



2024 Policy Agenda

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, that 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 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. 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 Provide funding to replace the outdated and poorly functioning ARMS system for the provision of aging services within the NC Division of Aging and Adult Services.

The state developed a reimbursement system in the 1990s, called the Aging Resource Management System (ARMS), to facilitate payment for services directed to older adults in North Carolina. The system has far exceeded its useful life and represents significant risks for failure. The following challenges and risks exist with ARMS: increased risk of security breaches due to age; increased downtime of the system for users creating inefficiencies; functional limitations to meet current operational needs; incompatibility with newer software systems; labor-intensive procedures; and other obsolete features.

A new software system creates better efficiencies, reduces risks and interruptions of services, enhances compatibility with other software platforms, improves performance measurement, and increases accountability for the use of funds.

Action Requested:

The NCARCOG requests the North Carolina Division of Health and Human Services and General Assembly to appropriate funding to replace the ARMS system. DHHS estimates an implementation cost of \$5.96 million and

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\$3.89 million for five years of operations and maintenance costs. The NCARCOG (through its Area Agencies on Aging) requests to serve in a key partnership role with the development and selection of a replacement system.

3. Increase funding for the Long-Term Care (LTC) Ombudsman Program in North Carolina.

LTC Ombudsmen are employed by Area Agencies on Aging (AAAs) within each COG to serve North Carolinians living in licensed long-term care facilities in our state. This includes residents in nursing homes, adult care homes, and family care homes. As a group, LTC Ombudsmen serve and protect some of the most vulnerable and needy citizens in the state in a non-regulatory role. There are about 91,000 patient beds in the state. LTC Ombudsmen work to resolve complaints made by, or for, residents of LTC facilities, advocate for patients' rights and quality of care, educate consumers and LTC providers about patient's right and good care practices, facilitate community involvement through volunteers, and suggest changes to laws and regulations regarding long-term care.

The National Academy of Sciences Institute of Medicine recommends one full time equivalent (FTE) paid ombudsman per every 2,000 long-term care (LTC) beds. The current program funding is insufficient to support 45.5 full-time equivalent positions. COGs and AAAs employ only 36.5 ombudsmen and that staff level requires diverting funding from other services to achieve that level of staffing. Examples of diverted program funds include: home delivered meals, medical transportation, in-home aide, and other services. The current level of funding creates risks that LTC patient's rights and care are not fully addressed. An additional \$2.75 million is needed annually to fully fund the ombudsman program and meet LTC patients' needs.

Action Requested:

The NCARCOG requests the North Carolina General Assembly to appropriate an additional \$2.75 million in annual recurring funds to fully fund the ombudsman program.

4. 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 Appalachian Regional Commission's local development districts. 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.

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5. 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 offers disaster recovery financial administrative training programs to local governments, and other disaster public assistance stakeholders, with state funds that expire 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.

Smaller units of local governments within each COG region may 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 recovery and resiliency efforts and allow more local governments to participate in funding opportunities.

North Carolina COGs have successfully managed regional disaster and recovery efforts and have extensive experience with emergency management grants. The COGs can 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 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.

COGs have coordinated, planned, and delivered planning and programming services on a multi-jurisdictional basis for the past fifty years. Pre-Disaster Hazard Mitigation (PDM) plans, implemented with assistance from the Building Resilient Infrastructure and Communities (BRIC) grant program require local government leaders from multiple cities and counties to develop a coordinated plan to identify goals, action steps, and projects to limit the impact of natural and man-made disasters. COGs already engage in resiliency planning efforts within their regions, and each COG engages with local government leaders on a multi-jurisdictional basis. PDM plans are required to be performed every five years, and regularly assessed to determine progress towards implementing the plan. COGs can provide planning professionals to work with local government leaders to develop PDM plans, and to work with local governments to implement the high priority projects to limit the impacts from future disasters.

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 Department of Emergency Management to

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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.

6. Amend state law to provide clear legislative authority for COGs to apply for transit planning, capital, and operating grants offered through NCDOT and the Federal Transit Administration (FTA).

NC Department of Transportation (NCDOT) and FTA transit grants allow a local government or non-profit to apply for transit grants through their agencies. In most states, a COG is recognized as a unit of government or a special purpose unit of local government that is able to apply for state and federal grants. North Carolina COGs, established via G.S. Chapter 153A, Article 19 and G.S. 160A, Article 20, Part 2, are more closely identified as a type of public authority that is able to serve as an extension of local governments. Due to the construction of state statues, NCARCOG recommends specific legislation to clearly authorize COG's as an eligible entity to apply for transit grants. Federal policies already identify a COG as an eligible type of government that can apply for grants, but further action by the state is necessary.

- COGs can play a vital role with coordination and planning activities to promote effective and efficient transit services that cross municipal and county lines.
- Better coordination and planning can provide a benefit to North Carolina's efforts to train and sustain job training and workforce development initiatives.
- COGs can apply for and develop mobility management programs that increase transportation choices for North Carolina citizens, access additional federal funds to support existing public transit systems, and create additional transportation capacity through private or volunteer transit provider networks.
- Authorizing COGs as eligible entities that can apply for transit grants allows COGs to play a "gap filling" role, but not duplicate or replace existing transit systems without the support of local governments.

Action Requested:

The NCARCOG requests the North Carolina General Assembly to amend G.S. 136-44-.20 and G.S. 136-44.27 to provide clear legislative authority for councils of governments (COGs) to apply for transit planning, capital, and operating grants offered through the North Carolina Department of Transportation (NCDOT) and the Federal Transit Administration (FTA).

7. Support the expansion of high-speed broadband throughout North Carolina.

The availability of high-speed broadband, defined by the FCC a 25 megabits per second download speed and 3 megabits per second upload speed, is critical to the economic resilience of local governments throughout North Carolina. The COVID-19 pandemic has highlighted the need to increase availability of high-speed broadband to ensure continuation of local government services, local economies, education, workforce training, and nearly every other aspect of private or public operations that rely on internet connectivity to function.

Action Requested:

NCARCOG supports legislative and policy that increases the availability of high-speed broadband throughout North Carolina and urges the members of the North Carolina General Assembly to continue to provide funding to study, build, and upgrade broadband infrastructure to ensure the private and public entities across the state are able to function and compete in the global economy while maintaining safe and effective public services vital to the health and welfare of North Carolina citizens. The NCARCOG request the General Assembly and other state leaders to use COGs as a mechanism for local and regional broadband planning and implementation efforts.

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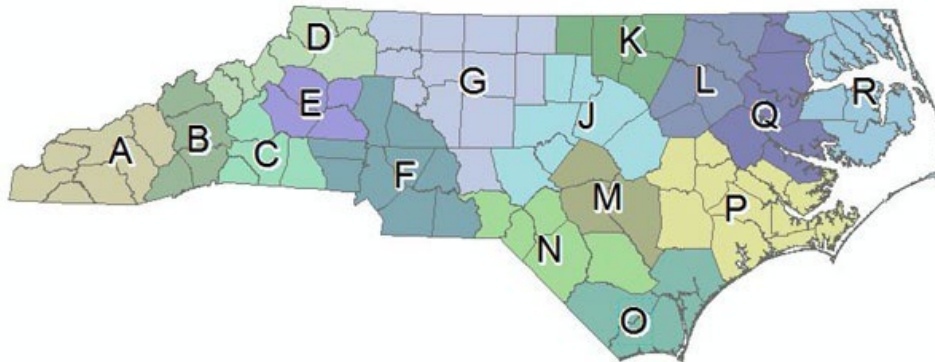
- 8. Advocate for additional funding for aging, community development, infrastructure, and workforce programs.** COG regions across the state are working with local government leaders to plan and coordinate services and programs for a rapidly increasing older adult population, expand or upgrade water and sewer capacity to accommodate growth and development within each region, developing partnerships to improve access to workforce housing, and coordinating workforce and/or economic development opportunities with area employers to provide the skilled workers needed for economic growth.

Action Requested:

- Provide additional funding for the Home and Community Care Block Grant (HCCBG) to support growing older adult populations.
- Continue increased funding for water and sewer infrastructure projects to facilitate community and economic development.
- Improve workforce development services by seeking approval from the US Department of Labor to delegate funding and operations for Wagner-Peyser related services to local workforce development boards.

- 9. 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 delivery 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.

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10. 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 (l) 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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