NCGS 160A-470 to 484 (regional council of governments). None of these statutes allows an LRO to condemn property or levy taxes. All of them allow LROs to receive and disburse funds, grants, and services from federal and state agencies, local governments and private groups.

4. "Regionalism in North Carolina, 1980," published by the N.C. Department of Natural Resources and Community Development, Howard N. Lee, Secretary, August 1980, p. 10. While dated in places, this booklet is a good background reference on LROs in general and on each of the 18 LROs.

5. NCGS 160A-475 (6) and (7).
6. Section 2, Executive Order Number 27, October 23, 1978.

7. Region A: two non-elected minority members. Region D: one non-elected minority member. Region G: two non-elected, non-voting members.

8. These five have a number of non-elected board members as follows: C, 9; K, 10; P, 15; Q, 12; and R, 32.

9. "Is Regionalism Working in North Carolina?" by Robert Hinshaw, *Popular Government*, summer 1981, p.35.

10. See Federal Register, June 24, 1983, pp.29096-29414. While these regulations did rescind the A-95 circular, a new presidential executive order allows states to continue a similar review process. According to Chrys Baggett, director of the State Clearinghouse, N.C. Department of Administration, 49 of the 50 states have retained a review process similar to that under the A-95, and most of these 49 are continuing the review process through regional councils. For more information on this, contact Ms. Baggett at (919) 733-4131.

11. "Regional Councils Today," September 1983, presented to the Local Government Advocacy Council by a committee of LRO directors headed by Bradley Barker of Region J.

12. Data prepared by John Booth, Office of Policy Development, N.C. Department of Administration, for the Local Government Advocacy Council.

Regionalism is a tradition in North Carolina, and regional councils are its custodians.

3. *Direct service delivery* is performed by all councils. Regional councils provide or coordinate services to elderly persons (daily hot meals, home assistance, and other services), coordinate and plan job training programs, and coordinate and plan emergency medical service (EMS) activities. The EMS programs link local rescue squads to all hospitals in the respective region. This regional EMS system helps to get patients to the hospital best suited to the patient's particular medical problem, even if in a neighboring county.

Regarding programs for elderly persons, regional councils coordinate the hot meal programs. The councils are able to receive bids on a regional scale, saving local governments substantial money. In the late 1970s, the Piedmont Triad Council began taking bids on food for the noonday group meal program (over \$400,000 annually). "Food prices came down dramatically and the quality improved," says Lindsay Cox, executive director of the Piedmont Triad Council.

New Roles for Regional Councils

The promotion of three sometimes conflicting objectives will challenge regional councils in the years ahead. Fundamentally, regional councils must work to develop a *sense of regional community*, identifying those objectives which are shared across the region and which require inter-jurisdictional cooperation to achieve. Regionalism is a tradition in North Carolina, and regional councils are its custodians.

Second, regional councils must work with their member governments to maintain special *features of local identity and interest*.

Finally, regional coordination must promote a *sense of efficiency* in the delivery of public services. Government at all levels is being asked to do more with less; this requires that public service agencies meet all the reasonable tests of efficiency.

Against this background, what benefits can regional councils offer in the future? We see increased opportunities in the following areas: public facilities and service, environmental planning and regulation, and economic development. Important work will continue in a variety of human service programs, from services to the elderly to employment skills training.

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monitor COG operations in a speech to local government officials: "If you have decided that the COG is your pass-through agent [for federal funds], then your task is to see that the programs really do pass through and that the funds are not used to staff COGs with positions that should be at the point of delivery—that is, in your county or municipality."

Excessive Costs of Administration

In 1977, COG staff payroll peaked at more than \$5 million paid to more than 500 employees. Was too much used on unnecessary administrative costs? Some specific situations are instructive, such as the evolution of the Upper French Broad Economic Development Commission (UFBEDC) into Region B.²

In its six years of existence, the UFBEDC never spent more than \$70,000 for administration in any one year. Then after the commission became Region B, the staff grew from 6 in 1973 to 31 in 1976; by 1982, the staff had shrunk to 21, with a planning and administrative budget of \$690,325. After that, the staff was cut to 14 and the administrative budget to \$399,731. Undoubtedly, Region B did perform some valuable services for the local governments in its region, and many of the new staff members and administrative costs may have involved some consolidation of existing services.* Nevertheless, from 1971 to 1982, per-staff-member costs increased 182 percent, from \$11,667 to \$32,873. Was this increase worth it?

If regionalism is determined to be necessary by local governments, the concept must be far more rigorously defined and limited in scope than the system in place today. Special purpose economic development commissions and regional planning commissions, established as specific needs arise and locally funded, would be a more cost-effective and efficient solution to problems than the current system of COGs in North Carolina.

In 1978, John A. Donnelly, then director of the Winston-Salem/Forsyth County Planning Department, explained his concern with the COG system like this:

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**Editor's Note:* In a pre-publication review of this article, Region B Executive Director Robert Shepherd said that most of the "growth" described by these figures "was actually absorption of staff and program of single-purpose existing agencies or addition of major new areas of responsibility." For a description of Region B's work in environmental areas, see "Is Regionalism Working in North Carolina?" by Robert C. Hinshaw, *Popular Government*, summer 1981, p. 38.

Pro (conclusion)

Public facilities and services. The nation is facing severe long-range deficiencies in water and wastewater facilities, highways, solid waste facilities, and public buildings. Regional councils play an important role in assisting local governments to find innovative ways to set priorities and combine resources to meet these needs.

Environmental Planning. Protection of reservoirs and watersheds from pollution is an important regional issue for the 1980s. Safe disposal of hazardous and toxic wastes, modern resource recovery facilities, and traditional functions such as landfills all require interjurisdictional cooperation. Regional councils play a major role in this area.

Economic Development. Planning in this area offers still another opportunity for interjurisdictional cooperation. Regional councils are helping local governments pursue innovative approaches to economic development, critical for the state if it is to maintain economic progress. For example, the Triangle J Council has been named the grantee, from the U.S. Department of Commerce, for the authority to operate a Foreign Trade Zone in the Research Triangle area. This authority gives an added competitive edge to the state in recruiting foreign industries and in giving existing local industries some marketing advantages. The Neuse River Regional Council (New Bern area) has implemented a similarly innovative effort in its revolving loan fund for local companies.

Conclusion

We believe that regional councils can become increasingly effective vehicles for inter-governmental cooperation. They remain important to local governments in planning functions, in the delivery of services, and in the providing of technical assistance. Regional councils are run efficiently and in a cost effective manner. The 18 councils spend between 5 and 9.6 percent of their budgets on administration, comparable to the percentages of counties and municipalities.*

To grow increasingly effective, though, regional councils need political support at the federal, state, and local levels. A consistent federal policy must emerge, beginning with Congress. The state of North Carolina must view regional councils as extensions of their member local governments and assist them in performing this role. At the local level, officials need to participate actively in their regional councils. Local officials can build—and in turn depend on—regional councils as an ever stronger resource to help meet the demands of an effective, performance-oriented local government. □

*So-called "indirect costs," sometimes assumed to be administrative costs of councils, are an entirely different figure and include actual major program costs. In the 1960s, the federal government imposed this "indirect costs" accounting system on the councils.

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"If you press me to say what benefit they [COGs] have given to the community, I'd have to say that there are some federal projects that were funneled through COGs and require regional planning. If I were pressed to say so, I would say it's not the only way to do it, and I'm not sure it's the most efficient way to do it."

Duplication of Local and State Efforts

Many state, local, and regional organizations and agencies provide similar services as COGs, especially in the areas of social services, health programs, and planning.

Social Services. COGs administer programs ranging from child care and employment to youth programs and services to the elderly. During the 1970s, when federal funds were most plentiful for COGs, duplication in this area was particularly worrisome. In 1980 for example, 35 community action agencies covering 78 counties spent \$68.3 million in federal funds. Community action agencies include the Blue Ridge Community Action Agency (Burke and Caldwell counties), Yadkin Valley Economic Development District (Yadkin, Stokes, Surry, and Davie counties), and others whose county service areas are similar to the COG areas.

Health Programs. From 1974 to 1978, federal and state funds for local family planning agencies went from the Department of Human Resources (DHR) to the regional councils. They, in turn, contracted with county or district health departments or local non-profit groups to deliver the services. In many instances, DHR distributes funds to a single agency for both administration and service delivery (e.g., for welfare, to county departments of social services; for mental health, to area mental health agencies). But in the family planning area, passing funds through the regional councils added an extra administrative layer.

In 1978, Secretary of DHR Sarah Morrow, at the urging of the Henderson County Health Department and others, ended the system of passing family planning grants through the COGs and funded the county health departments directly. "The new funding route was consistent with our other public health programs," says DHR Budget Officer Jim Woodall. "Having the program administered by the provider agency improved its efficiency."

The direct funding route saved thousands of dollars, says George Bond, director of the Henderson County Health Department. In addition, says Bond, "There was no decrease in services. I don't think the program suffered in any way."

Similarly, Henderson County saved \$22,227

Con (conclusion)

Table 1. Selected State Agencies Providing Services to Local Governments

Subject Area	Agency	Service
Land use planning	Div. of Community Assistance & Office of Coastal Management (NRCD)	Planning, zoning, subdivisions, land management, community development
Recreation planning	Division of Parks and Recreation (NRCD)	Funding for park development; recreation planning
Social services, aging, health	County Social Services Depts. Div. of Health Services (DHR) State Health Planning Agency	Planning for health, aging, nutrition, etc.
Transportation	Dept. of Transportation	Transportation planning
Water resources	Office of Coastal Management & Office of Water Resources (NRCD); Soil & Water Conservation Districts	Water and sewerage systems; air and water pollution monitoring and control; soil erosion planning
Economic development	Depts. of Commerce & NRCD	Economic development planning

by routing state funds for feeding women, infants, and children (WIC) directly to the health department rather than through the regional council, according to Bond.

Planning. Federal, state, and special purpose agencies, as well as private consultants, provide ample planning assistance to local governments in many fields. Table 1 summarizes some of the state and local agencies and the areas in which they work.

Conclusion

The concept of regionalism in the state of North Carolina demands a cold, hard uncompromising assessment to determine whether it is a bane or balm to the taxpayer who must support it. Local governments should set their own priorities and plan for the future. Programs should be conceived, established, and administered on the local level to the maximum extent possible, with technical assistance from state staff or private consultants.

This does not mean that local governments should adopt an isolationist stance as they face an increasingly complex world. Local elected officials and their professional staffs should be able to meet in an organized forum and deal with legitimate regional problems, like watershed management, or other issues determined by these officials to be important. Regional planning by elected officials and their professional staffs is a very good concept and should be

promoted further—not planning by a third party (i.e., a COG), which may be attempting to build an empire for its own purposes.

Special planning and economic districts should be established as needed, *to deal with specific issues*. Regional councils of government, first mandated by the federal government and now operating on their own momentum, depend primarily on federal funds to survive. They have become an expensive, complicated, and unresponsive luxury—a luxury we can no longer afford.

Regional councils of government have the ability to apply for grants and administer programs with minimal input from the electorate. As such, they do indeed constitute another layer of government. "Some [COGs] have seen the opportunity to use federal and state monies to create a bureaucracy and perpetuate jobs through local grants," says former Henderson County Commissioner Candler Willis. "The monster we have created is no longer the type of thing we need to serve the community."□

FOOTNOTES

¹*Kloster v. Region D Council of Governments*, 245 S.E.2d 180, cert. denied, 246 S.E.2d 215 (1978).

²Haywood County, originally part of a different ARC region, became part of Region B in 1971 under the Scott administration policies.