

July 25, 2019

Buncombe County Commission Chair Brownie Newman
Commissioner Beach Ferrera
Commissioner Whitesides
Commissioner Fryar
Commissioner Edwards
Commissioner Belcher
Commissioner Pressley
11 pages via email

Dear Commissioners,

The purpose of this communication is to share background materials and an overview for our strategic planning sessions on July 29 and 30th.

On Monday, July 29 from 1-5 pm we'll discuss the forces and trends that are likely to affect Buncombe County over the next 20 years. The core questions we'll discuss in this session include:

- What trends will most certainly shape the future of Buncombe County?
- How do our current strategic priorities hold up to those trends?
- What additional needs or opportunities should the County prioritize?

I will facilitate this session. My profile and a list of trends are included in this packet.

On Tuesday, July 30 from 1-4 pm, we'll discuss the Board's culture and values. The questions we'll address include:

- What does it mean to govern, especially at the county level in North Carolina?
- What do we stand for? What are the unique values (people, places, services, quality of life) you hold dear and want to create/preserve for future generations?
- What are the competing values at play when making decisions about the county's future?
- What do we expect of one another?

This session will be led by Donna Warner, a leadership consultant with two decades of experience at UNC-Chapel Hill's School of Government. Donna's bio is included in this packet.

After these workshops, we'll draft a strategic plan for your review in August, with hopes that a new, Board-driven strategic plan will be ready for approval in September 2019.

Thank you for your engagement to this point and for your full engagement through the process.

In service,



Rebecca Ryan

1. Growing Population



By 2040, the GroWNC region (Buncombe, Haywood, Henderson, Madison and Transylvania Counties) will be home to over 630,000 people – nearly 40% more than in 2010. This is an increase of about 178,000 people or the addition of two cities the size of Asheville. This increase is expected to translate to a need for almost 75,000 additional housing units across the five counties. Most of this growth is expected to occur in Buncombe and Henderson Counties.

Source: 2015-2019 Comprehensive Economic Development Strategy for Buncombe, Haywood, Henderson, Madison, and Transylvania Counties, 2015; Draft French Broad River Metropolitan Planning Organization SE Data Development Report, 2014

3. Rising Median Age



Between 2017 and 2037, each age group of Buncombe County residents is expected to grow in number but some more than others. Therefore, their relative proportions are expected to change.

Age 0-17	add 3,735	decrease by 2% to 17% of the population
Age 18-24	add 2,345	decrease by 1% to 7% of the population
Age 25-44	add 12,790	decrease by 1% to 25% of the population
Age 45-64	add 15,490	decrease by 1% to 26% of the population
Age 65+	add 28,330	increase by 5% to 24% of the population

As a result, the median age in Buncombe is expected to increase from age 42.1 to age 45.6.

Source: Population estimates for 2017 and projections for 2037 by the Demographer's Office at the North Carolina Office of State Budget and Management

2. Increasing Hispanic & Decreasing Black Residents



Between 2017 and 2037, Buncombe County is projected to grow (in total number) the most in terms of White (by 54,400) and Hispanic (by 17,400) residents but lose about 440 Black Residents. Along the way, the proportion of various racial groups within the county population is expected to remain essentially consistent. In terms of ethnicity, however, the proportion of Hispanic residents is expected to grow from 8% to 11%.

Source: Population estimates for 2017 and projections for 2037 by the Demographer's Office at the NC Office of State Budget and Management; State of Black Asheville, Feb 2017

4. Rising Burden of Chronic Conditions and Obesity



Chronic conditions are among the leading causes of death in Buncombe County – cancer, heart disease, chronic lower respiratory disease, cerebrovascular disease, and Alzheimer's disease.

If current trends continue, between 2016 and 2030 chronic disease could cost North Carolina \$65.5 billion in medical costs and an extra \$26.6 billion annually in lost employee productivity.

Source: NC State Center for Health Statistics, 2017; fact sheet from the Partnership to Fight Chronic Disease, accessed Aug 20 2018

5.

Growing Challenges in Children's Health

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In Buncombe County, the prevalence of overweight and obesity among students in K-5 grew from 33.17% in 2012 to 33.8% in 2015. Unhealthy weight increases the risk of many health problems.

Meanwhile, both nationally and locally, immunization rates are declining and preventable serious illnesses are increasing. In Buncombe County since 2000, the percentage of kindergarteners with religious exemptions to immunizations has increased from 0.62% to 5.70% in 2018.

Additionally, a national study suggests that rates of mental-health incidents among teens and young adults are growing. Between 2005 and 2017, the share of teens 12-17 who reported the symptoms of a major depressive episode within the last year rose from 8.7% to 13.2%.

Source: "Sustainability Annual Report for Buncombe County," 2016; "Schools Grapple With Student Depression as Data Show Problem Worsening," Education Week, Mar 14 2019; NC DHHS Immunization Branch, July 2019

7.

Growing Racial Gaps in Educational Achievement

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Buncombe County Schools reports growing achievement gaps between various subgroups of students (Hispanic compared to White, Economically Disadvantaged compared to Non-Economically Disadvantaged, etc.). For example, between 2014 and 2018, the achievement gap among black and white students grew from 31% to 33%.

In comparison, the minority achievement gap grew even more dramatically across Asheville City Schools – from 52% to 62%. This gap is second highest among North Carolina school districts and fifth highest in the country.

Source: "Two NC school districts with major racial achievement gaps seek solutions," Carolina Public Press, Feb 21 2019; North Carolina Department of Public Instruction, July 2019

6.

Declining Enrollment in Traditional Public Schools

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Between 2017 and 2025, Buncombe County Schools is projected to lose 2,230 students, falling to a total enrollment of about 21,300. More generally enrollment in traditional NC public schools has been falling, down to 81% as of 2018. Districts with declining enrollment face difficult budget decisions.

In part the decline in number is driven by an overall shrinking student population. Additionally, a growing share of students are switching to charter schools, home schools, and private schools. In Buncombe County, the share of public school students attending a charter school has grown from less than 3.9% in 2011 to 4-7.9% in 2017.

Source: "Nearly 1 in 5 NC Students Are Opting out of Traditional Public Schools," Newsobserver, Jul 13 2018; "2017-18 Enrollments & Facilities Report," Buncombe County Schools, 2018; "Change in North Carolina K-12 Population," NC Dept of Public Instruction, accessed Jul 22 2019

8.

Changing Rates of Violent Crime

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Between 2015 and 2017, overall crime decreased in many areas of Buncombe County but the rate of violent crime increased by 26%, from 239 per 100,000 to 301 per 100,000. This increase is primarily driven by assault and motor vehicle theft, while other property crimes are declining. Furthermore, gun-related violent crime is growing by 55% (2016-19).

Sources: NC State Bureau of Investigation, 2017 Annual Report; Asheville PD Update on Gun Violence, Jun 25 2019

9. Growing Jail Population



Between 2015 and 2018, the number of people awaiting case disposition in the detention facility has increased by 13%, from 309 to 352. Driving this increase is the growing length of stay experienced by pre-trial defendants. Approximately 70% of the jail population is state pre-trial defendants. Additionally, staff projections suggest the female population will regularly exceed capacity by November 2020.

Sources: Staff presentation to Board of Commissioners, Oct 10 2017; staff presentation to Justice Resource Advisory Council, Jul 5 2019

10. Growing Opioid Addiction and Substance Abuse Disorders



Between 2015 and 2017, the number of opiate-related deaths in Buncombe County tripled – growing from 29 to 92. Meanwhile in 2016, there were over 17 million painkillers prescribed in the county. This equals almost 68 pills for every man, woman and child in the County. Communicable diseases associated with injection drug use are also expected to continue rising.

Source: “Buncombe County Strategic Priority: Opioid Addiction”, Dec 2017; and “County-by-County Figures: The Opioid Crisis in North Carolina,” NC Office of the Governor, May 16 2017; NC Opioid Action Plan Data Dashboard, accessed Jul 22 2019

11. Increasing Demand for Digital Gov Services & Info

Demand for personalized and digital government services accessible by computer and especially mobile devices is expected to continue growing as more and more people access the internet on their own devices at all ages and spend significant time outside of school and work on the web. Already at least 42% of voting-age US citizens handle a majority of their government interactions through digital means. And 86% want to maintain or increase their digital interactions.

Source: "Digital Government: Your Citizens are Ready, Willing... and Waiting," Accenture Public Service Insights, Oct 14, 2015

13. Growing Job Automation

Automation and computing advances are expected to eliminate, redefine, and create new jobs through the 2020s and 2030s. Along the way, economic inequality and the number of un- or under-employed individuals is expected to grow.

An MIT study estimates that 54-69% of jobs in 15 North Carolina metro areas, including 65% of jobs in the Asheville metro area (Buncombe, Haywood, Henderson, Transylvania, and Madison Counties), may be impacted by automation. The impact is expected to focus particularly on routine clerical work, such as cashier and food service jobs, but also affect jobs with more cognitive and analytical tasks such as software development and financial analysis.

Source: "In Advanced and Emerging Economies Alike, Worries About Job Automation," Pew Research Center, Sept 13 2018; "Small cities face greater impact from automation," Frank, Sun, Cebrian, Youn, and Rahwan, J. R. Soc. Interface, Feb 7 2018

12. Growing Artificial Intelligence in the Classroom

As AI and its supporting technologies continue to advance, their applications in areas like education are expected to increase exponentially. Depending on adoption rates, AI could completely transform education by as early as 2036, including helping students receive the additional support they need to complete their education, fill more jobs, and earn more and higher wages. AI could also improve the training provided to teachers while reducing costs over the same time horizon, releasing funds to be reinvested into the school system.

Source: "Value of data: Teaching the future with AI," Western Digital and Accenture, Apr 1 2019

14. Growing Cyber Security Attacks on Local Gov

Targeted ransomware attacks on local US government entities – local governments, police stations, and schools – are on the rise, costing localities millions as some pay off the perpetrators in an effort to untangle themselves and restore vital systems. The cybersecurity firm Recorded Future estimates that at least 170 county, city, or state government systems have been attacked since 2013, including at least 45 police and sheriff's offices.

Source: "Crippling ransomware attacks targeting US cities on the rise," cnn.com, May 10 2019

15.

Heavy Rains and Droughts Grow More Frequent

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Precipitation is expected to grow less frequent but more intense when it arrives, increasing flooding and associated landslides. Already between 1958 and 2012, heavy precipitation events increased in the Southeast region by 27%. The average annual number of heavy rainfalls have been growing in Buncombe County, too.

Additionally, drought conditions are expected to increase and consequently stress on the forest and increased risk of wildfires. Fires in Eastern and Western NC suggest that wildfires are already a growing issue for the state and will become more severe as climate change progresses.

As a result, these trends are expected to increasingly impact state energy issues, water resources, land use, transportation and emergency response.

Source: "The Reality of Global Warming (Climate Change) and its Potential Impact on North Carolina: UNC Asheville Response," September, 2008; "Living Asheville: A Comprehensive Plan for our Future," adopted 2018

17.

Growing Urbanization

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Like many communities across the nation, Buncombe County is growing increasingly more urban. Between 2000 and 2010, its urban population grew from 71% to 76%. And since the 2013/14 abolition of Extraterritorial jurisdiction/involuntary annexation, the County has continued to urbanize on the outskirts of the Asheville/Weaverville jurisdiction.

Going forward urban growth is expected to significantly outpace rural growth. Along the way, citizen-demand for urban-level services and infrastructure is growing in unincorporated areas of the county, which are seeing increasing residential densities, employment centers, and commercial development. Requests include public transportation, sidewalks, curb/gutter requirements, stormwater, and bike/pedestrian friendly transportation options (e.g., greenways).

Source: BC Greenway Master Plan, 2012; BC Community Health Assessment, 2015; Pew Research Center, "What Unites and Divides Urban, Suburban and Rural Communities," May 22 2018

16.

Increasing Loss of Farmland

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North Carolina leads the nation in the rate of farmland lost to development, and Buncombe County figures show the same trend. Between 1997 and 2017, the county lost 193 farms and 22,784 acres of farmland operated, fall to a total of 1,073 farms that cover a total of 72,284 acres.

As development continues, and with natural and regulatory restrictions on steep slopes, the pressure to develop prime farmland soil increases. The agricultural sector contributes both directly to the county economy as well as income for several other sectors including the tourism industry.

Source: US Department of Agriculture, National Agricultural Statistics Service, 2017; communications with Buncombe County, Jul 22 2019

18.

Growing Bike and Pedestrian Infrastructure

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Since 2015, Buncombe County has raised \$21.5M for greenway design and construction in order to meet the goals defined in the Greenway Master Plan adopted by the Board of Commissioners in 2012. The County continues to partner with municipalities and local organizations to continue financing, building-out, and maintaining the greenways defined in the master plan.

Source: Buncombe County Greenway Master Plan, 2012; communications with Buncombe County, Jul 22 2019

19. Growing Cost of Living



The annual income needed for a family of four in Buncombe County to make ends meet (afford housing, food, child care, healthcare, transportation, taxes, and other necessities) is expected to continue rising. Already between 2010 and 2019, it is estimated to have grown by 12% from \$45,970 (or a combined hourly wage of \$22.10) to \$51,600 (\$24.83/hr).

Source: North Carolina Justice Center, 2010 and 2019 Living Income Standard publications

21. Affordable Quality Child Care Options Falling Short



Programs that help children learn and grow in their earliest years can change the trajectories of their lives, especially for children in disadvantaged families. Yet in Buncombe County, gaps in access to affordable high-quality child care options are expected to persist due to limited availability. Currently less than 1/3 of children ages birth through five in Buncombe County are enrolled in licensed programs (4,087 out of 14,319). In NC, the average annual cost of center-based care for an infant is \$9,254; \$8,386 for a toddler; and \$7,920 for a four-year-old.

Sources: Children in licensed care, NC Dept of Child Development and Early Education, Sept 2018; Total child population, NC Office of Management and Budget, 2018; "US and the High Cost of Child Care Appendices," Child Care Aware of America, 2018

20. Increasing Freelance and Unpaid Workers



Between 2017 and 2026, the Asheville Prosperity Zone Sub-Region (Buncombe, Henderson, Madison, Polk, Rutherford, and Transylvania Counties) is projected to grow to about 14,570 self-employed and unpaid family workers, a net positive change of about 673 (4.8%).

More broadly, freelancers in the U.S. could outnumber full timers within a decade. We might reach this milestone even faster as younger generations become a larger portion of the workforce. Almost half of working Millennials (47%) freelance, a participation rate higher than any other generation.

Source: "Freelanced: The Rise Of The Contract Workforce," NPR.org, accessed Aug 15 2018; employment projections by the NC Department of Commerce, accessed Jul 22 2019

22. Growing Total Employment, Esp. in Healthcare and Food Service



Between 2017 and 2026, employment in the Asheville Prosperity Zone Sub-Region (Buncombe, Henderson, Madison, Polk, Rutherford, and Transylvania Counties) is projected to increase by 8.7% or 19,370 jobs, reaching 241,180.

The fastest growing occupations are expected to be in:

- Healthcare Support (+1,980 jobs or 17.9%), especially Home Health Aides (850 jobs) and Nursing Assistants (495)
- Computer and Mathematical (+440 jobs or 16.5%), especially Software Developers (160) and Computer User Support Specialists (110)

The greatest number of jobs are expected to be added in:

- Food Preparation and Serving (+3,100 jobs)
- Healthcare Practitioners and Technical (+2,320 jobs), esp. Registered Nurses (900)

Source: Occupational Projections (Long-term) for Multiple Occupations in Asheville in 2017-2026, NCWorks.gov, accessed Jul 20 2019

23.

Growing Opportunities for Better Wages



The list of industries below currently pay the highest average annual wages (26-90% higher than average among all industries) in the Asheville Prosperity Zone Sub-Region (Buncombe, Henderson, Madison, Polk, Rutherford, and Transylvania Counties) AND they are projected to grow.

Between 2017 and 2026, these industries are expected to add:

- Utilities (average \$80k): +35 jobs
- Finance and Insurance (avg. \$69k): +310 jobs
- Management of Companies and Enterprises (avg. \$63k): +80 jobs
- Professional, Scientific, and Technical Services (avg. \$56k): +1,290 jobs
- Healthcare and Social Assistance (avg. \$54k): +5,420 jobs
- Wholesale Trade (avg. \$54k): +350 jobs
- Manufacturing (avg. \$53k): +19 jobs

Source: Industry Projections (Long-term) for Multiple Industries in Asheville in 2017-2026, NCWorks.gov, accessed Jul 20 2019

25.

Growing Housing Costs and Supply



Between 2015 and 2019, the median sale price and the median rent list price for housing in Buncombe County have been growing by an estimated 7% and 10% respectively per year on average. Meanwhile, as of 2015, 44.5% of renters and 26% of homeowners are housing cost-burdened, i.e., housing costs exceed 30% of their household income.

Additional development is anticipated as federal, state and local programs continue to incentivize investment in communities. For example, five underserved Buncombe County census tracts are subject to the Opportunity Zone program which is intended to spur investment in such neighborhoods.

Source: Buncombe County Home Prices & Values, Zillow.com, accessed Jul 20 2019; Buncombe County Housing Needs Assessment, 2014; "North Carolina's Opportunity Zones Certified," UNC School of Government blog, Jul 5 2018

24.

Rising Entrepreneurship



Since the Great Recession, total startups in Buncombe County have been increasing and total business closings have been decreasing. In all, 100 companies have been in the Venture Asheville Elevate program since inception, and total capital since January 2017 is an estimated \$8,288,100.

Source: "Living Asheville: A Comprehensive Plan for our Future," adopted 2018; Venture Asheville Program of the Asheville Area Chamber of Commerce & Economic Development

26.

Increasing Philanthropic Opportunities

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In Buncombe County (and Western North Carolina communities), organizations are bracing for an opportunity to pitch grant projects to the Dogwood Health Trust (DHT). The DHT is expected to launch an annual cycle that could award up to \$70 million to organizations in Western North Carolina for projects that address social, economic, and environmental community conditions that shape and underlie health and wellbeing, such as food insecurity, transportation, or poverty that impact health and healthcare needs.

Source: "The sale of Mission Health will create Dogwood Health Trust. Here's a Q&A on changes," Asheville Citizen Times, Sept 28 2018; "Dogwood Health chair Brumit: Trust favors 'bold' grant requests in WNC," Asheville Citizen Times, Mar 29 2019

28.

Growing Public Spending on Healthcare

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Consistent with national projections, Buncombe County expects to see its healthcare spending increase. It has already seen them grow about 7.5% per year between 2013 and 2018 (approximately \$10M cumulative over the same period). Meanwhile, the *national* average annual premium for employer-sponsored health insurance grew about 4% per year.

This trend is expected to continue and possibly worsen due to new and more expensive specialty drugs and treatments. The County has considered measures to control cost including modifying the drug formulary, condition care, consumerism, and changing the plan designs. According to Blue Cross and Blue Shield, County employees contribute approximately 5% of the total healthcare costs and the industry (i.e., government) average contribution is 14%.

Source: "2018 Employer Health Benefits Survey," Kaiser Family Foundation; communications with Buncombe County, Jul 22 2019

27.

Growing Share of County Expenditures

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Buncombe County operating expenditures (less transfers, payments to escrow agents) have increased by approximately 2% each year since 2016. During that same time frame revenues have risen by approximately 4% annually, but tapered off in 2018 to 1.5%. The primary driver for this decrease is due to a \$10M decrease in Federal and State revenues for Health and Human Services programming.

Going forward, Buncombe County anticipates increased revenues associated with the addition of HCA Healthcare Inc. properties to the tax base.

Source: "5 things to know about Mission Health's proposed HCA Healthcare deal," citizen-times.com, March 30, 2018; Buncombe County Budget Staff, July 22 2019

29.

Growing Demand for Civic Engagement Opportunities

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Demand for meaningful civic engagement opportunities is growing. For example, participatory budgeting (PB) is a democratic process that allows residents to help determine how public funds are spent. The process only came to the United States in 2009 and has been growing since – most recently counting at least 44 (2015), 59 (2016), 76 (2017), 79 (2018), and at least 83 in 2019 so far. In North Carolina, Greensboro and Durham leverage PB. In Durham, most projects on the ballot will address infrastructure needs, such as improving streets and sidewalks. The second largest category is parks and recreation projects, followed by projects related to safety and the environment.

Source: Map of PB Processes, The Participatory Budgeting Project, accessed Jul 22 2019; "Durham Begins Its \$2.4 Million Experiment in Direct Democracy," Indy Week, Apr 30 2019



Rebecca Ryan is a
“HUMAN SPARK PLUG”,
 futurist and economist.

Rebecca helps clients
 figure out what’s next,
 so they can be ready
 for the future.

Rebecca Ryan is a futurist, an economist, and a gifted communicator and thought leader.

She is the author of *The Next Big Things: The Future of Local Government* (2015), *ReGENERATION: A Manifesto for America’s Future Leaders* (2013), and *Live First, Work Second: Getting Inside the Head of the Next Generation* (2007). Her TEDx talk, *Spring is Coming*, was featured at the prestigious TEDxBeaconStreet in 2015. Richard Florida, author of *The Rise of the Creative Class*, calls Rebecca “one of the most reliable sources for CEOs and Mayors who want to attract and keep the next generation of creative workers.” Rebecca is the founder of Futurist Camp, inventor of Futures Labs, and owner of NEXT Generation Consulting, Inc. She is a faculty member and Board Chair at the Institute for Zen Leadership

OTHER ACCOLADES INCLUDE:

- Thought Leader, CPA Practice Advisor
- Top 100 Most Influential People, Accounting Today
- Communicator of the Year, Women in Communication
- Woman of Influence, Business Journal of Greater Milwaukee
- Entrepreneur of the Year, U.S. Association for Small Business and Entrepreneurship
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EDUCATION

Graduate Certificate in Strategic Foresight, University of Houston Bachelors of Arts in Economics,
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Bachelor of Arts in International Relations, Drake University Kozgaz University Budapest, Hungary
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Donna Warner
Donna Warner Consulting

Donna has worked for the last two decades at the School of Government creating and implementing education and training programs for North Carolina local governmental leaders. In conjunction with SOG faculty and others, Donna designs and delivers management and leadership programs for city and county managers, emerging local governmental leaders, chief district judges, MPA students and local elected officials. She helped create several of the School's leadership programs including the Local Elected Leaders Academy, the Public Executive Leadership Academy, the LGFCU Fellows, and the Chief District Court Judges Leadership Program.

Donna is also a certified facilitator with extensive experience working with boards and groups as well as a Master Trainer in The Leadership Challenge with a solid understanding of the behaviors and practices of exemplary leadership. She also conducts planning and board retreats for multiple North Carolina municipalities and counties, helping boards plan and work together to solve public problems. Donna brings expertise in budget and management analysis, strategic planning, human resource administration, and retreat facilitation.

Donna earned a B.A. from the University of Virginia and an M.P.A. from the University of North Carolina at Chapel Hill.