

June 6-7, 2008

Board Agenda Item # Y-78-08

State of the Counties Task Force Final Report

**Presenters: Patrice Roesler, Deputy Director
Jim Blackburn, General Counsel
Rebecca Troutman, Intergovernmental Relations Director
Matt Meinig, NCSU Intern**



Leadership

“Nothing of this magnitude has ever been done before by the Association...

...We want legislators to know that we will give accurate and unbiased statistics”

President David Young, August 2007



SOTC Task Force Appointed

- Co-chairmen:
 - Kitty Barnes and Terry Garrison
- NCACC Board Members who have been Presidents



Data Collection

- Board of Directors
- Steering Committees
- University interns



Collaboration with Universities

UNC – Chapel Hill MPA Program

Class project – Lukas Brun, Monica Evans, Rebekah Temple, Megan Wright

Working from NCACC Steering Committee benchmarks, the team identified 39 indicators for Tax/Finance, Education, Human Services, Justice/Public Safety, and Environment

NCSU – MPA Program

Matt Meinig – Working with UNC indicators, analyzed trends and conducted additional research on intergovernmental relationships and the economy



The Trouble With Statistics

- “Figures often beguile me, particularly when I have the arranging of them myself; in which case the remark attributed to Disraeli would often apply with justice and force: ‘There are three kinds of lies: lies, damned lies and statistics.’”

-Mark Twain



Selecting County Cohorts

- Need to assess individual county data in light of:
 - Statewide statistics
 - Region
 - Proximity to economic centers
 - Traditional groupings



Selecting County Cohorts

- Some challenges with comparing data from county to county:
 - Urban vs. Rural
 - Agrarian vs. Commercial/Industrial
 - Population variances
 - Resource variances



Selecting County Cohorts: An Example

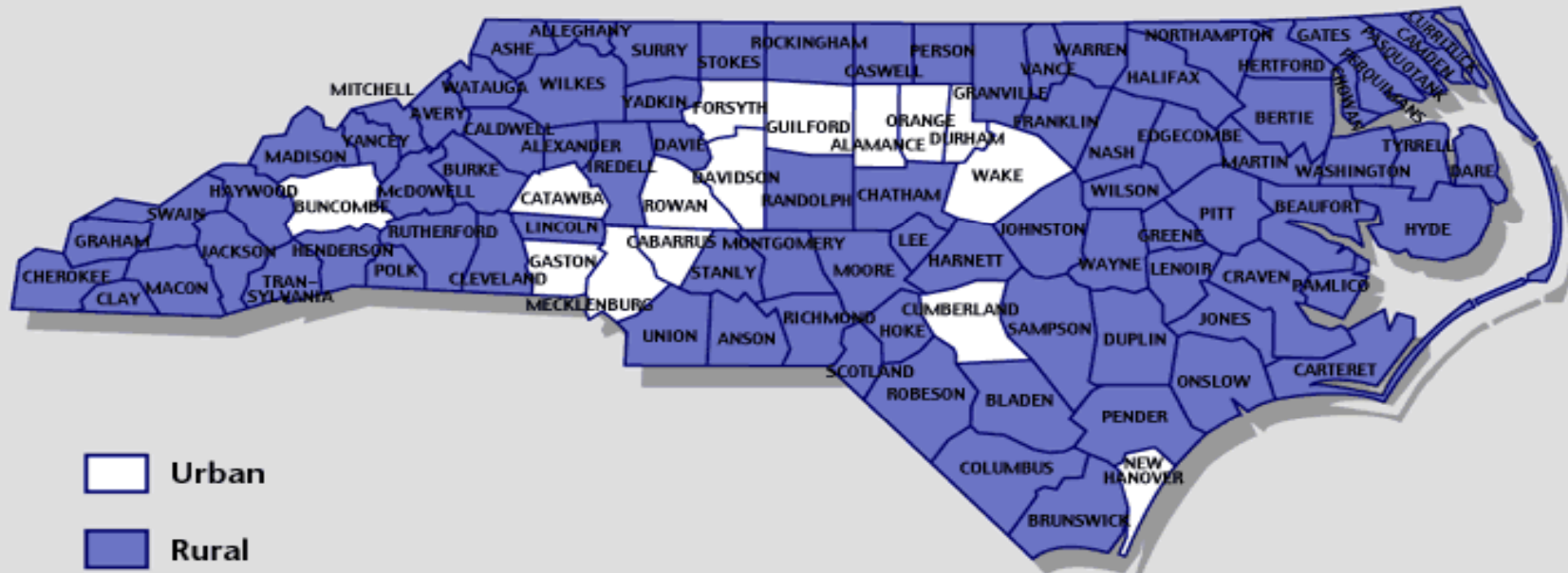
- Bond Ratings (FY2006 Data)
 - 76 Counties with a long-term G.O. bond rating from at least one agency
 - The 12 highest rated counties have the following in common:
 - 8 are among the 12 most populous counties
 - 10 have interstate highway access
 - 10 are classified as “urban” counties
 - All 12 perform a comprehensive Capital Improvement Plan (CIP) of at least 5 years
 - All 12 rank among the 20 highest appraised value



Rural and Urban Counties

RURAL AND URBAN COUNTIES

North Carolina

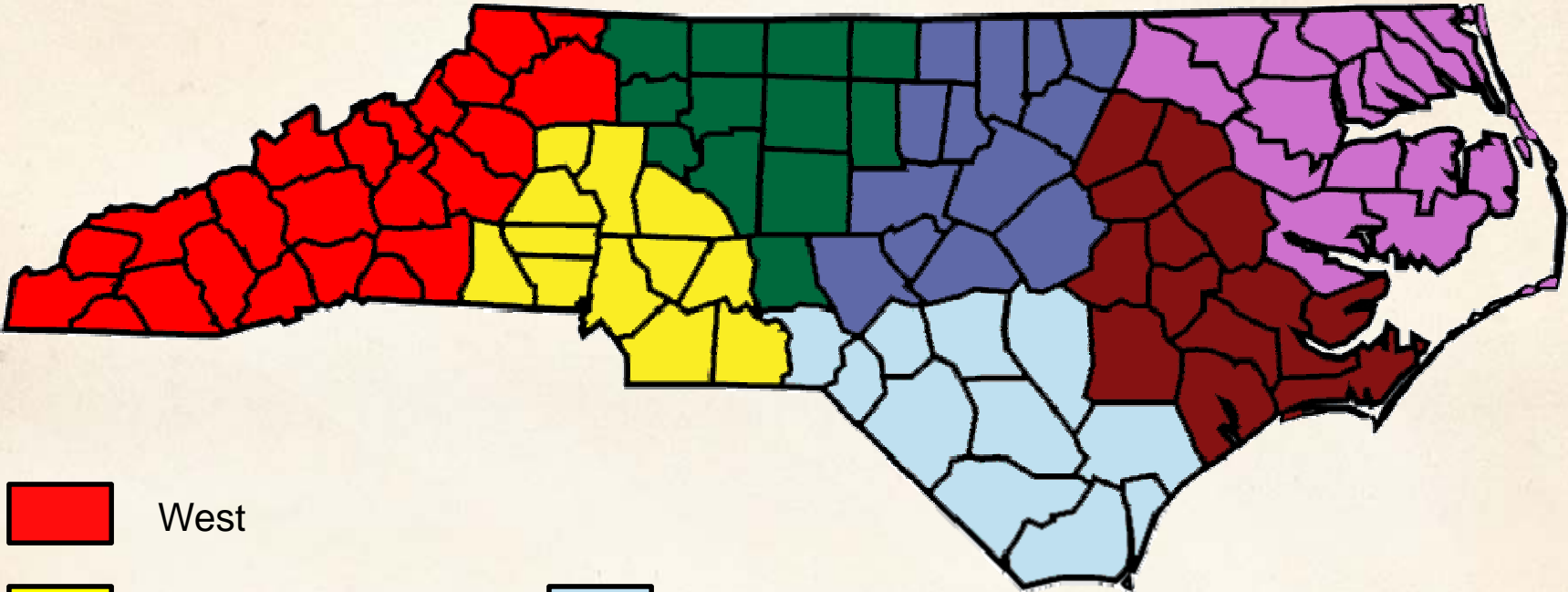


County Groupings

- Economic Development Regions
 - Established by NC Department of Commerce
 - Grouped by region, traditional relationship with neighboring counties, and proximity to economic centers
 - Exposes trends and enables statistical comparisons and best practice analysis
 - Useful as a guide for trends, but not a definitive grouping



Economic Development Regions



West



Charlotte



Piedmont Triad



Research Triangle



Southeast



East



Northeast



Benchmark Analysis

- Agriculture
- Environment
- Human Services
- Inter-governmental Relations
- Justice & Public Safety
- Education
- Taxation & Finance



Agriculture

- The background:
 - The number of farms in NC has declined by about 83% since 1948.
 - Loss of textile industry statewide
 - Decline of tobacco markets
 - Federal tobacco buyout

Source: NC Rural Economic Development Center



Agriculture

- Current trends:
 - Between 1997 and 2002, more counties (70) gained in number of farms
 - Durham (50% increase)
 - Transylvania (47%)
 - Hyde (44%)
 - Average age of farmers has remained stable
 - 2% increase statewide
 - Western counties show an average age decrease



Agriculture

- Statewide farm acreage decreased about 1% between 1997 and 2002
 - 46 counties showed some loss of acreage during this period



Agriculture

- Statewide production decreased about 11% between 1997 and 2002
 - Crop production declined 23%
 - Tobacco dropped 44%
 - Cotton dropped 40%
 - Livestock production declined 5%
 - Dairy dropped 16.5%
 - Hogs/pigs dropped 15%



Agriculture

- Room to grow:
 - Fruit/berry production up 83%
 - Poultry/egg & cattle production up 5%
- Non-traditional markets
 - Christmas trees
 - Greenhouses



Agriculture

- Recent Trends:
 - 55 counties gained in agricultural production between 2005 and 2006
 - Corn production increased 33%
 - Fruits & berries increased 24%
 - Wheat increased 2%
 - Tobacco increased 20%



Agriculture

- Recent Trends:
 - Most agricultural growth seen in westernmost and easternmost counties
 - Durham is one exception with a 12% increase in livestock production
 - Urban counties saw little growth or decline



Environment

- The background:
 - Between 1990 and 2000, NC population grew 21.4%
 - 9th fastest in the nation
 - Between 2000 and 2005, NC population grew 7.9%
 - 7th fastest in the nation
 - Growth has benefitted economies, but also impacts the environment and natural resources



Environment

- Water
 - Despite tremendous population growth, public-supply demand increased only 1% statewide between 1990 and 2000
 - However, about 2/3 of counties saw some level of increase in public-supply customers along with a 25% population increase
 - Public-supply users increased 19%
 - Self-supplied users increased 28%



Environment

- Those counties that lost public-supply users had an average population growth of 14%
 - Public-supply users declined 31%
 - Self-supplied users increased over 79%
- Statewide, self-supply water users increased 44% between 1990 and 2000



Environment

- Water Trends:
 - Northern and Western counties show the greatest decrease in public-supply users
 - Coastal and Easternmost counties show the greatest decreases in self-supplied users
 - 11 of the 15 “urban” counties show increases in public usage
 - 14 of the 15 show an increase in self-supplied users



Environment

- Solid Waste
 - Since 2000, solid waste generation has generally increased statewide:
 - 2000-01: 5.47 lbs. per person per day
 - 30% of counties generated less than avg.
 - 2001-02: 5.50 lbs. per person per day
 - 50% of counties generated less than avg.
 - 2002-03: 5.80 lbs. per person per day
 - 54% of counties generated less than avg.
 - 2003-04: 6.16 lbs. per person per day
 - 54% of counties generated less than avg.
 - 2004-05: 6.04 lbs. per person per day
 - 48% of counties generated less than avg.
 - 2005-06: 6.19 lbs. per person per day
 - 54% of counties generated less than avg.



Environment

- Recycling
 - Recycling efforts have not kept pace with either population or solid waste growth
 - While 70 counties saw some increase in per capita recycling, there has been only a 4% average annual growth in recycling statewide



Human Services

- The background:
 - Increase in population with a corresponding increase in demand for services
 - Growth trends are imperative for forecasting future program needs
 - Healthcare and services for children, the elderly and the poor

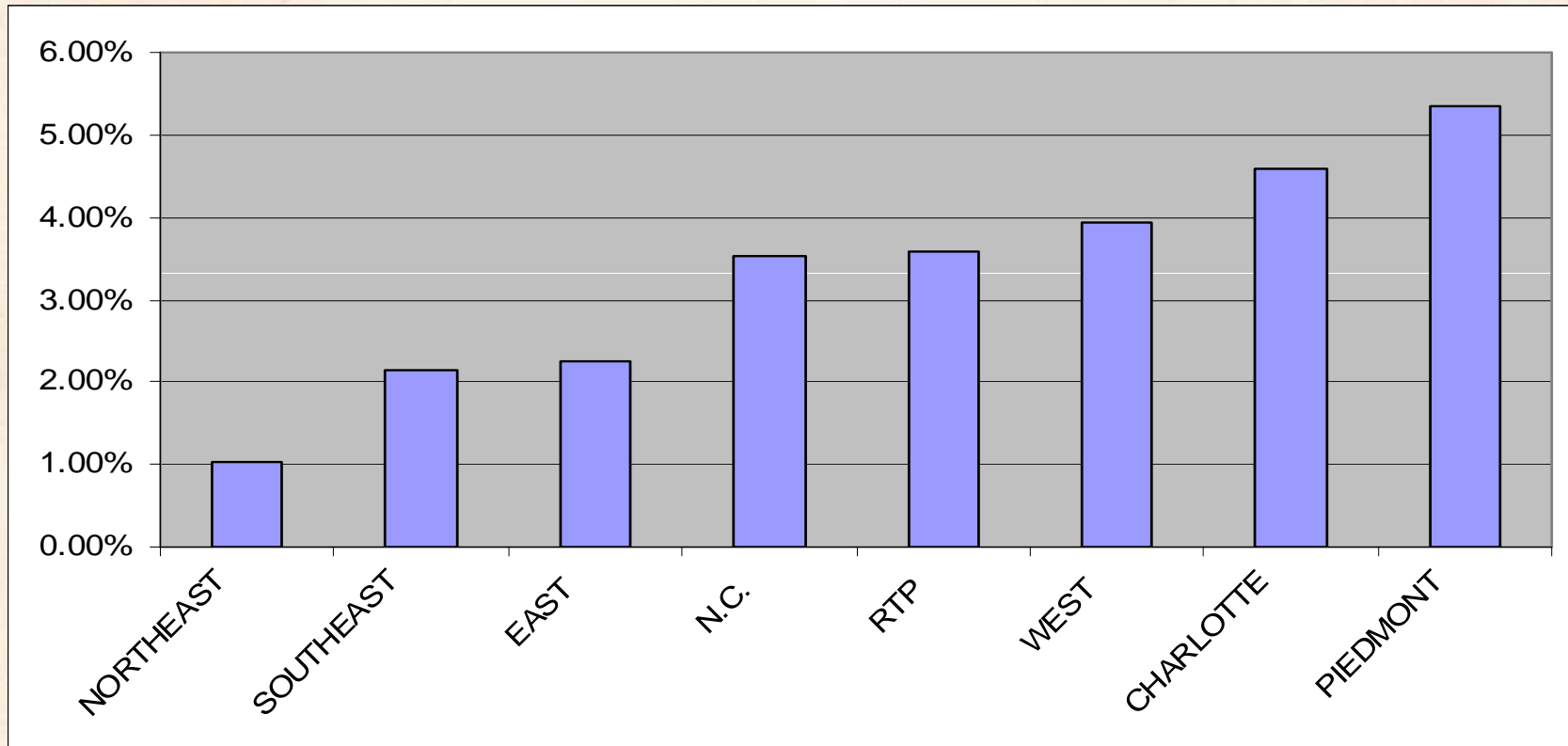


Human Services

- Medicaid Eligibles
 - Average annual statewide increase of 3.52% in number of residents eligible for Medicaid services between 2000 and 2006
 - Only 3 counties show a decrease during this period
 - All 3 are coastal counties
 - Central and Western counties show the largest increases during this period
 - Only 2 counties east of Interstate 95 have rates higher than the state average



Average Medicaid Eligible Growth 2000-2006



Human Services

- Children Under DSS Responsibility
 - Statewide, numbers have remained relatively stable, despite population growth
 - Between 1.2 and 1.3 children per 1000 residents are under DSS care annually
 - Slightly more than ½ of counties are at or below the state average annually
 - No discernable regional pattern
 - Little correlation to economic factors (median home value & poverty level)



Human Services

- Health Coverage

- Selected indicator is number of physicians per 1000 residents

- Orange, Durham and Pitt counties make up the top three

- Jones County ranks 4th

- Of the 10 counties with the lowest ratio, nine are from the eastern/coastal portion of the state

- Deviations from this pattern are Pasquotank (10th best ratio) and Chowan (11th best)

- Compare to Mecklenburg (17th best) and Wake (18th best)



Human Services

- Infant Mortality
 - Slight correlation between high physician ratio and low infant mortality
 - Perquimans had the highest average annual infant mortality rate (18.6 per 1000 births), and the lowest physician ratio from 2000 to 2005
 - Wake and Durham showed higher physician ratios in conjunction with lower infant mortality rates
 - Some deviations from the trend:
 - Camden had the 2nd lowest infant mortality rate, and was 4th lowest in physician ratio
 - Orange had the highest physician ratio, but only 23rd lowest infant mortality rate



Human Services

- Poverty rate and infant mortality
 - Some statistical correlation exists
 - Camden, Wake and Union all show low poverty and infant mortality rates from 2000 to 2005
 - Perquimans, Northampton, Edgecombe, Hertford, Bertie and Warren all have high poverty rates with correspondingly high infant mortality rates
 - Deviations
 - Dare, Jones, Graham, Davie, Alamance and Person all have lower poverty rates, but high infant mortality rates



Justice & Public Safety

- The background:
 - The most difficult category to find county-level data
 - Relatively reliable data due to uniformity of reporting
 - Crime stats are broken down into the following categories:
 - Drug Crime Convictions
 - Violent Crimes Reported
 - Property Crimes Reported



Justice & Public Safety

- General Trends:
 - Western counties tended to have lower rates of crime in all three categories
 - Regionality seems to have the largest impact on data of all the study areas



Justice & Public Safety

- Drug Convictions
 - 7 of the 15 “urban” counties have average rates of drug convictions lower than the state average of 0.615 per 1000 population from 2004 to 2006
 - 28 of the 38 counties east of Interstate 95 have conviction rates higher than the state average
 - Including 10 of the highest 11



Justice & Public Safety

- Violent Crimes Reported
 - Between 2002 and 2006, violent crimes reported have generally increased statewide
 - 4.62 violent crimes reported per 1000 residents, on average, between 2000 and 2006
 - Despite the overall increase, only 18 counties have rates higher than the state average
 - In general, western counties had less than half the reported violent crimes of those in the southeast portion of the state



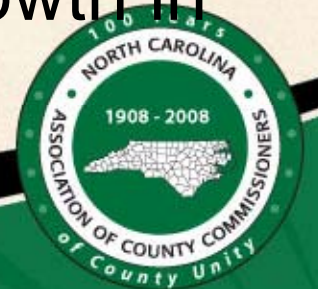
Justice & Public Safety

- Property Crimes Reported
 - Between 2002 and 2006, an average of 40.87 property crimes were reported per 1000 population statewide
 - Western counties have a rate about half of the state average (20.64)
 - Southeast (45.21) and eastern (40.72) portions of the state equal or exceed the state average



Education

- The background:
 - Booming statewide population has led to a likewise increase in student population
 - The bulk of the student growth has occurred in the central portion of the state
 - Eastern NC is experiencing a slower growth in student population



Education

- Average Daily Membership (ADM)
 - Statewide ADM counts show an average increase in school populations
 - 1.65% annual increase, on average, between 2000 and 2005
 - 26 counties show increases higher than state average
 - All 15 “urban” counties show some growth
 - 31 counties show zero or negative growth
 - 23 of these counties are east of Interstate 95



Education

- Funding*
 - Per pupil funding from the state increased an average of 1.8% annually, statewide between 2000 and 2005
 - Federal funding grew about 12% annually, on average during the same period
 - No obvious statistical correlation between annual attendance growth and funding levels

*Funding data excludes charter schools



Education

- Funding Examples

- Union County

- Highest growth in state from 2000 to 2005 (6% annually, on average)
 - State funding increased 1.35% annually, on average during this period
 - 91 counties show a higher average annual increase in state funding
 - Federal funding increased nearly 19% per year, on average



Education

- Funding Examples
 - Currituck County
 - 4th highest average attendance growth between 2000 and 2005 (4.5%)
 - 2nd lowest average state funding increase during the same period (less than 1%)
 - Federal funding increased about 7% annually, on average



Education

- Funding Examples
 - Northampton County
 - Highest average annual decrease in ADM between 2000 and 2005 (6%)
 - Highest average annual increase in state funding during same period (7%)
 - Tyrrell County
 - 2nd largest average annual decrease in ADM (4.3%)
 - 3rd largest annual increase in state funding (6%)



Education

- General Trends:
 - Data suggests an inverse correlation between ADM and funding increases
 - 5 of 6 counties with highest state funding increase are in Northeast region
 - As are 7 of top 12
 - The 11 counties with lowest state funding increase all have average annual ADM increases
 - 8 of these counties are in central NC
 - The 6 counties with the highest increase in state funding all show decreases in ADM
 - As do 7 of the highest 8, 13 of the highest 16, and 17 of the highest 23



Education

- General Trends
 - Higher county poverty rates have a slight correlation with higher state funding
 - Federal funding does not appear to statistically correlate to either poverty or ADM
 - Neither state nor federal funding levels appear to affect each other



Taxation & Finance

- The background:
 - Economic downturns in eastern NC in conjunction with economic growth in central NC
 - General decline in unemployment statewide
 - General increase in building permits statewide
 - General increase in assessed property value



Taxation & Finance

- Building Permits
 - From 2001 to 2006, building permits have increased about 6% annually, on average, statewide
 - Eastern counties are on both extremes
 - The top 17 counties with greatest average annual increase are all in eastern NC
 - The 3 greatest decreases during this period are also in eastern NC



Taxation & Finance

- Building Permits
 - Wake and Mecklenburg both show average annual increases from 2001 to 2006 slightly below the state average
 - The counties surrounding Mecklenburg tended to have higher average annual permit increases
 - Union, Lincoln, Iredell, Stanly & Gaston all have increases higher than state averages during the same period



Taxation & Finance

- Unemployment
 - From 2001 to 2006, all but 14 counties show an average annual decrease
 - The average aggregate rate statewide was 5.7%
 - 44 counties were equal to or lower than average
 - Western counties were generally lower
 - Gates, Camden and Currituck are all in the 5 lowest unemployment rate by county
 - Generally, eastern counties had the highest rates
 - 3 of the bottom 4 are east of Interstate 95
 - As are 6 of the bottom eleven



Taxation & Finance

- Assessed Property Value
 - From 2004 to 2006, assessed value of property increased by about 4% annually, on average statewide
 - Only 2 counties show a decrease in assessed value during this period
 - Union and Jackson saw the largest growth
 - 4 of the 6 counties with the most growth are on the coast
 - Only 4 “urban” counties show average annual growth higher than state averages



Taxation & Finance

- Personal Income
 - Statewide personal income levels increased an average of about 3% annually between 2001 and 2005
 - Nationwide inflation grew an average of 2.55% annually during the same period
 - Onslow and Cumberland both showed nearly 8% average annual personal income growth



Taxation & Finance

- Personal Income
 - The 3 counties with highest increase in personal income are all east of Interstate 95
 - As are 13 of the top 16, and 21 of 28
 - Only 9 counties east of I-95 are in the lower 50 in terms of personal income growth
 - Wake County, while having the 4th highest income level per capita in the state (2005) increased an average of only 1% annually between 2001 and 2005

