

**NYS Department of State**

**Division of Local Government Services**

**Local Government Efficiency Grant**

**Request for Applications # 11-LGE-09**

**Questions & Answers**

*The responses to questions included herein are the official responses by the State to questions submitted by potential applicants and are hereby incorporated into RFA # 11-LGE-09 issued on December 15, 2011. In the event of any conflict between the RFA and these responses, the requirements or information contained in these responses will prevail.*

**Q1: Do School Districts use this Local Government Efficiency Grant to apply for School District reorganization?**

A1: Yes, School Districts are eligible to apply for reorganization studies under the Local Government Efficiency Grant.

**Q2: May an increase in normal state revenues be used towards the 10% cash match?**

A2: Yes, if treated as general purpose funds.

**Q3: When calculating the Cost Savings, should we use the existing or projected full value of real property and property tax rates?**

A3: Municipalities should use the existing property values and tax rates. Increases or decreases in these numbers will not be properly determined until the final tax roles are approved and the future budget is approved.

**Q4: When calculating the Cost Savings, should we include possible additional state aid such as School District Reorganization Incentive Payments?**

A4: Cost savings may include additional state aid but not state incentives, see page 15, G 1 in the RFA.

**Q5: Can you tell me whether charter revisions are eligible for funding under the Local Government Efficiency grant program if the revisions do not directly lead to consolidation of governments? We are certainly interested in increasing the efficiency and effectiveness of city government, but I cannot say whether there would be clear cost savings associated with the revisions.**

A5: Applications that do not lead directly to government consolidation are eligible. Charter revisions that focus on functional consolidation, shared services or increased government service delivery are eligible for funding under the Local Government Efficiency grant program.

- Q6:** Do the components of this solicitation replace the program elements from FY2009- 2010. In that year, the RFP was divided into four separate categories: High Priority Planning Grants, General Efficiency Planning Grants, Efficiency Implementation Grants, and 21<sup>st</sup> Century Demonstration Project Grants (see page 7 of the attached 2010 RFP, all page numbers refer to the page in the .pdf document not the printed page number).  
In this year's solicitation, the funding information (Section III, Project Funding, page 7 of this year's RFP) seems like the program is broken into planning and efficiency categories. Might the High Priority Planning and 21<sup>st</sup> Century Demonstration projects ever reappear in future solicitations?
- A6:** Yes, the components of this year's solicitation replaces the elements from 2009-2010. Rather than having four categories, there are now two separate grant categories, the Local Government Efficiency (LGE) Program and the Local Government Citizen's Reorganization Grant (CREG). CREG basically replaced the high priority planning grant and the 21<sup>st</sup> Century Demonstration Grant has been folded into the basic Local Government Efficiency grant. Basic eligibility has not changed.
- Q7** **Would the Local Government Efficiency program allow a school, village and town to apply to complete a reuse plan for a school building being vacated?**
- A7** If the re-use was key to a new consolidated or intensive shared service then it would be acceptable under the terms of this RFA. If however, they are just looking at the re-use of the building, then this type of study is not eligible.
- Q8** **A school district would like to apply for funding to develop a plan for consolidation. Should the district apply with the contiguous district(s) with whom it may consolidate as partner(s) or as a single entity? If there are 3 districts bordering on the one looking for consolidation, would they be eligible to apply for 4 x \$25,000 or \$100,000 or should they choose one partner and apply for \$50,000? The grant would help the district determine the best course of action, thus it is not immediately obvious at this time whether one or more districts would be involved with the district making the inquiry.**
- A8** All school districts would be eligible for an application. However, funding is based on the number of resolutions received. For example, if four school districts applied and only three submitted resolutions then funding would be capped at \$75,000.
- Q9** **May two towns apply to share one assessor?**
- A9** Yes, the development of a shared assessment program would be eligible.
- Q10** **May a village apply for software to automate their records?**
- A10** Generally the Local Government Efficiency program requires more than one applicant per project. However, an application for a city or county charter revision or for communities with a five year average property tax growth rate of 5% or higher require only one applicant.
- Q11** **If two villages, or a town and village applied for a functional consolidation of services, is that type of project eligible?**
- A11** Yes.
- Q12** **May a Transportation Authority be an applicant with two counties.**
- A12** A Transportation Authority cannot be a direct applicant, as per the legislation only Water and Sewer Authorities are eligible authorities.

- Q13 A Village and a County Water Authority are working together to consolidate the Village Water System into the County system, does this project fit into the Local Government Efficiency grant program?**
- A13 Costs that are necessary for the implementation of a consolidated service are eligible.
- Q14 Would a shared recreational program, summer recreation program study be eligible under the Local Government Efficiency program?**
- A14 Yes. Applications are required to demonstrate the financial savings when sharing programs.
- Q15 If a project appears to fall under multiple project categories: Functional consolidation, Shared Cooperative Services, and Regionalized Delivery of Services, is there a benefit to checking only one of the project categories?**
- A15 Check all categories that apply to your project. Please see RFA page 15.
- Q16 A proposed Municipal Highway Maintenance Efficiency Study would involve evaluating how highway and bridge maintenance is handled by the County and its ten (10) townships, three (3) villages and two (2) cities, will resolutions be required from every municipality that will be examined in the study? What if one (1) municipality refuses to provide a resolution? What would happen in this scenario?**
- A16 Each involved applicant should submit a resolution in support of the application. Award amounts are calculated based on the number of applicants providing resolutions. Failure to submit a resolution may result in a lower award amount. See RFA page 5.
- Q17 Is there any format or language that needs to be included in a Memorandum of Understanding between a county and each of its local municipalities before we apply for funding under this Grant Program?**
- A17 There is no specific format or language that needs to be included in a Memorandum of Understanding although it should clearly state each party's role in the project.
- Q18 Is a feasibility study of a consolidated records storage project between a county, towns and other municipalities an eligible project?**
- A18 An examination of a consolidated Records Storage Facility is an eligible project.
- Q19 Are there grants available to explore a reduction in healthcare expenses at the municipal level by combining town, village, school, etc.?**
- A19 Consolidated health plan consortiums and drug plans are eligible projects.
- Q20 Is the maximum planning project funding \$25,000 for each of the two governments applying (\$50,000 total) or, \$25,000 for the first two governments and \$25,000 for each additional government after the first two?**
- A20 Study/planning funding is \$25,000 for each local government involved in the project, with a maximum possible award of \$200,000.

- Q21 Two municipalities are considering applying for a LGEG in order to study the savings that would occur if they re-vamped their court services. What is the maximum that can be applied and when is the application due?**
- A21 When two municipalities apply to study an action, the maximum award would be \$25,000 per municipality for a total of \$50,000. Applications are due by March 21, 2012 at 4:00pm.
- Q22 Is a feasibility study about the re-organization of School District buildings (ie. closure of elementary school, sale of District Office building, etc.) eligible?**
- A22 Generally the re-organization of district buildings in a single district would not be an eligible project, as in most cases the grant requires multiple applicants. However, if the district's average annual property tax levy growth rate for the previous five-year period is 5% or higher, they may apply to develop a plan for sustainable cost reductions within the district.
- Q23 May the Local Government Efficiency funds be used for two Villages to split the cost and use of a hydro jetter sewer line cleaner? Can the village make out the application on its own?**
- A23 Applications for shared projects need to include the applicant and co-applicant. Capital improvements and joint equipment purchases will be reimbursed only when they are vital to the project efficiency and cost savings of the project. It is anticipated that joint equipment purchases will result in the consolidation of service delivery.
- Q24 In a shared services application, would all service beneficiaries be listed as co-applicants along with the lead applicant?**
- A24 Only the involved municipalities should be listed as either the lead applicant or co-applicants.
- Q25 What would be considered appropriate transitional personnel costs for a shared services project involving human resources, internal audit or business office operations among multiple school districts?**
- A25 Transitional Personnel are additional employees required to implement the approved program work plan of the project. The employee(s) must be integral to the coordinated or consolidated service delivery. This may include training on new software or staffing a position critical to the successful start up of a consolidated program. The Department of State reserves the right to approve the reasonableness of the need for the staff and the salary amount.
- Q26 Will the fundability of two projects from different parts of the state be diminished due to their similarity?**
- A26 Applications are scored on their merits. The Department of State reserves the right to prioritize awards based on geographic or regional considerations.
- Q27 Can some or all of the local match requirements for these projects be achieved through "in-kind" transactions, such as donation of services?**
- A27 No. The legislation indicates 'local matching funds', meaning a cash match. In-kind match is not allowed.
- Q28 Is there a minimum targeted return on investment that these projects should be focused on achieving?**
- A28 No, although overall financial impact is a factor for analysis.

**Q29 If proposing a feasibility study, how should the Cost Savings, Tax Impact, and Return on Investment section be completed?**

A29 Developing actual cost savings for planning projects can be difficult. It is recommended that applicants use reasonable estimates and comparable examples. Completed studies are available for review on the Department of State's website:  
[http://www.dos.ny.gov/lg/lge/Case\\_Studies.html#top](http://www.dos.ny.gov/lg/lge/Case_Studies.html#top)

**Q30 Can we include four school districts in the study to determine which merger, if any, would be most beneficial?**

A30 Yes.

**Q31 Do you have a list of consultants that perform School district reorganization studies?**

A31 No. However, you may wish to contact the State Education Department for a list of approved consultants.

**Q32 How can we estimate the costs savings before the school district reorganization study is performed?**

A32 You may be able to estimate possible savings based upon the results of previous studies, which are available on DOS's website. [http://www.dos.ny.gov/lg/lge/Case\\_Studies.html#education](http://www.dos.ny.gov/lg/lge/Case_Studies.html#education)  
Proposed cost savings should be reasonable and based on the anticipated reorganization.

**Q33 How should we indicate other funding received for this project in our application and how much detail is preferred?**

A33 While this funding is not eligible as local match, the Local Government Efficiency program is interested in understanding commitments from other funding sources. Part 1 of the application is where this information should be provided as well as explained in the work plan and budget.

**Q34 Can an applicant submit additional supporting documentation after the March 21<sup>st</sup> deadline? For example, the adoption of an Energy Conservation Schools Policy.**

A34 Supporting documentation must accompany the application submission, only municipal resolutions may be submitted after the March 21 deadline.

**Q35 Do we need the Federal Tax ID for each school district if the BOCES are the co-applicants?**

A35 Federal Tax IDs are needed for the lead applicant and co-applicants only.

**Q36 If applying on behalf of many districts in 4 BOCES regions and the 4 BOCES are the co-applicants, are the districts considered co applicants as well?**

A36 Both BOCES and School Districts may be applicants. The Lead applicant and co-applicants must be identified in the application. Award amounts are calculated based on the number of applicants identified in the application and providing resolutions.

**Q37 May we submit the Tax Impact in a different format?**

A37 The tax impact information needs to be in the format provided in Appendix C of the RFA. The information should be in the project narrative also.

- Q38** May one-time savings that will result from capital cost avoidance be factored into the cost savings and return on investment calculations? If so, how are these cost-avoidance savings to be inserted and presented in the Cost Savings, Tax Impact and Return on Investment Worksheet (hereinafter Worksheet or other forms)? In past years, the application forms had space specifically for reporting one-time savings. The current application forms appear not to have provisions for reporting one-time cost-avoidance savings.
- A38** The goal of the program is to save costs through the implementation of projects that generate recurring savings. However, if a project results in savings from capital cost avoidance due to a consolidation of facilities or systems, these savings should be depreciated over the expected useful life of the assets involved. The cost savings entered on the cost savings sheet is the amount of annual depreciation. IRS Publication 946 is particularly helpful and may be found at <http://www.irs.gov/pub/irs-pdf/p946.pdf>. Use the straight-line method of depreciation (adjusted cost basis less salvage value divided by useful life). Information on depreciation methods (page 9 of IRS publication) and useful lives (Tables B-1 & B-2) for different property classes is published annually by the Internal Revenue Service.
- Q39** In the past funding rounds, the instructions stated that New York State Department of State (NYS DOS) essentially would consider only projects that resulted in savings that at least offset the amount of the Local Government Efficiency grant. This is no longer stated in the application instructions. Does this mean that NYSDOS will consider applications for projects that result in savings that do not entirely offset the Local Government Efficiency grant amount?
- A39** Yes, but return on investment and tax impact is highly weighted in the application scoring.
- Q40** Will applications from applicants that are willing to contribute more than the required 10% local match, be given preference over applications in which the applicants are willing to contribute only the required 10% local matching funds all other variables being equal? In other words, will overmatching increase the competitiveness of an application?
- A40** No.
- Q41** \$4 million has been appropriated for this program and based on the wording in the application instructions indicating that NYSDOS reserves the authority to distribute Local Government Efficiency funds geographically around the State, what amount of Local Government Efficiency grant funds will you folks consider to be a reasonable for a single application involving four (4) municipalities? Four municipalities could request up to \$800,000, which is 20% of the \$4 million appropriated. Would an application from four municipalities requesting \$550,000 be seriously considered?
- A41** Applications are scored on their merits. It is expected that project costs are realistic and reflect the appropriate need.
- Q42** The second sentence in Section G of Part 2 of the application states, using the budget worksheets included in Appendix B, show where the project will reduce expenses. Appendix B contains resolution tips, but no budget worksheets. Is the reference to Appendix B an error and the reference should have been to Appendix C?
- A42** The original application listed Appendix B; the application was corrected to Appendix C.

- Q43** The Frequently Asked Questions (FAQ) supplement states that Temporary Savings may be included in calculating the overall savings anticipated to occur as a result of the proposed Local Government Efficiency project. How should Temporary Savings be shown in Appendix C?
- A43 The FAQ supplement has been amended to delete references to Temporary Savings. Savings that may be attributed to capital cost avoidance should be depreciated over the useful life of the assets involved. Enter the annual depreciation as the cost savings in Appendix C worksheet. (See Q & A 39 above).
- Q44** Are financing costs that are avoided as a result of being awarded an LGE grant eligible for including in the savings reported in Appendix C? The instructions clearly state that expected LGE grants may not be considered as savings, but the instructions do not address financing costs (interest expense) that are avoided as a result of receiving an LGE grant. Municipalities collaborating to construct a shared-use salt barn, if awarded a significant LGE grant, would be able to issue much lower debt or no debt at all as a result of receiving the LGE grant. Are the interest expenses that are avoided eligible to be included in Appendix C as Recurring Cost Savings?
- A44 Interest costs saved as the result of being awarded an LGE grant may not be included in cost savings.
- Q45** Is the Development Authority of the North Country (DANC) an eligible applicant?
- A45 Yes, the DANC is eligible. The DANC was specifically given “special powers” with regard to both water facilities and sewerage facilities (Section 2709 & 2710 of the PAL), allowing the DANC to act as a water authority and a sewer authority.
- Q46** How are the savings from reduced or mitigated water rates incorporated into the DOS formulas and worksheets when they are set up to look at tax savings?
- A46 Reductions in fees or taxes are treated the same in this program. Enter the reduced fees as cost savings in the worksheet.
- Q47** The Town operates their water system as a water district. The district is not listed on the NYS Comptrollers website. Can we use Budget/Actual financial data from the district to populate the DOS formulas & worksheets?
- A47 The town would be the eligible applicant for a ‘special district’ under the control of the town’s governing board. The town’s budget would include the special district data. Use the budget of the town/municipality and show the cost savings impact in the specific functional area where the special district’s data is located.
- Q48** Also for the District, the assessed property value does not relate to water rates and revenues are consumption based as opposed to value based. Moreover, in some cases tax exempt properties still pay water rates. Can we present this data to demonstrate the savings ratios in a more appropriate manner than the Tax impact? Possibly the savings per typical household?
- A48 The worksheet must be completed; however, you can put this information in the narrative section.
- Q49** Authorities and their budgets are not listed on the NYS Comptrollers website. Can we use their actual data for the application?
- A49 Yes.

- Q50 Can we use similar projects as a model to demonstrate the percentage of savings?**  
A50 Yes. See the DOS website for completed reports.
- Q51 When are grant awards scheduled to be announced?**  
A51 No award date has been set.
- Q52 What is the recommended earliest start date?**  
A52 Expenses incurred after April 1, 2011, will be eligible for reimbursement.
- Q53 Regarding the assembly of the application, Part 2. Section K (page 19) provides a checklist and order of assembly; however, section K does not reference the Part 2 form.**  
A53 Please include the Part 2 form after the Part 1 form and before all of the attachments required as part of the Part 2 form.
- Q54 Previous applications have required maps of the municipalities and they are still referenced in the assembly instructions. Does the current application require these maps, and if so, where should they be placed?**  
A54 Maps are not required but may be submitted in support of the application.
- Q55 What is the preferred placement of any Letters of Support as referenced under Section J. Sub-Section 2?**  
A55 Letters of Support should be placed at the end of Section J before the Resolutions
- Q56 If an entity receives the grant award for \$50,000, must they pay the \$50,000 and await reimbursement for \$45,000 (accounting for 10% match) or can they simply submit bills incurred. Does an entity need to have the money upfront to cover project expenses and then await reimbursement?**  
A56 The Local Government Efficiency Grant program is a reimbursable program. Expenses incurred after April 1, 2011 are eligible for reimbursement provided that the applicant has executed a contract with the Department of State. Expenses incurred prior to the start date of the state contract cannot be reimbursed. Requests for reimbursement may be submitted monthly. The grant contractor will be required to submit payment requests every six months.
- Q57 What are the timeframes for the voucher reimbursement?**  
A57 DOS will process vouchers once all required documentation is received. Payment may take six to eight weeks after all required information is received.
- Q58 If a project cost is \$55,000 what is the eligible grant amount?**  
A58 The state will return \$.90 for every \$1 of the project. A \$55,000 project would receive \$49,500 in funding.
- Q59 Is it OK to include a list of municipalities that may submit resolutions?**  
A59 Yes, but funding will be based on the resolutions received.

**Q60 Is a study for upgrades to an existing joint project eligible?**

A60 Generally the existing joint projects are not eligible. The purpose of the Local Government Efficiency grant is to incentivize planning for or implementation of new consolidated or cooperative services. However, if the municipality's average annual property tax levy growth rate for the previous five-year period is 5% or higher, they may apply to develop a plan for sustainable cost reductions.

**Q61 Multiple Towns and Villages would like to study their total energy use at various municipal facilities and identify cost reduction measures for energy and water conservation. Is such a study eligible?**

A61 The study would need to focus on shared use/efficiency or an energy purchasing consortium program. NYSERDA has programs to look at energy efficiency that might be a better fit.

**Q62 Can Local Government Efficiency grant dollars be used for feasibility study and plan development only or does the grant proposal also have to include the intent to implement?**

A62 Funds may be used for studies, plans or implementation of projects. However, there is an expectation that studies and plans will lead to implementation when feasible or cost effective.