



2020 LEGISLATIVE STRATEGY

In the last several years, the NC Economic Development Association (NCEDA) has made substantial improvements in the visibility of its legislative outreach program. The Association has been directly responsible for navigating legislation for the betterment of our profession and the enhancement of our tools, rules and resources required for successful economic development in this State. Through thoughtful discussion and sustained interaction with legislative leaders, we have enhanced the organization's reputation as the voice for economic development in North Carolina.

To build on the current momentum, we now seek to expand our efforts from merely an annual list of priorities to a comprehensive strategy that embraces short- and long-term opportunities to improve the policy environment for economic development. The strategy goes beyond the halls of the General Assembly to include grassroots advocacy closer to home. NCEDA will also support the establishment of study bills for more complex issues that need addressing in future long sessions. Finally, it is through strategic partnerships that will continue to enhance the influence of our organization throughout North Carolina. For 2020 and beyond, we have the following strategic legislative goals:

- Passage of the NCEDA Legislative Priorities;
- Continue to educate policymakers on the centrality of sound economic development programs and strategies; and
- Continue to strengthen NCEDA's standing as *the* voice for economic development in North Carolina.

Legislative Priorities

For the 2020 "short session" of the NC Legislature, NCEDA's legislative strategy will include representing the passage of a list of priorities that fall under three major strategic areas. Unlike the "long session," the list of priorities is more focused on obtaining successful ratifications in the condensed legislative calendar. The Priority Listing for 2020:

1) ENHANCE WORKFORCE DEVELOPMENT

a. Increase funding to support Apprenticeships and Internships

Support our education partners in securing more funding for short-term workforce training programs – specifically work-based learning opportunities via apprenticeships and internships – across all businesses.

b. Further Increases for the Support for Career Coaches

Continue building on the successful support of the expansion of the Career Coach Program through the State to ensure all NC High School students have access to a Career Coach when determining career goals and available pathways.

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2) IMPROVE INFRASTRUCTURE AND PRODUCT DEVELOPMENT

a. **Multi-Year Funding for Broadband Expansion to Unserved & Underserved Areas of NC**

Support a mix of solutions that will increase the accessibility and affordability of broadband Internet access to all citizens and corporations in North Carolina.

b. **Modify Guidelines for IDF-Utility Account Grants for Rural Census Tracts in Tier 3 Counties**

Seek NC Senate passage of the NC House of Representative bill modifying the guidelines for IDF-Utility Account grants to include eligibility for projects in rural or less developed census tracts of Tier 3 counties.

c. **Increase Recurring Funding for State Rural Grants Programs**

Seek increase of recurring funding for the Department Commerce's Rural Grant programs -- including Building Reuse, Demolition and Public Infrastructure grants. Funding for these important programs is currently inadequate for the need by rural counties seeking to boost their competitive posture and spur job creation.

3) SHARPEN NORTH CAROLINA'S COMPETITIVENESS

a. **Continued Reduction of NC Franchise Tax Liability**

Seek the abatement of NC Franchise Tax, as it can be an impediment on further expansions and capital equipment purchases within the State.

b. **Elimination of the Cap and Sunset Provisions in JDIG**

Encourage the widespread utilization of the Job Development and Investment Grant (JDIG) program by eliminating the cap and sunset provisions.

c. **Adequate Funding for EDPNC**

Provide adequate state funding for the Economic Development Partnership of NC for purposes of global marketing, FDI development, business recruitment and export promotion.

Legislative Day / Breakfast

In 2019, NCEDA altered the format of its annual Legislative Day to center around a breakfast in the Legislative Building with networking, a meal, and a concise presentation to legislators by the organization's leaders. Members then fanned out into the hallways of the legislature to meet individually with their delegation members. NCEDA leaders had expected the success of last year's event could be replicated this year and had scheduled our Legislative Day for May 5, 2020. Unfortunately, the recent events of the COVID-19 situation forced us to cancel that event and we are attempting to devise other ways to demonstrate the strength of our Association to the legislature.

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Legislative Study Bills

As we look beyond the short-session, in an effort to expand options for the inducement of companies to North Carolina and to improve our flexibility in the ever-changing business environment, NCEDA will begin to promote a list of bills that can study new ideas that will bring to the forefront issues and generate robust discussion that will help retain our State's global competitiveness.

Topics for these Study Bills include:

- Improve the competitive position of North Carolina's border counties through flexible incentives that align with those offered by neighboring states;
- Seek the increased incentive qualification and value for projects that are concentrated more in capital investment than job creation – i.e. mechanization and automation;
- Allow the Department of Commerce greater discretion/flexibility in allowing in-kind local municipality or county incentives or other investments (i.e. broadband infrastructure installation) in meeting state matching requirements;
- Seek the increased flexibility of the application of incentives to small business start-ups and entrepreneurs;
- Effect policies that facilitate employee ownership conversions as a strategy for business retention and expansion.

Grassroots Efforts

Smith Anderson began service as the NCEDA lobbying counsel in early 2019, bringing a formidable bipartisan reputation to NCEDA's presence in both the Executive and Legislative branches. NCEDA has also initiated the crafting of a strategic grassroots advocacy plan designed to engage legislators, county commissioners and municipal officials, and build awareness and support for local and regional economic development programs. Raleigh-based, along with grassroots advocacy, executed under the direction of the Board of Directors and the Legislative Committee, will ensure NCEDA's capacity to create and sustain a lasting coalition for North Carolina economic development.

The overall Legislative Strategy is a living document that will change throughout the Session as opportunities emerge and will develop over the years as we learn how to integrate the Legislative Committee activities with the NCEDA's other committees (i.e. the Research Committee). The Legislative Priorities will remain consistent through each Session once adopted by the Board of Directors and only changed at the will of a majority of the Board.