



NCARCOG Overview

The North Carolina Association of Regional Councils of Governments (NCARCOG) represents 16 regional councils of governments (COGs), and it advocates for regional solutions to address multi-jurisdictional issues or opportunities, coordinated state and federal program service delivery, and building strategic partnerships to improve the prosperity of rural and urban North Carolina.

Policy Priorities

1. Build partnerships and capacity for COGs to provide financial administration for local governments.

Many local governments struggle with poor financial administration in North Carolina. This leads to inaccurate financial statements, higher risk of errors and fraud, and incomplete or inaccurate information for local elected bodies to use for key decision-making for the public welfare. Local governments must meet audit, budget, and internal control requirements established by the state and national standards, and many have done so successfully over the decades. An entire generation of local government officials is leaving the workforce due to retirement, and many areas of the state find it difficult to find the qualified professionals needed to remain compliant with state and national accounting standards. COGs are an extension of local government, with professional finance staff, who are uniquely qualified to assist local governments in need of temporary and ongoing financial services. COGs have the ability and authority to partner with the Local Government Commission (LGC), North Carolina League of Municipalities (NCLM), and North Carolina Association of County Commissioners (NCACC) to meet the audit, compliance, and financial administration needs of local governments. However, additional capacity is needed to meet the financial administration needs of local governments.

Action Requested:

The NCARCOG requests the North Carolina General Assembly to appropriate \$3.95 million annually in recurring funding for COGs to create a financial administration program to employ 32 additional finance professionals in the 16 regions to assist small local governments with returning to a compliant status and employing sound financial management practices. These positions will serve as “boots on the ground.” This program will serve 60 to 120 local governments with priority for units with limited means and those units on the LGC’s Unit Assistance List.

2. Provide ongoing funding for COGs to continue disaster resiliency efforts for communities and establish COGs as the entity to develop regional pre-disaster hazard mitigation plans.

As we face both natural and manmade disruptions, our communities' health, safety, and economic stability are at risk. In bolstering pre-disaster resiliency, financial grant administration, and post-disaster recovery efforts, local governments must be proficient in effectively managing public assistance dollars. The NCARCOG provided disaster recovery financial administrative training programs to local governments, and other disaster public assistance stakeholders, with state funds that expired in June of 2024. The NCARCOG program funded by the state, and supported by the NC Division of Emergency Management, is adaptable to address specific nuances to geography and organizational structure, among other challenges, and ensures all requirements of the public assistance process are in place prior to a disaster. This improves the efficient and effective use of taxpayer dollars incurred during Federal Emergency Management Agency (FEMA) recognized disasters.

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Recent disasters have demonstrated that many local governments within each COG region have a limited capacity to apply for emergency management grants, and successfully manage all the training and compliance requirements for the duration of the grant. North Carolina COGs have successfully managed regional disaster and recovery efforts and have extensive experience with emergency management grants. The COGs could serve as designated grant recipients, grant administrators, provide regional communication and coordination activities, and provide the necessary technical assistance to meet grant compliance standards.

COG involvement would enhance both pre-disaster and post-disaster recovery and resiliency efforts by developing pre-disaster long term recovery plans and serve as the bridge between state and local leadership and thus allow more local governments to participate in federal and state hazard, resiliency and mitigation funding opportunities that specifically address local needs.

Action Requested:

NCARCOG requests a recurring annual appropriation of \$3.9 million to build capacity, continue disaster resiliency efforts (e.g. local financial administration training, technical assistance to communities during post-disaster recovery periods, creation of disaster recovery plans, etc.), and conduct hazard mitigation planning. The NCARCOG also requests legislative and policy direction for the North Carolina Division of Emergency Management to use COGs to create and facilitate implementation of regional hazard mitigation plans and to provide training, grant administration, grant application assistance, or any other service requested by a qualifying local government.

3. Modify the Prosperity Zones to conform to COG regions.

Eight Prosperity Zones were created in 2014 when the state eliminated the previously designated economic development regions. The designation of the Prosperity Zones intended to improve collaboration among state agencies and to improve customer service. However, the Prosperity Zones do not have a dedicated administrative structure, have been largely ineffective, and duplicate efforts of COGs. Many COGs already serve as the Economic Development Administration's designated economic development districts and local development districts for the Appalachian Regional Commission and Southeast Crescent Regional Commission. The assigned geographies of the Prosperity Zones do not follow natural economic, transportation, political, or cultural patterns and are often too large to foster cooperation within those regions.

COG regions better reflect natural patterns within the state and already contain human infrastructure among a range of programs including planning, transportation, workforce development, community and economic development, etc. Using COG regions as the basis for Prosperity Zones would decrease duplication and confusion for local governments and facilitate better coordination of services.

Action Requested:

The NCARCOG requests the North Carolina General Assembly to modify the eight Prosperity Zones to conform to the 16 COG regions. When necessary, state agencies can assign multiple COG regions to state staff personnel.

4. Enact Clarifying Legislation to Clarify the Authority of COGs to Serve Local Governments

COGs serve local governments with various programs and services. The charter of each COG and state law grant broad authority for COGs to serve as a mechanism for local governments to share resources and for state agencies to provide services. Recent conversations and interpretations of state officials require clarification of COG authority to receive grants on behalf of local governments and serve in officer positions for municipalities and counties (e.g. finance officer, town managers, interim positions, etc.). There is a significant shortage of finance

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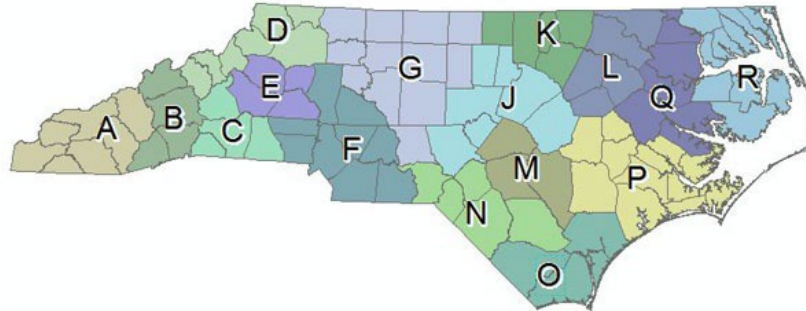
officers and sharing limited talent through COGs is an effective strategy to improve local government finance administration.

Action Requested:

The NCARCOG requests the North Carolina General Assembly to modify the enabling statutes for COGs to clarify that COGs can serve as any officer of a local government when requested by the governing board or appointing authority; and COGs apply for and receive any state administered grant when municipalities and counties are eligible.

5. Build strategic partnerships to improve regional delivery of services.

Rural and urban local governments established COGs to come together to solve local and regional issues. COGs play a role in convening leaders within each region and coordinating with multiple types of organizations to deliver programs, projects, or services. COGs are best positioned for the delivery of federal, state, and local programs or services on a regional basis due to the ability to scale a service or program to meet the needs of each region, or to work cooperatively across multiple regions when needed or required.



Action Requested:

Advocate for an increase in the use of COGs to administer and/or implement governmental services and programs that are intended to be delivered on a multi-county basis. Advocate that COGs serve as the default mechanism to deliver regionally based services. Oppose the creation of new regional offices or regional service areas that split COG regions. Request state agencies and the General Assembly consider modifying other state-designated regions to align with COG regions or to avoid splitting COG regions.

6. Modify rules, regulations, or legislation to include COGs as eligible entities for state and federal grants.

The federal Office of Management and Budget (OMB) Circular 2 CFR 200. 64 (I) identifies a council of governments (COG) as an eligible local government for the purpose of applying for and receiving federal grant awards. NCGS 160A-475(1) and 153A-395 allow COGs to apply for, accept, receive, and dispense grants made available to it by the State of North Carolina, the United States of America or any of its agencies, any local government, and any private or civic agency. Some program rules and grant applications, at the state and federal levels, do not list COGs as eligible program administrators, applicants, or sub-recipients. These limitations prevent COGs from applying for regional based grants, and/or delivering regionally significant programs in each COG service area.

Action Requested:

NCARCOG requests the members of the North Carolina General Assembly add councils of governments to the list of eligible entities for state and federal grant programs. In addition, NCARCOG requests the members of the North Carolina delegation to the U.S. House of Representatives, and the U.S. Senate also add councils of governments to the list of eligible entities for federally funded grants and programs.

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