

Comparative Analysis of North Carolina Service Responsibility Sharing Between State and Local Governments

Summary of Findings

By

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Study Objectives

- Determine if the way North Carolina (NC) shares responsibility for Education, Public Welfare, Health, and Transportation services is different from comparable States.

Study Questions

- What is the percent distribution of responsibility sharing between NC State government and NC local governments?
- What is the average percent distribution of responsibility sharing between comparable State governments and their local governments?

Definition of Comparable States

- States with the same or close to the same Expenditure Need per Capital as NC, and/or
- States with the same or close to the same (i.e. + or -3% difference from NC's) Expenditure Need Index as NC

Comparable States

- Arizona California Illinois
- Kentucky Michigan New York
- North Dakota Oklahoma Tennessee
- Utah West Virginia

Education Services

- Include: Higher education, elementary and secondary education, and public libraries.

(Source: Census of Governments, 2003-04)

**Table 1: Education Service
(dollars expressed in 000)**

State	Expenditure Need	Expenditure	Total	State	State	Local	Local
	Per Capita	Index	Amount	Amount	Percent	Amount	Percent
North Carolina	6113	102	\$17,433,865	\$6,058,408	35%	\$11,375,457	65%
Arizona	6128	102	\$10,213,306	\$2,695,112	26%	\$7,518,194	74%
California	6211	103	\$85,534,897	\$18,398,977	22%	\$67,135,920	78%
Illinois	6126	102	\$29,260,593	\$7,089,256	24%	\$22,171,337	76%
Kentucky	6141	102	\$7,842,401	\$3,196,209	41%	\$4,646,192	59%
Michigan	6255	104	\$27,335,128	\$7,664,053	28%	\$19,671,075	72%
New York	6052	101	\$52,456,231	\$8,556,759	16%	\$43,866,472	84%
North Dakota	6248	104	\$1,535,960	\$636,157	41%	\$899,803	59%
Oklahoma	6059	101	\$6,993,244	\$2,611,289	37%	\$4,381,955	63%
Tennessee	6271	104	\$9,882,178	\$3,085,757	31%	\$6,796,421	69%
Utah	6181	103	\$5,417,748	\$2,445,129	45%	\$3,063,619	55%
West Virginia	6227	104	\$3,773,883	\$1,332,923	35%	\$2,440,960	65%
Comparable							
States Average			\$21,840,506	\$5,246,511	32%	\$16,599,268	69%

Education Services

- The structure of education service responsibility sharing between NC's state government and its local government is similar to that of comparable states.
- NC's 35% is close to the average of 32%
- Four states assume more responsibility while six states assume less responsibility

Public Welfare Services

- Include: cash assistance payments, vendor payments, and public employment for all public welfare activities and expenditure for welfare not classified elsewhere.

(Source: Census of Governments, 2003-04)

Table 2: Public Welfare

(dollars expressed in 000)

State	Expenditure Need	Expenditure	Total	State	State	Local	Local
	Per Capita	Index	Amount	Amount	Percent	Amount	Percent
North Carolina	6113	102	\$8,570,016	\$7,328,124	86%	\$1,241,892	14%
Arizona	6128	102	\$4,969,463	\$4,336,282	87%	\$633,181	13%
California	6211	103	\$40,209,171	\$26,258,258	65%	\$13,950,913	35%
Illinois	6126	102	\$11,533,722	\$11,045,040	96%	\$488,682	4%
Kentucky	6141	102	\$5,267,770	\$5,225,029	99%	\$42,741	1%
Michigan	6255	104	\$10,244,671	\$9,483,087	93%	\$761,584	7%
New York	6052	101	\$40,517,687	\$30,847,324	76%	\$9,670,363	24%
North Dakota	6248	104	\$718,903	\$681,803	95%	\$37,100	5%
Oklahoma	6059	101	\$3,526,730	\$3,489,064	99%	\$37,666	1%
Tennessee	6271	104	\$7,811,436	\$7,643,579	98%	\$167,857	2%
Utah	6181	103	\$2,007,402	\$1,972,361	98%	\$35,041	2%
West Virginia	6227	104	\$2,261,676	\$2,257,863	100%	\$3,783	0%
Comparable							
States Average			\$11,733,519	\$9,385,426	92%	\$2,348,083	9%

Public Welfare Service

- The structure of public welfare service responsibility sharing between NC's government and its local governments is similar to that of comparable states.
- North Carolina's 86% is close to the average of 92%
- However, eight states assume responsibility for over 93% of total spending

Health and Hospital Services

- Hospital care in other hospitals (public or private) and support of other public and private hospitals;
- Financial support of other public or private hospitals, including construction; payments to private corporations who lease and operate government-owned hospitals; and construction of hospitals to be leased or turned over to others to operate.
- Other public health programs

(Source: Census of Governments, 2003-04)

Table 3: Health and Hospitals

(dollars expressed in 000)

State	Expenditure Need	Expenditure	Total	State	State	Local	Local
	Per Capita	Index	Amount	Amount	Percent	Amount	Percent
North Carolina	6113	102	\$5,951,428	\$1,868,210	31%	\$4,083,218	69%
Arizona	6128	102	\$2,010,201	\$1,136,701	57%	\$873,500	43%
California	6211	103	\$24,280,746	\$7,294,253	30%	\$16,986,493	70%
Illinois	6126	102	\$5,399,029	\$3,502,484	65%	\$1,896,545	35%
Kentucky	6141	102	\$1,547,411	\$1,051,237	68%	\$496,174	32%
Michigan	6255	104	\$6,820,475	\$2,954,876	43%	\$3,865,599	57%
New York	6052	101	\$13,924,768	\$5,226,570	38%	\$8,698,198	62%
North Dakota	6248	104	\$115,258	\$85,242	74%	\$30,015	26%
Oklahoma	6059	101	\$1,305,255	\$502,284	38%	\$802,971	62%
Tennessee	6271	104	\$3,723,076	\$1,304,506	35%	\$2,418,570	65%
Utah	6181	103	\$1,004,981	\$775,070	77%	\$229,911	23%
West Virginia	6227	104	\$570,155	\$306,528	54%	\$263,627	46%
Comparable							
States Average			\$3,642,061	\$1,684,550	53%	\$1,957,511	47%

Health and Hospital Services

- The state of North Carolina has much less responsibility (31%) than similar states (53%)

Transportation Services

- Includes: Highways, air transportation (airports), parking facilities, sea and inland port facilities, and transit subsidies construction and maintenance.

(Source: Census of Governments, 2003-04)

Table 4: Transportation

(dollars expressed in 000)

State	Expenditure Need	Expenditure	Total	State	State	Local	Local
	Per Capita	Index	Amount	Amount	Percent	Amount	Percent
North Carolina	6113	102	\$3,906,056	\$3,065,136	78%	\$840,920	22%
Arizona	6128	102	\$2,705,500	\$1,277,886	47%	\$1,427,614	53%
California	6211	103	\$14,569,283	\$5,628,821	39%	\$8,940,462	61%
Illinois	6126	102	\$5,861,766	\$2,450,115	42%	\$3,411,651	58%
Kentucky	6141	102	\$2,264,425	\$1,601,878	71%	\$662,547	29%
Michigan	6255	104	\$4,388,842	\$1,719,434	39%	\$2,669,408	61%
New York	6052	101	\$10,675,753	\$3,709,679	35%	\$6,966,074	65%
North Dakota	6248	104	\$549,269	\$325,500	59%	\$223,769	41%
Oklahoma	6059	101	\$1,458,238	\$773,885	53%	\$684,353	47%
Tennessee	6271	104	\$1,958,388	\$1,167,556	60%	\$790,832	40%
Utah	6181	103	\$1,151,778	\$723,912	63%	\$427,866	37%
West Virginia	6227	104	\$1,057,289	\$950,156	90%	\$107,133	10%
Comparable							
States Average			\$4,238,011	\$1,848,075	54%	\$2,389,936	46%

Transportation Service

- North Carolina assumes a greater share of responsibility (78%) than similar states (54%)
- Only West Virginia assumes a higher percent of responsibility at 90%

Table 5: Public Safety

State	Expenditure Need	Expenditure	Total	State	State	Local	Local
	Per Capita	Index	Amount	Amount	Percent	Amount	Percent
North Carolina	6113	102	\$3,766,256	\$1,498,010	40%	\$2,268,246	60%
Arizona	6128	102	\$3,333,580	\$1,020,033	31%	\$2,313,547	69%
California	6211	103	\$14,569,283	\$5,628,821	39%	\$8,940,462	61%
Illinois	6126	102	\$5,861,766	\$2,450,115	42%	\$3,411,651	58%
Kentucky	6141	102	\$1,624,188	\$660,809	41%	\$963,379	59%
Michigan	6255	104	\$5,467,987	\$1,953,577	36%	\$3,514,410	64%
New York	6052	101	\$14,904,077	\$3,608,810	24%	\$11,295,267	76%
North Dakota	6248	104	\$204,304	\$84,185	41%	\$120,119	59%
Oklahoma	6059	101	\$1,566,805	\$667,662	43%	\$899,143	57%
Tennessee	6271	104	\$2,487,694	\$655,856	26%	\$1,831,838	74%
Utah	6181	103	\$1,135,024	\$465,969	41%	\$669,055	59%
West Virginia	6227	104	\$564,304	\$298,422	53%	\$265,885	47%
Comparable							
States Average			\$4,701,728	\$1,590,387	38%	\$3,111,341	62%

Public Safety Services

- North Carolina's 40% is in line with the average responsibility of other states (38%)

Table 6: Environment and Housing

State	Expenditure Need Per Capita	Expenditure Index	Total Amount	State Amount	State Percent	Local Amount	Local Percent
North Carolina	6113	102	\$2,744,719	\$830,249	30%	\$1,914,470	70%
Arizona	6128	102	\$2,314,985	\$491,490	21%	\$1,823,495	79%
California	6211	103	\$23,976,699	\$4,885,861	20%	\$19,090,838	80%
Illinois	6126	102	\$6,896,056	\$722,630	11%	\$6,173,426	89%
Kentucky	6141	102	\$1,384,924	\$630,095	46%	\$754,829	54%
Michigan	6255	104	\$4,393,661	\$974,629	22%	\$3,422,032	78%
New York	6052	101	\$10,053,311	\$1,313,168	13%	\$8,740,143	87%
North Dakota	6248	104	\$254,709	\$38,259	15%	\$216,450	85%
Oklahoma	6059	101	\$1,086,079	\$276,269	25%	\$809,810	75%
Tennessee	6271	104	\$1,969,684	\$383,125	20%	\$1,586,559	80%
Utah	6181	103	\$1,150,110	\$285,982	25%	\$864,128	75%
West Virginia	6227	104	\$659,368	\$303,381	46%	\$355,987	54%
Comparable							
States Average			\$4,921,781	\$936,808	24%	\$3,985,245	76%

Environment and Housing Services

- North Carolina's 30% is higher than most states.
- Nine states share 25% or less of the total burden
- Only West Virginia and Kentucky share a greater percent of the burden

Table 7: Government Administration

State	Expenditure Need Per Capita	Expenditure Index	Total Amount	State Amount	State Percent	Local Amount	Local Percent
North Carolina	6113	102	\$1,812,410	\$729,419	40%	\$1,082,991	60%
Arizona	6128	102	\$1,718,120	\$447,452	26%	\$1,270,668	74%
California	6211	103	\$17,821,526	\$8,257,941	46%	\$9,563,585	54%
Illinois	6126	102	\$3,363,093	\$1,370,946	41%	\$1,992,146	59%
Kentucky	6141	102	\$977,567	\$640,175	65%	\$337,392	35%
Michigan	6255	104	\$2,942,463	\$812,718	28%	\$2,129,745	72%
New York	6052	101	\$7,799,872	\$4,148,194	53%	\$3,651,678	47%
North Dakota	6248	104	\$1,047,215	\$121,629	12%	\$925,586	88%
Oklahoma	6059	101	\$1,056,289	\$542,755	51%	\$513,534	49%
Tennessee	6271	104	\$1,320,380	\$467,772	35%	\$852,608	65%
Utah	6181	103	\$1,025,955	\$565,845	55%	\$460,110	45%
West Virginia	6227	104	\$687,821	\$438,830	64%	\$248,991	36%
Comparable							
States Average					43%		57%

Government Administration Services

- There is wide disparity in the share of funding in this area ranging from North Dakota's 12% to Kentucky's 65%.
- North Carolina's 40% is close to the average of 43%

Table 8: Utilities

State	Expenditure Need	Expenditure	Total	State	State	Local	Local
	Per Capita	Index	Amount	Amount	Percent	Amount	Percent
North Carolina	6113	102	\$3,750,222	\$102,399	3%	\$3,647,823	97%
Arizona	6128	102	\$3,706,026	\$28,173	1%	\$3,677,883	99%
California	6211	103	\$30,601,785	\$5,541,795	2%	\$25,059,990	98%
Illinois	6126	102	\$5,682,357	\$0	0%	\$5,682,357	100%
Kentucky	6141	102	\$1,062,410	\$61	0%	\$1,062,349	100%
Michigan	6255	104	\$2,484,143	\$0	0%	\$2,484,143	100%
New York	6052	101	\$21,171,518	\$10,269,625	49%	\$10,901,893	51%
North Dakota	6248	104	\$96,049	\$0	0%	\$96,049	100%
Oklahoma	6059	101	\$1,117,346	\$304,820	27%	\$812,526	73%
Tennessee	6271	104	\$8,237,346	\$4,830	0%	\$8,232,516	100%
Utah	6181	103	\$1,758,328	\$0	0%	\$1,758,328	100%
West Virginia	6227	104	\$250,957	\$14,800	6%	\$236,157	94%
Comparable							
States Average					8%		92%

Utilities Services

- In most states, local governments assume primary responsibility for these services.
- New York is an outlier in that the state assumes 49% of the responsibility

Table 9: Insurance Trust

State	Expenditure Need	Expenditure	Total	State	State	Local	Local
	Per Capita	Index	Amount	Amount	Percent	Amount	Percent
North Carolina	6113	102	\$3,959,596	\$3,939,093	100%	\$20,503	0%
Arizona	6128	102	\$2,290,229	\$2,179,136	95%	\$111,093	5%
California	6211	103	\$33,044,645	\$27,194,376	82%	\$5,850,269	18%
Illinois	6126	102	\$10,241,385	\$7,620,381	74%	\$2,621,004	26%
Kentucky	6141	102	\$2,462,784	\$2,430,915	99%	\$31,869	1%
Michigan	6255	104	\$6,885,544	\$5,627,428	82%	\$1,258,116	18%
New York	6052	101	\$21,740,492	\$14,365,484	66%	\$7,375,008	34%
North Dakota	6248	104	\$232,766	\$223,187	96%	\$9,579	4%
Oklahoma	6059	101	\$1,117,346	\$304,820	27%	\$812,526	73%
Tennessee	6271	104	\$1,942,004	\$1,566,111	81%	\$375,893	19%
Utah	6181	103	\$937,202	\$937,202	100%	\$0	0%
West Virginia	6227	104	\$1,285,544	\$1,257,883	98%	\$27,661	2%
Comparable							
States Average					82%		18%

Insurance Trust Services

- Ten of the eleven states assume at least 74% of the responsibility for these payments with six states (including North Carolina) assuming at least 95% of the costs