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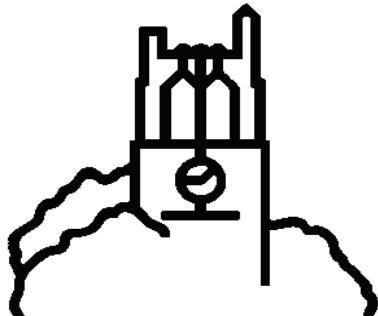
# ***Staff Paper***

**School District and Municipal Reorganization:  
Research Findings & Policy Proposals**

**State and Local Government Program,  
Michigan State University Extension and  
Department of Agricultural Economics**

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School District and Municipal Reorganization: Research Findings & Policy Proposals

Testimony before the:

Michigan House of Representatives Intergovernmental, Urban and Regional Affairs Committee

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## **INTRODUCTION**

This report discusses the issues of municipal and school district reorganization. For over 100 years, since the so-called progressive era in American history, the issue of local government and school organization has been an important policy debate for policymakers. Over time, local governments and school districts have grown or shrunk in response to changes in society, demographics and economics. The general trend in the United States has been for growth in the number of special districts and a major decline in the number of school districts.

Currently, the United States has over 87,000 local governments. Within these numbers, there are 19,000 municipalities, 16,000 townships and 3,000 counties. These numbers also include 13,000 school districts and over 35,000 special districts. This number seems very large; it is actually down from over 116,000 local units of government in 1952.

The major area of reduction has come in the areas of school districts. The number of school districts has fallen from 67,000 in 1952 to just over 13,500 in 2002. Between 1952 and 1972, the number of school districts in the U.S. fell in half. This was partly the result of smaller, fragmented districts that did not cover the full K-12 range being consolidated into districts that did cover the full range of grades. These reductions mainly occurred in rural parts of the country. This reduction coincides with the major reduction of population in rural parts of the nation.

According to the Census Bureau, there are over 35,000 special districts in the United States. This number has doubled in the last twenty years. Many of these special districts are in natural resources (6,979) such as conservation districts and drainage districts. Another major area of special districts is fire protection (5,725). Fire districts are particularly prevalent in New York and Illinois. The third major area of special districts is housing and community development (3,399).

A debate continues in the 21<sup>st</sup> century in many states over whether government consolidation should occur. More recent thinking has stressed the positive benefits of intergovernmental agreements and cooperation. In these scenarios, governments continue to exist but specific services are provided via contractual arrangements for fire, water and sewer and other services.

In some cases, intergovernmental cooperation is simply a contractual arrangement. In other cases, local governments cooperate via the creation of special district or new authority government. Special districts are local governments who provide one specific type of service under generally restricted conditions of operation. Their ability to tax and incur debt, subject to different conditions across the states, has led to their popularity among local and state officials. They have been particularly widely used to provide infrastructure, airports, hospitals and other services. A counterargument is that cooperation is not enough and political consolidation must occur for true cost savings and service improvements to occur.

This report documents a broad literature review on the current state of thinking on municipal and school district reorganization. It examines literature from across the United States that has taken place over the last thirty years. There is also discussion on several current policy proposals in each arena.

The report is divided into several sections. Section one discusses intergovernmental cooperation and potential policies to spur further cooperation. Section two discusses municipal consolidation research and policy proposals. Section three discusses the literature regarding school consolidation and economies of scale. The appendix contains information on intergovernmental cooperation laws in Michigan, programs from other states regarding financial incentives to spur cooperation and a reference section.

## **SECTION 1: INTERGOVERNMENTAL COOPERATION**

### **KEY FINDINGS: MUNICIPAL COOPERATION**

Findings of fact and evidence indicate that cost savings from service cooperation exist in certain capital intensive services such as fire protection and property assessment, but are less likely to exist in labor intensive services such as police. State incentives may help propel further local cooperation. The benefits to the state would be improved local services and lower costs which could translate into maintaining reasonable local tax levels and enhanced economic competitiveness for Michigan.

### **Findings of Fact**

There are three basic forms of intergovernmental cooperation and consolidation among local units. Geographic consolidation involves the process of land being transferred from one unit of government to another. This occurs via the process of annexation or in some cases the P.A. 425 process. Functional consolidation is the process of two or more local units of government working together to provide services such as fire protection, vehicle maintenance or property assessment. Finally, political consolidation is the merger of all functions and legislative bodies among two or more local units of government. The focus of this testimony is on functional and political consolidation.

Currently, Michigan local governments are engaged in cooperative service provision or functional consolidation (see <http://www.crcmich.org/PUBLICAT/2000s/2005/catalog.html>). These results cover part of the state; they do not cover all municipalities or all counties. Further, there is clearly room for more cooperation and perhaps consolidation among local units of government. For example, many municipalities work with counties to provide well and septic permitting. County governments provide nearly two-thirds of the state's 911 dispatch services for cities and townships. Fire fighting, fire training and HAZMAT response are currently done through joint service efforts by nearly a fifth of the local governments in Michigan. In other areas, such as tax collections, finances, elections, zoning administration, parks and playgrounds, these services are generally provided directly or in-house by the municipality. There are some service areas such as janitorial services and vehicle maintenance that are provided by the private sector. Some other basic findings include:

- Over 50 percent of training is provided in conjunction with another government or private entity
- Nearly 80 percent of record keeping is still provided in house by local governments
- Over half of property assessing is done privately or by another government entity; while treasury and accounting are still done primarily (over 80 percent) in house
- Nearly all fleet services are provided in house or not at all by local governments
- About a third of general police services are provided in house; many specific services are provided by county or state cooperation with other local units
- About half the responding local governments provide fire service in house; the rest is provided for by a mixture of contracting and special districts (Citizens Research Council of Michigan, 2005)

Functional consolidation occurs through several mechanisms in Michigan. The Michigan Constitution provides for intergovernmental cooperation through Article 3, Section 5 and Article 7, Section 28. These

provisions have been enabled through the two primary intergovernmental cooperation laws, including the Urban Cooperation Act (P.A. 7 of 1967) and the Intergovernmental Transfer of Powers Act (P.A. 8 of 1967). These laws form the basic foundation for intergovernmental cooperation in Michigan. They respect several principles of municipal law including mutuality of benefit, mutuality of powers and the sovereign transfers' principle. Mutuality of benefit refers to the fact that both or all parties to the agreement must benefit from the contract. Mutuality of powers means that all parties to the agreements must have authority to provide that service. In other words, if a specific entity to a contract does not have the ability to provide the service, they cannot be authorized to do so via an intergovernmental agreement. Finally, intergovernmental agreements or contracts may not transfer sovereign powers, but only ministerial powers. For example, a government cannot transfer legislative decision making. Police hiring and enforcement of ordinances, on the other hand, are ministerial rather than sovereign powers. The biggest weaknesses of these general intergovernmental acts are that they do not provide any new local taxing authority to pay for services, they do not mandate a "hold harmless" provision for employees and they have only very limited bonding authority.

Many local government agreements follow specific statutes authorizing such joint service provision rather than the two general acts. This is because these specific statutes allow for enhanced authority in the very same areas that are limited in the general intergovernmental cooperation laws: 1) enhanced taxing authority 2) enhanced bonding authority and in some cases 3) flexibility to manage employee staffing of operations. One example of this type of law is the Municipal Emergency Services Authority Act (PA 57 of 1988). This act allows for bonding, taxing power (up to 20 mills for up to 20 years) and employee flexibility with some protections for staff. A new provision which has been debated in the legislature would provide the authorization for these authorities to pass ordinances (see MI Attorney General Opinion No. 7150). Other examples of these specific laws are the District Library Act, Charter Water Authority Act and Recreational Authority Act. Due to their enhanced flexibility, many communities are seeking to incorporate new ventures under these specific laws as opposed to using the general intergovernmental cooperation acts. However, these laws remain limited to a small number of service areas. One approach would be to expand these laws to include a wider range of services. In many cases, the Michigan Legislature has chosen to limit the millage capacity of these authorities based on the type of service. For example, Emergency Service authorities have a 20 mill capacity whereas recreational authorities only have 1 mill capacity. Another potential downside of this approach is that it will lead to more, not fewer, local governments in Michigan as special districts are created.

## Research Summary on Economies of Scale in Local Government Services

### POLICE SERVICES

- Diseconomies of scale, rather than efficiency, are found in larger aggregated police departments. Additionally, services are not necessarily better and there is no evidence of cost per unit savings.
- Smaller disaggregated police departments have better quality services. Surveys, interviews, and activity records support the finding that the sizes of police departments are negatively related to performance.
- Factors other than city size, such as the socioeconomic characteristics of the area, play an important role in the success of police department consolidation efforts. Thus, each situation should be looked at individually.

### FIRE SERVICES

- General findings indicate that economies of scale and associated cost savings do exist in fire service protection due to the capital intensive nature of the service.

### ROADS

- A survey of Midwest townships concluded that larger jurisdictions are more efficient at maintaining low-volume rural roads than smaller jurisdictions. This indicates the potential for cost savings from jurisdictional consolidation.
- Total costs of road production are estimated to be 40-50 percent higher than needed in many areas throughout the country due to small scale jurisdictions.

### SOLID WASTE AND WATER

- A study of Massachusetts found that a five percent cost savings for the joint provision of disposal and recycling services was possible.
- No conclusive evidence exists for economies of scale in surface water production or the residential water supply industry. However, underground water production and non-residential water supply do exhibit cost savings.

### PROPERTY TAX ASSESSMENTS

- Consolidation of small assessment offices has some cost savings, but no economies of scale exist beyond 100,000 parcels. This is based on a Georgia study.

Table 3 provides information on the number of local units of government in Michigan. In fact, Michigan ranks thirteenth among all states in terms of the number of local governments. The literature provides very little guidance on the optimal number of local governments.

**TABLE 3: Number of Local Government in Michigan by Type, 2002**

# of Units	
2002	
<b>Government</b>	
City/Village	533
County	83
Township	1,242
Special Districts	366
<b>Total</b>	<b>1,858</b>

Source: U.S. Census Bureau, *2002 Census of Governments*

Table 4 provides information on municipal consolidations that have occurred in other countries across the world. In many countries, large numbers of local governments have been eliminated via parliamentary action. There is very little evidence as to whether significant amounts of resources have been saved or reduced in undertaking these activities. In some cases in fact, researchers have argued that cost savings did not appear and were in fact illusory (Slack, 2001).

**TABLE 4: Experiences with Consolidation**

Country/Region	Time Period	Original Municipalities	Final Municipalities	% Change
Australia	1910 - 2003	1067	603	-27.1
Japan	2000-2006	3203	1601	-50.0
New Zealand	1975 - 1995	249	74	-70.3
Ontario, Canada	1996 - 2002	825	447	-44.8
Sweden	1952-1974	2500	278	-89.1
Tasmania	1992 - 2000	40	29	-27.5

Source: Various journal articles cited in Bibliography

## Municipal Reorganization Policy Proposals

Based on the research summary and current cooperation among local governments in Michigan, several areas of opportunity appear to exist. Cooperation on public safety and other service areas could be greatly enhanced particularly in dense urban centers such as Detroit, Grand Rapids and other cities. The barriers to such cooperation are not simply political. Financial and organizational barriers are often more important and include employees who are being deployed across several service areas. Some possible policies to encourage intergovernmental cooperation include:

- Adopting financial incentives to overcome the initial transaction costs of intergovernmental agreements
- Enacting changes to the Urban Cooperation Act to enhance new voter approved tax options similar to those under the Municipal Emergency Services Authority Act.
- Adopting provisions to allow greater labor staffing flexibility.

Financial incentives may be one tool for spurring intergovernmental cooperation in Michigan. A key question of any incentive program is whether it is subsidizing behavior or activity that would have occurred in the absence of the subsidy. In the case of cooperation, local governments are working together in specific service areas. As evidenced by the 2005 survey from the Citizens Research Council of Michigan, local governments are working with other local government partners, or even the private sector, to provide services to citizens and operate internal functions. The question is how much more of this activity can be generated through the use of financial incentives.

A second area that the Michigan Legislature should review is regulatory relief for local governments. As it currently stands, the Urban Cooperation Act and the Intergovernmental Transfer of Powers Act tie the hands of local officials in creating new intergovernmental ventures. The provision that employees must be “held harmless” has derailed several intergovernmental efforts across the state. This type of provision often forces the cooperating governments to pay the highest wages and highest benefits of the cooperating partners. This similar problem has been cited in the case of the consolidation of the City of Toronto, Canada. Changes to the legal landscape guiding intergovernmental cooperation are another factor in spurring more of this activity (Slack, 2001).

## **SECTION 2: MUNICIPAL CONSOLIDATION**

### **KEY FINDINGS: MUNICIPAL CONSOLIDATION**

Cost savings are difficult to achieve through political consolidation of local government units, although other benefits such as enhanced economic development may exist

### **Political Consolidation**

Political consolidation is a true merger of local units of government. The major objectives of such mergers are to reduce costs via economies of scale, improve overall service delivery, maintain or even reduce tax levels and enhance economic development promotion. Critics maintain that such mergers reduce government accountability and do not achieve cost savings, and in fact ultimately cost more.

There have been very few political consolidation attempts or mergers in the United States in the 20<sup>th</sup> and 21<sup>st</sup> century. For many states, city-city or city-township or other types of mergers have generally been absent since the 1950's and 1960's. In Michigan, the only city type consolidation in recent memory occurred in the Upper Peninsula in the late 1990's with the new city of Iron River. A preliminary evaluation indicates that Iron River was able to reduce the growth rate of expenditures since the consolidation (Martin and Scorsone, 2007).

### **Findings of Fact**

- Generally, researchers have not found convincing evidence that political consolidation leads to lower costs for local government services.
- Some limited evidence exists for better coordination and delivery of municipal services, particular in the area of land use planning and economic development.
- Canada has undergone major local government political consolidation in the last decade. Toronto, which was consolidated in the late 1990's with its suburbs, provided an early estimate of its cost savings at \$136.5 million. However, evidence from other Canadian cities, including Ottawa and Montreal, are unclear as to the evidence of major cost savings.
- Evidence regarding municipal consolidations in Sweden and Norway between 1942 and 1987 indicate that not all forms of duplicative services were inefficient, and cost savings were largely illusory.
- Countries such as Canada and France have found that voluntary consolidation through fiscal incentives are much more favorable; mandatory or state directed consolidations are highly unfavorable and subject to greater opposition by constituents.
- The evidence based on MSU research, from the merger of Iron River, Stambaugh and Mineral Hills in the western Upper Peninsula in 2001 does reveal that in some specific cases, cost savings can be achieved through the merger of local units of government. However, we also caution that this experience does not necessarily generalize to the lower peninsula of Michigan and in particular the urban centers.

## **Other State Financial Incentive Programs for Cooperation**

Other states around the country have attempted to use financial incentives to generate more intergovernmental cooperation activity. At this time, very few evaluations of these programs exist. For example, in 2001 Wisconsin responded to a state budget shortfall by passing a law that created a \$45 million fund to spur cooperation. However, no money was appropriated for the law and it never took effect. The following section describes programs in Maine, New Jersey and New York.

### **New Jersey Program**

The State of New Jersey for the past six years has had a variety of programs designed to facilitate intergovernmental cooperation and consolidation. These programs were titled “Sharing Available Resources Efficiently” (SHARE) and “Regional Efficiency Development Initiative” (REDI). The SHARE program is designed to fund start-up costs and feasibility studies for communities attempting to assess inter-municipal cooperation. The SHARE program provides up to \$100,000 in funds annually for implementation of service agreements to community projects with a 25 percent match requirement. The SHARE program provides up to \$25,000 for feasibility study grants with a 50 percent local match required. The SHARE program has received approximately 60 applications over the last four years on an annual basis. Of these, approximately two-thirds were awarded incentives. In FY 2007, the SHARE program was funded at \$4.2 million.

The Regional Efficiency Aid Program (REAP) is a companion program to SHARE. REAP provides a tax credit to each individual parcel owner within cooperating districts and the revenue is repaid to local governments via state funds. This program ties property tax relief to the creation and implementation of cooperative service provision. In FY 2004, 2005 and 2006, 14 groups of communities received REAP tax credits. No funding was provided for the REAP program in FY 2007.

### **Maine Program**

The State of Maine initiated an incentive based program for local governments and schools to spur further cooperation in 2003 (State of Maine, 2006) (<http://www.maine.gov/dafs/fund.htm>). The program is known as the “Fund for the Efficient Delivery of Local and Regional Services”. It was established as part of the Maine School Finance Act in 2003 and was to include \$2 million in funding. To be eligible, one of the four following conditions must be in place, prior to receiving funding,

1. the execution of an inter-local agreement among the applicants that are party to the grant project
2. the execution of a memorandum of agreement among the applicants that are party to the grant project
3. the execution of a contract with one government entity as the service provider by other applicants that are party to the grant project
4. the submission of letters of endorsement or a documented agreement between participating entities

Municipalities, counties and regional governments may apply for the funds. In order to be eligible to participate, project applicants must demonstrate improved service delivery and cost savings. Money from the fund can be used for planning or feasibility studies as well as implementation of service delivery agreements. No local match is required, although it is considered as a factor in the awards process. In 2005 there were 26 projects which involved the participation of 151 governments and there were 14 additional projects in 2006. The following criteria were used to judge projects:

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 (20 points)
4. Extent to which the project can be replicated by other regions in future cooperative endeavors (15 points)
5. Extent to which the project incorporates innovative and unique solutions or ideas (10 points)

In the FY 2008-2009 budget, the Governor of Maine has proposed increasing the allocation of money to the fund to \$2.6 million.

### **New York Program**

The State of New York has the most highly developed and implemented municipal service sharing incentive program in the United States today. In the New York State FY 2005-2006 budget, a shared municipal services award program was established. In that fiscal year 244 applications were received for a total of over \$53.4 million in proposed funding. The budget only provided for \$2.45 million and 22 projects across the state received funding. This program was expended in FY 2006-2007 to include over \$25 million. Eligible entities are to include counties, cities, villages, townships, fire districts and school districts. The second year of the program broke the program into five subcategories:

- 1) shared municipal services
- 2) shared highway services
- 3) shared countywide services
- 4) local health insurance incentives
- 5) local consolidation incentives.

The New York program also includes a new partnership between the NY Department of State and Albany Law School's Government Law Center to provide technical assistance and training to these entities through the Shared Municipal Services Technical Assistance project <http://www.dos.state.ny.us/lgs/smsi/smsita.html>.

## **SECTION 3: SCHOOL REORGANIZATION**

### **KEY FINDINGS: SCHOOL REORGANIZATION**

Cost savings ensuing from school district consolidation generally appears in moving from districts of less than 500 pupils, to enrollment levels between 2,000 and 4,000. However, student achievement weakens with elementary enrollment exceeding 300 to 500 pupils, for high schools this enrollment expands to 600 to 900 pupils. Studies on school consolidation fail to account for increased student transportation time. The long-term consequences of school district consolidation have yet to be analyzed.

### **School Reorganization Overview**

As a matter of public policy, school district reorganization has been a focus in Michigan from the time public education was first offered.<sup>a</sup> Two general themes have driven most proposals to reorganize Michigan schools, (1) improve student achievement, and (2) save on administrative and instructional costs. The push in Michigan has been generally to decrease the number of school districts, especially in rural areas. The combined number of school districts in Michigan peaked in the early 20<sup>th</sup> century at over 7,000, and has declined since then to stand around 750 at the turn of the 20<sup>th</sup> century (Table 1). However, the number of K-12 school districts has remained mostly constant throughout this period, only decreasing by roughly 20 since 1902. Thus, school reorganization has primarily arisen from the annexation of non-K-12 districts (K-4, K-6, K-12, etc) to K-12 districts.

**TABLE 1: Number of Educational Units in Michigan, 1904, 1950, & 2002.**

	Educational Units		Independent	Dependent <sup>1</sup>	Total
	1904	1950	2002	2002	2002
<b>School Districts</b>					
<b>K-12</b>	579	572	523	38	561
<b>Non K-12</b>	6,688	4,346	30	121	151
<b>Community College Districts</b>	2	2	27	0	27
<b>Intermediate School Districts<sup>2</sup></b>	83	83	57	0	57
<b>Total</b>	7,269	4,920	580	159	739

**Source:** U.S. Census Bureau, *2002 Census of Governments* and Citizens Research Council (CRC), *A Birds Eye View of Michigan Local Government at the End of the Twentieth Century*, Report Number 326 (August 1999).

<sup>1</sup> Dependent school districts include public school academies (charter schools) and Detroit's first class district.

<sup>2</sup> Census does not count Intermediate School districts as a school district government.

With increased demand for student performance by federal and state governments, as well as a larger share of financial responsibility moving away from local school districts, state boards of education and legislatures continue to take an increased interest in school reorganization. In Michigan, for example, the financing formula changed the state's share of education spending from roughly one-third to over eighty

<sup>a</sup> For a comprehensive review documenting the evolution of current school district organization in Michigan, including the historical legislative treatment of school districts and state educational oversight, see Citizens Research Council, *School District Organization in Michigan*, Report No. 228, (November 1990).

percent following the school finance reform packages of 1994's Proposal A. (Michigan Senate Fiscal Agency 1995). The state's ability to reform schools was affirmed in the following appellate court decision:

School districts and other municipal corporations are creations of the state. Except as provided by the state, they have no existence, no functions, no rights and no powers. They are given no power, nor can any be implied, to defy their creator over the terms of their existence.

East Jackson School v. State of Michigan, 133 Mich App at 139 (1984).

**Source: Citizens Research Council (1990)**

## School Economies of Scale Literature Review

Andrews, Duncombe, and Yinger (2002) provide a comprehensive analysis of the relationship between school size and instructional and administrative costs, as well as the affect on student achievement. Their study surveys and summarizes existing literature from journals of economics and education, plus governmental and educational associations since 1981. Below is a summary of their findings:

- Moving from very small school districts (less than 500 pupils) to enrollment levels between 2,000 and 4,000 suggest potential cost savings on instructional and administrative cost.
- Studies on cost savings do not factor additional travel time for pupils or parents in consolidating school districts.
- Linking student achievement with district size is generally less consistent. Most studies focus on individual school size. Large high schools, between 1,500-3,000 pupils, may be too large, especially with significant populations of disadvantaged students.
- For student achievement, moderate sized schools appear favorable--elementary enrollment between 300-500 pupils and high school enrollment between 600-900 pupils. Larger schools may trade off cost savings with student performance.
- Little supporting evidence exists, positively or negatively, on the long-term affects of school consolidation on student performance and cost savings.

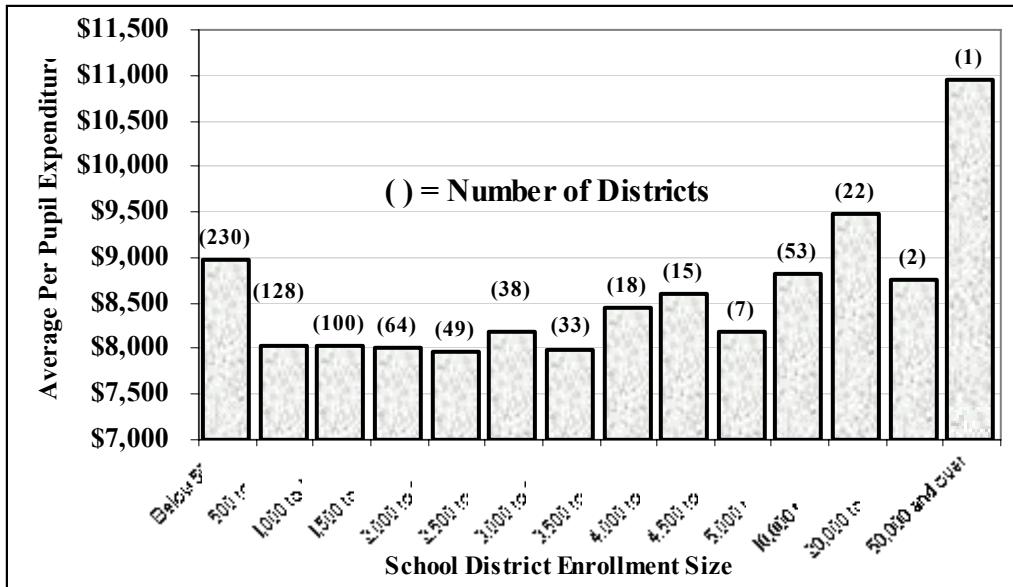
Source: Andrews, M., Duncombe, W., and Yinger, J. 2002. Revisiting Economies of Size in American Education: Are We Any Closer to a Consensus? *Economics of Education Review* 21: 245-262.

**TABLE 2: Enrollment Size in Michigan Educational Units**

Enrollment Size												
	<500 (%)		500-2499 (%)		2,500-4,999 (%)		5,000-9,999 (%)		>9,999 (%)		Total (%)	
<b>Independent</b>	79	11%	300	41%	125	17%	50	7%	26	4%	580	78%
<b>Dependent</b>	124	17%	33	4%	0	0%	1	0%	1	0%	159	22%
<b>Total</b>	203	27%	333	45%	125	17%	51	7%	27	4%	739	100%

Source: U.S. Census Bureau, 2002 *Census of Governments*

Figure 1: Average per Pupil Expenditure by School District Enrollment Size



Source: Department of Education, State of Michigan, Bulletin 1011.

Duncombe and Yinger (2005) use New York State as a focal point for their consolidation study. New York provides school districts an additional 40 percent increase in their operating aid for the five years following consolidation. After the five years, aid is phased out over a nine-year period. In 1999 reorganization aid to New York school districts totaled nearly \$40 million.

Specifically, the authors view 12 pairs of consolidated *rural* school districts in New York between 1987 and 1995. The study examines total spending in the consolidated units, as well as subcategories of spending in administration, instruction, and transportation. The findings are presented below:

- Higher spending adjustments followed consolidation, but were small and quickly exhausted
- Total spending *decreased* almost 28 percent when consolidation occurred in districts with enrollment levels between 300 and 600 pupils. However, this decline dropped to 7 percent when consolidating districts had per pupil enrollment levels between 1,500 and 3,000.
- Similar expenditure reductions were found in instructional cost and teacher salaries. Again, the largest reductions occurred in the very smallest school districts.
- Central administration showed the largest expenditure reduction of all categories. Across all size ranges, doubling the size of the district resulted in a nearly 40 percent drop in administrative costs.
- Contradictory to expectations, transportation costs were smaller, not larger, following consolidation.

## Comparing Benefits and Costs of School Consolidation

### Potential Benefits (Economies of Size)

- Indivisibilities of services – For example, central administration of a district exists whether the district has 100 or 5,000 students.
- Increased dimension – Larger schools can utilize more efficient equipment (heating plant, communications system, science and computer labs) producing output at a lower average cost
- Specialization – Larger schools can employ specialized labor in math or science, etc.
- Price benefits of scale – Large districts can take advantage of scale by negotiating bulk purchases of supplies or equipment.

- Learning and innovation – Implementing innovations in curriculum or management improves with experience, and larger districts can draw from a wider pool of specialized faculty.

## Potential Costs (Diseconomies of Size)

- Higher transportation costs
- Labor relations effect – More active teachers' unions drive wages up. Largely from seniority hiring and changes in comparison groups for collective negotiations. Also, strong unions mean a greater chance to prevent staff layoffs.
- Lower staff motivation and effort – Smaller schools have more flexibility in teacher administrator relationships. Less middle management in smaller schools provides more input from all school personnel, possibly providing a more positive work attitude.
- Lower student motivation and effort – Employees in smaller schools are more likely to know and identify students, especially those at risk. Greater sense of belonging in smaller schools, including extracurricular activities
- Lower parental involvement – Parents may find participation less rewarding or personal contact more difficult in larger districts.

Summarized from (Duncombe and Yinger 2005)

## Other School Reform Proposals

- To save on school overhead costs, increase the responsibility of the intermediate school district through strategies such as joint purchasing arrangements. Michigan currently has 57 intermediate school districts (ISDs) covering all 83 counties; there are 40 single county and 17 multi-county ISDs.
- Maine's Governor calls for creating 26 Regional Learning Communities, each with a Board of Directors, superintendent, and other office personnel. This would replace Maine's existing school administrative structure of 156 district administrations serving nearly double that number of school districts.
- Projected savings in restructuring central administrative responsibilities by FY 2011 approximately \$241 million. (Maine's School Board Association (MSBA) believes cost-savings were based on faulty assumptions, and is generally opposed to the plan.)
  - Regional Learning Communities were designed based on commutability
  - This plan was initiated by the state with the 7<sup>th</sup> highest ranking in the nation in per pupil funding
  - Collaboration of existing school boards will determine how to organize the central office for each Regional Learning Community.
  - A regional board of directors (comprised of 5-15 members) will begin restructuring administration with assistance from the state Department of Education, which will hire and pay for teams with experience in legal, data, facilitation and other areas.
  - Local Advisory Councils will be created at every school, or for each municipality or other sub-region, as determined by the regional board. They will meet regularly with principals and quarterly with the Regional Learning Community Board
  - Legislation includes a safety net that allows a local community to override a decision by a regional board to close a school. The residents must be willing to pay the difference between the cost of running the school or sending those students to another school in the district. Budget is subject to referendum, where every voter in the region will have an opportunity to vote.
  - Total funding for schools will be reduced by approximately an equivalent of 650 teaching positions. However, each regional board determines how to allocate funds, and therefore no estimate can be made on teacher impact.

Source: Department of Education, State of Maine at: <http://www.maine.gov/education/supportingschools/>

- A proposal coming out of New Jersey's Joint Session Special Legislation Committee (December 2006) called for creating "executive county superintendents of schools". The executive county superintendent would be appointed by the governor and have enhanced power over school district spending. Other powers given to executive superintendents include:
  - Approval and disapproval of hiring, compensation, and benefit plans of local superintendents
  - Sign off on school budgets; ability to veto non-instructional expenses, and authorize forensic auditing of school administrative expenses; require school districts to document efforts to share administrative services
  - Provide certain administrative services for school districts, upon application of the school district, including transportation, purchasing, and accounting
  - Eliminate non-operating school districts within one year and authorize referenda on creating K-12 school districts within three years; eliminate unnecessary state mandates
  - Promote cooperative purchasing of textbooks and other materials
  - Preclude de-regionalization that is proposed without a cost benefit analysis and demonstration that de-regionalization will not result in inefficiencies
  - County superintendents would be required to demonstrate progress in facilitating shared service agreements as a condition of contract renewal and mandate revolving-door restrictions on school employment within the county

## **APPENDIX**

### **Section I: Michigan Intergovernmental Cooperation Law**

### **Section II: Proposal for Local Government Commission and Center for Intergovernmental Cooperation**

### **Section III: New York State Shared Municipal Services Program Awards and Grant Application**

### **Section I: Michigan Intergovernmental Cooperation Law**

#### **Constitutional Provisions**

**MI CONST Art. 3, § 5. *Agreements with Canada, other states and political subdivisions of other states.*** Article 3, Section 5 of the Michigan constitution provides that any governmental authority or any combination thereof may enter into agreements for the performance, financing or execution of their respective functions, with any one or more of the other states, the United States, the Dominion of Canada, or any political subdivision thereof unless otherwise provided in this constitution.

**MI CONST Art. 7, § 27. *Metropolitan governments and authorities.*** Article 7, Section 27 of the Michigan constitution gives the legislature the power to directly create metropolitan authorities with powers, duties and jurisdiction as the legislature shall provide. The authorities may be authorized to perform multipurpose functions rather than a single function.

**MI CONST Art. 7, § 28. *Governmental functions and powers; joint administration, costs and credits, transfers.*** Article 7, Section 28 of the Michigan constitution gives the legislature the general power to:

“...authorize two or more counties, townships, cities, villages or districts, or any combination thereof among other things to: enter into contractual undertakings or agreements with one another or with the state or with any combination thereof for the joint administration of any of the functions or powers which each would have the power to perform separately; share the costs and responsibilities of functions and services with one another or with the state or with any combination thereof which each would have the power to perform separately; transfer functions or responsibilities to one another or any combination thereof upon the consent of each unit involved; cooperate with one another and with state government; lend their credit to one another or any combination thereof as provided by law in connection with any authorized publicly owned undertaking.”

#### **Legislative Provisions**

**PA 1877, No. 164 (MCL 397.201 et seq.) *Municipal public libraries.*** Permits, cities, villages and townships to establish free public libraries, and enter into contracts with other municipalities for the provision of library services.

**PA 1917, No. 138 (MCL 397.301 et seq.) *County public libraries.*** Permits counties to establish free public libraries, and to contract with other existing public libraries within the county for the provision of library services.

**PA 1917, No. 156 (MCL 123.51 et seq.) *Recreation facilities.*** Authorizes cities, villages, townships, counties and school districts to cooperate in the operation of a system of public recreation and playgrounds. Authorizes governmental units to create a recreation board and delegate such responsibility to them.

**PA 1923, No. 150 (MCL 123.921) *Public buildings.*** Authorizes counties or townships to contract with any cities and/or villages located within their borders to jointly acquire and/or construct public buildings for the purpose of housing governmental offices.

**PA 1925, No. 81 (MCL 123.71 et seq.) *Agreements for public improvements.*** Allows adjoining cities and/or villages to enter an agreement for the joint development or maintenance of public improvements on or near the boundary between the municipalities; whether or not the improvement lies completely within the boundaries of one of the municipalities. Gives municipality power to assess property for the cost of the improvement to the same extent as if the land were entirely located within its own borders.

**PA 1945, No. 281 (MCL 125.11 et seq.) *Regional planning commissions.*** Authorizes governmental units “responsible for the exercise of governmental functions” to create a regional planning commission, the geographic boundaries of which are defined by resolution of the governing bodies. The regional planning commission is authorized to conduct research and studies, and to prepare plans for the physical, social and economic development of the region.

**PA 1951, No. 33 (MCL 41.801 et seq.) *Police and fire services.*** Allows cooperation between townships, and between townships and villages and cities under 15,000 for the purchase of equipment and the provision of police and fire services; authorizes the creation of special assessment districts, the creation of administrative boards, and the charging and collection of fees for such services.

**PA 1951, No. 35 (MCL 124.1 et seq.) *Intergovernmental Contracts Between Municipal Corporations Act.*** Authorizes counties, townships, cities, villages and other governmental units to enter into contracts for the “ownership, operation, or performance, jointly, or by any 1 or more on behalf of all, of any property, facility or service which each would have the power to own, operate or perform separately.” Also authorizes such governmental units to form group self-insurance pools to provide casualty insurance, property insurance, automobile insurance including motor vehicle liability, surety and fidelity insurance, umbrella and excess insurance; and coverage for hospital, medical, surgical, or dental benefits to the employees of member municipalities.

**PA 1957, No. 200 (MCL 123.631 et seq.) *Intermunicipal committees for the study of area problems.*** Permits two or more municipalities to form a committee for “studying area governmental problems of mutual interest and concern, including such matters as facility studies on sewers and sewage disposal, water, drains, roads, rubbish and garbage disposal, recreation and parks, and ports, and to formulate recommendations for review and action thereon by the member governing bodies.”

**PA 1957, No. 217 (MCL 123.641 et seq.) *Intercounty committees for the study of area problems.*** Permits two or more counties to form a committee for “studying area governmental problems of mutual interest and concern,” similar to PA 1957, No. 200 listed above.

**PA 1967, No. 37 (MCL 123.621) *Assessing services.*** Permits cities, villages and townships to contract jointly with a firm for making or assisting in making appraisals.

**PA 1967, No. 236 (MCL 123.811 et seq.) *Police services agreements.*** Authorizes cities, villages, townships and counties to enter into agreements to provide mutual police assistance to one another in case of emergencies, and the terms of such agreements.

**PA 1967, No. 7 (ex sess) (MCL 124.501 et seq.) *Urban Cooperation Act.*** Provides that “A public agency of this state may exercise jointly with any other public agency of the state or with a public agency of any other state of the United States or with a public agency of the Dominion of Canada or with any public agency of the United States government, any power, privilege or authority which such agencies share in common and which each might exercise separately.” Specifies items for inclusion in cooperative agreements and the manner of adoption. Permits tax revenue sharing, and allows the establishment of a separate administrative body to execute the cooperative agreement.

**PA 1967, No. 8 (ex sess) (MCL 124.531 et seq.) *Transfers of intergovernmental functions.*** Authorizes two or more political subdivisions to enter into a contract providing for the transfer of functions or responsibilities to one another or any combination thereof upon the consent of each political subdivision involved. Specifies items for inclusion in function transfer agreements and the manner of adoption, and allows the establishment of a separate administrative body to supervise the execution of the agreement.

**PA 1967, No. 204 (MCL 124.401 et seq.) *Metropolitan Transportation Authorities Act.*** Permits contiguous counties to establish or participate in a metropolitan transportation authority. An authority established under this act “shall plan, acquire, construct, operate, maintain, replace, improve, extend and contract for public transportation facilities.” An authority may contract with other units of government located within, and within ten miles of, the authority’s borders to provide services or construct facilities. An authority may establish charges for the use of transportation facilities, and may borrow money to carry out operation.

**PA 1984, No. 425 (MCL 124.21 et seq.) *Conditional Land Transfer Act.*** Authorizes local governments to contract for the conditional transfer of land between jurisdictions for the purpose of promoting economic development projects; requires certain contractual provisions.

**PA 1988, No. 57 (MCL 124.601 et seq.) *Emergency services authorities.*** Allows cities, villages and townships to incorporate an authority for the purpose of providing police, fire or emergency services. The jurisdiction of the authority must include the entire geographic area of all incorporating municipalities. The authority may levy property taxes for funds to carry out its objectives.

**PA 1989, No. 24 (MCL 397.171 et seq.) *District Library Establishment Act.*** Authorizes agreements between counties, townships, cities, villages and/or school boards to form district libraries. Provides for the election or appointment of a library board of trustees, the authority to borrow money for facilities, and the authorization to send a millage request to the voters.

**PA 1989, No. 292 (MCL 124.651 et seq.) *Metropolitan Council Act.*** Authorizes local governmental units to create metropolitan councils, and sets forth powers and duties of such councils; authorizes councils to levy tax. 1998 amendments also permit formation of Metropolitan Regional Councils with two or more “qualified counties” (population over 780,000 each) and one or more “qualified city” (population over 700,000) “solely to develop or enhance regional cultural institutions and local recreation and cultural facilities,” but not including professional sports facilities.

**PA 1994, No. 425 (MCL 123.1061 et seq.) *Community Swimming Pool Authorities Act.*** Authorizes two or more cities, villages and/or townships to form an authority with powers necessary to own and operate a community swimming pool. There must be a single school district in which all or part of the territory of each municipality is located in order to form the authority. The school district population must be at least 15,000, and the district must cross at least two county boundaries. Authorizes the assessment of

fees, the levy of property taxes, and the issuance of bonds and notes by an authority; and provides for the composition of the board of the authority.

**PA 2000, No. 321 (MCL 123.1131 et seq.) *Recreational Authorities Act.*** Authorizes two or more cities, counties, villages and/or townships to establish a recreational authority to acquire, construct, operate, maintain or improve a public swimming pool, public recreation center, public auditorium, public conference center and/or public park. Authorizes the assessment of fees, the levy of property taxes, and the issuance of bonds and notes by an authority; and provides for the powers and duties of certain government officials.

**Sewer Services** – Several statutes authorize intergovernmental agreements, in various forms, for the ownership of sewerage systems and facilities, and/or the provision of municipal sewer services:

**PA 1931, No. 316 (MCL 123.201 et seq.)**  
**PA 1939, No. 342 (MCL 46.171 et seq.)**  
**PA 1943, No. 129 (MCL 123.231 et seq.)**  
**PA 1955, No. 233 (MCL 124.281 et seq.)**  
**PA 1965, No. 76 (MCL 123.381 et seq.)**  
**PA 1994, No. 451 (MCL 324.4301 et seq.)**

**Water Services** – Several statutes authorize intergovernmental agreements, in various forms, for the provision of municipal water services and/or the ownership of facilities:

**PA 1917, No. 34 (MCL 123.141 et seq.)**  
**PA 1931, No. 316 (MCL 123.201 et seq.)**  
**PA 1939, No. 342 (MCL 46.171 et seq.)**  
**PA 1945, No. 130 (MCL 123.151 et seq.)**  
**PA 1952, No. 196 (MCL 124.251 et seq.)**  
**PA 1955, No. 233 (MCL 124.281 et seq.)**  
**PA 1957, No. 4 (MCL 121.1 et seq.)**  
**PA 1965, No. 76 (MCL 123.381 et seq.)**  
**PA 1994, No. 451 (MCL 324.4301 et seq.)**

**Garbage and Solid Waste Disposal Service** – Several statutes authorize intergovernmental agreements, in various forms, for the provision of municipal solid waste disposal services:

**PA 1939, No. 342 (MCL 46.171 et seq.)**  
**PA 1947, No. 179 (MCL 123.301 et seq.)**  
**PA 1955, No. 233 (MCL 124.281 et seq.)**  
**PA 1965, No. 76 (MCL 123.381 et seq.)**  
**PA 1994, No. 451 (MCL 324.4301 et seq.)**

## **Section II: Proposal for Local Government Commission and Center for Intergovernmental Cooperation**

Michigan Commission on Local Government Sustainability and Intergovernmental Cooperation  
Michigan Center for Intergovernmental Cooperation

### **Possible Membership Profile:**

Governor or designee

Lt. Governor or designee

Budget Director or designee

3 elected county officials (nominated by appropriate association and appointed by Governor)

3 elected city/village officials (nominated by appropriate association and appointed by Governor)

3 elected township officials (nominated by appropriate association and appointed by Governor)

3 appointed local government officials (nominated and appointed by Governor)

2 members of the Senate as appointed by Senate President

2 members of the House as appointed by House Speaker

2 members of the Senate appointed by Senate President as recommended by Senate Minority Leader

2 members of the House appointed by House Speaker as recommended by House Minority Leader

2 private citizens (one appointed by Governor, one appointed jointly by President of Senate and Speaker of House)

### **Findings and Purpose:**

There is a need in Michigan for a permanent, state-level forum to address the long-term fiscal stability of Michigan local governments and State/local relations. During the course of its deliberations, it became evident to the Task Force that addressing the issues and problems critical to the future fiscal stability of local governments in Michigan will require in-depth and sustained analysis. The members of the Task Force were not capable of such analysis in the time allotted. However, the experience and knowledge of the Task Force members combined with the limited data provided illustrated that a major restructuring in the Michigan local government funding system may be necessary to avoid increased fiscal insolvencies in the near future. The Task Force believes that a major systemic reform proposal can only be researched, defined and presented for serious consideration by the public and legislature if the following recommendations are immediately implemented.

### **Responsibilities:**

- I.** Create and fund a State Commission on Local Government Sustainability and Intergovernmental Cooperation.
  - a.** The Commission would be comprised of elected and appointed local governmental officials, as well as state officials from the executive and legislative branch.
  - b.** The Commission would allow parties to discuss potential or existing problems, have a review role for administrative, regulatory, and legislative changes that affect local government, and provide access to reliable information relating to governmental operations.
  - c.** The proposed Commission can serve to coordinate research efforts across the state.
  - d.** Of first priority, the Task Force recommends the examination of the following issues:
    - o A review of boundary adjustment issues
    - o A review of the delivery and funding of public safety among and between levels of government

- An analysis of the state of local public infrastructure, such as water and sewer, roads, buildings, parks, etc.
- An analysis of how technology can be utilized by local governments to give notice to electors, taxpayers and ratepayers
- e. The Task Force also recommends that the Commission carry out the following responsibilities on an annual basis:
  - A periodic review of State authorized or mandated fees and charges
  - An annual review of State mandated expenditures at the local level and any changes to those expenditures
  - Make annual recommendations to the Legislature to repeal/update laws on local government
  - The Commission would be responsible for creating a critique/scorecard of how local governments are performing using specific benchmarks
  - The Commission should analyze the impact that the Intergovernmental Transfer of Responsibilities Act, as well as local issues (e.g. charter), can impede to local government cooperation and consolidation.
  - The Commission should be charged with creating an incentive program to encourage local government cooperation and consolidation

**Model Program:**

**Indiana Advisory Commission on Intergovernmental Relations**

<http://iacir.spea.iupui.edu/default.htm>

The Indiana Commission Established by the Indiana General assembly in 1995 to create a partnership between federal, state and local governments. Indiana University's Center for Urban Policy and Environment serves as staff to the Commission. Four senators and four representatives serve as members of the commission appointed by the leaders of each legislative body. The Governor, Budget Director and Lt. Governor also serve on the Commission as executive branch members. Two private citizens are on the Commission along with four city officials, four county representatives, two township representatives and one special district representative. It was designed to achieve the following broad goals:

- Better understanding of the process of government and the intended and unintended outcomes of policy decisions;
- Better communication between all levels of government and citizens;
- Long-term planning between all levels of government; and
- Applied research on policy areas in order to better understand the impacts of mandates and policy changes.

The IN ACIR has examined issues such property tax reassessment, land use, annexation, local government sales tax, child welfare and revenue diversification. They also issue an annual report to the General Assembly in intergovernmental issues based on a survey of local governments in Indiana.

The makeup of the group is as follows:

## REPRESENTING THE INDIANA GENERAL ASSEMBLY

Chair <b>Senator Beverly J. Gard (R)</b> <i>Greenfield, Indiana</i>	Vice Chair <b><u>Representative Tim Neese (R)</u></b> <i>Elkhart, IN</i>
<b>Senator Joseph C. Zakas (R)</b> <i>Elkhart, Indiana</i>	<b>Representative Trent Van Haaften (D)</b> <i>Mount Vernon, Indiana</i>
<b>Senator Allie V. Craycraft, Jr. (D)</b> <i>Selma, Indiana</i>	<b><u>Representative Sheila Klinker (D)</u></b> <i>Lafayette, Indiana</i>
<b>Senator Glenn L. Howard (D)</b> <i>Indianapolis, Indiana</i>	<b>Representative Tom E. Saunders (R)</b> <i>Lewisville, Indiana</i>

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## REPRESENTING MUNICIPAL, COUNTY, AND TOWNSHIP GOVERNMENT

<b>Mayor Bart Peterson</b> <i>City of Indianapolis</i>	<b>Mayor Bruce Hosier</b> <i>City of Portland</i>
<b><u>Mayor Dan Klein</u></b> <i>City of Crown Point</i>	<b><u>Mary Olson</u></b> <i>President, Elkhart City Council</i>
<b>Sue Paris</b> <i>Bartholomew County Treasurer</i>	<b><u>Joyce B. Poling</u></b> <i>Monroe County Commissioner</i>
<b>Meredith Carter</b> <i>Hamilton County Council</i>	<b>Martha Wehr</b> <i>Dubois County Auditor</i>
<b>Fred Barkes</b> <i>Columbus Township Trustee</i>	<b>Linda Williams</b> <i>Adams Township Trustee</i>
<b>Susan Craig</b> <i>Director, Southeast Regional Planning Commission</i>	

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## REPRESENTING CITIZENS

<b><u>Richard Hamilton</u></b> <i>Kokomo, Indiana</i>	<b>Sue W. Scholer</b> <i>West Lafayette, Indiana</i>
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## STATE OFFICIALS

<b>Governor Mitch E. Daniels, Jr.</b> <i>State of Indiana</i>	<b>Lieut. Governor Rebecca S. Skillman</b> <i>State of Indiana</i>
	<b>Charles Schalliol</b> <i>Director, Indiana Budget Agency</i>

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## ALTERNATES

<b>Eric Holcomb</b> <i>For the Governor</i>	<b>Steve Boyce</b> <i>For the Lieutenant Governor</i>
	<b>Ron Sobecki</b> <i>For the Director, Indiana Budget Agency</i>

**IC 4-23-24.2**

Chapter 24.2. Indiana Advisory Commission on Intergovernmental Relations

**IC 4-23-24.2-1****"Commission" defined**

Sec. 1. As used in this chapter, "commission" refers to the Indiana advisory commission on intergovernmental relations established by section 4 of this chapter.

*As added by P.L.2-1996, SEC.214.*

**IC 4-23-24.2-2****"Municipality" defined**

Sec. 2. As used in this chapter, "municipality" has the meaning set forth in IC 36-1-2-11.

*As added by P.L.2-1996, SEC.214.*

**IC 4-23-24.2-3****Repealed**

*(Repealed by P.L.14-2000, SEC.12.)*

**IC 4-23-24.2-4****Establishment of commission**

Sec. 4. The Indiana advisory commission on intergovernmental relations is established.

*As added by P.L.2-1996, SEC.214.*

**IC 4-23-24.2-5****Duties of commission**

Sec. 5. The commission shall do the following:

- (1) Enhance coordination and cooperation between state and local governments.
- (2) Review the effect of any federal or state legislation or any court decisions on local governmental entities.
- (3) Act as a forum for consultation among state and local government officials.
- (4) Conduct research on intergovernmental issues.
- (5) Review studies of intergovernmental issues by universities, research and consulting organizations, and entities.
- (6) Issue reports on the commission's activities.

*As added by P.L.2-1996, SEC.214.*

**IC 4-23-24.2-6****Repealed**

*(Repealed by P.L.32-1997, SEC.6.)*

**IC 4-23-24.2-7****Members representing state government; tenure; powers**

Sec. 7. (a) The following eleven (11) individuals are the members of the commission representing state government:

- (1) Two (2) members of the senate appointed by the president pro tempore of the senate.
- (2) Two (2) members of the senate appointed by the president pro tempore of the senate upon recommendation of the senate minority floor leader.
- (3) Two (2) members of the house of representatives appointed by the speaker of the house of representatives.
- (4) Two (2) members of the house of representatives appointed by the speaker of the house of representatives upon the recommendation of the house minority floor leader.
- (5) The budget director or the director's designee.
- (6) The governor or the governor's designee.
- (7) The lieutenant governor or the lieutenant governor's designee.

(b) A member of the commission who is a member of the general assembly serves on the commission until the earlier of the following:

- (1) Two (2) years after the date of the member's appointment.
- (2) The date the member ceases to hold the legislative office the member held when appointed to the commission.

(c) Members listed in subsection (a)(5) through (a)(7) serve terms that are coterminous with the position or office the member held when the member was appointed to the commission.

(d) The commission may request a director of a state agency or the director's designee to provide information to the commission. A director or the director's designee shall cooperate with the commission.

*As added by P.L.2-1996, SEC.214. Amended by P.L.32-1997, SEC.1.*

#### **IC 4-23-24.2-8**

##### **Members representing local governments; tenure**

Sec. 8. (a) The following thirteen (13) individuals are the members of the commission representing local governments:

- (1) Four (4) municipal officials, two (2) appointed by the president pro tempore of the senate and two (2) appointed by the speaker of the house of representatives from nominees of the Indiana Association of Cities and Towns, who may be selected as follows:
  - (A) The mayor of a first class city.
  - (B) One (1) member of the legislative body of a second class city.
  - (C) The mayor or a member of the legislative body of a third class city.
  - (D) The executive of a town.
- (2) Four (4) county officials, two (2) appointed by the president pro tempore of the senate and two (2) appointed by the speaker of the house of representatives from nominees of the Association of Indiana Counties. One (1) member appointed under this subdivision may be a member of a county fiscal body and one (1) member appointed under this subdivision may be a member of a county executive.
- (3) Two (2) township officials, one (1) appointed by the president pro tempore of the senate and one (1) appointed by the speaker of the house of representatives from nominees of the Township Trustees Association.
- (4) One (1) person appointed by the governor who represents a regional or multiple county local governmental entities.
- (5) Two (2) persons, one (1) appointed by the president pro tempore of the senate and one (1) appointed by the speaker of the house of representatives, who may have expertise or experience in intergovernmental relations. A member appointed under this section may designate another individual to serve on the commission for the member.

(b) A member appointed under this section serves on the commission until the earliest of the following:

- (1) Two (2) years after the date of the member's appointment.
- (2) The date the member is removed by the member's appointing authority.
- (3) The date the member no longer holds the office or position the member held when appointed to the commission.

*As added by P.L.2-1996, SEC.214. Amended by P.L.32-1997, SEC.2.*

#### **IC 4-23-24.2-8.1**

##### **Vacancies**

Sec. 8.1. When a vacancy occurs on the commission for any reason, the appointing authority shall appoint a qualified person to fill the remainder of the unexpired term.

*As added by P.L.32-1997, SEC.3.*

#### **IC 4-23-24.2-9**

##### **Chairman and vice chairman**

Sec. 9. (a) The chairman of the legislative council shall select a chairman and a vice chairman from among the legislative members of the commission.

(b) The chairman and vice chairman of the commission may not be members of the same political party.

(c) The commission shall meet at the call of the chairman. However, the commission shall meet at least two (2) times each year and at other times that the chairman considers necessary.

*As added by P.L.2-1996, SEC.214. Amended by P.L.32-1997, SEC.4.*

#### **IC 4-23-24.2-10**

##### **Voting members; quorum**

Sec. 10. (a) All members of the commission are voting members.  
(b) Thirteen (13) members of the commission constitute a quorum.  
(c) An affirmative vote of at least thirteen (13) members of the commission is required for the commission to take action.

*As added by P.L.2-1996, SEC.214.*

#### **IC 4-23-24.2-11**

##### **Travel expenses**

Sec. 11. (a) Each member of the commission who is not a state employee is not entitled to a minimum salary per diem provided by IC 4-10-11-2.1 (b). The member is, however, entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(b) Each member of the commission who is a state employee but who is not a member of the general assembly is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.  
(c) Each member of the commission who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to members of the general assembly serving on interim study committees established by the legislative council.

*As added by P.L.2-1996, SEC.214.*

#### **IC 4-23-24.2-12**

##### **Staff and administrative support; director**

Sec. 12. (a) Staff and administrative support for the commission shall be provided by the Indiana University's Center for Urban Policy and the Environment.

(b) The commission shall select a director for the commission.

*As added by P.L.2-1996, SEC.214. Amended by P.L.32-1997, SEC.5.*

## **Section III: State of New York Shared Municipal Services Incentive Grant Program FY 2005-2006 and 2006-2007**

### **Shared Municipal Services Incentive Grant Program**

#### **2005-06 Program Awards**

1. Town of Southampton, Suffolk County – \$360,000: Coordinated Rail and Bus Network on the East End of Long Island (\$360,000)
2. City of Troy, Rensselaer County – \$200,000: Albany Pool Combined Overflow Long Term Control Plan (\$200,000)
3. Town of Ticonderoga, Essex County – \$127,800: Black Point Sewer Operation & Maintenance Program (\$127,800)
4. Town of Adams, Jefferson County – \$200,000: Adams Shared Municipal Building (\$200,000)
5. Arkport Central School, Steuben County – \$100,000: Joint Bus Garage, Maintenance and Fueling Facility (\$100,000)
6. Village of Fort Edward, Washington County – \$23,000: Shared Highway Services Project (\$23,000)
7. Town of Web, Herkimer County – \$11,632: Thendara/Old Forge Water Merger (\$11,632)
8. Town of Chester, Orange County – \$45,000: Greater Chester Shared Services Feasibility Study and Implementation Plan (\$45,000)
9. Town of Newstead, Erie County – \$103,545: Town/Village Municipal Works Facility Feasibility Study (\$103,545)
10. Village of Cambridge, Washington County – \$35,145: Feasibility Study and Intermunicipal Agreement for Cambridge/Greenwich Administrator for Planning, Zoning and DPW (\$35,145)
11. Brocton School District, Chautauqua County – \$36,000: Shared Business Office Feasibility Study (\$36,000)
12. Village of Albion, Orleans County – \$65,000: Municipal Consolidation Study (\$65,000)
13. Town of Morristown, St. Lawrence County – \$54,000: Study of Cooperation of School District, Township, and Village Functions (\$54,000)
14. Town of Eden, Erie County – \$571,000: Southwest Erie County Regional Water Project (\$571,000)
15. Erie County, Erie County – \$65,466: Utility Procurement Aggregation Group Expansion (\$65,466)
16. Town of Newcomb, Essex County – \$90,000: Municipal Emergency Shelter and Support Program (\$90,000)
17. City of Canandaigua, Ontario County – \$79,726: Canandaigua Lake Intermunicipal Watershed Protection (\$79,726)
18. Harrisville School District, Lewis County – \$44,836: Oswegatchie Partnerships (\$44,836)

19. Village of Allegany, Cattaraugus County – \$52,200: Dissolution Study (\$52,200)
20. Town of Liberty, Sullivan County – \$100,000: Liberty Together (\$100,000)
21. Village of Cobleskill, Schoharie County – \$36,000: A Study of the Potential Benefits for the Consolidation of Services and Jurisdictions (\$36,000)
22. Town of North Elba, Essex County – \$54,724: Study of Shared Services for Joint Department of Public Works (\$54,724)

## **2006-2007 Program Awards**

### **Tonawanda City School District**

The Tonawanda City School District and the City of Tonawanda in Erie County will receive \$90,000 to explore the potential cost savings associated with shared maintenance, purchasing and technology services.

### **Erie County**

Erie County will receive \$400,000 to work with the City of Lackawanna to study the potential redirection of wastewater flows from the Erie County Sewer District (ECS) Number 6 Lackawanna Wastewater Treatment Plant (WWTP) to the Buffalo Sewer Authority for treatment. This project will result in cost savings from ECS No. 6 and be the catalyst for future cooperative efforts between the Buffalo Sewer Authority and the Erie County Department of Environment and Planning-Division of Sewerage Management.

### **Erie County**

Erie County will receive \$135,000 to complete a Sanitary Sewer Rate Comparison Analysis and Merger Feasibility Study. The project involves a feasibility analysis of three separate mergers of sanitary sewer services between Erie County and a number of individual Town and Villages. Co-applicants in this project include the Towns of West Seneca, Cheektowaga, Amherst and Clarence, and the Villages of Sloan, Williamsville and Lancaster.

### **Town of Aurora**

The Town of Aurora in Erie County will work with the Village of East Aurora to consolidate both the Town and Village administrative offices into a single facility, in cooperation with the Aurora Town Public Library. The municipalities will receive \$396,000 for the project that will build upon the recommendations of recently completed studies evaluating the feasibility of a Town/Village consolidated service center.

### **Town of Evans**

The Town of Evans will receive \$25,785 to work with the Town of Eden, the Town of Brandt, the Town of North Collins, the Village of Angola, the Village of North Collins and the Village of Farnham to develop the Southtown's Community Enhancement Coalition Corporation. These Erie County municipalities will create a partnership that will function as the economic development arm for the seven communities.

### **Town of Alden**

The Town of Alden in Erie County will work with the Town of Marilla to develop the Alden-Marilla Regional Water Supply Project. The Towns will receive \$193,500 to implement a project to bring a safe, reliable source of drinking water to residents, thereby eliminating health concerns and reliance on private wells. Participating communities will benefit from cost reductions and streamlining, essential to the project's financial feasibility.

### **Town of Hamburg**

The Town of Hamburg in Erie County will create a cooperative services agreement with the Towns of Hamburg, Boston, Colden and Eden and the Villages of Blasdell and Hamburg, to upgrade dispatch infrastructure. The municipalities will receive \$90,000 to further consolidate fire, medical and police dispatching services for the above municipalities to achieve the benefits of efficiency, economy and improved performance.

### **Niagara County**

Niagara County and Erie County will receive \$275,321 to launch Niagara's Geographic Information System (GIS) implementation project and create a shared GIS network between the two municipalities. The proposed project will also provide connectivity to E911 backup centers for both Niagara and Erie County.

### **City of Lockport**

The City of Lockport in Niagara County will work with the City of North Tonawanda to develop the Tri-City Regional Water and Wastewater Optimization/Consolidation Project. The municipalities will receive \$400,000 to determine the technical, economic and legal feasibility of consolidating the water and wastewater services in the Cities of Lockport and North Tonawanda.

### **City of Niagara Falls**

The City of Niagara Falls and the Town of Wilson will receive \$77,060 for a shared assessment services project for the provision of assessment services. With this project the town's properties will be inventoried and revalued by the Niagara Falls City Assessor.

### **Town of Hanover**

The Town of Hanover and the Village of Silver Creek in Chautauqua County will conduct an engineering feasibility study to explore a project that abandons the Village of Silver Creek's wastewater treatment. The municipalities will receive a grant of \$48,600 to examine Hanover's wastewater treatment plant and process upgrades necessary to accommodate the Village's of Silver Creek's wastewater. The study will address process inefficiencies, administrative and operational costs that will result in decreased costs that will benefit the residential surrounding communities.

### **Town of Franklinville**

The Town Franklinville and Village of Franklinville will receive \$22,500 to investigate the potential benefits of relocating the Village of Franklinville's administrative office to the larger, more accessible Town administrative offices. The shared municipal building will reduce operating costs; improve accessibility and increased efficiency of operations.

### **Village of Lakewood**

The Village of Lakewood in Chautauqua County will work with the City of Jamestown and the Towns of Ellicott and Busti to examine the financial and engineering feasibility of creating a municipal electric system. The municipalities will receive \$99,000 to complete a study to consider agreements with the City of Jamestown to allow the Jamestown Board of Public Utilities to serve as the operator of the municipal systems, provide distribution services and oversee the procurement of electric power in order to provide lower cost electric power to Lakewood, Ellicott and Busti.

### **Town of Ripley**

The Town of Ripley, in cooperation with the Villages of Sherman, Westfield, and Cherry Creek, the North Chautauqua Lake Sewer District and the Portland/Pomfret/Dunkirk Sewer District will receive \$92,259 for the acquisition of a sewer vacuum/pump and jet cleaning equipment for use by the municipal partners. The equipment will provide the capacity to these Chautauqua County municipalities to respond to emergent problems as well as regular ongoing operation and maintenance necessary for sewer transmission mains, connectors and related facilities. The equipment will eliminate the need for emergency acquisitions, rentals or contractors to respond to wastewater transmission disruptions.

### **Alexander Central School District**

The Alexander Central School District in collaboration with the Village of Alexander and the Town of Alexander, will receive \$15,000 to assess the feasibility of shared services, such as, a shared fuel depot, a shared vehicle maintenance facility, shared equipment. The proposed study will assist these three rural municipalities in Genesee County in identifying the appropriate shared services, the cost savings to taxpayers and the more efficient use of personnel and other resources.

### **LeRoy Central School District**

The School, in cooperation with the Village and Town of LeRoy and the Town of Stafford will receive \$704,259 towards the construction of athletic facilities for community and scholastic use. In 2005, the LeRoy Central School District developed a Master Plan for its recreational facilities that in the Town of LeRoy. The project allowed for phasing of the project construction and involved improvements including additional youth soccer and baseball fields and improvements to its varsity/community baseball and softball fields. The project will expand the community and scholastic recreational program.

### **Town of Avon**

The Town and Village of Avon, in Livingston County will receive \$200,000 towards a project that will complete renovations to a newly purchased building for a joint court facility. The project will relieve overcrowding and security problems of the existing separate facilities.

### **Village of Pike**

The Village of Pike in Wyoming County will work with the Town of Pike and the Pike Fire District to examine the Potential Dissolution of the Village of Pike. The municipalities will receive \$83,700 to analyze the potential economic impacts and the extent of efficiencies created by the dissolution of the Village of Pike, as well as helps prepare the Town to perform activities once conducted by the Village.

### **Town of Trenton**

The Towns of Trenton, Floyd and Remsen will receive \$54,000 to support a Community Recreational Center Feasibility Study and Implementation Plan. The Plan will become the "blueprint" for constructing a shared intermunicipal community center that will provide essential recreational services that contribute to the social, cultural, and economic well-being of the towns' residents and enhances the overall quality of life.

### **Onondaga County**

Onondaga County and the City of Syracuse will receive \$157,500 to develop the Central NY Law Enforcement Analysis and Database System (CNYLEADS), an incident management system for law enforcement. The project will allow for the sharing of information between all law enforcement agencies in Onondaga County.

### **Village of Cherry Valley**

The Village and Town of Cherry Valley in Otsego County will receive \$22,700 to conduct a consolidation feasibility study to identify issues, costs and benefits of dissolution of village government and consolidation of services with town government.

### **Yates County**

Yates County and the Village of Penn Yan will receive \$46,800 to complete a feasibility study of coordinated police and court services. The project will assess the services provided by the Village Police Department, identify those services that could be provided by the County Sheriff's Department and evaluate alternative means of providing these services through cooperation and/or consolidation. The study will also examine the feasibility of relocating the Village Justice Court from a village-owned building on Main Street to the County Courthouse and determine whether such relocation would result in cost savings, increased efficiency, or improved quality of service.

### **Schuyler County**

Schuyler County will receive \$100,000 to work with the Towns of Dix, Hector, Watkins Glen and the Watkins Glen School District to create central repository for the records management and retention. This project will allow for increased efficiency and public access to the management of vital records.

### **Village of Seneca Falls**

The Village and Town of Seneca Falls will receive \$58,500 to undertake an assessment of the consolidation of facilities and services. The project will investigate the potential benefits and cost savings to consolidating both governments and moving into one shared municipal facility. The Village and the Town have previously developed a joint comprehensive plan and are in the process of also developing an economic development and commercial revitalization plan.

### **Village of Macedon**

The Village of Macedon will receive \$22,500 to work with the Town of Macedon to study the potential economic impacts and the extent of efficiencies created by a possible dissolution. This project is in direct response to a dissolution petition submitted by a group of Village residents.

### **Town of Ulysses**

The Town of Ulysses receive \$45,540 to work with Towns of Caroline and Newfield to take the initial steps to establish a shared full-time staff position to enforce state and local stormwater regulations. This shared service arrangement will reduce costs for all three municipalities. The regulations to be enforced support several state and local goals that have significant economic impacts including protect drinking water, improve water quality that is the foundation for the local economy and reduce flooding.

### **Town of Union**

The Town of Union in Broome County and the Village of Endicott and Johnson City were approved for \$93,933 to develop the Union Unified Zoning Ordinance, leading to a unified Planning Department and Building Permit and Code Enforcement Department for the three municipalities.

### **Town of Hume**

The Town of Hume and the Town of Caneadea in Allegany County will receive \$18,000 to study the connection of sewer infrastructure, consolidation of operations and decommissioning of the Town of Hume Wastewater Treatment Plant. The study will illustrate how the potential cost savings may be used to leverage capital to complete necessary system improvements for both communities or expand to meet the regions long-term goals.

### **Village of Owego**

The Village and the Town of Owego in Tioga County will study the consolidation of the Village of Owego and Town of Owego Fire Departments. The Village will receive \$28,350 to investigate the consolidation or sharing of services for the Village of Owego and the Town of Owego Fire Departments and Emergency Management Services.

### **Center Moriches School District**

The Center Moriches School District will receive \$54,000 to work with the East Moriches School District to study the possible consolidation of the two school districts.

### **Village of East Hills**

The Villages of East Hills, Roslyn Estates and Roslyn Harbor in Nassau County will receive \$99,000 to engage a consulting firm to conduct a feasibility study that will provide a comprehensive review and analysis of the savings which can be obtained by consolidating two overlapping volunteer fire departments.

### **Massapequa Union Free School District**

The Massapequa Union Free School District and Nassau County, specifically the Nassau County Police Department will receive \$400,000 to share an existing, unoccupied school building in order to initiate alternative school options for "at risk" students, and to provide an appropriate professional environment to house the Nassau County Police Academy, the Police Activity League Unit, the Juvenile Aid Bureau and Asset Forfeiture Bureau. This shared facility will maximize the use of an existing public building, produce consolidation, increase police presence in an existing neighborhood and demonstrate inter-agency collaboration and "smart growth" practices.

### **Nassau County**

Nassau County and the City of Long Beach will receive \$89,112 to develop a real-time web-based municipal GIS data sharing portal. The development of these components will greatly improve intergovernmental sharing of assessment related data as well as greatly improve the accuracy of assessment data that currently resides in the Nassau County Land Records Viewer.

### **Town of Brookhaven**

The Town of Brookhaven in Suffolk County will work with the Middle Country Central School District to develop a Shared Clean Fuels Transportation Program. The project will receive \$315,295 to advance the use of clean burning, compressed natural gas (CNG) school buses on Long Island.

### **Town of North Hempstead**

In Nassau County the Town of North Hempstead and the Village of Great Neck Plaza will receive \$180,000 to study the efficiency and cost savings that might result from consolidation of ambulance/EMS services that currently exist within the seven town-run fire districts. Among the issues to be considered are the affect on current services, savings from elimination of overlapping administrative costs, and the potential savings from insurance reimbursements.

### **City of Cohoes**

The Cities of Cohoes, Watervliet, Rensselaer and Troy and the Village of Green Island, will receive \$473,293 to continue the development of the Albany Pool Combined Sewer Overflow Long Term Control Plan and public participation program. This project will include the project management and facilitation needed to oversee the creation of a six-municipality intermunicipal long term control plan for the communities' combined sewer overflows.

### **Town of Eastchester**

The Town of Eastchester and the Villages of Bronxville and Tuckahoe will receive \$63,000 to share in the purchase of sanitary sewer televising equipment to identify and address problem areas, enabling the communities to maintain the sanitary sewer system in a cost effective manner.

### **North Colonie School District**

The North Colonie School District in Albany County will receive \$43,668 to work with the Maplewood-Colonie School District to develop a feasibility study to look at the possible annexation of the Maplewood-Colonie Common School District. The feasibility study would answer the districts' questions about whether instructional opportunity would be enhanced for all students at a similar or reduced cost to taxpayers by combining the two districts.

### **Town of Saugerties**

The Town and Village of Saugerties in Ulster County will receive \$37,800 to conduct a feasibility and financial analysis study to determine the benefits of merging public services that are currently offered by both the Town and Village of Saugerties governments. The areas to be studied for shared municipal services are the Town and Village of Saugerties departments of public works and police departments.

### **Town of Fishkill**

In Dutchess County the Towns of Fishkill and East Fishkill will receive \$200,000 for the construction of an artificial wetland treatment system for their joint landfill. The project will allow for the treatment of the leachate onsite, resulting in a savings of approximately \$250,800 over a five year period.

### **Town of Cape Vincent**

In Jefferson County, the Town and Village of Cape Vincent will receive \$400,000 for a joint water services project. The joint purchase of water infrastructure will save \$1.58 million in duplicative spending, water fees and hauling expenses and eliminates tank repair expenses for the Village. The project will reduce costs, improve fire and public health safety and create new development opportunities.

### **Town of Ticonderoga**

The Towns of Ticonderoga and Putnam, in Essex County will receive \$400,000 to assist with the construction of a sewer system that will convey wastewater from failing septic systems to the Town of Ticonderoga's existing collection system and treatment plant. The Town of Putnam and Ticonderoga have agreed to jointly develop, construct and operate this proposed system.

### **Village of Champlain**

The Village of Champlain in Clinton County will work with the Town of Champlain and the Village of Rouses Point to develop a public drinking water and sewer infrastructure management plan. All three municipalities separately have various current and future needs for public water and sewer service that cannot cost effectively be met if each municipality works independently. The municipalities together will receive \$270,000 to jointly identify ways their respective needs for these services can be met through sharing services.

### **Town of Plattsburgh**

The Town and City of Plattsburgh in Clinton County will receive \$290,250 to implement a viable sharing plan for the City of Plattsburgh's wastewater treatment facility. The project will provide new uniform metering devices to monitor and capture accurate flow data at each of 8 discharge locations. The project will result in cost savings to the Town and City, streamline field staff and administration activities, and improve service delivery.

### **Warren County**

Warren County will work with Washington County to construct the Warren/Washington Emergency Training Center to provide a jointly operated inter-municipal facility to provide training services to both counties. \$400,000 will be provided for the proposed emergency training center.



**NYS Department of State  
Shared Municipal Services  
Incentive Grant Program  
2006-2007**

DO NOT WRITE IN THIS SPACE

Application Number Date Received

**A. Lead Applicant Information**

Name of Municipality:	Federal Tax ID Number:
Address:	Telephone Number/Extension:
	Fax Number:
Type of Municipality: <input type="checkbox"/> City <input type="checkbox"/> School District <input type="checkbox"/> Town <input type="checkbox"/> Fire District <input type="checkbox"/> Village <input type="checkbox"/> Fire Protection District <input type="checkbox"/> County <input type="checkbox"/> Fire Alarm District <input type="checkbox"/> Special Improvement District	County or Counties:
	Senate District(s):
	Assembly District(s):

**B. Lead Applicant Contact Person**

Name of Contact Person:	Telephone Number/Extension:
Title:	Fax Number:
Address:	E-Mail Address:

**C. General Project Information**

Grant Category: <input type="checkbox"/> Shared Municipal Services Incentive Awards <input type="checkbox"/> Shared Highway Services Incentive Awards <input type="checkbox"/> Local Health Insurance Incentive Awards <input type="checkbox"/> Countywide Shared Services Incentive Awards	Project Title (No more than 20 words):
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Provide a brief summary statement that describes the project (Not more than 3 sentences):

Name of Lead Applicant:	
<p><b>D. Co-Applicants: Other Municipalities Participating in the Grant Application</b>            (Only needed for appropriate Award Category)</p>	
(1) Co-Applicant Municipality:	Federal Tax ID Number:
Address:	Telephone Number/Extension:
Type of Municipality:	Fax Number:
<input type="checkbox"/> City <input type="checkbox"/> School District <input type="checkbox"/> Town <input type="checkbox"/> Fire District <input type="checkbox"/> Village <input type="checkbox"/> Fire Protection District <input type="checkbox"/> County <input type="checkbox"/> Fire Alarm District <input type="checkbox"/> Special Improvement District	E-Mail Address:
(2) Co-Applicant Municipality:	Federal Tax ID Number:
Address:	Telephone Number/Extension:
Type of Municipality:	Fax Number:
<input type="checkbox"/> City <input type="checkbox"/> School District <input type="checkbox"/> Town <input type="checkbox"/> Fire District <input type="checkbox"/> Village <input type="checkbox"/> Fire Protection District <input type="checkbox"/> County <input type="checkbox"/> Fire Alarm District <input type="checkbox"/> Special Improvement District	E-Mail Address:
(3) Co-Applicant Municipality:	Federal Tax ID Number:
Address:	Telephone Number/Extension:
Type of Municipality:	Fax Number:

<input type="checkbox"/> City	<input type="checkbox"/> School District	E-Mail Address:
<input type="checkbox"/> Town	<input type="checkbox"/> Fire District	
<input type="checkbox"/> Village	<input type="checkbox"/> Fire Protection District	
<input type="checkbox"/> County	<input type="checkbox"/> Fire Alarm District	
<input type="checkbox"/> Special Improvement District		
Copy sheet as necessary to include information on additional Co-Applicants.		
Name of Lead Applicant:		
E. Intermunicipal Agreements		
The applicant must attach to the application a copy of any existing intermunicipal agreements that have been entered into for the purpose of this grant application, or provide a description of what intermunicipal agreements will be necessary to carry out the proposed activity. See application guidance for details.		
F. Work Program		
The applicant must attach to the application a detailed work program. The work program must contain the following information:		
<input type="checkbox"/> A detailed description of the proposed activity. <input type="checkbox"/> Specific needs to be addressed by the proposed activity. <input type="checkbox"/> Objectives to be achieved by the proposed activity. <input type="checkbox"/> A list of the tasks to be undertaken to accomplish the proposed activity. <input type="checkbox"/> A project schedule, including the proposed starting date, a schedule for the completion of component tasks, and the expected completion date of the proposed activity.		
Proposed Start Date:	Expected Completion Date:	
G. Grant Criteria Response		
The applicant must attach to the application an explanation of how the proposed activity is consistent with the specific grant selection criteria outlined in the application guidance.		
H. Budget Summary		
Total Project Cost:	Amount of Grant Requested:	Amount of Local Share:  (Only Needed for Appropriate Award Category):
Total Travel Costs:	Total Costs Supplies, Materials & Equipment:	
Total Costs of Contractual Services:		Total Capital Costs  (Only Needed for Appropriate Award Category):

Name of Lead Applicant:			
I. Budget Detail for Task # _____			
Travel:			
Purpose	Destination	Mode	Estimated Trip Cost Calculation
Supplies, Materials and Equipment:			
Item	Quantity	Estimated Cost	
Contractual Services:			
Type of Service	Estimated Cost		
Capital Costs: Attach cost estimates for expenses to be incurred.			
Type of Service	Estimated Cost		

Copy page 4 as necessary to include budget information on additional tasks.

Name of Lead Applicant:				
J. Estimated Cost Savings				
Five Year Savings Estimate:				
Assumptions:				
Year 1	<hr/>			
Year 2	<hr/>			
Year 3	<hr/>			
Year 4	<hr/>			
Year 5	<hr/>			
Five Year Total	<hr/>			
Five Year Savings per Grant Dollar Invested:				
<hr/> Five Year Total	÷	<hr/> Expected SMSI Grant	=	<hr/> Savings per SMSI Dollar Ratio
K. Reasonableness of Cost Certification				
<p>By submission of this application under the 2006-2007 Shared Municipal Services Incentive Grant Program, the Applicant hereby certifies that all components of the requested Total Project Costs are reasonable and necessary for the conduct of the proposed project, and that prudent analysis has been undertaken to insure that all costs are consistent with current prevailing costs for such goods or services in the geographic area benefiting from the project. Please describe how you determined reasonableness of cost and demonstrate that the community has the ability to sustain and complete the project within the parameters of the standard cost reimbursement contract. Attach additional sheets if necessary.</p>				

Name of Lead Applicant:

**L. Resolution and Certification**

The Lead Applicant and all Co-applicants shall submit with the application copies of the resolutions in support of this grant application.

One or more of the required resolutions are not attached. They will be submitted by the following date(s):  
\_\_\_\_\_

If any required resolutions are not submitted with the application, a letter of intent is included to indicate their intention to participate and to state their intention to submit the required resolution within 60 days of application deadline.

I hereby affirm under penalty of perjury that information provided on this form and attached statements and exhibits is true to the best of my knowledge and belief. False statements made herein are punishable as a Class A misdemeanor pursuant to Section 210.45 of the Penal law.

(Print Name)

(Print Title)

(Signature)

(Date)

Name of Lead Applicant:

**L. Application Submission Checklist**

An original and four copies of the following items should be included in the application packet:

- Completed Application
- Extra Sheets containing information on additional Co-Applicants, if applicable (Part D attachments)
- Intermunicipal Agreements (Part E attachments)
- Work Program (Part F attachments)
- Grant Criteria Response (Part G attachments)
- Budget Details (Part I attachments)
- Estimated Cost Savings (Part J attachments)
- Reasonableness of Cost Certification (Part K attachments)
- Municipal Resolutions (Part L attachments)

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