

# **Fund for the Efficient Delivery of Local and Regional Services**

## **Fact Sheet**

### **What is the purpose of the Fund?**

The Fund for the Efficient Delivery of Local and Regional Services is established to encourage and support intergovernmental cooperation in order to reduce Maine's property tax burden.

### **Who administers it?**

The Department of Administrative and Financial Services administers the Fund. It also manages the grant program and may contract out the administration of the program. The State Planning Office assists the department.

### **How much is available?**

Funding for this grant program was established as part of the School Finance Act of 2003, the citizens' initiative known as Question 1A, and Public Law 2005, c. 2, commonly referred to as LD 1. Two percent or approximately \$2 million of municipal revenue sharing funds is to be deposited in the Fund each year. In 2007, the Legislature capped funding for the grant program at \$500,000 per year. During budget deliberations for FY 08-09 and again for FY10-11, the funding for the regional efficiency grant program was reallocated. There is currently no funding for the grant program.

### **Who is eligible to apply?**

Municipalities, counties, and regional government subdivisions may apply for grants from the Fund. Regional government subdivisions include regional planning councils or commissions and governmental entities created under the joint exercise of power statute (interlocal agreements).

### **What are the eligibility criteria?**

An eligible project requires intergovernmental cooperation. There must be two cooperating applicants for each application. To be eligible for a cooperative services grant, applicants must have a formal cooperative agreement in place.

### **What types of grants are available?**

There are two types of grants:

- ✓ Planning grants can be used to assist the applicant develop collaborative arrangements including conducting feasibility studies or cost-benefit studies or facilitating joint planning sessions or public meetings.
- ✓ Cooperative services grants can be used to implement a collaborative service delivery initiative.

### **What types of projects are eligible?**

Projects are eligible that achieve significant and sustainable savings in the cost of delivering local and regional governmental services, which reduce the demand for property tax revenues through:

1. achieving cost savings and reducing municipal/county spending;
2. improving efficiencies in the delivery of local services; or
3. improving the quality or quantity of the delivery of government services.

The Fund also seeks to pilot innovative projects that serve as models from which other regions in Maine may learn and follow.

Applicants should consider the following types of projects:

- Consolidation as a means of delivering government services;

- Development of a new, or enhancement of an existing, regionalized system for delivery of government services;
- Development of shared governance. Examples include land use ordinances, building codes, property tax assessments, or tax-sharing agreements;
- Consolidation of office policies or systems. Examples include property tax administration, human resource administration, information technology systems, or accounting and financial management practices and programs.

### **Is a local match required?**

No local match is required for a cooperative services grant and there is no competitive advantage given for one. Matching funds for planning grants are required in an amount not less than the total grant award requested. In-kind match provided by the applicants is not allowed. The value of in-kind services donated by professionals not employed by the applicants (i.e. attorneys, consultants) may be considered as eligible match.

### **Who reviews the grant applications?**

A review panel of state, regional, and local officials reviews, ranks, and awards the grants. The panel comprises the following representatives, appointed by the Governor:

- A representative of the Department of Administrative and Financial Services
- A representative of the Department of Economic and Community Development
- A representative of the Maine State Planning Office
- One representative of a county or regional government subdivision recommended by a statewide organization representing county or regional service providers
- Two representatives of municipal government recommended by the Maine Municipal Association. One represents rural communities with a population of less than 4,000 and one represents suburban communities with a population of 4,000 or more.
- One representative of a service center community recommended by the Maine Service Centers Coalition

### **What are the review criteria?**

Applications are evaluated based on the following selection criteria:

1. Extent and quality of cooperation among the participating applicants (20 points)
2. Estimated amount of property tax savings to the region over time (35 points)
3. Degree /likelihood of success in implementing and sustaining the intergovernmental arrangement (15 points)
4. Extent to which the project can be replicated by other regions in future cooperative endeavors (30 points)

### **How much has been awarded and what types of projects have been funded?**

Before the 2003 School Finance Act went into affect, the Legislature appropriated \$1 million from municipal revenue sources to pilot the grant program. Those funds were awarded to 26 projects involving cooperation among 121 governmental units in 2005. In fall 2006, the state awarded \$500,000 from the Fund to 14 projects involving 70 municipal, county, and regional governmental organizations. Types of projects funded include:

- Municipal service consolidation
- Regional emergency dispatch
- Shared property assessment
- Joint purchasing implementation
- Regionalized economic development planning
- Emergency services consolidation
- Collaborations on storm water management and education
- Regional recycling and waste management projects