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Message From The Governor

To the people of North Carolina,

North Carolina is a great state, but you and I want it to be even better. We want our state to be the best place to live, work and raise a family—not just in the nation, but in the world.

Our state's leaders, guided by their vision of a brighter future, helped our state come a long way in the last two decades. But the world is changing, more quickly and perhaps more profoundly than ever before. If we are to make the state all that we want it to be two decades from now, we are going to have to create a new vision of the future and a map to get us there.

The Commission for a Competitive North Carolina has started this journey by designing a “report card” for the state. This report card will help us focus our resources on the issues that are most important to North Carolinians, measure our progress toward accomplishing these goals and hold public leaders accountable for results. For the first time, we will have a blueprint to guide us as we make policy decisions that determine our future. And it can help set the agenda for public discussion and the political process.

If we set our sights on the goals in this report, we can attract and retain high performance businesses, create more good paying jobs, better prepare our workers for the demands of the marketplace, provide a better education for our children to compete in a global economy, preserve the beauty and bounty of our environment, maintain the health of our families and communities and make government more accountable in serving our needs. We will keep on track to make this great state even greater by 2015.

I commend the members of the Commission for a Competitive North Carolina for their hard work and I promise to do all I can to carry this effort forward. With all of us working together toward a common vision, North Carolina will measure up to the challenges ahead.



Governor James B. Hunt, Jr.

Measuring Up To The Challenge

Is North Carolina prepared to meet the challenges of the next two decades? Are we heading in the right direction? Are we investing our scarce public resources where they will do the most good? Will our children be better off than we are?

Right now, it's hard to tell.

North Carolina met the challenges of the last few decades and we are a more prosperous state as a result. But the world is changing. We have reached a fork in the road; the answers that served us well in the past may not provide the best direction for the future. If we are to continue to measure up to the challenge, we need to pause, take stock and consider our course.

That's why Governor James B. Hunt, Jr. created the Commission for a Competitive North Carolina. The Commission is a bipartisan group of 70 business, education, nonprofit and elected leaders charged to map a long-term vision for North Carolina's future—and chart a course for translating that vision into action.

In effect, the Commission has been asked to develop a “report card” for our state. Before North Carolinians can grade the state's performance, we have to:

- Identify our *priorities*
- Define clear *goals* we want to achieve
- Identify *measures* to chart our progress
- Set *targets* for the future
- Create a *process* to monitor performance and ensure accountability

The members of the Commission have found this a much more complex—and exciting—process than was

anticipated. Over the last year, the Commission has gathered research and data, met with experts from the private and public sectors, distributed workbooks for public comments and discussed and debated the issues. The Commission also held a statewide electronic town meeting, engaged in a series of public meetings and discussions and considered citizens' feedback. Through these processes the Commission members arrived at consensus on the vision of North Carolina articulated in this document, and the goals and measures that follow.

Looking at all the challenges and opportunities facing our state—from ensuring a healthy start in life to providing a good environment for business growth to making government more accountable for results—has given Commission members a new appreciation of the task ahead. The Commission therefore submits this report to the Governor, General Assembly and people of North Carolina with both pride and caution.

This report offers a good beginning to get North Carolina where we want it to be. But it is only a beginning. Ultimately, it is what we as citizens do from here that will determine how North Carolina measures up to the future.

THE CHALLENGE OF CHANGE

Like it or not, the world is changing around us. In fact, North Carolina is undergoing an economic and social transformation that suggests that by 2015, North Carolinians will be living in a competitive environment radically different from today's.

Our nation in general, and our state in particular, were highly competitive in the environment of the past. Over the last two decades, our country and our state generally

achieved a high standard of living, a stable and thriving democracy, an outstanding system of higher education, industrial production that rivaled any in the world and strong growth in jobs.

Still, in some important ways, North Carolina lags behind where we prefer to be. And now we are seeing signs of change that lead us to question whether our state is properly positioned to be competitive over the next two decades:

- Geographic boundaries are shrinking, placing the state's economy in competition not only with neighboring states, but with other nations.
- Technological advances are changing the kinds of jobs that are created and the skills needed for these jobs.
- The growing demand for highly educated and skilled workers who can solve complex problems is putting new pressures on the state's educational systems.
- Profound social and demographic changes are shaking some of our deeply-held traditions and values.
- The increase in violence is threatening the feeling of safety in our own neighborhoods and communities.
- Rising frustration over government's ability to solve problems is forcing public institutions to become more focused, to spend tax dollars wisely and to produce clear results.

Government alone cannot meet all these challenges—success will depend on cooperative action by business, by nonprofit organizations, by civic and religious institutions, by communities and by individuals, all aligned toward common purposes.

If we have learned anything during this period of transition, it is that many of the solutions depend on personal responsibility and local action. But state government can—and must—play an important role. To do its part, North Carolina's citizens and leaders must insist on some major changes in government to make it more productive and less costly, and make it perform with

greater focus, discipline and accountability.

Like the most successful businesses in this new environment, government will have to redefine how it operates and how it measures success:

- From regulating activities to producing solutions
- From managing programs to meeting customers' needs
- From spending on programs to investing in results
- From diffused responsibility to clear accountability
- From generating citizen frustration to encouraging citizen involvement

The Commission for a Competitive North Carolina can serve as government's compass in this process of change. The Commission's job is to help set the broad directions North Carolinians want our state to be heading, to make sure we select the right path to get there, to measure our progress along the way—and to take steps to correct our course as needed.

THE PATH TO 2015

Achieving our goals for the 21st century will require a better way to do business. That requires creating a map for public decision makers that will guide investments into high priority areas and measure results of those investments. Rather than reacting to budget surpluses and shortfalls, short-term crises or the new program of the moment, government can invest our resources in long-term solutions.

North Carolina has already taken steps to put this process into motion. Several boards, commissions and agencies have established strategic plans for key issues such as economic development, workforce preparedness and standards in public education. More accountability for results in budgeting is being implemented in state government to assure funds are spent in ways that produce the desired results. And a number of other initiatives are helping to build a structure that will make government more efficient, effective and accountable.

However, none of these strategies will make a difference if we don't know where we're going and don't measure our progress.

This is where the Commission for a Competitive North Carolina fits in. The Commission's 70 public and private members have worked together to turn diverse perspectives into a shared vision of the state's future. Based on that vision, the Commission has identified eight key areas that will lay the state's foundation over the next two decades.

Healthy Children and Families. Children and families are the building blocks on which our society rests. In addition to the moral imperative to provide a strong start in life, there is the high social cost attached to lack of early investment. At the other end of the age spectrum, our senior citizens deserve comfort, protection and dignity in their later years.

Quality Education for All. The value of education will continue to grow as the state moves from the industrial to the information age. From early childhood education to community college training, from professional education to lifelong learning, North Carolina must prepare its students and workers for productive and satisfying lives.

A High Performance Workforce. The dramatic changes in the economy are transforming the requirements of the workplace. Not only are better education and training needed for those entering the workforce, better capability is essential for those workers now in place—most of whom will still be working 20 years from now.

A Prosperous Economy. A healthy economy encourages the growth of both emerging and established businesses, and in turn creates good jobs, produces a higher standard of living and generates revenues for needed government services.

A Sustainable Environment. The beauty of North Carolina's land and the quality of our air and water are a large part of what makes the state such a desirable place to live, work and visit. Our natural resources are essential to the health and well-being of our people and communities, as well as an integral part of ongoing economic growth.

Technology and Infrastructure Development. The basic elements of infrastructure and a growing technological base

are essential for success in a competitive global economy. We have to plan and invest our resources wisely to build an infrastructure for the economy of the future.

Safe and Vibrant Communities. Strong communities, dispersed from the mountains across the Piedmont to the coast, are what make us proud to call North Carolina "home." The safety and vitality of our neighborhoods and communities create a sense of well being that extends into all other areas of life.

Active Citizenship/Accountable Government. These two goals go hand in hand. If we want government to serve our needs, to operate efficiently and to be accountable for results, we must have active and informed citizens who demand that government participate in delivering the kind of future we all want.

The Commission has spent the last year defining clear goals for each of these areas and identifying ways to measure the state's progress toward achieving them, as detailed in the following chapter of this report.

It became clear during the course of this work that if the process the Commission has started is to be effective, the state needs a way to set targets for performance, to check what progress is being made, to suggest changes as needed and to report this information both to the decision makers and the people of North Carolina. That's why the Commission also proposes an ongoing mechanism to carry this effort forward.

The principal product of the Commission's work is not a glossy report, but a process:

- A process that drives the state forward
- A process that insists that goals be precise and measurable
- A process that directs resources to established priorities
- A process that aligns, public, private and nonprofit organizations in pursuing a shared vision
- A process that involves decision makers and citizens in translating ideas into action
- A process that holds leadership accountable for results

Charting The Course For The Future

How will North Carolina ensure a prosperous economy?
How will we help our children and families flourish? How
will we sustain the communities where we live and work?
How will we hold government accountable for doing its
part?

The Commission for a Competitive North Carolina spent the last year addressing questions like these. The answers our state forges today will decide how prosperous our economy, our communities and our families become.

To chart the course for our future, the Commission applied a dynamic process called “benchmarking.” The process starts with a long-range vision that is ultimately translated into specific targets; these targets enable us to measure our progress. Key steps include:

- Articulating a broad vision for the state
- Defining clear goals for achieving that vision
- Identifying ways to measure progress toward the goals
- Setting targets and milestones for the future
- Monitoring and reporting results

The Commission completed the first three phases of this process, which are summarized here to provide a road map for the Governor, General Assembly and people of North Carolina. While the Commission’s work is over, in the most important sense the work has just begun. That’s why the Commission recommends that an ongoing body be established to carry the process forward.

VISION

The vision of North Carolina’s leaders over the last several decades has brought us where we are today. Prior investments in infrastructure, in education and in innovative public-private partnerships have paid off well in

terms of our standard of living and quality of life. Now it is our turn to respond to the challenges of our time and look two decades ahead.

This is the Commission’s vision of our state as North Carolinians want it to be in 2015.

A Vision for North Carolina in the 21st Century.

North Carolina will be a desirable place to live a productive, rewarding and satisfying life. Its people will have a shared sense of place, stewardship and values. North Carolinians will enjoy:

- *A high quality of life, with stable families and healthy children, safe and vibrant communities, outstanding educational and cultural opportunities, options for enrichment of the human spirit, a beautiful and sustainable natural environment, and a feeling of optimism and control over their individual and collective futures.*
- *A growing, competitive and advanced economy, with globally competitive enterprises; an educated, skilled and highly productive workforce with a commitment to lifelong learning; fulfilling work; widely shared prosperity, wisely used environmental resources; and an infrastructure for global movement of products, services, people and ideas.*
- *A strong sense of community, with a commitment to shared values and vision, civic responsibility, fair treatment for all, a respect for individual differences, a receptivity to change and a fully engaged citizenry.*
- *An efficient and accountable government that facilitates productive use of the collective energy and resources of the people, communities, businesses and institutions of our state.*

GOALS

All North Carolinians can agree that we want the state to be “better,” but what does “better” really mean? The Commission’s goals provide a framework for directing our attention and resources to the top priorities.

First, the Commission translated this vision into eight basic imperatives for the future:

- Healthy children and families
- Quality education for all
- A high performance workforce
- A prosperous economy
- A sustainable environment
- Technology and infrastructure development
- Safe and vibrant communities
- Active citizenship/accountable government

Next, the Commission identified clear goals to turn these broad themes into a concerted plan of action. The 39 goals that make up the body of this report represent those qualities North Carolinians consider most important to making our economy, communities and lives “better.” Each is expressed in the present tense to create a word picture of where we as North Carolinians want to be: for example, “North Carolina students have an equal opportunity to learn in school.”

WAYS TO MEASURE

That brings us to the heart of the benchmarking process:

measurement. In considering these goals, the Commission asked several key questions: What’s the best way to accomplish our goals? How can we measure success? Do measures already exist? Are others needed?

The *measures* arrived at have been carefully and thoughtfully selected to indicate the state’s progress toward this vision for our future, in such terms as early childhood development, student achievement, housing affordability, employment and per capita income. Just as blood pressure, temperature and cholesterol levels serve as signs of a patient’s health, these measures serve as signs of North Carolina’s economic, social and community well-being.

TARGETS AND MILESTONES

The next step is to set targets and milestones to determine progress toward achieving the state’s goals. Together, the measures, targets and milestones will keep North Carolina’s leaders, government agencies, service institutions and citizens focused on achieving the desired results.

The *target* is the quantitative measure of where the state should be by 2015. The *milestone* sets midpoints along the way to check progress toward that target. Oregon, the first state in the country to adopt a benchmarking process and use this strategy to hold government accountable, demonstrates how it can work.

Using an Oregon example, one goal is to reduce the number

Oregon Progress Board Sample Benchmarks

<i>Measure</i>	<i>Milestones</i>				<i>Target</i>
	<i>Historical</i>		<i>Future</i>		
	1980	1990	1995	2000	
Percentage of children living above poverty	88%	84%	88%	92%	100%
Miles of rivers and streams not meeting state and federal water quality standards		1,100	723	75	0
Real per capita income as a percentage of US real per capital income	99%	92%	95%	100%	110%

of children living in poverty. The measure is the percentage of children living above the poverty level. The target is 100 percent by 2010; that is, no children will be living in poverty. Intermediate milestones are set for 88 percent in 1995 and 92 percent in 2000.

RESULTS

This report is a first step to measuring results and guiding the state to a better future. For North Carolina to reach its ambitious goals, however, citizens and leadership need to set the targets and milestones, monitor progress toward achieving them, and report the results.

Implementing the process that the Commission has started will depend upon an ongoing body that can carry the torch

and get the word out. The Commission suggests a strategy for establishing such a body in the final chapter of this document.

Here, then, is the Commission's report. The goals and measures represent a consensus reached by the Commission for a Competitive North Carolina after months of study, debate and conversations with citizens across the state. Not every Commission member would phrase each goal exactly the same way. Some would add additional goals and measures; others might delete a particular goal or measure.

All members agree that this document, which represents the best thinking of North Carolina's citizens and leaders, is a powerful tool to carry the state forward.

Healthy Children And Families

THE CHALLENGE

The health of North Carolina's children and families will ultimately determine the health of everything else we care about: education, economic prosperity, safe communities and the prospects for following generations.

Children who get a good start—a nurturing family, adequate nutrition and appropriate developmental opportunities—are better able to learn, to read, to cope and to succeed. As research repeatedly shows, the stability and well-being of the family is one of the strongest predictors of whether a child will graduate from high school and get a good job. Supporting the needs of children and families is thus an investment that will return dividends in both human fulfillment and dollar savings.

WHERE WE ARE NOW

Major social and demographic changes are shaking the very definition of family, in North Carolina and across the country. And, the stresses on our families and children are growing:

- The higher incidence of families in which both parents work leads to growing demands for quality day care and increasing numbers of unsupervised children
- The high divorce rate has led to more households headed by one parent, creating economic hardship
- The distribution of poverty has been inverted; children now make up 20 percent of the poverty population
- Increasing mobility has eroded the extended family and neighborhood ties that once provided a cushion for children and parents

- Senior citizens make up the fastest growing segment of the population, increasing demands for adult care and other vital services
- Drugs, alcohol and violence encroach on our children's safety, in their homes, schools and neighborhoods

By not responding to these challenges, we are failing our children. The state ranks 39th—among the 12 worst—in the nation on the health and well-being of children, according to the Kids Count Data Book.

WHERE WE WANT TO BE

In the Commission's vision, North Carolina is a state where all children have access to a supportive family, good health care, quality education, adequate nutrition, a safe environment, and a vision of a future where they can succeed. All adults—from those just starting out to those in the prime of their careers and family responsibilities and those who have retired—lead healthy lifestyles and have access to the care they need.

The Commission believes our success will depend on self-responsibility and the choices that citizens make independent of a formal community, its resources and services. Thus, individuals and communities will have to reinforce the family unit by ensuring that:

- Children get off to a good start in life
- Children enter school ready to succeed
- Families provide a nurturing environment
- Citizens are healthy

GOALS AND MEASURES

GOAL 1: All North Carolina children have a healthy start in life.

Explanation: The most important thing we can do for North Carolina's long-term development is to help children get off to a good start. Children who receive proper physical care, emotional attention and encouragement from adults are more likely to succeed in school and in life. A healthy start promotes a healthier life, reducing future costs in medical and other care.

Ways To Measure:

- Percentage of expectant mothers who begin prenatal care in the first trimester
- Percentage of low birthweight babies (less than 2,500 grams)
- Percentage of children properly immunized by age two

GOAL 2: All North Carolina children enter school ready to succeed.

Explanation: Constructive early childhood development enables a child to concentrate on school, keep up with his or her classmates and succeed both in the classroom and in life. Although the family is the first and foremost caregiver and teacher, quality early childhood education should be available to all.

Ways To Measure:

- Percentage of children living below the poverty level who participate in constructive early childhood education programs
- Percentage of North Carolina-licensed child care centers that meet National Association for Education of Young Children accreditation
- Percentage of preschool children who are read to at home at least three times a week

GOAL 3: North Carolina families have the resources and commitment to provide a nurturing environment.

Explanation: Children need a safe, secure base from which to explore the world and their own potential. Yet every day, 67 North Carolina children are abused or neglected by adults who violate this basic trust. Nearly 20 percent of North Carolina children under age five live in poverty; many are the children of teen mothers. Older children and youth, often left unsupervised, may be engaging in behaviors that get in the way of successful futures.

With more couples choosing to have children later in life, many adults are being "sandwiched" between caring for their children and their parents. Serving family needs increasingly means providing care for senior citizens, the disabled and others in need as well.

Ways To Measure:

- Rate of substantiated child maltreatment reports per 1,000 children (less than 17 years old)
- Teenage pregnancy rate per 1,000
- Rate of births to single mothers per 1,000
- Percentage of child support collected
- Percentage of children living in families with income of at least 120 percent of poverty level
- Percentage of children living in families where at least one parent has an education level of at least 12 years
- Percentage of eighth graders who know at least one adult who expects them to succeed
- Percentage of eighth graders watching television less than 20 hours Monday through Friday
- Percentage of high school students (grades 9-12) who have had at least one alcoholic drink within 30 days prior to the survey
- Percentage of high school students (grades 9-12) who have used an illegal substance at least once within 30 days prior to the survey
- Number of licensed adult care facilities in proportion to population age 65 and older

GOAL 4: North Carolina citizens are healthy.

Explanation: Healthy adults create healthy families and communities. Individual health depends on safety in the home and neighborhoods, access to affordable health care, and control over one's life. With this foundation, healthy lifestyle choices can help people live longer, more vibrant lives.

Ways To Measure:

- Percentage of North Carolinians covered by health insurance
- Population per active primary physician, by rural and urban counties
- Population per active dentist, by rural and urban counties
- Spousal abuse rates
- Adult sexually transmitted disease (STD) rates
- Adult drug and alcohol abuse rates
- Access to long-term care for elderly

Quality Education For All

THE CHALLENGE

First-class education—beginning before kindergarten and continuing well beyond high school or college graduation—is the ticket to the future. Education builds the foundation that will prepare North Carolinians to compete in a global market, to perform productive work and, just as important, to lead satisfying lives.

That foundation has never been more important. As the world economy continues to shift from an industrial base to an information base, knowledge will become an increasingly precious commodity. To be competitive, North Carolina must set high standards and give our children, youth and adults the tools to reach them.

WHERE WE ARE NOW

Despite a history of quality higher education and some progress in public education, the state's current level of performance is simply not sufficient to meet the needs of the future. Recent statistics paint a bleak picture:

- Almost 40 percent of North Carolina's children in grades 3 through 8—300,000 students—read below grade level
- Over one-third of students who began ninth grade in the same year do not graduate with their original class
- 50-60 percent of high school students score below the proficiency level in the basics, including English, algebra, history and the physical and biological sciences

- The nation's 180-day school year is the shortest in the industrialized world
- An estimated half the adult population reads below the level required to succeed in a high performance workplace
- Less than half of North Carolinians over age 25 have participated in some form of postsecondary education; only one-fourth have completed an associate, baccalaureate or advanced degree

We must set higher expectations for our children and our schools—and provide the tools to meet them.

WHERE WE WANT TO BE

The Commission for a Competitive North Carolina envisions a future where all North Carolinians are well-educated, highly skilled, lifelong learners who enjoy a high quality of life. To get there, we must make sure that:

- All students have an equal opportunity to succeed
- All high school graduates demonstrate specific competencies
- More people pursue and complete postsecondary education
- Institutions of higher education are ranked among the top in the nation
- All adults are literate
- All citizens have access to continuing education opportunities

GOALS AND MEASURES

GOAL 5: North Carolina students have an equal opportunity to learn in school.

Explanation: All students can learn and achieve, given the time, the opportunity and the challenge. Each student, however, needs to be encouraged to meet high competency levels necessary for success in life and in the workplace. To achieve this, each child in North Carolina must have access to learning materials and pathways to allow them to succeed in school and in life.

Ways To Measure:

- Percentage of students who have access to rigorous career pathway courses of study
- Percentage of students exposed to school-to-work activities
- Percentage of schools offering Advanced Placement courses
- Percentage of school buildings meeting structural standards
- Percentage of students who have access to worldwide electronic communications
- Incorporation of National Standards for Teaching in teacher education programs

GOAL 6: Young people demonstrate the skills necessary for entry into high performance work organizations or postsecondary education.

Explanation: Too many students are graduating high school without the skills they need to succeed—and too many are lost to the system before they have graduated. A high school diploma must become more than a rite of passage: it should be the minimum standard required for employment.

Regular quality assessment allows educators and parents to monitor a student's progress, focus on strengths and weaknesses and prepare individual plans to use the

student's talents to the greatest extent. This will ensure that high school graduates have the skills and knowledge necessary to succeed in life. In the future, a high school diploma or other high school exit credential must signify demonstrated competencies required in the workplace, including the ability to reason, make mathematical calculations and present conclusions orally and in writing.

Ways To Measure:

- Percentage of students retained at grade level
- Percentage of students who demonstrate increasing levels of competency at regular intervals
- Percentage of students meeting the proficiency levels in core courses
- Percentage of North Carolinians who by age 21 have met high school competencies or have acquired the GED/adult high school diplomas
- Percentage of students who complete career pathways requirements
- Percentage of students who participate in school-to-work activities
- Percentage of students with North Carolina high school credentials who are taking remedial courses in North Carolina universities
- Rank of North Carolina on national and international assessments
- Number of days spent in school

GOAL 7: North Carolinians have a high rate of completion of community college and baccalaureate education.

Explanation: Education is at the center of the knowledge society. According to the latest data, at least 75 percent of future jobs will require a minimum of 13-14 years of education or training.

Postsecondary education prepares people for an increasingly complex world, cultivates and develops talented leaders and thinkers, and provides specialized personnel for employment and the professions. The education provided in North Carolina must be of high

quality if our graduates are to compare favorably with those in other states.

Ways To Measure:

- High quality curricula available to all students enrolled in higher education, either locally or through distance learning
- Percentage of adults who have received associate degrees
- Percentage of adults who have received baccalaureate degrees
- Baccalaureate degrees granted in science and engineering per 100,000 population

GOAL 8: Graduates of professional schools and post-graduate education programs provide the specialized talent necessary to function effectively in a knowledge-oriented economy.

Explanation: Continual expansion of scientific and technical knowledge is crucial if North Carolina is to stay in the forefront of the changing economy. Specialized talent cultivated in graduate and professional schools enhances the quality of our professional services, generates new knowledge and increases productivity. Our competitiveness is critically dependent on the quality of our professional, graduate and research programs.

Ways To Measure:

- Percentage of North Carolinians who have received a graduate or professional degree
- Persons certified for employment in the professions (education, law, medicine, dentistry, pharmacy) per 100,000 working age population
- National academic ranking of professional schools
- Percentage of working age population receiving doctoral degrees in science and engineering
- National academic ranking of doctoral programs of the research universities

GOAL 9: North Carolina adults are literate.

Explanation: Literacy is a prime indicator of economic success: those who cannot read or cannot read well are not as financially secure as those who are more literate. Today, more than ever before, employees must read above a certain level to adequately perform their jobs. To have and to keep a well paying job and to be responsible members of society, North Carolinians must be literate in prose reading, applied reading and basic computation.

Ways To Measure:

- Percentage of North Carolina adults who meet the proficiencies of a comprehensive, statewide literacy survey in prose, document and quantitative literacy

GOAL 10: North Carolinians of all ages have the opportunity to enrich their lives through continuous learning.

Explanation: Education of the future will be characterized by "lifelong learning" that goes beyond a high school or college degree. Continuous learning offers North Carolina citizens the means to keep up with the latest developments in their field, improve their performance in the workplace, assure their continued employability and increase their quality of life.

Ways To Measure:

- Percentage of population ages 25-50 enrolled in universities, community colleges and other continuous learning situations
- Percentage of population over 50 enrolled in universities, community colleges or other continuous learning situations
- Number of North Carolinians participating in distance learning
- Number of Internet subscribers with a North Carolina address

A High Performance Workforce

THE CHALLENGE

An educated and trained workforce is the primary ingredient in any recipe for economic success. As the industrial system of the 1900s disappears and a new global economy emerges, North Carolina will prosper only if our people can compete with any workforce in the world.

Technological advances will continue to transform business and industry, forcing workers to perform increasingly complex tasks, no matter what their position. In this environment, employees will have to be able to think critically, work in teams and make important decisions. Continuous learning will be a basic requirement—whether employed or unemployed—to keep skills current.

The world of work will not be what it was for our parents. Although it is impossible to predict exactly what form the workplace of the future will take, there are some basic assumptions: no longer will a high school degree assure a well paying job... no longer will employment assure permanent job security or reemployability... no longer will workers be able to get by without basic computing and other technical skills. Something will have to change.

WHERE WE ARE NOW

North Carolina's hardworking workforce is recognized as one of the state's greatest assets: the reputation of "giving a fair day's work for a fair day's wages" has attracted manufacturing facilities and contributed to the state's economic competitiveness. However, the increasing dependence of businesses on new technologies is placing

new demands on the workforce, requiring all workers to be better educated and trained.

Research indicates that young people without a year or two of education or training after high school will not fare well in the future. There are a variety of paths to learning after high school—university, community college, on-the-job training or other structured learning experience—which offer important tools for success. North Carolina's high schools currently concentrate on preparing students for college, although a large majority of young people never complete a college degree. In fact, almost half of all North Carolinians have no postsecondary education or training, and only a quarter have obtained a degree.

WHERE WE WANT TO BE

By the year 2015, North Carolinians can expect technology to transform what we know and what we do—as it has in the last 20 years. To compete, employees will need a strong scholastic background, up-to-date computing skills, and continuing training and retraining. Preparing the workforce for the changing requirements ahead will involve:

- Increasing the number of students that participate in postsecondary education and training
- Assuring computer literacy and technical proficiency
- Providing more training and retraining to help employees adjust to changes in the workplace and maintain "employment-resilient" careers
- Helping displaced workers find new employment in a reasonable amount of time

GOALS AND MEASURES

GOAL 11: Skills training, including training in the professions, is available and fulfills the needs of the global economy.

Explanation: North Carolinians need some form of postsecondary education or training to compete in the global economy. In addition to encouraging participation in such activities, however, we must ensure that participants are gaining skills and knowledge relevant to the world of work. Participants in postsecondary education and skills training should gain the skills necessary to secure employment within their field of study.

Ways To Measure:

- Percentage of adults who got a job after participation in some form of post-secondary education or training
- Percentage of adults who have successfully completed a Tech Prep course of study
- Percentage of adults who are employed within their field of study
- Percentage of post-secondary and professional program completers who take and pass a professional licensing examination
- Percentage of employers who express satisfaction with the skills of recent graduates
- Percentage of program participants who within five years are earning at least the average national wage in their occupation

GOAL 12: North Carolina residents have strong computing skills and are able to perform technological functions required in the workplace.

Explanation: Reading, writing and arithmetic, while essential, are no longer sufficient to prepare people for productive, well-paying jobs in high performance industries. Employees must increasingly be able to perform basic functions with computers and associated technologies. As

the use of on-line systems permeates the business world, computer literacy will become essential.

Ways To Measure:

- Percentage of homes, public schools and libraries with computers
- Ratio of computers to students in elementary and secondary schools
- Percentage of teachers and school administrators who are computer literate
- Number of state and local government employees with information network connections
- Number of North Carolina Information Highway connections for private, public and nonprofit entities
- Number of counties able to connect to an information network service through a local carrier
- Percentage of employees using high tech communications—e-mail, networks, on-line systems—in the workplace

GOAL 13: Employees have the opportunity to participate in training and retraining to adjust to changing technologies and new production processes in the workplace.

Explanation: What is common practice in the workplace of today will be obsolete by 2015. To keep up with the newest technologies and processes, workers will need to upgrade their skills throughout their careers and businesses will need to allocate resources toward training programs. These retraining efforts are especially important in light of the fact that roughly two-thirds of the workforce of 2015 is already in the workforce today. Training and retraining efforts are vital to ensure the continued development of a competitive workforce.

Ways to Measure:

- Percentage of businesses providing skills training for their employees
- Training expenditures, in time and resources, per worker
- Percentage of working population participating in skills retraining

- Percentage of displaced workers who were reemployed and earning at least 90 percent of their previous income
- Percentage of workforce who are underemployed
- Percentage of workforce working two or more jobs
- Percentage of unemployed members of the labor force who were unemployed more than 27 weeks, annual average
- Percent growth in employment in firms four years old and younger

A Prosperous Economy

THE CHALLENGE

North Carolinians enjoy a strong economy. The ratio of jobs to working age population here is among the highest in the country, unemployment is low, and jobs and income continue to grow. Wages and income are relatively low in the state, however, and conditions that led to growth in the past are changing. Our challenge is to keep pace with changing economic trends in a global marketplace; to build a climate that encourages business creation, growth and investment; and to share the prosperity among diverse people and places.

WHERE WE ARE NOW

The state's economy is in transformation, responding to the influence of international competition, technological advances, changes in corporate management practices and the resulting changes in job requirements at every level of employment. The economic structure has changed over the last 20 years and these changes continue:

- Manufacturing industries, historically strongly attracted to North Carolina, are considering foreign locations with lower wage scales.
- Traditional industries, notably textiles and furniture, have dramatically increased productivity while reducing employment.
- Employment needs have changed in agriculture and related industries, requiring more skilled and fewer unskilled workers.
- Emerging industries—health care, communications,

electronics, software, plastics, fabricated metals, financial services—have accounted for an increasing share of total employment.

- International alliances have become more prevalent, based on the reduction of trade barriers, the increase in multi-national marketing efforts and the growth of foreign-owned companies operating in the state.
- Most of the job and income growth has occurred in the major metropolitan areas, while other areas of the state remain economically distressed.

WHERE WE WANT TO BE

North Carolina must compete successfully in the global economy. That means creating a dynamic economy that sustains growth, provides good jobs and is capable of meeting changing conditions. Specifically, North Carolina will need:

- Good jobs for all, regardless of race, ethnicity, gender or geography
- A robust business climate that supports competitive enterprises
- Adequate capital to support new, emerging and long-standing businesses
- A reasonable, responsive regulatory system
- A stable, fair and competitive tax system
- A strong infrastructure of physical and technical support facilities
- Prosperity shared among all geographic locations

GOALS AND MEASURES

GOAL 14: North Carolina's economy generates good job opportunities.

Explanation: A vigorous economy generates jobs and income, attracts investment and stimulates growth in a wide range of economic activities.

Ways To Measure:

- Ratio of jobs to working age population (ages 16 to 64)
- Ratio of change in per capita income in North Carolina to change in comparative areas
- Ratio of change in gross state product per capita in North Carolina to change in comparative areas
- Ratio of average pay per worker in North Carolina to average pay in the South Atlantic region and the nation, in manufacturing and nonmanufacturing industries
- Ratio of wages paid by new and expanding business establishments to wages paid by existing establishments in the same region and business type

GOAL 15: North Carolina sustains a favorable business climate that supports domestic and globally competitive enterprises.

Explanation: A favorable business climate encourages and supports new industries, retains existing firms and gives all firms the opportunity to obtain a growing share of domestic and international markets.

Ways To Measure:

- Percent of new firms surviving after four years
- Number of small business startups per 1,000 population
- Ratio of business formation in North Carolina to the national rate
- Market share of North Carolina companies by market segments
- Number of firms in North Carolina that at least doubled in sales volume over four years

- Ratio of the percent change in exports of manufactured commodities from North Carolina to the percent change in the Southeast region
- Percent of production capacity used compared to competitor states
- Percentage of North Carolina companies that are certified as meeting quality standards (ISO-9000/14000) compared to the national average

GOAL 16: Sufficient debt and investment capital is available to encourage expansion in existing enterprises and to support and attract new and emerging businesses.

Explanation: Readily available debt and investment capital is essential for expansion of existing industries, formation of new businesses and growth of emerging enterprises. With sufficient capital, businesses have greater access to expertise, facilities and global market information and can better integrate new technology into their operations. The results are increases in efficiency and market potential. Fueled by adequate capital, successful businesses will retain their corporate headquarters in our state and return other dividends as good corporate citizens.

Ways To Measure:

- Total dollars of venture capital disbursements to companies within North Carolina
- Venture capital under management by venture capital firms in North Carolina
- Total commercial loans to small businesses
- Ratio of capital investment per employee in North Carolina to capital investment per employee in the nation
- Industry investment in research and development
- Investment in new and expanded industrial plants and equipment

GOAL 17: Responsive and reasonable regulations allow innovative firms to gain competitive advantages through the timely use of new technology and management techniques.

Explanation: While government regulations are critical to the preservation of the quality of the state's environment, cumbersome and duplicative processes create a bureaucratic obstacle to business development. Easing entry into the market will attract firms to North Carolina, resulting in economic growth and job creation. An efficient, consistent, predictable and reasonable regulatory system will enable the state's businesses to succeed in a competitive marketplace.

Ways To Measure:

- Cost and average time to acquire key permits
- Number of formal permits required, by industry segment
- Number of regulations with multijurisdictional assignments

GOAL 18: North Carolina provides a coherent and consistent tax system, with fair and competitive rates for businesses and households.

Explanation: A consistent, fair and coherent tax system is advantageous both to doing business and to managing household finances. A competitive tax climate will maximize North Carolina's opportunities for attracting and maintaining business investment.

Ways To Measure:

- Business tax burden in North Carolina compared to major competitors (national and international)
- Individual tax burden compared to major competitors (national and international)
- Number of annual modifications by legislators to the tax code

GOAL 19: Prosperity is widespread, without barriers based upon geography, race, ethnicity, gender or age.

Explanation: A vigorous economy should provide opportunities for all citizens, irrespective of geographic location, age, gender, or race. A thriving economy can offer equal employment and advancement opportunity and equal compensation for equal work. While adequate income is essential, the accumulation of wealth, including home ownership, is also critical for a family to prosper.

People are connected to places. Geographically, North Carolina has a long-standing commitment to balanced growth and prosperity among its diverse regions.

Ways To Measure:

- Home ownership rate, particularly among racial and ethnic minority households
- Per capita income for non-whites as a percentage of total per capita income
- Per capita income for females as a percentage of total per capita income
- Ratio of average earnings in nonmetropolitan counties to average earnings in metropolitan counties
- Nonmetropolitan per capita income as a percent of U.S. nonmetropolitan per capita income
- Percentage of children ages 0-5 living at or below the poverty level
- Percentage of elderly living at or below the poverty level
- Percentage of households living in substandard housing

A Sustainable Environment

THE CHALLENGE

The beauty and richness of North Carolina's natural environment is one of our most precious resources. It is a primary factor in both the state's competitiveness and our overall quality of life.

Although North Carolinians prize the state's coastlines, wetlands, forests, mountains, rolling hills and clear skies, we have tended to take this bounty for granted. As our population and economy continue to grow, however, we will be forced to be more prudent stewards of these resources—or watch our environment deteriorate. A healthy environment is inextricably linked to a healthy economy: we cannot have one without the other.

WHERE WE ARE NOW

North Carolina has so much going for it:

- Geographic diversity, from the Outer Banks to the Smoky Mountains
- 3,375 miles of coastline
- 4.7 million acres of natural jurisdictional wetlands
- Forests covering over 60 percent of the state's land area
- Over 2 million acres of national and state parks and recreation areas

The health and productivity of North Carolina's environmental assets are affected by the cumulative impact of public choices—that is, routine decisions made by

individuals (choice of housing location and type), businesses (choice of production technologies) and government (permitting decisions, regulatory framework). These decisions have an impact on the state's ability to use our resources as a means of attracting good jobs, encourage economic diversity through the wise use of productive assets, and support future economic options.

WHERE WE WANT TO BE

The Commission's vision is of a North Carolina where we sustain our environment—that is, provide resources and opportunities that meet the needs of the present without compromising opportunities of the future. North Carolinians want to manage and use our environmental assets wisely to support economic growth, to preserve our natural resources and to assure the health of our people.

If North Carolinians understand the relationship between the environment and the economy, share a sense of responsibility for the preservation of our natural resources and partner effectively, our state can maintain both a competitive economy and a healthy environment. Finding a sustainable balance between human activities and the environment will allow us to:

- Preserve and enhance the state's natural resources
- Use environmental assets wisely
- Enable residents and visitors to enjoy North Carolina's natural resources and environment

GOALS AND MEASURES

GOAL 20: North Carolinians will preserve and enhance our natural resources.

Explanation: North Carolinians currently enjoy good quality air and water, but emerging patterns of growth may increase the difficulty of maintaining that quality over time. Good water and air quality are prerequisites for a competitive economy and a healthy population, as well as sustainable natural resources and biological diversity. To support the economy and protect our quality of life, the state must ensure that the volume of emissions and effluents disposed into the air and water do not exceed the carrying capacities of those assets.

Ways To Measure:

- Percentage of total population living in areas with good air quality (in attainment with state standards)
- Percentage of total waters of the state (including estuaries) that support designated uses—such as swimmable or fishable—measured in stream miles and lake/estuary acres
- Annual mass flow rate of phosphorus and nitrogen into coastal waters
- Percentage of contaminated sites for which satisfactory remedial progress is being made
- Total acres of forested land
- Number of indigenous endangered, threatened or extinct species
- Acres of natural jurisdictional wetlands
- Number of miles of unprotected coastline on barrier islands and mainland
- Total acreage of protected maritime forests on barrier islands

GOAL 21: North Carolinians will use our environmental assets wisely.

Explanation: North Carolinians are the collective stewards

of our environmental and natural resources, including land, water, air, forest and fisheries. Without proper management, these resources suffer irreparable damage that would affect the state's economy. We need to protect these assets and use them wisely for the benefit of present and future generations.

Ways To Measure:

- Number of coastal and inland fishery stocks rated as “healthy” by the Department of Environment, Health and Natural Resources (DEHNR)
- Percentage of total forest acres in hardwood and pine/pine-hardwood
- Growth of forests less losses from natural causes (e.g. pests) and environmental damage (e.g. ozone damage), measured in board feet
- Percentage of energy generated from renewable, environmentally sound and economically competitive sources
- Percentage of land subject to sustainable practices to protect soil and water quality
- Consumptive water use measured in gallons/day/person

GOAL 22: North Carolinians and visitors to our state will have the opportunity to enjoy the state's natural resources and environment.

Explanation: Tourism is one of the leading industries in the state, based chiefly on the state's scenic beauty and nature-based recreational opportunities. And, North Carolina's quality of life is a major factor mentioned by firms deciding to relocate here. As the growth of the state's population places increasing demands on scenic and recreational resources, we need to protect the very features that make this such a desirable place to live, work and visit.

- Acres per 100,000 people in state, federal, and local parks
- Total miles of rivers classified as scenic
- Total miles of scenic by-ways and recreational trails
- Percentage of coastal waters satisfying environmental and health standards

Technology And Infrastructure Development

THE CHALLENGE

The infrastructure of the future must provide for the rapid movement of people, goods, services and information. While these services—information technology, transportation, utilities—are not sufficient by themselves to generate the state's economy, their absence is a guarantee that the kind of economic development we want will be more difficult to achieve.

North Carolina's universities, private industries and nonprofit organizations are increasingly engaging in the research and application of science for commercial and industrial purposes, making this state a leader in the development and employment of technology. While technology is ever-changing and ever-expanding, infrastructure tends to be more stable and long-term in nature. In the Commission's discussions, infrastructure was defined as the physical and technical support facilities for meeting the economic, environmental and social needs of the state's citizens.

Too often in tight times, infrastructure demands receive less attention or are funded inadequately in favor of other, more high profile needs. If the state is serious about creating a competitive environment, however, we will have to provide the strong infrastructure foundation that business, industry and healthy communities require.

WHERE WE ARE NOW

Experts agree that North Carolina is at a crossroads. Despite our leadership in specific areas—such as the development and implementation of a statewide telecommunications structure—the state is not meeting the infrastructure needs of the future.

Providing infrastructure services is costly. Increasingly, the

efficient assessment, planning and financing of the state's diverse infrastructure requires statewide and regional solutions. The need to achieve these economies of scale causes much bigger problems for rural areas than urban areas, highlighting the growing importance of regional solutions.

In terms of information technology, North Carolina is ahead of other states. Our vision of a new world has led us to develop a cutting edge "information highway." The question is, can North Carolina keep it up? Can we leverage that vision and turn it to our economic advantage? Can we use it to make our people successful?

WHERE WE WANT TO BE

A solid foundation of infrastructure resources must be provided to all parts of North Carolina if we are to preserve centers of prosperity, revitalize regions of stagnation and uplift areas of depression. Continuing our economic growth and enhancing our prosperity will require:

- Increasing technological advances and contributions to the knowledge base generated within the state
- Ensuring that advanced telecommunications are accessible and affordable
- Encouraging the diffusion of technology to business and people
- Improving highway travel time and safety through technology and ongoing maintenance
- Providing sufficient airport, seaport and rail facilities to accommodate access and trade
- Keeping the cost of electrical power competitive
- Providing natural gas as needed for economic development
- Providing dedicated funds to finance our infrastructure needs, just as the Highway Trust Fund financed our highway system

GOALS AND MEASURES

GOAL 23: Research and development generated in North Carolina expands technological advances and the knowledge base.

Explanation: Technology fuels innovations that will lead to new products and competitive processes. The state's institutions of higher learning need to be on the cutting edge of research and development in order to prepare their graduates—and the state's businesses—to excel. At the same time, our nonprofit technology centers must focus on the development and deployment of emerging and enabling technologies that will strengthen the position of North Carolina companies. Enhancing the knowledge base and encouraging the flow of knowledge will allow North Carolina to be at the forefront of technology and reap the benefits of rapid advances.

Ways To Measure:

- Number of Ph.D. scientists and engineers per 1,000 workers
- Contract and grant awards for research and demonstration to North Carolina universities and nonprofit organizations
- Research expenditures by university per 100,000 population
- Number of specialized laboratories and facilities shared by North Carolina businesses, universities and colleges
- Number of "spin-off" and "spin-out" firms generated from university and nonprofit agency research
- Number of patents granted to universities and to others in North Carolina
- Number of licenses issued on university patents within the state

GOAL 24: The costs and availability of advanced telecommunications is competitive with the region and the world.

Advanced telecommunications capabilities are prerequisites for the recruitment and development of technology-based industries and those needing resources for higher speed communications. The state must continue to develop its technology resources to keep up with rapid changes and at the same time contain the costs of providing such services.

In addition, the emerging ability to create "virtual proximity"—that is, the electronic presence of physically remote users—presents opportunities to improve the education, health and economy of the state's more rural and less developed areas.

Ways To Measure:

- Percentage of the population (rural, urban, statewide) with access to technology resources
- Percentage of businesses served by advanced networks
- Average cost of using advanced telecommunications (rural, urban, statewide) as a percentage of the U.S. average
- Average cost of high performance computing resources (supercomputing) compared to the U.S. rate

GOAL 25: Transportation is quick, safe and economical as the result of innovative approaches for highway systems, expanded employment of alternative transportation modes, new technology and ongoing maintenance services.

Explanation: North Carolina boasts the largest state-maintained motor vehicle transportation system in the nation, with 78,000 miles of highway. While road construction is well funded through the Highway Fund, there is a serious backlog of highway maintenance requests which threatens safety and efficiency. In spite of an aggressive program to upgrade and expand major thoroughfares, traffic congestion is becoming a more severe problem. Integration of technological concepts for monitoring and controlling traffic offers the promise of improving the safety and efficiency of our transportation system.

Alternative modes of mass transportation, including light rail and regional bus services, must be investigated for both intra-city and statewide transportation. Innovations in the management of highways, such as the implementation of electronic traffic management systems, should also be considered.

Ways To Measure:

- Average intra-state travel time for specific points

- Average density (vehicles per hour) in urban areas
- Percentage of persons traveling intra-state using mass transit, for specific routes
- Percentage of population with access to affordable systems for local public transportation
- Backlog of outstanding highway-related maintenance orders, in number of items and dollar value of work
- Highway accidents per mile

GOAL 26: Sufficient airport, seaport and rail facilities are provided to increase access and accommodate trade.

Explanation: The ability to offer first-rate airports and convenient access to desirable schedules is a major consideration in recruiting and retaining industry. Railroads are becoming a more important element in tying together the state's total freight distribution system; the economic expansion of areas close to our seaports will depend increasingly on the abilities of railroads to transport freight and bulk commodities to major industrial centers. Further development of the state's ports—especially in increasing the capacity for processing a higher volume of goods—is necessary for expanding those economic sectors dependent on international sea travel. Finally, the Global TransPark offers the opportunity for the innovative use of multimodal transportation services to facilitate economic expansion.

Ways To Measure:

- Tons and value of cargo imported and exported through North Carolina sea ports—differentiate between import and export
- Number of tons and value of cargo imported into or exported out of North Carolina using sea ports not located in this state—differentiate between import and export
- Tons and value of cargo imported and exported through North Carolina airports—differentiate between import and export
- Number of tons and value of cargo imported into or exported out of North Carolina using airports not located in this state—differentiate between import and export
- Percent of North Carolina airports with all-weather access

- Number of direct international flights originating in North Carolina
- Miles of high-speed rail connectors

GOAL 27: The cost of electric power in North Carolina compares favorably with other states.

Explanation: Very few homes or businesses in North Carolina lack the availability of sufficient and reliable electricity. The primary competitive issue is cost: North Carolina's rates must remain competitive if the state is to offer a favorable economic environment for industry.

Ways To Measure:

- Cost of power in North Carolina as a percentage of the Southeast average
- Cost of power in North Carolina compared with competitors (national and international)
- Cost examined by geographic service area for major providers

GOAL 28: Natural gas service is provided as needed for economic development.

Explanation: The availability of natural gas is a major concern of businesses seeking locations for new investment. Due to the location of pipelines in North Carolina, many counties in the far eastern and far western part of the state do not have adequate access. This winds up being a “catch-22”: the counties that do not have sufficient population densities or large enough industrial bases to justify the cost of natural gas expansion are those that need it the most to attract industrial growth.

Ways To Measure:

- Number of counties major portions of which have access to natural gas
- Number of available industrial sites with natural gas access
- Cost of natural gas in North Carolina (as a percentage of Southeast average)

Safe And Vibrant Communities

THE CHALLENGE

North Carolinians have a strong sense of place. We treasure the diversity of our communities and want to maintain the dispersed population pattern which has distinguished us. However, economic competition, increasing crime and limited resources are putting new pressures on the state, from remote rural areas to overcrowded urban centers.

Safe and vibrant communities are part of the high quality of life that has kept North Carolinians home and drawn others to our state. We need to enlarge our vision and protect our lifestyle, if North Carolina is to maintain its competitive advantage—and its roots.

WHERE WE ARE NOW

Today's realities are threatening the health of the state's network of metropolitan areas, small cities and rural areas. The long-term decline of some of the more remote rural communities affects their ability to provide the basic services, clean neighborhoods and jobs needed to keep people there. At the same time, rapidly growing areas are facing urban pressures, evidenced by the "doughnut" effect of gleaming new suburbs and depressed inner cities. Even the heartiest communities are caught in a bind, facing the combined pressures of growing demands for services, increasing costs and uneven tax bases. As a result, many communities are having to cut back when they can least afford to.

WHERE WE WANT TO BE

North Carolinians want to preserve the dispersed network that has characterized North Carolina so that this remains a state of vibrant large cities and smaller communities. The solution will increasingly require a focus on a "community of interest," rather than artificial geographic boundaries. To continue the economic growth of our state and enhance the prosperity of our people, North Carolina must adopt different approaches for constructing and maintaining essential infrastructure facilities. The current Highway Fund, made up of dedicated funds for building and maintaining roads, may serve as a model.

To protect our heritage, we will need to provide physically safe neighborhoods, thoughtful planning for growth, opportunities for clean water, adequate sanitation that handles all kinds of waste—and a sound local fiscal base that can support these goals. A competitive North Carolina will be built around:

- Safer communities and neighborhoods
- Schools that are free of alcohol, drugs and violence
- Planning for the orderly development and preservation of land
- Access to clean drinking water for all
- Safe landfills with adequate capacity for waste
- Adequate sewage treatment facilities
- Safe alternatives for the disposal of hazardous waste

GOALS AND MEASURES

GOAL 29: North Carolina communities are safer places to live.

Explanation: Crime is a primary concern in North Carolina, as in the rest of the nation. While the rate of violent crimes remains lower here than in other areas of the country, it is clearly higher than most residents are willing to tolerate. The violation of property and personal safety destroys North Carolinians' sense of well-being, as well as our fundamental rights.

Ways To Measure:

- Violent crimes per capita (as committed by age group)
- Recidivism rates for violent offenders
- Number of probation and parole violations resulting in prison admissions
- Percentage of court-ordered restitution that is collected
- Percentage of citizens who feel the criminal justice system deals effectively with offenders
- Percentage of North Carolinians who feel safe in their communities
- Number of crimes against property per 1,000 population

GOAL 30: All schools are alcohol, drug and violence free.

Explanation: Our schools must be a safe haven before they can be conducive to learning. Alcohol, drugs and violence interfere with students' safety, limit their ability to concentrate in the classroom and constrain educational opportunities. To provide the best education possible, students, school staff and others on or near school property need to avoid alcohol, drugs and violence.

Ways To Measure:

- Percentage of schools with no reports of weapon-related incidents in the previous year
- Percentage of schools with no reports of drug-related

incidents in the previous year

- Percentage of schools with no reports of alcohol-related incidents in the previous year
- Percentage of schools that have drug, alcohol and violence prevention programs

GOAL 31: North Carolina plans for the orderly development and preservation of land and related resources.

Explanation: While land use planning is necessary to protect our communities and the environment, it must respect the values of the common good and the rights of private property owners. Good planning begins at the local level, with broad input. Increasingly, there is a need to consider regional solutions to many problems, including solid waste management, water supply and wastewater disposal and preservation of open lands.

Ways to Measure:

- Percentage of counties participating in regional or local land use plans
- Number of counties with adopted land use plans

GOAL 32: Communities will develop the ability to provide clean water for all citizens and for economic development projects.

Explanation: Access to clean water is not something North Carolinians or businesses can afford to take for granted. Yet the costs of providing adequate facilities to treat and purify drinking water and to protect the existing sources of water are high: experts estimate that the need for community water systems between now and 2012 exceeds \$2 billion, or roughly \$100 million per year. If the state is to achieve this basic requirement, we will have to begin planning now.

Ways To Measure:

- Percentage of population with access to drinking water

that meets applicable standards

- Number of communities with an estimated 5-year excess water supply and treatment capability

GOAL 33: There will be adequate capacity for waste in safe, contemporary landfills.

Explanation: New federal and state regulations which both classify waste and dictate disposal requirements have combined to demand a more environmentally friendly—and costly—approach to waste disposal than the traditional unlined county landfill. By 1998, all active sanitary landfills must be lined, have filtration and drainage systems to remove liquids collected inside the liners and have a plan for covering each site after it has been filled. Considering that there are currently only 17 lined municipal solid waste landfills in full operation, the state has a long way to go.

Ways To Measure:

- Percentage of municipal waste disposed of in approved landfills
- Number of illegal disposal sites investigated and closed

GOAL 34: Adequate sewage treatment facilities will be provided in areas where population and industrial density permit.

Explanation: Without reserve capacities in the treatment of sewage, future growth—industrial and residential—is impossible. Since municipal treatment systems are extremely expensive, they demand a high density of population to support the high costs of construction, maintenance, upgrading and ongoing purification and treatment. Federal funds for such purposes are no longer available, putting the fiscal burden on the state and local governments.

Ways To Measure:

- Number of communities with a five-year excess capacity for sewage treatment

- Percentage of population with access to publicly supported sewer systems
- Percentage of rural population with inadequate sewage disposal
- Number of wastewater treatment systems with permitted discharges of less than 10,000 gallons per day

GOAL 35: North Carolina will have adequate and environmentally sound recycling, treatment, storage and disposal capacity for solid and hazardous wastes.

Explanation: Two actions have to take place at the same time if the state is to dispose of waste properly and efficiently. On the one hand, the state needs to ensure an adequate capacity for the safe, environmentally sound disposal of solid and hazardous waste. On the other, we need to reduce the amount of waste we create. In 1992, North Carolina generated over one ton of solid waste per capita; we have been mandated by state statutes to reduce that figure by 40 percent by 2001. Reducing the volume and toxic releases we produce will make room for new economic growth by reducing pressures on the assimilative capacities of air and water.

Ways to Measure:

- Tons of hazardous and solid waste produced per capita
- Actual capacity with high level of compliance at all waste management facilities
- Annual percent change in solid waste disposal amounts
- Dollars invested in research for new beneficial uses of recycled materials
- Amount of industrial and commercial waste recycled
- Percentage of industrial facilities that have pollution prevention programs

Active Citizenship/Accountable Government

THE CHALLENGE

Change is inevitable. As North Carolinians, we can neither stop change, nor can we afford to ignore it. Rather, we must proactively and deliberately set in motion a course of action that will enable us to manage it in ways that will benefit all of our citizens.

The state's rapid demographic and economic changes, along with decreasing citizen participation in the democratic process, highlight the need for new vehicles of decision-making. If we are to maintain an effective democracy in a world of change, we will have to both reengage citizens in social discourse and community building and make government accountable to the people it serves.

WHERE WE ARE NOW

North Carolina is changing profoundly:

- **Urbanization:** By 2015, a larger percentage of the state's population will reside in our three most populous areas—Charlotte-Mecklenburg, the Triad and the Research Triangle.
- **Increasing diversity:** The number of Hispanics, Asians and Pacific Islanders jumped dramatically, while the percentage of whites and African Americans dropped.

- **Aging population:** Experts predict that by 2015 all age segments over 50 will increase while all other segments will decrease.
- **Disparity:** Poverty, unemployment and underemployment in certain regions disproportionately affect African Americans, Native Americans and women.
- **Decreasing citizen participation:** Over 1.7 million eligible voters are not registered, and membership in civic and volunteer organizations is down.
- **Increasing demand for government accountability:** Confidence in our institutions is at an all-time low, as demonstrated by polls and turnout for recent elections.

WHERE WE WANT TO BE

In order to be competitive and meet the challenges of the 21st century, North Carolina must begin now to deliberately foster a culture which will enable its citizens to adapt to and manage change. This means:

- Preparing North Carolinians to be responsible citizens
- Increasing the number of people who register and vote
- Developing mechanisms to train leaders and citizens to manage change
- Making government institutions more effective

GOALS AND MEASURES

GOAL 36: North Carolina citizens are active and informed participants in the governmental process.

Explanation: If North Carolinians are to live and work together in a democratic fashion, all adults should possess the knowledge and skills to exercise their civic rights and responsibilities. The process begins in the public schools, which must give students the tools they need to be responsible citizens. An ongoing civic process, supported by communications technology, will continue to educate and empower people to participate.

Ways To Measure:

- Percentage of North Carolinians registered to vote
- Voter turnout rates
- Percentage of citizens who know the name of their state and national legislators
- Percentage of citizens who have communicated with elected officials during the last 12 months
- Inflation-adjusted campaign costs for North Carolina House of Representatives and Senate races

GOAL 37: North Carolina encourages mechanisms at all levels for training leaders and citizens to work together to create the capacity for managing change.

Explanation: Change is coming, whether we like it or not. To manage our changing environment, the state will need new ways to involve people in the decision-making process at all levels of government. This involves designing community-based collaboratives that encourage ongoing and deliberative civic dialogue, developing a pool of citizen leaders trained in consensus building and providing training opportunities for elected officials.

Ways To Measure:

- Percentage of elected officials that participate in leadership and training programs

- Number of citizens participating in local leadership training programs
- Percentage of North Carolinians participating in leadership development programs available through colleges and universities.
- Number of counties that have developed community-based structures that create capacity for change and foster linkages among private, public and non-profit sectors
- Percentage of citizens who volunteer at least 50 hours of time per year

GOAL 38: North Carolina's governing institutions broadly reflect the diversity of our population.

Explanation: Encouraging active citizenship and assuring accountability in government depend in part upon governmental bodies that are inclusive of all citizens. As the state and its workforce become more diverse by race, ethnic background, gender and disability status, North Carolina should become a place where paths to achievement are equally accessible and where people of different backgrounds live together in mutual respect and harmony. Government institutions can provide leadership in behavior that promotes opportunity for all segments of our population.

Ways To Measure:

- Broad-based participation by diverse groups of the population, including race, gender and disability, as elected and appointed officials and members of boards and commissions, compared to their numbers within the population
- Broad-based participation by diverse segments of the population, including race, gender and disability at all levels of state government, compared to their numbers in the population

GOAL 39: North Carolina's governing institutions will be more accountable.

Explanation: A wave of "government reinvention" is sweeping the nation as the federal, state and local govern-

ments respond to citizens' demands for more effective, efficient government. Borrowing from the lessons learned by America's businesses in the 1980s, progressive governments are implementing new practices to streamline government and make it more responsive to the needs of its "customers"—that is, citizens and taxpayers. North Carolina's state and local governments have begun to take steps in this direction: we need to do even more to meet the challenges of the future and restore public confidence.

Ways To Measure:

- Percentage of state and local public agencies that use performance-based budgeting
- Percentage of North Carolinians who express confidence in their government and leaders, by city, county and state
- Number of unsuccessful state government contract applicants expressing confidence in the fairness of the contract awarding system
- Percentage of North Carolinians who express confidence in the fairness of the state's judicial system
- Time required by the judicial system to resolve civil, felony and domestic relations cases

Holding Ourselves Accountable

This report represents the beginning of a process:

- A process that will transform the way the state does business
- A process that will push us beyond rhetoric to focus on what we hold most dear
- A process that will enable us to honestly measure what progress we have made toward the desired results
- A process that will bring together the resources of the public, private and nonprofit sectors to achieve a shared purpose
- A process that will force us to invest in the future rather than spend on the present

The process is what separates the Commission for a Competitive North Carolina from similar efforts of the past. We have learned from the experiences of groups like NC 2000. This high level commission set critical goals for the state, but it was unable to weave those goals into the fabric of state policy. In hindsight, it is clear that the missing threads were an ongoing system for measuring progress toward those goals and a permanent mechanism for continuing the process.

The Commission for a Competitive North Carolina worked hard to set the goals and measures defined in this report, which are a valuable part of the process. But what comes next will be even more difficult—and even more important to our future.

Setting standards of success and charting our progress toward performance targets will challenge those who are committed to making our government work better and to moving our state forward. It will require us to:

- Be honest, both about our successes and failures

- Recognize that some of the ideas or programs we hold dear don't work very well
- Make choices and set priorities
- Think “out of the box” and come up with creative solutions
- Measure our dreams against the reality of our resources

Making these changes will be difficult, but North Carolinians have a history of rising to challenges. We *can* do it—if we act now. That's why the Commission proposes creating a North Carolina Progress Board.

THE NORTH CAROLINA PROGRESS BOARD

If the work of the Commission for a Competitive North Carolina is to be more than a document that lines the shelves of government offices, there must be an ongoing mechanism to continue and to guide the process. After much study and discussion, the Commission concluded that the best solution is to create a North Carolina Progress Board, similar to the model developed in Oregon.

Oregon, the first state to set broad strategic goals and measure progress toward identified “benchmarks,” established a permanent, quasi-independent board to collect and track data, monitor progress and report the results. The Oregon benchmarks are now widely used for establishing budget priorities, for planning programs, for focusing on priorities and for holding government accountable. Use of the benchmarks is spreading from state to local government.

The Commission recommends that the General Assembly create a North Carolina Progress Board to provide public, private, nonprofit and community leaders and the citizens of North Carolina with the information they need to hold government accountable for results.

Responsibilities. The Progress Board will track North

Carolina’s progress in achieving the key goals and objectives that will make North Carolina a world leader in the 21st century. The Progress Board will enable North Carolinians to hold their institutions accountable for achieving the targets and milestones. By focusing on priorities and results, the Progress Board will also force state government to become productive, less costly and perform with greater purpose, discipline and accountability. Specifically, the Board should be responsible for:

- Collecting baseline data—where we are now—for each of the measures in this document
- Setting specific targets for where we want to be in each measure by the year 2015
- Measuring progress toward milestones along the way
- Analyzing the data to determine what is happening, why it is happening and if mid-course corrections are required
- Reporting results to the public in a form that is useful and understandable
- Acting as a catalyst to build a consensus for change

Membership. The Commission recommends that the Board be quasi-independent, with 14 members representing the diversity of our state. The Governor should serve as chairman of the board and appoint seven of its members. Three members should be appointed by the Senate and three should be appointed by the House of Representatives; all legislative appointments should be legislators and incumbents.

Members of the Board must be:

- Dedicated to the welfare of the entire state, not just one region, segment or interest
- Willing to state the facts as best they can determine them
- Able to focus on the long term interests of the state, rather than the political, cultural or emotional issue of the moment
- Committed to reporting what the numbers show, even when they do not align with the conventional wisdom

Executive Staff Committee. An Executive Staff Committee should be established to serve as a resource for the Board. To ensure that the Board takes advantage from data collection efforts already in operation, the Committee should include the following ex-officio members:

- Director of the Office of State Planning
- Director of the Office of State Budget and Management
- Director of the Division of Fiscal Research
- Executive Director of the North Carolina Progress Board

In addition, the Progress Board should create a technical advisory group to assist in its technical responsibilities. This technical advisory group should draw from all the resources available in the public and private sector, including universities, nonprofit research organizations, the Institute of Government and appropriate state agencies.

Staffing. The experience of other states indicates that it is essential to have resources solely dedicated to the work of the Progress Board if such an effort is to succeed. The Commission recommends that the Board be staffed by an executive director and appropriate additional support, housed in the Department of Administration. The Executive Director should report directly to the Board.

Our intent is not to create a new state agency. We believe that the minimal resources and staff needed to assist the Board could be reallocated from existing state government resources.

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With this report, the Commission for a Competitive North Carolina concludes its efforts. The Commission members envision a future where what the Commission started will become the standard by which North Carolinians hold our elected officials accountable. . . the platform by which our candidates run. . . the report card on which we base our policy and budget decisions.

The North Carolina Progress Board can help us achieve our goals and create the future we want for our state—a prosperous North Carolina in a competitive world. But in the end, our collective future is about us as North Carolinians. We are the ones who make choices every day, pay our taxes and elect our leaders. Ultimately, it is how we use this report and the Progress Board that will determine how far we go in making this state all that we want it to be—and all that it can be— in five years, in 10 years, and in 2015.

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