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REPORT TO THE 1991 GENERAL ASSEMBLY
JOINT LEGISLATIVE COMMISSION ON FUTURE STRATEGIES
FOR
NORTH CAROLINA



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REPORT TO 1991 GENERAL ASSEMBLY
JOINT LEGISLATIVE COMMISSION ON FUTURE STRATEGIES
FOR
NORTH CAROLINA
JANUARY, 1991

INTRODUCTION

This is the first report of the Joint Legislative Commission on Future Strategies for North Carolina. The Members of the Commission were appointed in November, 1990, allowing sufficient time for five meetings.

The Commission on Future Strategies' charge is wide-ranging.¹ Essentially, the Commission is expected to investigate major trends and conditions that are beginning to occur, now, in North Carolina, and forecast and examine which issues, opportunities, or problems will be important for the General Assembly to address. No specific future-year forecast is called for in the existing legislation. In general, the Commission did not confine itself to matters of immediate impact (e.g., budget shortfall); rather, it considered the long-term impact of fiscal and budgetary policies that may have created funding problems and how these difficulties might be anticipated and resolved in future legislation. And while public school reform was considered a major issue facing the State, the Commission determined this matter was under thorough investigation by a number of other General Assembly study commissions.

This report contains a description of the history of the Commission, along with findings, conclusions, and recommendations derived from testimony and research reports provided to the Commission from representatives of local governments; the Community College system president, Mr. Scott; Dr. Malcolm Gillis, Chairman of the Economic Future Studies Commission; Dr. Sheron Morgan, Director of the Governor's Office of Policy and Planning; and, Mr. William Friday, President, George F. Kenan Foundation.

Senator William Goldston and Representative Jo Graham Foster served as Commission Co-Chairs and wish to express their appreciation to other Commission Members, and to the President Pro Tempore of the Senate and the Speaker of the House, for the opportunity to serve in this capacity in the General Assembly.

HISTORY OF THE COMMISSION

The Joint Legislative Commission on Future Strategies for North Carolina was initially recommended by the Growth Management Study Commission created by the General

¹ Please see legislation creating Joint Commission, Appendix 1.

HJ 7619, 6.18.1991

LEGISLATIVE CLERK

Assembly in 1989.² In particular, the Growth Management Study Commission found that:

- Local Governments had an array of statutes and functions assigned to them that facilitated the development of growth management strategies;
- The State, as well, had recognized the need for statutes relating growth management, statewide goals, and the analysis of strategic needs by enacting such legislation as the Southern Growth Policies Agreement (1973); the State Goals and Policies Board (1975); the Balanced Growth Policies Act (1979); and the Commission on the Future of North Carolina ("N.C. 2000," 1981).³ In addition, since 1971, G.S. 143-17 had required state agencies to submit annual "plans of work" and annual reports to the Governor and the General Assembly; and,
- Thus, while statewide planning statutes were "on the books," language in those statutes was permissive, rather than directive.

The Growth Management Study Commission concluded:

"These findings strongly suggest the need for a formal standing Commission with the General Assembly which shall review future trends and events to consider how they may affect North Carolina. This proposed Commission would then provide the legislature with policy options for how the State can be prepared to benefit from the future trends and events. Such a Commission could begin its work by returning to the NC 2000 report and preparing a useful update of that document.

"Therefore, it is the recommendation of the Growth Management Study Committee that the General Assembly establish a Joint Legislative Commission on Future Strategies for North Carolina to serve as a focal point of foresight within the legislative branch...."⁴

FUTURE STRATEGIES COMMISSION ACTIVITY IN 1990

At the outset it was clear that activity of the Commission had to conform to the amount of time available to consider a wide range of concerns and issues. Current Commission Members' terms expire with the beginning of the 1991 General Assembly.

LOCAL GOVERNMENT "FUTURES"

The Commission determined that, in special "futures committees" set up through their respective statewide associations, the cities and counties in North Carolina recently had completed reviews of current and future trends affecting these local government units. With the State facing a most severe budget shortfall in FY 1991 and FY 1992, and with

³ See pp. 6-9, Growth Management Study Commission report, Appendix 2.

⁴ Growth Management Study Commission Report, Appendix 2, p. 10.

a Federal budget bill enacted that included a number of federal excise tax changes that could reduce state revenues, it seemed prudent for the Commission to learn how local governments determined—in their opinion—which issues most affected them, now, and in the future.

CITIES AND TOWNS

"Futures" issues for the municipalities of North Carolina were presented by Mayor Ed Henson of Franklin, N. C., (Macon County), Chairman of the Committee on the Future of Cities and Towns of the North Carolina League of Municipalities. This 28-member committee met for 13 months to consider major issues facing these local governmental units. Mayor Henson noted that it appeared to him that"Foresight beats Hindsight by a Dangsight"....and that his committee identified 35 "significant challenges" facing cities and towns, but that....

"In the end, we were intrigued by the challenges of three simple, pervasive problems:

How to match revenues with responsibilities;

How to accommodate environmental concerns and economic development; and

Leadership—where to find it, how to encourage it, what it takes to keep it."

The revenue/responsibilities match. Cities and towns have limited revenue sources, according to Mayor Henson, and the backbone of municipal revenue sources—property and local sales taxes—are growing at slower rates than local government expenditures.

With these major revenue sources growing at a slower rate, cities and towns must place greater reliance on replacement revenues from the State (local government reimbursements enacted as a result of the 1985 tax reduction package on inventory taxes, etc.). But these amounts remain relatively fixed and experience no growth.

Thus, cities and towns find that their remaining choices are to increase existing fees and charges and create new ones, and/or raise property taxes. In 1989, 43% of municipalities raised fees and 15% put new fees in place; 48% raised property taxes.

On the expenditure side of the revenue/responsibility equation, the pressures are straightforward and clear. They are interrelated. They conspire to make local government financing problematic. These pressures include:

- Inflation;
- Increasing cost of State and Federal mandates; and, the addition of new mandates;
- Decline of Federal funds to cities and towns (In the last 10 years, Federal funds have declined from 14.5 cents to 3 cents of every dollar of municipal revenues);
- Superior taxation abilities of State and Federal government "crowd out" city/town ability to increase revenues; and,
- Greater taxpayer dissatisfaction with the property tax.

In order for the cities and towns to be more responsive and creative in handling these pressures, Dr. Henson's Committee recommends that:

- Cities and towns be given more responsibility to raise their own taxes, in other words, to be allowed to have more revenue options than property and local sales taxes;
- Clearer distinctions be made between city, county and state roles and responsibilities; and that,
- The state provide equitable funding when it enacts a new standard or service to cities and towns.

Environmental concerns vs. Economic development. Strong local economies allow cities and towns to invest in vastly more efficient buildings and equipment; yet, ... "environmental protection is an inevitable, unavoidable role for cities...." If environmental concerns are ignored, residents and businesses cannot be recruited and retained. Consequently, Mayor Henson's Committee found that:

- -Strategic planning for communities is essential; community values must be translated into "practical, workable plans";
- Local units must "set the example for environmental protection;
- The cost of environmental protection must be made obvious. ... "cost-makers" should be "cost-payers";
- It is essential to stress that ... "what is environmental sound is economically sound...";
- Mediation and conflict-resolution strategies should be in place in the community when environmental and economic development issues collide; and,
- Environmental education should be a major, on-going priority.

Leadership. The 60's and 70's were the "age of representation" in which those formally excluded from the political arena became included; the 80's and 90's are the "age of learning" in which, to avoid political gridlock, leaders must learn to build coalitions and "negotiate common interests". For Mayor Henson's Committee on the Future of Cities and Towns, this means that local governments must:

- Develop better ways to identify what and when changes occur;
- Develop better reward systems, not only for elected, but for appointed officer-holders and volunteers;
- "Market" local government services as "products" available for use by the citizen-taxpayer; and,
- Encourage the city to listen to the neighborhoods; to teach coalition-building, along with mediation and conflict-resolution, as minimum necessary talents needed in an officeholder.

COUNTIES

In a fashion similar to the League, the Association of County Commissioners conducted a study of trends and conditions that would affect county governments. The Association formed the Special Committee on Future Strategies, chaired by New Hanover County Commission Chairman, Fred Retchin. Speaking in behalf of the Association's Special Committee, Mr. Ed Regan of the Association's staff presented the counties' Special Committee findings to the Joint Legislative Commission on Future Strategies.

The Special Committee's findings were based upon a direct survey of county governments, in terms of budgeting, expenditure, and staffing pattern trends, and various demographic reports. Several major findings were determined and are summarized below:

Cost transfers. As the Congress continues its pursuit of deficit reductions, costs to operate federally-mandated programs will continue to be transferred to State and County governments.

Tax increases. Federal domestic assistance will continue to decline; the Congress will continue to avoid general tax increases. The Congress will cloak resulting cost increases of existing federal mandates to states and counties in themes such as "cost containment" and "reform initiatives."

More Federal Tax Code changes. There will be continued changes in existing Federal tax code, rather than tax increases (such as limitations on tax-exempt bonds, deductability of state and local taxes, etc.,).

States will make domestic policy. As these strategies of cost transfers and tax code changes take hold—and as the Congress continues to avoid major tax increases—the states, and especially legislatures, will become the ..."focal points for development of domestic public policy...."

North Carolina General Assembly. Given the trends noted above, the counties Special Committee forecasts a substantially increased policy-making role for the General Assembly, characterized by longer sessions; more working study commissions between sessions; an increased demand for more sophisticated information upon which to base policy decisions; and, increased difficulty at arriving at consensus, due to more two-party competition.

Counties will be expected to do more. Just as the federal government and Congress are engaging in a strategy of "creeping pre-emption", so also will North Carolina, in reaction to a declining federal role, expect counties to increase their share of the cost of delivering public services mandated by the State. The counties' Special Committee forecasts that county costs for environmental protection and growth management services, especially, will increase.

New options for counties. In response, counties can be expected to explore and implement new organizational and structural options for delivering services, and place more emphasis upon multi-county and inter-county contracts.

"FUTURES" ANALYSIS IN THE EXECUTIVE BRANCH

In September, 1990, Governor Martin called a meeting of departmental secretaries and Council of State heads to announce a new planning initiative in the Executive Branch. The initiative is being coordinated by Dr. Sheron Morgan, Director of the Governor's Office of Policy and Planning. Departmental plans were completed in December, 1990 and will be available to the General Assembly committees at the beginning of the 1991 Session.

While not a "futures" or strategic planning analysis in its strictest sense, these departmental plans will represent an important beginning tool for legislators and executive branch agencies to use in assessing major priorities, in the near-term, and setting the stage for analysis of future needs, in the long-term. In her presentation to the Legislative Future Strategies Commission, Dr. Morgan described 4 key elements of each departmental plan, as follows:

Mission statement. A statement of the department's mission which identifies its client and describes its obligations and responsibilities to these clients, over the next four-year period.

Outlook statement. This statement identifies and examines factors both internal and external to the organization which may influence how the department is able to respond to increases or decreases in demands for its services. Again, the planning horizon is a four-year period.

Objectives statements. Departmental objectives are expected to be (a) consistent with mission and (b) responsive to the expected outlook for services to clients.

Outcome statement. These are statements of measurable results to be expected from the achievement of objectives.

Dr. Morgan cautioned the Commission not to consider these plans the final strategic plan for all of state government; at a later date in 1991 and in 1992, the Executive Branch is expected to prepare and publish a formal statement of strategic plans for the future.

COMMUNITY COLLEGES "FUTURES" STUDY

The Commission elected to hear a presentation from President Robert Scott of the North Carolina Department of Community Colleges, regarding that department's strategic plan, in that it represented a major example of a single department's work on future issues and strategic needs.

President Scott reported on the activity of the system's blue-ribbon commission on the Future of the Community Colleges. This special commission found that, in general, the system needed to develop a system for tracking the overall performance of its 58 institutions, thus strengthening the accountability of the system. In particular this tracking system would measure the system's ability to meet student learning expectations.

The President noted that 80% of those in the workforce, today, would be employed in the year 2000; that a "skills gap" was emerging among North Carolina's workforce, in which the skills needed to allow workers to seek and retain jobs in new, technical industries were

not being taught in North Carolina: that while the community college system had experienced a 31% growth in the last 10 years, it remained funded at 34% below the national median in per student funding in technical programs.

Further, he noted serious deficiencies in funding programs in literacy and adult basic education, a condition which will further discourage new economic development, if allowed to continue. The Community Colleges' "futures" commission estimates that, in order to attain the goals and recommendations in its report, an additional \$135 million per year would be required.

CONCLUSIONS

These findings, by no means, are intended to represent all conditions, situations, or solutions —good or bad— facing North Carolina in January, 1991, and beyond. They are simply those the Commission elected to examine in the time available to it from November, 1990 through January 30, 1991 and the Commission recognizes this limitation.

It is the opinion of this Commission, based upon the testimony and studies reviewed, that there are several structural, cross-cutting, bedrock issues facing North Carolina that must be addressed in the 1991 Session, if North Carolina is to remain responsive to its citizens and taxpayers.

A STRATEGIC PLAN: What is clear to this Commission is that the North Carolina League of Municipalities and the North Carolina Association of County Commissioners, along with the Department of Community Colleges, have set the pace for examining the "forces of the future" that face local governments and community colleges in North Carolina. In addition, these organizations have examined several alternative strategies and solutions to the problems and opportunities they face.

It is also clear to this Commission, however, that except for the departmental plans soon to be presented to the General Assembly, an overall strategic plan for all of State Government has yet to be developed. At best, the 1991 departmental plans forecast only a four-year outlook and do not contain analyses of complimentary or competing objectives, nor do they incorporate, necessarily, impacts upon local governments or intergovernmental funding.

INTERGOVERNMENTAL FUNDING: The State of North Carolina can no longer expect increased Federal funding of domestic programs —beyond general inflationary increases — (especially in entitlement programs or federal block grant funds, or federal highway trust funds) from the Congress of the United States. The war in the Persian Gulf, when combined with current federal deficit pressures such as the Savings and Loan bailout, will virtually ensure continued deficits at the federal level. The Congress will continue to pre-empt state spending with unfunded federal mandates, tax code revisions, etc.

Continued federal deficits will require North Carolina to pay a larger share of the costs of Medicaid, AFDC, and other entitlement programs. It will require the state, as well, to fund a larger share of costs for infrastructure improvements such as clean air and water, wastewater treatment, solid waste, highway maintenance and highway construction.

To the extent the State must pick up these additional costs, less funds will be available for distribution to cities and counties, and more stress will be put upon state-funded programs competing for General Fund dollars, i.e., schools, universities, mental health, public health, corrections, salaries, retirement, and the state employee health plan.

Since, constitutionally, the State cannot engage in deficit spending, a portion of these additional costs will have to be picked up by other governmental entities, such as the cities and counties, if they are mandated by the federal or state government. Or, the State must cut spending at current levels, and reallocate it to programs requiring higher costs, or it must raise taxes, or it must both cut spending and raise taxes.

Cutting state spending or raising revenues, or both, are not new strategies. What is new, in the opinion of this Commission, is the urgency with which it must be accomplished, in combination with the size of the requirements and the direct impact upon local governments, whose taxing authorities are limited.

MANAGING NORTH CAROLINA'S FUTURES: Throughout this document the word "future" has been used in the plural. The Commission is of the opinion that North Carolina, generally, and state government in North Carolina, in particular, can forecast—and can create—a number of "futures" scenarios for our State. The Commission concludes, however, that several new management initiatives must be implemented in state government—at little or no additional cost—to ensure that the State will be better positioned to respond to these futures as they evolve. Such initiatives should have the following goals:

- Decision-making occurs at the lowest level of supervision in the organization; individuals or organizations needing assistance or approval get a quick response; state agency services are more decentralized;
- Bureaucracy is reduced by reorganizing state agencies to have fewer levels of supervision; supervisors manage more people;
- A determination is made as to which state services or programs are good candidates for transfer to the private, for-profit or private, non-profit sector of the economy;
- Data gathering and data analysis improvements are mandated in all state agencies and are incorporated, annually, into the statewide strategic planning and budgeting process; and,
- As much funding as possible is reallocated to successful programs whose principal mission is prevention.

RECOMMENDATIONS

CONTINUE FUTURE STRATEGIES: The Commission recommends that the Joint Legislative Commission on Future Strategies for North Carolina be re-enacted and made a permanent standing Commission of the General Assembly.

It is recommended that this Commission review such studies as the following:

North Carolina 2000

Decade in Review

Departmental Plans

STRATEGIC PLANNING: The Commission recommends the appropriate committee of the 1991 General Assembly, after a thorough review of all relevant statutes and regulations, authorize a study of the requirements necessary to create a workable system of strategic planning for state government, in the Executive Branch.

Such a strategic planning system study should account for all appropriate intergovernmental requirements between federal, state, and local units of government, and it should allow for comment or review by local governments, individual citizens, or groups of citizens.

The strategic planning system study should build upon work underway at present in the Executive Branch departments and the Council of State. In addition, current planning statutes of the Board of Governors, General Administration should be reviewed and appropriate statutory language be included to ensure that the University System participates in the study.

Strategic planning study legislation should direct the Governor to specify an agency to coordinate and direct the study; necessary funds should be provided from lapsed salary monies, reallocated to the coordinating agency by the Office of Budget and Management. Authorization to begin the study should be effective upon ratification of the legislation.

A final report of study recommendations should be distributed to the Governor, Council of State, the Governor's Executive Cabinet, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, House and Senate Appropriations Committee Chairs, and the Co-Chairs of the Joint Legislative Commission of Future Strategies for North Carolina, no later than 20 working days prior to the convening of the 1991 General Assembly, Regular Session, 1992.

And, finally, the Commission respectfully suggests to the Speaker of the House and the President Pro Tem of the Senate that they call a joint Session of the General Assembly to hear Mr. William Friday present his ideas on strategic planning and critical issues facing North Carolina in the future that must begin to be addressed today.

INTERGOVERNMENTAL FUNDING AND FINANCE: The Commission recommends that its successor Commission, in 1991-93, be authorized to undertake a study of federal, state, and local government funding relationships, including a review of local government finance, and the impact of unfunded federal and state mandates upon local government. The Joint Legislative Commission on Future Strategies for North Carolina should be allowed to seek funding and staff assistance for such a study from private foundation sources, subject to the approval of the Legislative Services Commission.

Further, the 1991-93 Commission should be allowed to contract outside technical or consulting assistance, subject to Services Commission approval, in connection with the conduct of the study.

DEPARTMENTAL PLANS: The Commission recommends the Governor provide copies of the forthcoming departmental plans, coordinated by the Office of Policy and Planning, to all Members of the General Assembly. Further, the Commission recommends that the Speaker of the House and the President Pro Tempore of the Senate call Members' attention to these departmental plans as a guide and resource in their deliberations, during the 1991 Session.

STATE OF NORTH CAROLINA

SESSION LAWS AND RESOLUTIONS
PASSED BY THE
1989 GENERAL ASSEMBLY
AT ITS
EXTRA SESSION 1989
BEGINNING ON
THURSDAY, THE SEVENTH DAY OF DECEMBER, A.D. 1989
AND AT ITS
EXTRA SESSION 1990
BEGINNING ON
TUESDAY, THE SIXTH DAY OF MARCH, A.D. 1990
AND AT ITS
REGULAR SESSION 1990
BEGINNING ON
MONDAY, THE TWENTY-FIRST DAY OF MAY, A.D. 1990
HELD IN THE CITY OF RALEIGH

ISSUED BY
SECRETARY OF STATE RUFUS L. EDMISTEN

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undesirable or unfeasible, it shall report that finding, along with any recommended legislation needed to implement its recommendation to the General Assembly.

Sec. 3. Pending the completion of the Task Force's review, it is the intent of the General Assembly that no new program be established in any judicial district.

Sec. 4. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 28th day of July, 1990.

S.B. 1426

CHAPTER 1066

AN ACT TO MODIFY THE CURRENT OPERATIONS APPROPRIATIONS FOR NORTH CAROLINA FOR THE 1990-91 FISCAL YEAR AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE.

The General Assembly of North Carolina enacts:

Requested by: Senator Royall, Representative Diamont

----INTRODUCTION

Section 1. The appropriations made in this act are for maximum amounts necessary to provide the services and accomplish the purposes described in the budget. Savings shall be effected where the total amounts appropriated are not required to perform these services and accomplish these purposes and, except as allowed by the Executive Budget Act, or this act, the savings shall revert to the appropriate fund at the end of each fiscal year.

Requested by: Senator Royall, Representative Diamont

----TITLE OF ACT

Sec. 2. This act shall be known as "The Current Operations Appropriations Act of 1990."

An outline of the provisions of the act follows this section. The outline shows the heading "----CONTENTS/INDEX----" and it lists by general category the descriptive captions for the various sections and groups of sections that make up the act.

----CONTENTS/INDEX----

(This outline is designed for reference only, and the outline and the corresponding entries throughout the act in no way limit, define, or prescribe the scope or application of the text of the act.)

----INTRODUCTION 1

shall assign professional and clerical staff to assist in the work of the Commission. Clerical staff shall be furnished to the Commission through the offices of House and Senate supervisors of clerks. The expenses of employment of the clerical staff shall be borne by the Commission. The Commission may meet in the Legislative Building or the Legislative Office Building upon the approval of the Legislative Services Commission. Commission members may travel to other states in order to examine other states' revenue and budget structures, upon the approval of the Legislative Services Commission.

(h) Members of the Commission shall receive per diem, subsistence, and travel allowances as follows:

- (1) Commission members who are also General Assembly members, at the rate established in G.S. 120-3.1;
- (2) Commission members who are officials or employees of the State or local government agencies, at the rate established in G.S. 138-6; and
- (3) All other Commission members, at the rate established in G.S. 138-5.

Requested by: Representatives Perdue, Easterling
 ---COMMISSION ON FUTURE STRATEGIES FOR NORTH
 CAROLINA

Sec. 23. Chapter 120 of the General Statutes is amended by adding a new Article to read:

"ARTICLE 13B.

"Joint Legislative Commission on Future Strategies
 for North Carolina.

" § 120-84.6. Purpose.

There is hereby established the Joint Legislative Commission on Future Strategies for North Carolina, hereinafter called the Commission, which shall review future trends and events to consider how they may affect North Carolina, and develop policy options for how State and local governments and the general public can be prepared to benefit from these future trends and events.

" § 120-84.7. Membership.

The Commission shall consist of six members of the House of Representatives appointed by the Speaker of the House of Representatives and six members of the Senate appointed by the President Pro Tempore of the Senate. Members shall serve for two-year terms beginning on the convening of the General Assembly in each odd-numbered year; provided, however, the terms of initial members shall begin on appointment and end on the day of the convening of the 1991 General Assembly. Members shall not be disqualified from completing a term of service on the Commission

because they fail to run or are defeated for reelection. Resignation or removal from the General Assembly shall constitute resignation or removal from membership on the Commission.

Vacancies created by resignation or otherwise shall be filled by the original appointing authority.

A House cochairman and a Senate cochairman shall be elected by the Commission from among its members.

" § 120-84.8. Powers and duties. :

The Commission shall have the following powers and duties:

- (1) To review reports which propose future strategies, goals, or recommendations for North Carolina, and determine the status of the proposed strategies, goals, and recommendations.
- (2) To review governmental and nongovernmental research and studies relating to current and future trends and events, and to assess the impact of these future trends and events on future governmental policy.
- (3) To review current statutes related to comprehensive planning at all levels of government and propose changes considered most consistent with state-of-the-art comprehensive growth management and development policies.
- (4) To review the history and current status of intergovernmental relationships in North Carolina.
- (5) To conduct periodic surveys to assess citizen attitudes toward current trends and determine their impact on strategic policy options.
- (6) To undertake such additional studies, surveys, or evaluations as may, from time to time, be requested by the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Legislative Research Commission, or either house of the General Assembly.
- (7) To appoint advisory committees, which may include government officials and interested citizens, to examine specific issues as determined by the Commission. A Commission member shall be appointed chairman of such advisory committees.
- (8) To conduct studies of long range fiscal impact of proposals or policies under review by the Commission.
- (9) To develop rules regarding the selection, design, methodology, and execution of citizens attitude surveys, research and study topics for Commission approval and consideration.

- (10) To issue reports, forecasts, and recommendations to the General Assembly, from time to time, on matters relating to the powers and duties set out in this section.

" § 120-84.9. Reports to the General Assembly.

The reports shall contain findings, recommendations, and forecasts of potential future strategies and policy alternatives which may be beneficial to State and local governments and the general public of North Carolina.

" § 120-84.10. Additional powers.

The Commission shall have the following additional powers:

- (1) While in the discharge of official duties, to have access to any paper or document, and to compel the attendance of any State official or employee before the Commission or secure any evidence under the provisions of G.S. 120-19. In addition, the provisions of G.S. 120-19.1 through G.S. 120-19.4 shall apply to the proceedings of the Commission as if it were a joint committee of the General Assembly.
- (2) To apply for and receive gifts and grants from private sources to assist the Commission in fulfilling its duties, subject to the approval of the Legislative Services Commission.

" § 120-84.11. Compensation and expenses of Commission members.

Members of the Commission shall serve without pay but shall receive per diem and subsistence in accordance with G.S. 138-5, 138-6, or 120-3.1, as appropriate. The facilities of the State Legislative Building and any other State office building used by the General Assembly, shall be available to the Commission for its use.

" § 120-84.12. Commission staffing.

(a) The Commission may use available clerical employees of the General Assembly, with the approval of the Legislative Services Commission.

(b) The Commission may, with the consent of the Legislative Services Commission, use employees of the Fiscal Research, Legislative Automated Systems, General Research, Legislative Drafting, and Public Information Divisions of the Legislative Services Commission."

Requested by: Representatives Beall, Michaux, Easterling

----LEGISLATIVE MEMBERS' MILEAGE

Sec. 24. (a) G.S. 120-3.1(d) is repealed.

(b) This act shall become effective upon the convening of the 1991 Regular Session of the General Assembly.

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LEGISLATIVE RESEARCH COMMISSION

GROWTH MANAGEMENT SYSTEM



REPORT TO THE 1989 GENERAL ASSEMBLY OF NORTH CAROLINA 1989 SESSION

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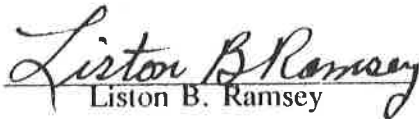


December 14, 1988

TO THE MEMBERS OF THE 1989 GENERAL ASSEMBLY:

The Legislative Research Commission herewith submits to you for your consideration its final report on Growth Management. The report was prepared by the Legislative Research Commission's Committee on Growth Management pursuant to Section 1.2 of Chapter 1100 of the 1987 Session Laws.

Respectfully submitted,


Liston B. Ramsey


J. J. (Monk) Harrington

Cochairmen
Legislative Research Commission

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1987-1988

LEGISLATIVE RESEARCH COMMISSION MEMBERSHIP

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Liston B. Ramsey, Cochair

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Rep. Bruce Ethridge
Rep. Aaron Fussell
Rep. Vernon James
Rep. Josephus Mavretic

President Pro Tempore of
the Senate
J. J. Harrington, Cochair

Senator Henson P. Barnes
Senator A. D. Guy
Senator R. L. Martin
Senator James Richardson
Senator Lura Tally

PREFACE

The Legislative Research Commission, established by Article 6B of Chapter 120 of the General Statutes, is a general purpose study group. The Commission is co-chaired by the Speaker of the House and the President Pro Tempore of the Senate and has five additional members appointed from each house of the General Assembly. Among the Commission's duties is that of making or causing to be made, upon the direction of the General Assembly, "such studies of and investigations into governmental agencies and institutions and matters of public policy as will aid the General Assembly in performing its duties in the most efficient and effective manner" (G.S. 120-30.17(1)).

At the direction of the 1987 General Assembly, the Legislative Research Commission has undertaken studies of numerous subjects. These studies were grouped into broad categories and each member of the Commission was given responsibility for one category of study. The Co-chairs of the Legislative Research Commission, under the authority of G.S. 120-30.10(b) and (c), appointed committees consisting of members of the General Assembly and the public to conduct the studies. Co-chairs, one from each house of the General Assembly, were designated for each committee.

The study of Growth Management was authorized by Section 1.2 of Chapter 1100 of the 1987 Session Laws (1988 Session). The relevant portion of Chapter 1100 is included in Appendix A. The Legislative Research Commission grouped this study in its Economic Development area under the direction of Senator A. D. Guy. The Committee was chaired by Senator William Staton and Representative Al Lineberry. The full membership of the Committee is listed in Appendix B of this report. A committee notebook containing the committee minutes and all information presented to the committee is filed in the Legislative Library.

Committee Proceedings

The Growth Management Study Committee met three times. The first meeting was held on October 14, 1988. At this meeting the Committee discussed that the scope of their study was limited to consideration of the feasibility of establishing a Legislative Commission on Growth Trends Development Issues. The study could also include consideration of the following issues:

- (1) The need for a growth management system in North Carolina;
- (2) The need for an official set of planning data across the State;
- (3) The funding options for long-term support of growth;
- (4) A review of State and local programs affecting growth;
- (5) A review and analysis of environmental protection legislation;
- (6) The need for encouraging regional strategies for growth;
- (7) The alternatives for developing action plans, including appropriate incentives and funding mechanism;
- (8) The need for close coordination with city and county governments;
- (9) The need for involvement of local citizens in the planning process; and,
- (10) A review of statewide growth management strategies developed in other States and an analysis of whether any of those systems would work in North Carolina.

The Committee decided they would concentrate their efforts on establishing a need for an official set of planning data across the State, reviewing State and local programs affecting growth, determining the need for involvement of local citizens in the planning process, and reviewing other States' experience in developing statewide growth management strategies.

Committee staff was asked to provide the Committee with a definition of growth management. The following definition from Guiding Growth in the South: A Decade Later, a Southern Growth Policies Board publication, was discussed by the Committee.

"Growth management refers to any action that affects the location, rate, type, amount, quality, or timing of development. It defines the powers and responsibilities of private developers, local governments, and state governments in the development of land, particularly those related to the fiscal and environmental impacts of development."

The Committee then heard presentations on the role of State and local governments in growth management and development. Mr. Ellis Hankins, General Counsel of the League of Municipalities, addressed the Committee and pointed out the various tools that the General Assembly has provided cities and counties for developing and implementing growth

management strategy. These tools are zoning; subdivision regulation; State building and housing codes; open space/agriculture/historical preservation easements; capital improvement planning; sedimentation pollution control ordinances; economic development powers; taxation; and, annexation.

Mr. Hankins also suggested several missing elements which might be considered by a future study commission. These elements included statewide mandated planning with financial and technical assistance, mandated capital improvement planning, and statewide implementation of act fees.

Mr. Jim Blackburn, General Counsel of the N. C. Association of County Commissioners, spoke next. He stated that limited turnover in today's legislature has resulted in a continuity which makes it easier for the legislature to study and make long range decisions. In addition, he felt the legislative branch of government's control of the purse strings of the State was another reason why long range planning should be done by the North Carolina General Assembly.

Mr. J. Roy Fogle, Executive Director of the Neuse River Council of Governments, and Mr. Bradley Barker, Executive Director of the Triangle "J" Council of Governments, spoke on the role of both rural and urban Councils of Governments in growth management and economic development. Both Mr. Fogle and Mr. Barker stated that Council of Governments or Lead Regional Organizations are involved in assisting local governments with growth management issues such as water quality planning, preparing comprehensive plans, and economic development planning. Mr. Fogle also stated that he believed it was important to put in place a statewide integrated, comprehensive "bottoms up" growth management and economic development planning process and system.

Mr. Bob Chandler, Director of the Division of Community Assistance of the Department of Natural Resources and Community Development, addressed the Committee on the role of his program in providing professional planning advice to local governments that did not have the resources to do their own growth planning. He stated that the Division of Community Assistance provides growth management technical assistance annually to about 350 communities. Mr. Chandler also explained the STEP program - Strategies for Economic Programs - which started in 1986.

Mr. John Sanders, Director of the Institute of Government, commented on the Commission on the Future of North Carolina and the NC 2000 project which resulted from the Commission's work. In addition, Mr. Jay Wike, also of the Institute of Government, spoke on how the relationship between State and local governments affected growth management policy.

The meeting concluded with a report from Committee staff on the role of State government in growth management and development. The report showed in a chart how State government programs influence growth in four ways: (1) regulate/limit; (2) infrastructure, (3) local government authority; and, (4) promote/stimulate. (The chart is shown in Appendix C.)

The second meeting of the Growth Management Study Commission was held on November 3, 1988. The meeting opened with a report from Committee staff on the development of growth management policy in other states. The report reviewed the processes that six states used in developing their growth management strategies and policies: Florida, Vermont, Maine, Rhode Island, South Carolina, and Georgia (a copy of the report is in Appendix D).

The Committee then discussed whether or not there was a need for further study of statewide growth management policies for North Carolina. After much discussion of issues raised by members and staff, the Committee decided that a Joint Legislative Commission was needed to review future strategies for North Carolina including the consideration of growth management policies. The Committee directed staff to draft legislation establishing such a commission. It also instructed staff to draft a report to the 1989 General Assembly.

The final meeting of the Committee was held on November 22, 1988. The draft of the report and proposed legislation had been previously mailed to the members in accordance with the rules of the Legislative Research Commission. The report was discussed, interested parties were heard from, and, after making any necessary changes, this report and the recommended legislation was adopted.

The Committee feels that the recommendations it is making will assist the General Assembly, State and local government, and the general public in determining what strategies and policy options are best for the future of North Carolina.

FINDINGS

The Growth Management Study Commission notes the following findings, based on presentations to the Commission from local and regional government officials, the Institute of Government, and staff research:

OTHER STATES

Six states' experiences with growth management policy or "Year 2000" forecasting were researched by staff. Enacted or proposed legislation and reports were reviewed and summarized and telephone interviews were conducted with state officials. Principal findings include the following:

(a) SOURCE FOR INITIATIVES VARY

The three states' (Florida, Vermont, Maine) growth management initiatives were created in both the executive and legislative branches of state government. One state (Rhode Island) had no prior initiative; legislation was introduced and enacted in the regular 1988 Legislative Session. Two states' initiatives (Georgia, South Carolina) came from the executive branch.

(b) COMMON ISSUES BEHIND LEGISLATION OR STUDIES

Issues common to several states appeared strongly to influence attention to development of state goals and growth management policies. These include:

- Rapid, unmanaged growth, or growth pressures;
- Environmentally sensitive areas;
- Permissive comprehensive planning statutes at local, regional, and state levels of government, combined with very limited technical information or resources to execute comprehensive plans;
- Increasing shortage of affordable housing (i.e., housing, land costs soar).

(c) GROWTH MANAGEMENT PROVISIONS

Common provisions in those states which have enacted management or comprehensive statewide planning legislation include the following:

- o State goals statement;
- o State agency compliance with goal statement required;
- o State level comprehensive plan;
- o Local, regional plans may be required or optional;
- o Incentives (additional funds) to local governments for compliance with plan requirements;

- o Citizen participation is required; and,
- o Legislative branch review for concurrence with goals and plans is anticipated.

(d) **RESULTS**

Results vary from Maine to Florida. Maine's legislation requires local planning, appropriates \$3.5 million to support it at the regional and local levels and creates a new state level planning agency to review local growth management plans. Florida has similar mandates and has appropriated \$20 million toward implementation. Vermont has appropriated \$7.5 million but accompanied it with a \$22.5 million Housing and Conservation Trust Fund to protect open lands and important historical and environmental resources and promote affordable housing. Georgia and South Carolina are completing studies; no formal legislation has been introduced.

(e) **FOCUS**

While Maine, Vermont, Rhode Island appear to focus more on problems and issues associated directly with physical growth, Georgia, Florida, and South Carolina appear to have accounted for both physical and citizen (human) growth.

REGIONAL ACTIVITY

The Growth Management Study Commission of the Legislative Research Commission did not hear a presentation from the Southern Growth Policies Board, due in large part to time constraints, but wishes to call attention to the recent (1986) study of the Southern Growth Policies Board entitled Halfway Home and a Long Way to Go. This study was examined in considerable detail during the 1987 Session by House and Senate Economic Growth Committees as a landmark publication of regional problems and issues such as regional leadership, public school reform, infrastructure requirements, and economic development (both domestic and international).

NATIONAL TRENDS

The Growth Management Study Commission calls attention to well-publicized national trends that it considers consistent with its charge.

- (a) Federal Funds. Federal dollars available to local governments for specific categorical grants such as water quality planning, revenue sharing, economic development, and housing have become severely limited or vanished altogether.
- (b) Domestic Policy. A direct result of the decline in federal funds, (when combined with the persistent federal deficit and trade deficit), has been an increasing reliance on state governments, generally, and state legislatures, particularly, to forecast, develop and execute domestic policy, independent of congressional action. We find this is especially true where state and local governments share responsibility for funding a program that delivers a state mandated service through a local level of government. (Examples are solid waste disposal, day care, watershed protection, etc.).

NORTH CAROLINA

Findings associated with growth management, state goals and policy, and "Year 2000" forecasts, specific to North Carolina, fall into two camps: The good news and the "other" news.

(a) The Good News. The good news is as follows:

- (1) Local Governments. Local governments have an array of functions assigned to them which facilitate strategies for growth management. An analysis of the numbers and percent of cities and counties executing these functions and authorities demonstrates strong commitments to environmental, social, and infrastructure concerns.
- (2) State Government. The state has also done its part since 1971, by establishing some formal statewide goals and policy organization. In addition, the State has done the following:
 - o Enacted legislation providing local governments with various tools for developing and implementing a growth development and management strategy. These tools are annexation, zoning, subdivision regulation, building codes, various easements, comprehensive planning, capital improvement planning, sedimentation pollution control ordinances, economic development powers and taxation.
 - o Enacted the Southern Growth Policies Agreement (1973, c.200) which joined other southern states in the creation of an interstate compact that launched the Southern Growth Policies Board, headquartered in Research Triangle Park, North Carolina.
 - o Enacted, in 1975, the State Goals and Policy Board with the Governor as chairman, ex officio, and 15 members serving staggered terms... "whose background, training, and experience qualify them to survey the whole range of state needs to propose state goals, and to recommend ways for state government to achieve these goals..." (See Appendix E for legislation).
 - o Enacted the Balanced Growth Policy Act (1979, c.412). In this Act, the General Assembly...

"declares that it shall be the policy of the state to bring more and better jobs to where people live; to encourage the development of adequate public services on an equitable basis for all the state's people at an efficient cost; and to maintain the state's natural environmental heritage while accommodating urban and agricultural growth..." (1979, C.412, S.3)

Other sections of this Act "encourages" all state agencies to bring their policies and procedures... "into conformity with the provisions of this Balanced Growth Policy...."; charges the Governor with

... "designating growth areas or centers, which shall include at least one center in each North Carolina county...." and requires that "...centers shall be reviewed annually..." [and that]... "Progress... shall be measured by the strengthening of economic activity and the adequacy of public services...."

Further, the Act requires that the Governor ... "shall develop measures of progress toward achieving balanced growth..." and that the Governor... "shall establish a process of citizen participation... in regard to the purposes..." [of the Balanced Growth Policy Act].

The Act prescribes 10 "program area guidelines" [which]... "shall become the policy of the State of North Carolina..." and calls for a "state-local partnership..." to be established by the Governor [with advice from the State Goals and Policy Board] which... "shall establish a statewide policy-setting process for Balanced Growth... that brings about full participation of both state and local government... the purpose is to arrive at joint strategies and objectives for balanced statewide development and ensure consistent action by the state and local government for jointly agreed upon strategies and objectives..."

The final section of the Act creates the North Carolina Office of Local Government Advocacy and transfers to that agency the local Government Advocacy Council, created by Executive Order Number 22. (See Appendix F for legislation.)

- o The Commission on the Future of North Carolina ("NC 2000") was created by Governor Hunt in June, 1981 and consisted of 65 members organized into four major panels, "People", "Economy", "Natural Resources" and "Community", who spent 18 months reviewing research papers, holding public hearings, etc., to determine major issues, trends, and problems confronting North Carolina as a whole. A report to the people and the General Assembly was issued in 1983 and the Commission was discharged. In Resolution 24 (House Joint Resolution 660), June 6, 1983, the General Assembly acknowledged the work of the Commission and requested that the Governor do the following:

"...report to the General Assembly in 1985 and biennially thereafter on progress made during the preceding two years on the implementation of the recommendations of the Commission..." (See Appendix G for legislation.)

- o Legislative Studies and Commissions, created under the authority of the Legislative Research Commission (LRC) and "independent" study commissions have increased substantially in recent years. LRC's have increased to 51 in the 1987-89 period from 30 in the 83-85 period (70%); commissions or studies outside the LRC have increased 179% over the same 1983-89 period.

Among both LRC and independent study commissions, the trend toward more comprehensive agendas can be found. Commissions such as Revenue Laws, Mental Health, and Environmental Review are undertaking major policy topics that may significantly impact future agendas of the General Assembly.

Finally, this Commission wishes to acknowledge the work of the Committee in the Future of Community Colleges and the Commission on Jobs and Economic Growth as two examples of public policy and growth management research.

The "good news" summary suggests that in both the legislative and executive branch a great deal of legislation has been enacted, and remains in place. Subject areas of study are wide-ranging and comprehensive. Mechanisms to initiate an examination of some -- indeed any -- aspect of public policy appear accessible. Staff and expert resources are available. Finally, if staff or funds appear unavailable, recent history would suggest that a worthy topic area can get a hearing. Neither the executive nor legislative branch appear reluctant to "conduct research."

(b) The "Other News". The "other news" is as follows:

This Commission finds that, clearly, many of the tools and policy statements of goals and objectives for executing growth management strategies -- and other strategies as well -- have been enacted. Language in legislation involving the State Goals and Policy Board, Balanced Growth Policy Act, however, appears more permissive than directive and may fall short of ensuring a set of solutions the General Assembly might consider, debate, and enact. Language in Resolution 25, concerning a report of progress against goals contained in the "NC 2000" report is permissive.

Further, the Commission finds the following relevant to the "other news":

- o State law allows local governments (counties and municipalities) to do comprehensive planning, but **planning is not required**; there are **no minimum State standards** that must be followed, except Coastal Area Management Authority statutes governing development in coastal areas; there is no **systematic, comprehensive statement of planning toward growth management goals**, nor binding Statutes which require reports of progress or success. State government does not require itself to conduct or evaluate systematic planning.
- o State and local **governments frequently react to problems as they occur rather than planning** for the future; i.e., Willie M funding, solid waste disposal, prison overcrowding, etc.
- o There are **no incentives for State or local governments to conduct assessments of strategic needs or problems**; to put priorities on them; to issue specific plans to eliminate, reduce or resolve them.
- o **Regional planning is encouraged, and Lead Regional Organizations have been active and supportive, but funding is limited.**

- o Statewide **infrastructure needs** (highways, water, sewer, solid waste disposal, etc.) far **exceed** the **resources available** to the State and local governments; **methodologies to collect data on infrastructure needs are not uniform** and may produce inaccurate reporting.
- o **"Year 2000" issues** frequently **cross political boundaries** and responsibilities of individual units of government, and often no single unit can plan on implementing policies to deal with these issues without affecting other units. Examples are transportation, water supply, solid waste disposal, housing, mental health, and community colleges.

In summary, the "other news" findings include permissive state statutes relating to comprehensive approaches to current and future growth strategies; an absence of incentives to promote or encourage a comprehensive, statewide approach to the identification of major trends and events that will impact state policy; potential difficulties with data collection, especially with the determination of infrastructure needs; and, increasingly complex issues that cross intergovernmental policy boundaries.

CONCLUSION

These findings strongly suggest the need for a formal standing Commission within the General Assembly which shall review future trends and events to consider how they may affect North Carolina. This proposed Commission would then provide the legislature with policy options for how the State can be prepared to benefit from these future trends and events. Such a Commission could begin its work by returning to the NC 2000 report and preparing a useful update of that document.

Therefore, it is the recommendation of the Growth Management Study Committee that the General Assembly establish a Joint Legislative Commission on Future Strategies for North Carolina to serve as a focal point of foresight within the legislative branch. Legislation for such a Commission follows.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

S

D

TC-1

(THIS IS A DRAFT AND NOT READY FOR INTRODUCTION)

Short Title: NC Future Strategies Commn..

(Public)

Sponsors: Senator Staton.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH THE JOINT LEGISLATIVE COMMISSION ON FUTURE
3 STRATEGIES FOR NORTH CAROLINA.
4 The General Assembly of North Carolina enacts:
5 Section 1. Chapter 120 of the General Statutes is
6 amended by adding a new article to read.
7 "Article 13B
8 "Joint legislative Commission on Future Strategies"
9 for North Carolina
10 "§ 120-84.6. Purpose.--
11 There is hereby established the Joint Legislative Commission on
12 Future Strategies for North Carolina, hereinafter called the
13 Commission, which shall review future trends and events to
14 consider how they may affect North Carolina, and develop policy
15 options for how State and local governments and the general
16 public can be prepared to benefit from these future trends and
17 events.
18 "§ 120-84.7. Membership.--

1 The Commission shall consist of 12 members. The Speaker of the
2 House of Representatives shall appoint 6 members from the House.
3 The President Pro Tempore of the Senate shall appoint 6 members
4 from the Senate. Vacancies created by resignation or otherwise
5 shall be filled by the original appointing authority. Members
6 shall serve two-year terms beginning and ending on January 15 of
7 the odd-numbered years, except that initial appointments shall
8 begin on July 1, 1989. Members shall not be disqualified from
9 completing a term of service on the Commission because they fail
10 to run or are defeated for re-election. Resignation or removal
11 from the General Assembly shall constitute resignation or removal
12 from membership on the Commission. The terms of the initial
13 members of the Commission shall expire January 15, 1991. A House
14 co-chairman and a Senate co-chairman shall be elected by the
15 Commission from among its members.

16 "§ 120-84.8. Powers and Duties.--

17 The Commission shall have the following powers and duties.

- 18 (1) To review reports which propose future strategies,
19 goals, or recommendations for North Carolina, and
20 determine the status of the proposed strategies,
21 goals, and recommendations.
- 22 (2) To review governmental and non-governmental
23 research and studies relating to current and future
24 trends and events; and to assess the impact of
25 these future trends and events on future
26 governmental policy.
- 27 (3) To review current statutes related to comprehensive
28 planning at all levels of government and propose
29 changes considered most consistent with state-of-
30 the-art comprehensive growth management and
31 development policies.
- 32 (4) To review the history and current status of
33 intergovernmental relationships in North Carolina.

- 1 (5) To conduct periodic surveys to assess citizen
2 attitudes toward current trends and determine their
3 impact on strategic policy options.
- 4 (6) To undertake such additional studies, surveys, or
5 evaluations as may, from time to time, be requested
6 by the President Pro Tempore of the Senate, the
7 Speaker of the House of Representatives, the
8 Legislative Research Commission, or either House of
9 the General Assembly.
- 10 (7) To appoint advisory committees, which may include
11 government officials and interested citizens, to
12 examine specific issues as determined by the
13 Commission. A Commission member shall be appointed
14 chairman of such advisory committees.
- 15 (8) To conduct studies of long range fiscal impact of
16 proposals or policies under review by the
17 Commission.
- 18 (9) To develop rules regarding the selection, design,
19 methodology, and execution of citizens attitude
20 surveys, research and study topics for Commission
21 approval and consideration.
- 22 (10) To issue reports, forecasts, and recommendations to
23 the General Assembly, from time to time, on matters
24 relating to the powers and duties set out in this
25 section.

26 "§ 120-84.9. Reports to the General Assembly.

27 The Commission shall report to the General Assembly not later
28 than December 15, 1990 and December 15 of each subsequent even-
29 numbered year. The report shall contain findings,
30 recommendations, and forecasts of potential future strategies and
31 policy alternatives which may be beneficial to State and local
32 governments and the general public of North Carolina.

33 "§ 120-84.10. Additional Powers.--

34 The Commission shall have the following additional powers.

1 (1) The Commission, while in the discharge of official
2 duties, shall have access to any paper or document,
3 and may compel the attendance of any State official
4 or employee before the Commission or secure any
5 evidence under the provisions of G.S. 120.19. In
6 addition, the provisions of G.S. 120-19.1 through
7 G.S. 120-19.4 shall apply to the proceedings of the
8 Commission as if it were a joint committee of the
9 General Assembly.

10 (2) The Commission may receive gifts and grants from
11 private sources to assist the Commission in
12 fulfilling its duties, subject to the approval of
13 the Legislative Services Commission.

14 (3) The Commission may contract for services, subject
15 to the approval of the Legislative Services
16 Commission.

17 "§ 120-84.11. Compensation and Expenses of Commission Members.

18 Members of the Commission shall receive subsistence and travel
19 expenses at the rates set forth in G.S. 120-3.1 for General
20 Assembly matters. Advisory subcommittee members shall be
21 reimbursed and compensated at the rates set out in G.S. 138.5
22 (public members) and G.S. 138.6 (State officials or employees).
23 The Commission shall be funded by the Legislative Services
24 Commission from appropriations made to the General Assembly for
25 that purpose. The facilities of the State Legislative Building
26 and any other State office building used by the General Assembly,
27 shall be available to the Commission for its use.

28 "§ 120-84.12. Commission Staffing.

29 (a) The Commission may use available clerical employees of the
30 General Assembly, or may employ, and may remove, such
31 professional and clerical employees as the Commission deems
32 proper. The chairmen may assign and direct the activities of the
33 employees of the Commission, subject to the advice of the
34 Commission.

1 (b) The employees of the Commission shall receive salaries
2 that shall be fixed by the Legislative Services Commission and
3 shall receive travel and subsistence allowances fixed by G.S.
4 138-6 and G.S. 138-7 when such travel is approved by either
5 chairman, subject to the advice of the Commission. The employees
6 of the Commission shall not be subject to the Executive Budget
7 Act or to the State Personnel Act.

8 (c) The Commission may, with the consent of the Legislative
9 Services Commission, use employees of the Fiscal Research,
10 Legislative Automation, General Research, and Bill Drafting and
11 Public Information Divisions of the Legislative Services
12 Commission.

13 (d) The Commission shall assure that sufficient funds are
14 available within its appropriations before employing professional
15 and clerical employees."

16 Sec. 2. There is appropriated from the General Fund to
17 the Legislative Services Commission the sum of two hundred
18 thousand dollars (\$200,000) for fiscal year 1989-90 for the Joint
19 Legislative Commission on Future Strategies for North Carolina to
20 implement the provisions of this act.

21 Sec. 3. This act shall become effective July 1, 1989.

APPENDIX A

House Bill 1

GENERAL ASSEMBLY OF NORTH CAROLINA
1987 SESSION
RATIFIED BILL

CHAPTER 1100
SENATE BILL 257

AN ACT TO CREATE AND CONTINUE VARIOUS COMMITTEES AND COMMISSIONS
AND TO MAKE CHANGES IN THE BUDGET OPERATIONS OF THE STATE.

The General Assembly of North Carolina enacts:

SUBCHAPTER A
STUDY COMMISSIONS AND COMMITTEES

PART I-----LEGISLATIVE RESEARCH COMMISSION STUDIES

Sec. 1.1. The Legislative Research Commission may study the topics listed below. Listed with each topic is the bill or resolution from the 1987 General Assembly that originally proposed the issue or study and the name of the sponsor. The Commission may consider the original bill or resolution in determining the nature, scope and aspects of the study. The topics are:

- (1) Open Beer Containers in Motor Vehicles (H.B. 734 -Privette)
- (2) State Ports Authority (H.B. 2640 - Hall)
- (3) International Trade (H.B. 2640 - Hall)
- (4) Equity in the Delivery of Educational Services (S.B. 1692 - Martin. W.)
- (5) Emergency Evacuations Forced by Hurricanes (S.B. 1851 - Basnight).

Sec. 1.2. Growth Management System. The Legislative Research Commission may study the feasibility of establishing a Growth Trends Development Issues Legislative Commission and may seek the assistance of the North Carolina League of Municipalities and the North Carolina Association of County Commissioners in its study. The study may include consideration of the following issues:

- (1) The need for a growth management system in North Carolina;
- (2) The need for an official set of planning data across the State;
- (3) The funding options for long-term support of growth;
- (4) A review of State and local programs affecting growth;
- (5) A review and analysis of environmental protection legislation;
- (6) The need for encouraging regional strategies for growth;

Senate Bill 257

- (7) The alternatives for developing action plans, including appropriate incentives and funding mechanisms;
 - (8) The need for close coordination with city and county governments;
 - (9) The need for involvement of local citizens in the planning process; and
 - (10) A review of statewide growth management strategies developed in other states and an analysis of whether any of those systems would work in North Carolina.
- Sec. 1.3. Migrant Housing. The Legislative Research Commission may study the issue of consolidation of migrant housing regulations, including the elimination of overlapping, duplicative and conflicting regulations.
- Sec. 1.4. Guardian Ad Litem Program Costs. The Legislative Research Commission may study the long-term costs of Guardian Ad Litem Program authorized by Chapter 1090 of the 1987 Session Laws (Regular Session, 1988).
- Sec. 1.5. The Legislative Research Commission may report its findings and recommendations to the 1989 General Assembly.
- Sec. 1.6. From the funds available to the General Assembly, the Legislative Services Commission shall allocate monies to fund the work of the Legislative Research Commission.

-----EFFECTIVE DATE

- Sec. 49. Except as otherwise provided, this act shall become effective July 1, 1988.

APPENDIX B

SUBJECT: GROWTH MANAGEMENT Authority: 1988 Session Laws,
Chapter 1100, Subchapter A, Sec. 1.2, SB 257
Report by: Legislative Research Commission
Report to: General Assembly
Date: 1989 Session

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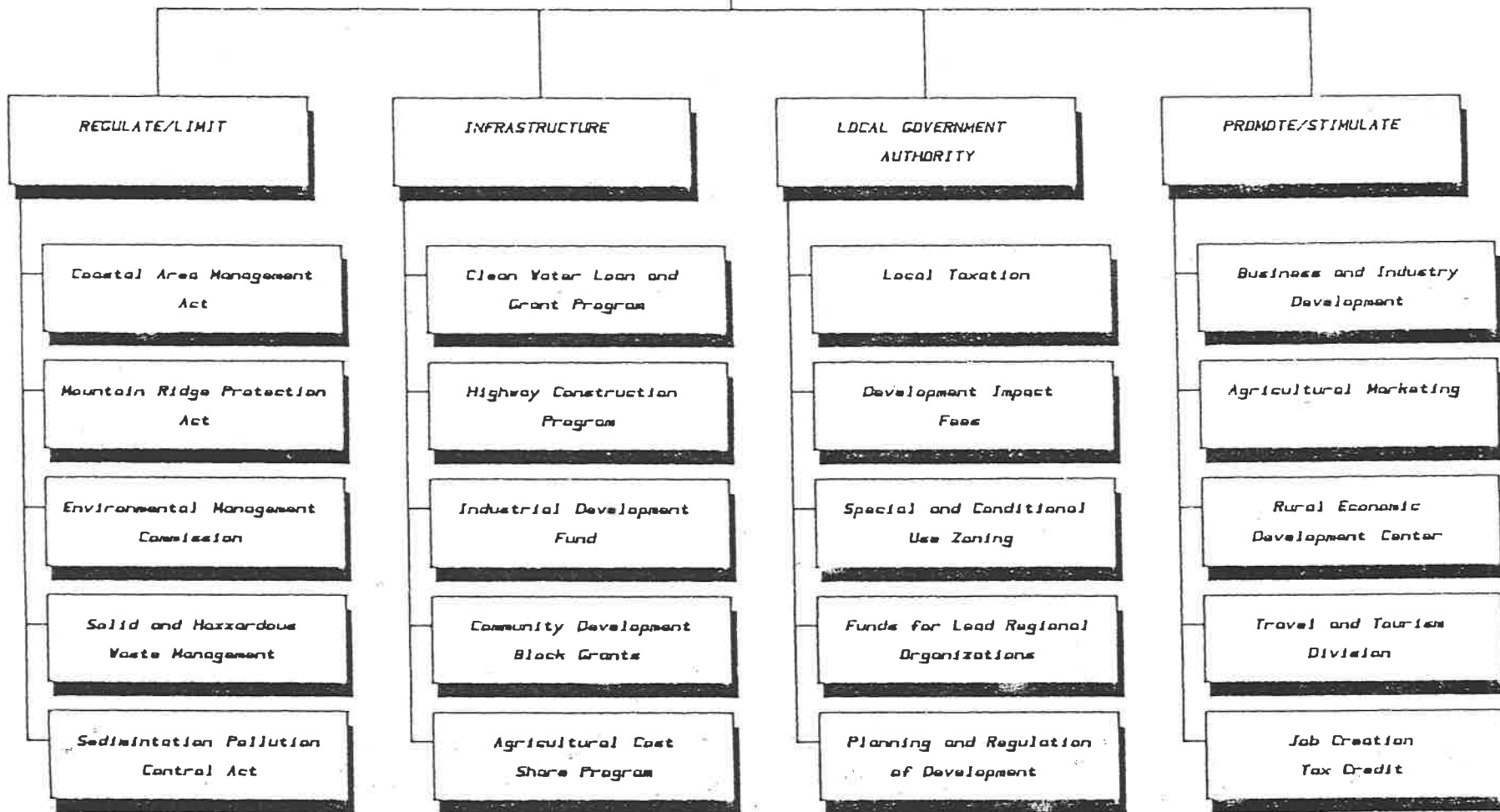
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HOW STATE GOVERNMENT
INFLUENCES GROWTH IN N. C.



APPENDIX D

**DEVELOPMENT
OF
GROWTH MANAGEMENT POLICY
IN
OTHER STATES**

November, 1988

Prepared by: Fiscal Research Division
NC General Assembly

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METHODOLOGY

This report provides fact sheets on six states which have enacted or are in the process of studying growth management policy. The information provided in this report is based on reports, legislation, and interviews with state officials in each state reviewed.

GROWTH MANAGEMENT POLICY IN OTHER STATES

FLORIDA

- STUDY INITIATION:** Legislative and Executive Branches. During the past fifteen years both the legislative and executive branches have looked at ways to build on mandatory local government planning required in the Local Government Comprehensive Planning Act of 1975. The most recent attempt began in 1982, when Governor Graham established the second Environmental Land Management Study Committee (ELMS II) to undertake a complete critique of the state's growth management system. ELMS II delivered an interim report in 1983 and a final report in 1984. (See Legislative Involvement)
- COMMISSION COMPOSITION:** Membership included representatives from major industries in Florida like timber, phosphates, citrus and land development. In addition, representatives from environmental groups and local governments were also included. Four legislators were on the Committee.
- STAFFING AND FUNDING:** The Governor's Office of Planning and Budget provided staff and funding for ELMS II. Staff from other state agencies were called upon as needed.
- ISSUES BEHIND STUDY:**
- o Rapid growth which far exceeded that of the rest of the South and the nation.
 - o Numerous environmentally sensitive areas and natural resources which were being threatened by extensive development.
 - o Existing comprehensive planning legislation mandating local plans was weak, giving no assurance of quality local plans or that the local plans would be implemented.
 - o Public opinion and politicians strongly supported controlled growth.
 - o Development interests realized that some form of growth management legislation was inevitable.
 - o Lack of adequate funding for the preparation and implementation of local plans.

**PROCESS
DESCRIPTION:**

- o Reviewed previous studies of growth management in Florida.
- o Reviewed and critiqued state and local planning and other growth management programs.
- o Reviewed the status and effectiveness of local government comprehensive plans.
- o Made recommendations in final report that land plans be made consistent with state and local plans, that the plan amendment process be tightened up, and that funding be provided to assist state and regional planning agencies and local governments in preparing and implementing their plans.

**LEGISLATIVE
INVOLVEMENT:**

At the same time the ELMS II Committee was doing its study, a House Select Committee on Growth Management was also reviewing state planning and other growth management programs. This committee actually made stronger recommendations than ELMS II. The concurrent studies by both executive and legislative branches laid the groundwork for passage of growth management legislation in 1984 and 1985.

RESULTS:

The Florida Legislature initially passed the State and Regional Planning Act of 1984. Key components of this Act are as follows:

- o **State Plan Development Required:** Called for the development of a state comprehensive plan for presentation to the 1985 session of the Florida Legislature.
- o **State Agency Functional Plans:** All state agencies were required to develop a state Agency Functional Plan consistent with the goals and policies in the State Comprehensive Plan. Plans must show how the agency will support and further the growth management goals and policies, and must identify infrastructure and capital improvement needs associated with agency programs.

- o **Comprehensive Regional Policy Plans:** All regional planning councils were required to develop comprehensive regional policy plans consistent with the State Comprehensive Plan. Regional planning councils were required to seek input from local governments and the public in developing their policy plans.
- o **Regional Mediation:** Regional planning councils were required to establish an informal mediation process to resolve conflicts between local governments relating to comprehensive plans.

Other legislation related to overhauling the Local Government Comprehensive Planning Act was addressed, but not enacted in 1984. The extensive debate of these issues laid the groundwork for a renewed effort the next year. In 1985, the Florida Legislature enacted several pieces of legislation related to comprehensive planning: The State Comprehensive Plan and the Local Government Comprehensive Planning and Land Development Regulation Act. Key components of these acts are as follows:

- o **State Comprehensive Plan:** The State Comprehensive Plan was enacted to provide long-range policy guidance for orderly social, economic, and physical growth of the state. The plan includes a series of goals and related policies for 25 different program areas including Education, Health, Elderly, Housing, Transportation, and the Environment.
- o **Local Comprehensive Plans:** The Act establishes elements which must be included in the local comprehensive plan, such as future land use, a zoning ordinance, traffic circulation, and housing. In addition, all plans must include consideration of capital facilities and the means to pay for them.
- o **State Land Planning Agency Review:** All local comprehensive plans or amendments to plans are reviewed by the State Land Planning Agency for consistency with state and regional plans and completeness of the required elements. State funds can be withheld if a local plan does not comply with the law, and amendments to local plans are limited to two a year.

- o **Infrastructure Requirements:** Once a local comprehensive plan is approved, new development permits cannot be issued unless the infrastructure is already in place to serve the new development.
- o **Public Participation:** Citizen input in the comprehensive planning process is enhanced by the requirement that local governments hold at least two public hearings when adopting or amending a local comprehensive plan.
- o **Development of Regional Impact (DRI):** A DRI is defined as a proposed development affecting more than one county. The DRI process combines local decisions on permits with regional impact evaluation, and a state review and appeal process in a balanced intergovernmental partnership. The DRI program began in 1972, but 1985 legislation provided incentives for participation in the DRI review while also eliminating some dis-incentives.
- o **Coastal Programs:** Coastal legislation enacted in 1985 contained the following elements: Expansion of the coastal elements in local plans to ensure protection of coastal resources, development of a state coastal infrastructure policy which restricts the use of state funds for infrastructure on undeveloped coastal barrier islands, limitation of new coastal construction to areas outside of the 30-year erosion line, and requirement of more stringent building codes for coastal development.
- o **Funding:** Since 1985, the Florida Legislature has appropriated \$20 million to assist local governments in developing plans and to assist regional planning councils in providing growth management technical assistance.

GROWTH MANAGEMENT POLICY IN OTHER STATES

VERMONT

- STUDY INITIATION:** Executive and Legislative Branches. The Governor established the Governor's Commission on Vermont's Future: Guideline for Growth in September 1987. The Commission reported to the Governor in December 1987. (See Legislative Involvement)
- COMMISSION COMPOSITION:** Twelve members appointed by the Governor. Membership included a legislator, a farmer, local government representatives, business leaders, and educators.
- STAFFING AND FUNDING:** The Office of Policy Research and Coordination and the Agency of Natural Resources provided staff. Funding for the Commission was provided from available appropriations of the following agencies: Development and Community Affairs, Natural Resources, and Transportation.
- ISSUES BEHIND STUDY:**
- o Rapid growth threatening Vermont communities, natural resources, agriculture and cities.
 - o Development pressures out of control and state and local governments not having resources or authority to manage growth adequately.
 - o Absence of state land use policy and lack of strong regional planning had produced a major gap in Vermont's planning system.
 - o Lack of affordable housing.
- PROCESS DESCRIPTION:**
- o An overview of growth patterns and assessment of existing laws and practices for managing growth.
 - o Considerable public input through eleven public hearings.
 - o Development of goals and principles for the preservation of Vermont's character.

- o Development of recommendations on how to use state goals and principles to guide state, regional and local decisions related to financial assistance, public investment, development regulations, and the public planning process.

LEGISLATIVE INVOLVEMENT:

Interest in growth management by Vermont legislators began in January, 1987 with a series of weekly meetings to discuss major issues facing Vermont, including health care, housing and the environment. From these meetings a core group of legislators and interested citizens formed a group called Vermonters for Vision and Choice. While this group was not officially affiliated with or appointed by the Vermont Legislature, it included a number of legislators. Vermonters for Vision and Choice held four public meetings for citizens to express their vision of Vermont. These meetings were held in February and March 1987, and they were funded by a \$15,000 grant from a private foundation. The public interest in growth management expressed at the Vermonters for Vision and Choice meetings appears to have convinced the Governor to become involved and appoint her own commission. The legislation recommended by the Governor's Commission was similar to legislation drafted by legislators participating in Vermonters for Vision and Choice.

RESULTS:

The Vermont Legislature enacted the Growth Management Act of 1988 (Act 200) into law, significantly strengthening the process of integrating plans at local, regional, and State agency levels. Key components of the act are as follows:

- o **Planning Goals Established:** Established 32 planning goals for Vermont which must be followed by State agencies, regional planning commissions, and towns in development of comprehensive plans.
- o **Local Planning Optional:** Local planning remains optional, but towns choosing to adopt plans consistent with Act 200 will receive additional funds, technical assistance, and greater influence over State actions affecting their communities.

- o **Regional Review of Plans:** Towns are automatically members of regional planning commissions. These commissions will provide technical assistance to communities and review plans to ensure they are consistent with the Vermont planning goals and with plans of neighboring communities. Citizen participation must be a part of the planning process.
- o **Regional Plans:** Regional planning commissions are required to develop regional plans following the state goals and compatible with approved town plans in the region. Citizen participation must be a part of the planning process.
- o **State Agency Requirements:** State agencies must adopt plans and take actions consistent with the Vermont goals and plans developed by regional planning commissions, municipalities, and other state agencies.
- o **Special Fund Created:** Created the Housing and Conservation Trust Fund to preserve open land, protect important historical and environmental resources and support affordable housing. \$22.5 million was appropriated to the fund in FY 1989 and over \$3 million per year thereafter.
- o **Targeted Revenues Supports Planning:** Provides a continuous source of revenue to support regional and town planning as well the Housing and Conservation Trust Fund by increasing the Property Transfer tax. The estimated revenue is \$7.5 million per year, with 40% of the new revenues allocated to the Housing Trust Fund (\$3 million) and 60% to the Municipal and Regional Planning Fund (\$4.5 million). In addition, \$4.75 million is appropriated from the Municipal and Regional Planning Fund over the next five years for development of a Geographic Information System to assist in the planning process.
- o **Additional Local Authority:** Municipalities with approved plans are authorized to charge developer impact fees to cover the cost of services required by the development.

- o **Regional Clearinghouse Created:** Creates a Council of Regional Commissions to review proposed regional and state agency plans to ensure they meet the Vermont goals.
- o **Executive Branch Reports:** The Governor is required to report to the Legislature by November 15, 1988 on several subjects including an incentive system to encourage municipalities to plan, a definition of "growth area" concept, a state economic plan, the implementation and effect of municipal impact fees, and the standard of review for consistency and compatibility of the planning goals.

GROWTH MANAGEMENT POLICY IN OTHER STATES

MAINE

- STUDY INITIATION:** Executive and Legislative Branch. The State Planning Office initiated an in-house study of growth management in Maine which was finalized at the end of 1986 and the end of the current governor's term. No Commission or task force of citizens or experts was established by the governor. In 1987, the new governor refined the proposals for growth management and some legislation was introduced related to growth management, but no significant legislation was enacted. An interim Legislative Study Commission was established to study growth management in Maine in 1987. The commission reported to the 1988 Session of the Maine Legislature.
- COMMISSION COMPOSITION:** Membership included legislators serving on the Taxation and Energy and Natural Resources Joint Standing Committees. Only legislators served on the interim study commission.
- STAFFING AND FUNDING:** The commission was staffed by full-time legislative staff and funded through the Maine legislative budget.
- ISSUES BEHIND STUDY:**
- o Concerns about environmental quality being harmed by excessive growth, particularly in southern Maine.
 - o Dramatic increase in cost of housing in southern Maine.
 - o Increased development in sensitive environments such as the coastline, river and lake shores.
 - o Perception that growth pressures had significantly increased, particularly in southern Maine.
- PROCESS DESCRIPTION:**
- o An overview of previous studies of growth management in Maine.
 - o Considerable input from the following groups: environmentalists, statewide municipalities' organization, lead regional organizations, and the Executive Branch.

- o Held four public hearings to receive citizen input.
- o Developed state goals related to plans.

**LEGISLATIVE
INVOLVEMENT:**

(See Study Initiation)

RESULTS:

The Maine legislature enacted the Comprehensive Planning Land Use Regulation Act of 1988. A summary of the Act's key components are as follows.

- o **Goals Established:** Establishes ten state goals to provide overall direction and consistency to the planning and regulatory actions of all state and municipal agencies affecting natural resource management, land use and development.
- o **Local Planning Required:** All municipalities are required to plan for future development and growth and to adopt local growth management programs consistent with the state goals. Citizen participation is required. All municipalities must submit their plans for review by 1996. Municipalities which have experienced significant growth must report by 1991 or 1993.
- o **Plan Update Required:** Regional components of local growth management programs must be included in a comprehensive plan and an implementation program for the plan. Municipalities must update program at least once every five years.
- o **New Planning Office Created:** Establishes the Office of Comprehensive Land Use Planning to review all municipal growth management programs and to provide technical and financial assistance to municipalities and regions developing their programs.
- o **State Agency Requirements:** All state agencies with regulatory or other authority affecting Maine's state goals must report how they have incorporated the goals into their planned activities.

- o **Advisory Council:** Establishes the Planning Advisory Council to work with the Office of Comprehensive Land Use Planning in the development of all rules, guidelines, and reports related to the implementation of the Act.
- o **LRO's Role:** Regional councils are involved in the review process of local growth management programs.
- o **Other State Aid:** After the applicable deadline date, municipalities may receive state funding for planning only if they have adopted and implemented a local growth management program.
- o **Funding:** In 1988, the Legislature appropriated \$3.5 million to provide for technical and financial assistance and incentives to regional councils and municipalities to encourage them in the adoption and implementation of local growth management programs.
- o **Progress Report Required:** Requires the Office of Comprehensive Land Use Planning to report biennially to the Maine Legislature on the progress of local and state growth management efforts.

GROWTH MANAGEMENT POLICY IN OTHER STATES

RHODE ISLAND

- STUDY INITIATION:** There was no special study on growth management. The legislation resulted from the regular 1988 Session of the Rhode Island Legislature.
- COMMISSION COMPOSITION:** Not applicable.
- STAFFING AND FUNDING:** Not applicable.
- ISSUES:**
- o The absence of accurate technical information and comprehensive planning by municipal government as a rational basis for long-term physical development had created conflicting requirements and reactive land use regulations and decisions.
 - o The need for comprehensive planning to assist in protecting the environment.
 - o The lack of comprehensive planning and its implementation had led to the misuse, under-use, and over-use of land and natural resources.
 - o Lack of affordable housing for all Rhode Island residents, regardless of income or age
 - o Lack of coordination between state and municipal governments had allowed inconsistency in land use regulations.
- PROCESS DESCRIPTION:** (See Legislative Involvement)
- LEGISLATIVE INVOLVEMENT:** The Rhode Island legislation appears to be the result of several legislators' efforts. Legislation was introduced in April of 1988 and proceeded through the legislative process until it was enacted in June of 1988.
- RESULTS:** The Rhode Island legislature enacted the Rhode Island Comprehensive Planning and Land Use Regulation Act in June, 1988. Key components of the Act are as follows:

- o **Planning mandatory:** All cities and towns are required to adopt or amend a comprehensive plan consistent with state goals and policies by December 31, 1990.
- o **Planning Goals Established:** Established ten goals to provide overall direction and consistency for state and municipal agencies in the comprehensive planning process.
- o **Required Elements:** Comprehensive plans are required to have the following elements: goals and policy statement, land use plan, housing element, economic development element, natural and cultural resources element, services and facilities element, open space and recreation element, transportation element, and implementation program.
- o **Planning Coordination Allowed:** Municipalities may coordinate their planning activities with other contiguous municipalities. All agreements must be in writing.
- o **Citizen Participation:** Municipalities are required to hold public hearings to encourage citizen input into the comprehensive planning process.
- o **State Review of Plans:** The Director of Administration reviews all adopted or amended comprehensive plans to ensure they are consistent with state goals and policies. Municipalities must correct any deficiencies reported by the director.
- o **State Comprehensive Plan Appeals Board:** A municipality which does not agree with the director's review of its plan may appeal his decision to the State Comprehensive Plan Appeals Board which has the final approval or disapproval of comprehensive plans.
- o **Compliance:** The Director of Administration is authorized to prepare a comprehensive plan for a municipality failing to submit a plan and the State Comprehensive Plan Appeals Board will adopt such a plan for the municipality.

- o **State Technical and Financial Assistance:** The state will provide technical assistance to assist municipalities in preparing their comprehensive plans. Planning grants, not to exceed \$125,000, will be made to each municipality.
- o **Funding:** \$500,000 was appropriated in 1988 to implement the Rhode Island Comprehensive Planning and Land Use Program.
- o **State Agency Coordination:** All state agencies with regulatory or other authority affecting the state goals and policies or the state guide plan must report how their activities will be consistent with the state goals and policies.
- o **Legislative Review:** The Rhode Island Legislature is required, in 1991, to appoint a Special Study Commission to review the effectiveness of the implementation of the Rhode Island Comprehensive Planning and Land Use Regulation Act.

GROWTH MANAGEMENT POLICY IN OTHER STATES

SOUTH CAROLINA

- STUDY INITIATION:** Executive Branch. The Governor, at the suggestion of the Lieutenant Governor, established the Commission on the Future of South Carolina in April, 1987. The Commission began its work in September, 1987 and expects to issue its final report in December, 1988. In addition to monthly Commission meetings, the Commission held an Assembly on the Future of South Carolina in October, 1988. The purpose of the Assembly was to gather together over 100 South Carolina citizens, representing the public and private sectors and the public at large, to debate issues affecting the future of South Carolina.
- COMMISSION COMPOSITION:** Thirty-one members including the Governor and the Lieutenant Governor. The Lieutenant Governor is Chairman of the Commission. The remaining membership includes state government department heads and representatives from the private sector. There are no legislators on the Commission.
- STAFFING AND FUNDING:** The Commission is staffed by the Lieutenant Governor's Office. A private consultant was hired to assist with the Assembly. Funding for the Commission came from existing resources in State Government. The cost of the Assembly was provided by the private sector.
- ISSUES BEHIND STUDY:** The Commission was established to determine what issues will be important to the future of South Carolina.
- PROCESS DESCRIPTION:**
- o The Commission has held monthly meetings which focus on specific issues.
 - o Based on these meetings, the Commission determined that the four areas of most concern for the future of South Carolina are Government, Education, Economic Opportunity, and the Living Environment.
 - o Held the Assembly on the Future of South Carolina to solicit input from South Carolina citizens on each of the four areas of concern.

o The Assembly resulted in a series of conclusions and recommendations in each of the areas of concern which will be used by the Commission as it completes its final report.

LEGISLATIVE INVOLVEMENT:

At this time, there has been no legislative involvement. The Commission's final report will be presented to the Legislature when the session begins in January, 1989.

RESULTS:

Nothing to report at this time. The Commission's work will not be completed until December, 1988 and will have to be reviewed by the South Carolina Legislature.

GROWTH MANAGEMENT POLICY IN OTHER STATES

GEORGIA

- STUDY INITIATION:** Executive Branch. The Governor established the Governor's Growth Strategy Commission in June of 1987. The Commission will issue its final report in November, 1988.
- COMMISSION COMPOSITION:** Thirty-five members appointed by the Governor. Membership includes legislators, local government representatives, businessmen, and developers.
- STAFFING AND FUNDING:** Staff and funding was provided by the Office of the Governor.
- ISSUES BEHIND STUDY:** The mission of the Governor's Growth Strategies Commission is to develop a process to create an environment in Georgia in which all citizens can achieve their highest economic and human potential while preserving and enhancing a superior quality of life.
- To reach this goal, the Commission determined Georgia has the following needs:
- o A statewide economic climate that is conducive to business development and establishes mechanisms for cooperation and coordination among state agencies, local governments, schools systems, and private enterprises.
 - o A comprehensive capital improvements process that includes planning, construction, operation, and maintenance of infrastructure facilities.
 - o A process of comprehensive planning and management that clearly establishes the roles of the State, regional planning bodies, and local governments.
 - o Natural resource management policies that will support sustainable growth while maintaining environmental quality.
- PROCESS DESCRIPTION:** o The Commission formed four Task Forces to serve as study groups in the following areas: Capital Facilities and Infrastructure, Economic Development, Land Use, and Natural Resources.

- o Each Task Force prepared a report analyzing the problems in their area and developed strategies for addressing these problems.
- o Fifteen public hearings were held throughout the state to obtain public comment on the work of the Task Forces.
- o Developed policy recommendations supporting a growth strategy in five areas: Governance, Coordinated Planning, Economic Development, and Resource Management.
- o Developed strategies for implementation of recommendations.

LEGISLATIVE INVOLVEMENT:

At this time the only legislative involvement has been through the eight legislators who serve on the Commission. The 1989 Georgia Legislature will have the opportunity to act on the Commission's final recommendations.

RESULTS:

Nothing specific to report at this time. The Commission's work will not be completed until November, 1988 and will have to be reviewed by the Georgia Legislature.

GS-143B-370

PART 2. State Goals and Policy Board.

§143B-371. State Goals and Policy Board -- creation; powers and duties.

There is hereby created the State Goals and Policy Board of the Department of Administration. The State Goals and Policy Board shall have the following functions and duties:

- (1) To express the needs and aspirations of North Carolina's citizens and identify the kind of future they want for themselves in the form of goals proposed for State action along with a suggested timetable within which these goals might reasonably be achieved;
- (2) To study the resources and means of action available to State government and recommend policies to guide the State in using these resources and means to achieve State goals and suggest short-run goals, consistent with the long-run goals, that should receive priority consideration within a three- to five- year frame;
- (3) To evaluate the present structure and activities of State government and recommend improvements in management and communication so that the State may pursue its chosen goals in an efficient and well-coordinated manner;
- (4) To identify areas of public interest where needs are urgent or present policies inadequate and recommend appropriate study and analysis to provide a basis for evaluating alternative courses of action;
- (4a) Establish priorities in order to pursue a comprehensive plan to avert the exorbitant social and economic costs of diseases, deformities, and other human miseries. These costs can be drastically reduced by the adoption of a policy of prevention designed to ease the emotional and financial burdens resulting from fragmented and piecemeal efforts to deal with problems after they arise, as well as to ensure a higher quality of life for the citizens of this State.
- (5) To inform the general public of the main problems facing the State and involve the citizenry in the study and debate of State goals and policy; and
- (6) To submit a report to the Governor by November 30 of each year to guide him in preparing his "state of the State" message.

Members of the Board, who are not officers, or employees of the State, shall receive per diem and necessary travel and subsistence expenses in accordance with the provisions of G.S. 138-5.

A majority of the Board shall constitute a quorum for the transaction of business.

All clerical and other services required by the Board shall be supplied by the Secretary of Administration. (1975, c. 879, s. 7; 1977, c. 923, s. 1.)

§143B-372. State Goals and Policy Board -- members; selection; quorum; compensation.

The State Goals and Policy Board of the Department of Administration shall consist of 16 members, 15 of whom shall be appointed by the Governor and the Governor who shall himself serve as an ex officio member. The composition of the Board shall be citizens whose background, training, and experience qualify them to survey the whole range of State needs, to propose State goals, and to recommend ways for State government to achieve these goals.

The initial members of the State Goals and Policy Board shall be the members of the Council on State Goals and Policy who shall serve for a period equal to the remainder of their current terms on the Council on State Goals and Policy, five of whose appointments expire March 13, 1977, and five of whose appointments expire March 13, 1978, and five of whose appointments expire March 13, 1979. At the end of the respective terms of office of the initial members of the Board, the appointment of their successors shall be for terms of four years and until their successors are appointed and qualify. Any appointment to fill a vacancy on the Board created by the resignation, dismissal, death or disability of a member shall be for the balance of the unexpired term.

The Governor shall have the power to remove any member of the Board from office in accordance with the provisions of G.S. 143B-16.

The Governor shall serve as chairman of the Board and designate a member to serve in such capacity in his absence. The Board shall meet quarterly and at other times at the call of the chairman. (1975, c. 879, s. 8.)

GS-143-506.1

ARTICLE 55A.**Balanced Growth Policy Act.****§143-506.6. Title.**

This Article shall be known as the North Carolina Balanced Growth Policy Act. (1979, c. 412, s. 1.)

§143-506.7. Purposes.

The purposes of this Article are to declare as a policy that the State of North Carolina shall encourage economic progress and job opportunities throughout the State; support growth trends which are favorable to maintain a dispersed population, to maintain a healthy and pleasant environment and to preserve the natural resources of the State. (1979, c. 412, s. 2.)

§143-506.8. Declaration of State Balanced Growth Policy.

The General Assembly of North Carolina recognizes the importance of reaching a higher standard of living throughout North Carolina by maintaining a balance of people, jobs, public services and the environment, supported by the growing network of small and large cities in the State. The General Assembly of North Carolina, in order to assure that opportunities for a higher standard of living are available all across the State, declares that it shall be the policy of the State to bring more and better jobs to where people live; to encourage the development of adequate public services on an equitable basis for all of the State's people at an efficient cost; and to maintain the State's natural environmental heritage while accommodating urban and agricultural growth. (1979, c. 412, s. 3.)

§143-506.9. Cooperation of agencies.

The General Assembly encourages, to the fullest extent possible, all State agencies to review their existing policies, procedures and regulations to bring them into conformity with the provisions of this Balanced Growth Policy. (1979, c. 412, s. 4.)

§143-506.10. Designation of growth centers; achieving balanced growth.

It shall be the policy of the State of North Carolina to support the expansion of the State and to designate growth areas or centers with the potential, capacity and desire for growth. The Governor, with the advice of county and municipal government officials and citizens, is charged with designating growth areas or centers, which shall include at least one center in each North Carolina county. Designation of growth areas or centers shall be reviewed annually. These designations may be used for the purpose of establishing priority consideration for State and federal assistance for growth.

Progress toward achieving balanced growth shall be measured by the strengthening of economic activity and the adequacy of public services within each of the State's multi-county regions and, as

to the geographical area included, the Southeastern Economic Development Commission. The Governor, with the advice of county and municipal government officials and citizens, shall develop measures of progress toward achieving balanced growth. (1979, c. 412, s. 5.)

§143-506.11. Citizen participation.

The Governor shall establish a process of citizen participation that assures the expression of needs and aspirations of North Carolina's citizens in regard to the purposes of this Article. (1979, c. 412, s. 6.)

§143-506.12. Policy areas.

The following program area guidelines shall become the policy for the State of North Carolina:

(1) To encourage diversified job growth in different areas of the State, with particular attention to those groups which have suffered from high rates of unemployment or underemployment, so that sufficient work opportunities at high wage levels can exist where people live;

(2) To encourage the development of transportation systems that link growth areas or centers together with appropriate levels of service;

(3) To encourage full support for the expansion of family-owned and operated units in agriculture, forestry and the seafood industry as the basis for increasing productive capacity;

(4) To encourage the development and use of the State's natural resources wisely in support of Balanced Growth Policy while fulfilling the State's constitutional obligation to protect and preserve its natural heritage;

(5) To promote the concept that a full range of human development services shall be available and accessible to persons in all areas of the State;

(6) To encourage the continued expansion of early childhood, elementary, secondary and higher education opportunities so that they are improving in both quality and availability;

(7) To encourage excellent technical training for North Carolina workers that prepares them to acquire and hold high-skill jobs and that encourages industries which employ high-skill workers to locate in the State;

(8) To encourage the availability of cultural opportunities to people where they live;

(9) To encourage the expansion of local government capacity for managing growth consistent with this Balanced Growth Policy; and

(10) To encourage conservation of existing energy resources and provide for the development of an adequate and reliable energy supply, while protecting the environment. (1979, c. 412, s. 7.)

§143-506.13. Implementation of a State-local partnership.

The Governor, with the advice of the State Goals and Policy Board, shall establish a statewide policy-setting process for Balanced Growth, in partnership with local government, that

brings about full participation of both the State and local government. The purpose of this State-local partnership is to arrive at joint strategies and objectives for balanced statewide development and ensure consistent action by the State and local government for jointly agreed upon strategies and objectives. (1979, c. 412, s. 8.)

§143-506.14. North Carolina Office of Local Government Advocacy created; membership; terms; meetings; compensation; powers and duties; staff; cooperation by departments.

There is established in the office of the Governor, the North Carolina Office of Local Government Advocacy. The Local Government Advocacy Council, created by Executive Order Number 22, is hereby transferred to the Office of Local Government Advocacy. The Council shall consist of 19 persons and shall be composed as follows: six members representing county government, five of whom are the members of the Executive Committee of the North Carolina Association of County Commissioners and one who is the Executive Director of the Association; six members representing municipal government, five of whom are the members of the Executive Committee of the North Carolina League of Municipalities and one who is the Executive Director of the League; two Senators appointed by the President of the Senate; two members of the House of Representatives, appointed by the Speaker of the House of Representatives and three at-large members appointed by the Governor. The Association of County Commissioners and the League of Municipalities representatives shall serve terms on the Council consistent with their terms as Executive Committee members appointed by the Governor. The members appointed by the President of the Senate and the Speaker of the House of Representatives shall serve until January 15, 1981, or until their successors are appointed, whichever is later. Their successors shall serve a term of two years. The at-large members shall serve at the pleasure of the Governor for a period of two years. The Chairman and Vice-Chairman shall be the President of the Association of County Commissioners and the President of the League of Municipalities respectively, with the office rotating between the League and Association annually. Provided that no person among those appointed by the Governor, the President of the Senate and the Speaker of the House of Representatives shall serve on the Council for more than two complete consecutive terms.

The Council shall meet at least once each quarter and may hold special meetings at any time at the call of the Chairman or the Governor.

The members of the Council shall receive per diem and necessary travel and subsistence expenses in accordance with the provisions of G.S. 138-5.

Membership. The Local Government Advocacy Council shall not be considered a public office and, to that end membership may be held in addition to the number of offices authorized by G.S. 128-1.1.

The general duties and responsibilities of the Council are:

(1) To advocate on behalf of local government and to advise the Governor and his Cabinet on the development and

implementation of policies and programs which directly affect local government;

(2) To function as liaison for State and local relations and communications;

(3) To identify problem areas and recommend policies with respect to State, regional and local relations; and

(4) To review, monitor and evaluate current and proposed State program policies, practices, procedures, guidelines and regulations with respect to their effect on local government.

The Office of Local Government Advocacy shall be staffed by persons knowledgeable of local government who shall seek to carry out the directives of the Local Government Advocacy Council by:

(1) Advocating the policies of the Council with various State departments;

(2) Serving as a communications liaison between the Local Government Advocacy Council and the various State departments; and

(3) Functioning as an ombudsman for the resolution of local government problems.

It shall be the responsibility of each respective Cabinet department head to: (i) insure that departmental employees make every effort to cooperate with and provide support to the Local Government Advocacy Council in keeping with the intent of this Article; and (ii) advise the Local Government Advocacy Council of their proposed policies and plans for review in terms of their effect on local government. (1979, c. 412, s. 9.)

SL83-R24

RESOLUTION 24

HOUSE JOINT RESOLUTION 660

A JOINT RESOLUTION WITH RESPECT TO THE WORK OF THE COMMISSION ON THE FUTURE OF NORTH CAROLINA.

Whereas, Governor James B. Hunt, Jr., on June 1, 1981, established the Commission on the Future of North Carolina and charged it with the duty of studying the opportunities and problems that the State will face over the next two decades and to recommend policies that would enable wise and constructive responses to those opportunities and problems; and

Whereas, the Governor appointed to the Commission on the Future of North Carolina 65 citizens, including several leaders of the General Assembly, who have invested in the work of the Commission a great deal of time and effort over a period of 18 months; and

Whereas, county committees were organized throughout the State to study the implications of the future for their counties and to advise the Commission on their findings and recommendations, an effort that involved many thousands of citizens in meetings held throughout North Carolina in 1982; and

Whereas, a Citizens Conference was held in Raleigh in December, 1982, at which the tentative findings and recommendations of the Commission on the Future of North Carolina were presented to and examined and commented on by several hundred participants from throughout the State; and

Whereas, the Commission has now filed its report with the Governor for transmission to the General Assembly and the citizens of North Carolina; and

Whereas, it is desirable that provision be made and action taken to carry out the recommendations of the Commission that are found worthy, and to sustain the self-examination process that was begun with the Commission on the Future of North Carolina; Now, therefore, be it resolved by the House of Representatives, the Senate concurring:

Section 1. The Governor is requested (a) to review the report and recommendations of the Commission on the Future of North Carolina, (b) to take such administrative actions pursuant to those recommendations as he finds to be consistent with the best interests of the State, and (c) to recommend to the General Assembly in 1983 and later years such legislation as he deems advisable to carry out those recommendations of the Commission that require new legislation and consistent with the best interests of the State.

Sec. 2. The Governor is requested to report to the General Assembly in 1985 and biennially thereafter on progress made during the preceding two years on the implementation of the recommendations of the Commission on the Future of North Carolina.

Sec. 3. The Governor is requested, not less often than every four years, beginning in 1986, to cause the 1983 report of the Commission on the Future of North Carolina to be reviewed and updated, to the end that it may be kept current as a statement of the opportunities and needs of our State.

Sec. 4. This resolution is effective upon ratification.
In the General Assembly read three times and ratified,
this the 6th day of June, 1983.